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Education

The Ohio State University	Finance	Fall 2006 – present	Ph.D. (2010)
Duke University	Economics	2001	M.A.
Bowling Green State University	Mathematics	1998 (*Summa Cum Laude*)	B.S.

Research Interests

Corporate Finance, Empirical Asset Pricing, Investments, Behavioral Finance

Research Papers

Working Papers

"Geography and the Market for CEOs" (job market paper)
"What Does Personal Leverage Tell Us About Corporate Leverage?" (with Anil Makhija and Henrik Cronqvist)
"Another Look at Seasonality in the Cross-section of Stock Returns." (semi-finalist best paper award FMA 2009)

Work in Progress

"Can Liquidity Explain Negative Vote Values?"
"CEO Origins and Corporate Policies"

Teaching Interests

Investments, Corporate Finance, International Finance

Academic Experience

Teaching

The Ohio State University, Fisher College of Business

Instructor, International Finance, Summer 2009.

Duke University, Economics Department

Teaching Assistant, Intermediate Macroeconomics, Kent Kimbrough, Spring 2001.
Head Teaching Assistant and Discussion Group Leader, Principles of Macroeconomics, Fall 2000.

Research

The Ohio State University, Department of Finance

Research Assistant, René Stulz, Fall 2009–present.
Research Assistant, Andrew Karolyi, Fall 2008–Summer 2009.
Research Assistant, Andrew Karolyi, Fall 2006–Summer 2007.

Presentations

FMA 2009 Annual Meeting, Reno, NV, October 22, 2009

"Another Look at Seasonality in the Cross-section of Stock Returns"

The Ohio State University, Finance Department, Steve Buser Seminar Series, September 4, 2009

"Geography and the Market for CEOs"

Conferences and Workshops Attended

FMA 2009 Annual Meeting, Reno, NV, October 21–24, 2009

FMA 2009 Doctoral Consortium, Reno, NV, October 20, 2009.

Internationalizing Doctoral Education in Business, Columbia University, July 18–20, 2007.

Professional Experience

President/Founder, Frontier Asset Management, Inc., Columbus, OH, 2005–2006

Portfolio Manager, Pension Research Institute, Inc., Chapel Hill, NC, 2002–2005

Financial Analyst, Pension Research Institute, Inc., Chapel Hill, NC, 2001–2002

Actuarial Assistant - Life, Nationwide Financial Services, Inc., Columbus, OH, 1998–1999

Professional Memberships & Designations

CFA Charterholder, 2005 – present.

Honors & Awards

Fellowships, Scholarships, & Grants

CGEBA Travel Award, Fisher College of Business, 2008.

University Fellowship, Ohio State University, 2006–2007.

Calvin B. Hoover Fellowship, Duke University Department of Economics, 1999–2000.

Frank C. Ogg Scholarship, Bowling Green State University, Department of Mathematics, 1998.

University Book Scholarships, Bowling Green State University Foundation, 1998.

Overman Scholarship, Bowling Green State University, Department of Mathematics, 1997.

Hazel Swanson 21st Century Scholarship, Bowling Green State University Foundation, 1997.

International Studies Grant, Bowling Green State University Department of International Studies, 1996.

Conner Scholarship, Bowling Green State University Foundation, 1996.

Trustee Scholarship, Bowling Green State University Foundation, 1995.

Honors

René M. Stulz Scholar Development Award, Fisher College of Business Department of Finance, 2009.

Phi Beta Kappa member.

Bowling Green State University Department of Mathematics Outstanding Senior, 1998.

Mid-American Conference Presidents Award, 1995, 1996, 1997, 1998.

Nominee (1 of 3), Bowling Green State University Scholar-Athlete of the Year Award 1997, 1998.

Media Attention

"Debt-loving CEOs bring penchant home," *The Chicago Tribune*, November 8, 2009.

"Big Borrowers," *The Columbus Dispatch*, October 14, 2009.

"Home Cooking: CEOs' mortgages predict how they'll run the firm," *St Louis Post-Dispatch*, September 15, 2009.

"Study: CEO Mortgage Debt and Firms Linked," *Fox Business Channel*, September 9, 2009.

