

LUANA ZACCARIA

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Education

2016 Ph.D. in Finance London School of Economics, UK
2011 MSc in Finance London Business School, UK
2005 BSc in Economics and Finance, Summa cum Laude Bocconi University, Italy

Current Position

2016- Assistant Professor, EIEF

Research Interests: Corporate Finance, Financial Intermediation, Entrepreneurship, Investor Behavior

PUBLICATIONS:

“Career Concerns and Peer Effects in Institutional Tournaments: Evidence from ECB Reserve Currency Portfolios ” (joint with Benjamin Sahel and Antonio Scalia). *Financial Management*

Abstract: *Using data on ECB’s reserve currency portfolios, we show that money managers react to relative rankings, i.e. own versus peers’ performance, by adjusting portfolio active risk levels as measured ex-ante by actual deviations from their benchmark. This happens in the absence of explicit incentives, as no monetary reward is promised for winning this “tournament” among portfolio managers. We collect information on managers’ characteristics, such as age, education, tenure, salary and career path and investigate the role played by implicit incentives. We provide evidence that both individual career concerns and institutional peer pressure contribute to the documented relationship between ranking and risk taking.*

WORKING PAPERS:

“From Patriarchy to Partnership: Gender Equality and Household Finance” (joint with Luigi Guiso)

Abstract: *Do gender norms affect household financial welfare? To answer this question, we estimate a novel measure of gender norms on intra-household financial decision making by leveraging dramatic variation across Italian cohorts and regions in the gender of the spouse in charge of household finances that occurred over the last 30 years. We use these estimates to identify the effects of gender parity on household financial decisions. We find that more egalitarian norms increase household participation in financial markets, equity holdings and asset diversification. Egalitarian couples earn higher returns on investments which can raise wealth at retirement up to 15% compared to couples that strictly comply*

with patriarchal norms. This evidence suggests that gender roles in household financial management can have large economic costs. Consistent with this view, we show that patriarchal norms began receding in the early 1990s, when a pension reform made it too costly to comply with traditional roles.

“(R)evolution in Entrepreneurial Finance? The relationship between Cryptocurrency and VC Markets” (joint with Kirill Shakhnov)

Abstract: We propose a model of staged financing where entrepreneurs choose between Initial Coin Offering (ICO) and traditional funding methods such as Venture Capital (VC). While in early stages token sales allow startups to leverage network externalities, VC’s value-adding services enhance productivity in later stages. Despite the complementarity between externality effects and value-adding services, information frictions in cryptocurrency markets induce an inefficient selection equilibrium, where entrepreneurs with low-externality projects raise VC capital only to avoid adverse selection in later stages. Using data on funding rounds of blockchain startups, we provide empirical evidence for both the complementarity assumption and the selection result.

“Asymmetric Information in Corporate Lending: Evidence from SME Bond Markets ” (joint with Alessandra Iannamorelli, Stefano Nobili, Antonio Scalia)

Abstract: What drives firms’ choice between bank and market borrowing? Using a comprehensive dataset of Italian SMEs, we find that differences between private and public information on creditworthiness affect firms’ decisions to issue publicly traded debt securities. Specifically, holding public information constant, firms with better private fundamentals are more likely to access bond markets. Additionally, credit conditions improve for issuers following the bond placement, compared with a matched sample of non-issuers. These results are consistent with a model where banks offer more flexibility than markets during financial distress and firms may use market lending to signal credit quality to outside stakeholders.

“Mistake-based discrimination in Early Stage Finance: Evidence from Security Choice” (joint with Laura Lindsey)

Abstract: Motivated by new stylized facts from Form D financings, we develop a simple framework in which security choice in early firm financing depends on the entrepreneurial talent contribution to firm value relative to capital, which investors may perceive with bias. Observed outcomes are not subject to such bias. Consistent with our model, female-led firms are more likely to use debt funding in early stages and exit at least as successfully as firms without a female founder, with a greater proportion of IPO exits. Female-led firms also have larger boards of directors at the initial stages, indicative of greater monitoring. The early differences in financing and monitoring subside in later rounds, suggesting that bias declines as information is produced. We argue that investors tend to under (over) estimate the human (physical) capital contribution to total firm value in female-led startups, offering new insight into the gender financing gap.

“Are Family and Friends the Wrong Investors? Evidence from U.S. Start-ups”

Abstract: This paper investigates the effects of funding from family and friends (i.e. informal funding) on start-ups’ subsequent access to venture capital. We retrieve information on young U.S. firms’ financing activity from a novel dataset based on private placements filings (Form Ds). To address potential endogeneity issues, we use an instrument that hinges on founders’ family size as an exogenous constraint on the supply of informal funds. Our results show that informal finance significantly reduces the probability of future financing events. We provide suggestive evidence that this is due to conflicts of interests between informal stakeholders and professional investors.

Conference and Seminar Presentations:

2017-2020 EBRD (2020); Paris FinTech and Cryptofinance Webinar; 3rd UWA Blockchain Conference; CEPR European Conference on Household Finance (2020); Swedish House of Finance Conference on Consumer Behavior in Financial Markets (2020); NBER Summer Institute 2020, Gender in the Economy Workshop; Gender and Economics Workshop (Luxembourg, 2019); Swiss Society for Financial Markets Research Conference, Zurich (2018); AFFI,

- Paris (2018); 9th Conference on Professional Asset Management, Rotterdam; FMA, Norway (2018); European Summer Symposium in Financial Markets, Switzerland (2018); 2nd Entrepreneurial Finance Conference, Ghent, Belgium; 25th Finance Forum, Barcelona; CSEF, Naples (2017)
- 2016 EIEF, Universidad Carlos III de Madrid, CUNEF, Catolica-Lisbon School of Business and Economics, European Central Bank, Cass Business School, Cornell University, Frankfurt School of Management and Finance
- 2015 Manchester/Bristol/Lancaster 4 Annual Corporate Finance Conference, Ph.D. Colloquium; Annual Corporate Finance Conference, Ph.D. Poster Session, Olin Business School; HEC Finance Ph.D. Workshop
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Teaching:

Einaudi Institute for Economics and Finance

Lecturer: Advanced Financial Economics, 2018-

Lecturer: Topics in Entrepreneurial Finance, Fall 2017

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Lecturer: Advanced Corporate Finance, 2018-2020

London School of Economics and Political Science

Teaching Assistant:

Corporate Finance (graduate), 2013-2015

Financial Economics (graduate), 2014-2015

Forecasting Financial Time Series (graduate), 2013-2014

Finance, Summer School, 2013

Co-Lecturer: Introduction to Financial Accounting, 2014-2015

Honors and Awards:

Best Finance Ph.D. Award and Poster Session, Olin Business School, 2015

Department of Finance Winner of LSE Class Teacher Award, 2015

Economic and Social Research Council Scholarship, 2013-2016

Non-academic Employment and Education

CFA Charterholder, 2008

Portfolio Manager at Credit Agricole Asset Management (Milan, 2005-2008), Eurizon Capital (Milan, 2008-2010), CR Global (London, March-July 2011)

Investment Advisor at Marlowe Capital (London, 2016-)

Languages

English (fluent), Italian (native speaker), Spanish (basic)