"Chief Executives' Debt Predicts Company Debt," *U.S. News & World Report*, September 1, 2009.

"Does Your CEO Have a Huge Mortgage?," *The Motley Fool*, June 5, 2009.

Description of Research Papers

"Geography and the Market for CEOs"

(job market paper)

I examine the role of geography in the labor market for CEOs. I begin by investigating the joint distribution of CEO state of origin and firm headquarters location and find that the frequency with which firms hire CEOs from their own state is five times more than is expected under a model where geography plays no role in the hiring process. When considering only hiring decisions that are external to the firm or to the industry, this figure falls to just under three times. I show that geography affects both labor supply and labor demand. Specifically, smaller, less R&D-intensive firms located in less desirable locations, with weaker board incentive alignment, and whose previous CEO was locally hired are more likely to hire local CEOs. Compensation and turnover are lower for local CEOs than for non-local CEOs and adjusted operating performance significantly decreases when firms replace non-locally hired CEOs with local CEOs. These findings are consistent with the existence of search costs, agency conflicts and CEO geographic preference.

"What Does Personal Leverage Tell Us About Corporate Leverage?"

(with Anil Makhija and Henrik Cronqvist)

We find that firms behave remarkably similarly to how their CEOs behave personally when it comes to leverage choices. We start our analysis by compiling a comprehensive sample of home purchases and financings among S&P 1,500 CEOs. Debt financing in a CEO's most recent home purchase is used as a revealed preference of the CEO's personal attitude towards debt. We find a robust positive relation between personal and corporate leverage. We also find that firms tend to hire CEOs with a similar personal attitude towards debt as the previous CEO. When the new and previous CEOs have different personal preferences, corporate leverage changes in the direction of the new CEO's personal leverage. These results support a model with endogenous matching of CEOs to firms. We also find that the positive relation between CEOs' personal leverage and corporate leverage is stronger in firms with poor governance, suggesting that CEOs imprint their personal preferences on the firms they manage when they are able to do so. These results suggest that heterogeneity in CEOs' personal attitudes towards debt partly explains differences in corporate capital structures, and suggest more generally that an analysis of CEOs' personalities and personal traits may provide important information about the financial policies of the firms they manage.

"Another Look at Seasonality in the Cross-section of Stock Returns"

(semi-finalist best paper award FMA 2009)

The recent finding by Heston and Sadka (2008) that returns 12, 24, 36 out to 240 months prior can predict returns today, challenges the notion of the semi-strong form of the Efficient Market Hypothesis. I investigate their findings for the sample period 1946-2007, testing several alternative explanations for the payoffs to their decile-spread seasonality trading strategies, including risk-based explanations, conditional time-varying expected returns and risk premia, the effect of low-priced stock, size, and liquidity. Using an additional 19 years of data and subperiod analysis I confirm the robustness of the trading strategies' payoffs, but find some evidence that the payoffs to these strategies have been "traded away" in recent years. I also document a seasonal component to the payoffs, a "fourth quarter effect". I find risk-based explanations are unable to explain the payoffs to the "annual" seasonality trading strategies, but that the payoffs to most of the "non-annual" strategies can be explained using the Fama-French four-factor model with time-varying factor loadings. I also determine that it is unlikely that a model of time-varying expected returns and risk premia can explain the seasonality strategy payoffs since these payoffs are larger during recessions than in times of economic expansion (exactly opposite the prediction of the ICAPM). Dissatisfied with the explanations investigated, I propose a simple rational model of expected stock returns with asymmetric capital gains tax, where agents are heterogeneous in their purchase date of securities. The model makes predictions consistent with many of the empirical findings in the relative strength trading strategy literature, including the one-year seasonal findings of Heston and Sadka (2008). I conclude that a more elaborate version of the model shows promise for explaining asset pricing return patterns previously discovered in the relative strength trading strategy literature.

References

René Stulz (Chairman)
Everett D. Reese Chair of Banking
and Monetary Economics
Ohio State University
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Andrew Karolyi (Co-Chairman)
Professor of Finance and Global Business
Alumni Chair in Asset Management
Cornell University
(607) 255-2153
gak56@cornell.edu

Anil Makhija (Committee Member)
David R. Rismiller Professor of Finance
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