To: Selection Committee, NBER ERBC 2019

From: Agustin Hurtado

Subject: Cover Letter for NBER ERBC 2019 Application

Date: March 29, 2019

Dear Selection Committee,

Thanks for considering my application to the NBER ERBC 2019.

My application package is in this file and contains:

- My CV and completed coursework
- My statement of interest

My recommendation letter was sent by my letter writer, Professor Luigi Zingales.

Below is my complete contact information:

Agustin Hurtado
Charles M. Harper Center, Suite 372
5807 South Woodlawn Avenue
Chicago, Illinois 60637
Tel: (773) 683-9266

Best,

Agustin Hurtado

AGUSTIN HURTADO

agustin.hurtado@chicagobooth.edu
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Office Contact Information

Chicago Booth Harper Center, Suite 372
5807 South Woodlawn Avenue
Chicago, Illinois 60637
+1 (773) 683-9266

Education

University of Chicago, Booth School of Business
Ph.D. Student in Finance
Expected Completion Date: 2021

University of Chile, School of Business and Economics
M.A. in Economics (Highest Honors), 2016
B.A. in Economics (Highest Honors), 2013

Ohio State University, Fisher College of Business
International Exchange Student, 2012

References

Professor Douglas Diamond
Professor of Finance
Chicago Booth School of Business

Professor Raghuram Rajan
Professor of Finance
Chicago Booth School of Business

Professor Amir Sufi
Professor of Economics and Public Policy
Chicago Booth School of Business

Professor Luigi Zingales
Professor of Entrepreneurship and Finance
Chicago Booth School of Business

Research and Teaching Fields

Primary fields: Corporate and Entrepreneurial Finance
Secondary fields: Household Finance

Teaching Experience

Ph.D. Corporate Finance, T.A. for Professor Amir Sufi
M.B.A. Corporate Finance, T.A. for Professor Theo Vermaelen
M.B.A. Financial Markets and Institutions, T.A. for Professor Douglas Diamond
M.B.A. FinTech Revolution, T.A. for Professor Luigi Zingales

Research Experience and Other Employment

2015-2016, Harvard Business School, R.A. for Professor C. Fritz Foley
2014-2016, Center for Public Studies, R.A for Professor Vittorio Corbo

Honors, Scholarships, and Fellowships

2019, A.F.A. Travel Grant
2016-2021, Chicago Booth Ph.D. Fellowship
2013-2015, Chile's NSF Scholarship
2013-2014, Konrad-Adenauer-Stiftung Scholarship
2013-2014, University of Chile Master Scholarship

Research Grants

2019, Fama-Miller Center Research Grant
2019, Innovation Growth Lab Grants Programme (joint with Emanuele Colonelli)

Work in Progress

Securitization, Credit Card Lending, and Consumption around the Great Recession

Frictions to High-Growth Entrepreneurship in Emerging Markets
Coauthor: Emanuele Colonnelli

Political Uncertainty and Entrepreneurial Finance in Emerging Markets
Coauthor: Emanuele Colonnelli

Working Papers

The Effects of Information on Credit Market Competition: Evidence from Credit Cards
Coauthors: C. Fritz Foley, Andres Liberman, and Alberto Sepulveda

Seminar Presentations and Conferences

2019, AFA (Atlanta), ITAM Finance, NBER Corporate Finance Meeting (Chicago)

Completed PhD Courses

Empirical Analysis I, Professor Stephane Bonhomme
Empirical Analysis II, Professor Lars Hansen
Applied Econometrics, Professor Christian Hansen
Price Theory I, Professor Kevin Murphy
Price Theory II, Professor Roger Myerson
Price Theory III, Professor Balazs Szentes
Theory of Income I, Professor Fernando Alvarez
Theory of Income II, Professor Nancy Stokey
New Developments in Public Finance, Professor Eric Zwick
Advanced Industrial Organization, Professor Chad Syverson
Applications of Machine Learning to the Empirical Sciences , Professor Sendhil Mullainathan
Theory of Financial Decisions I, Professor Eugene Fama
Theory of Financial Decisions II, Professor Douglas Diamond and Zhiguo He
Theory of Financial Decisions III, Professor Amir Sufi and Luigi Zingales
Advanced Theory of Corporate Finance and Capital Markets, Professor Zhiguo He
Research Projects on Finance, Professor Eugene Fama
Research Seminar I, Professors Zhiguo He, Stefan Nagel, and Eric Zwick
Research Seminar II, Professors Zhiguo He, Stefan Nagel, and Eric Zwick
Research Seminar III, Professors Zhiguo He, Stefan Nagel, and Eric Zwick

Harper Center, Suite 372
5807 S Woodlawn Ave
Chicago, IL 60637
USA

March 29, 2019

Statement of Interest
NBER Entrepreneurship Research Boot Camp 2019

I am a third-year year Ph.D. student in the Finance program at Chicago Booth. I finished my coursework in the Economics Department in 2017 and just completed my Finance core classes. My research and teaching interests are Corporate and Entrepreneurial Finance. I became interested in the intersection between Entrepreneurship and Financial Economics last summer when I started a research project on US financial technology startups with Luigi Zingales. I am applying to this boot camp because am starting the research stage of my doctoral studies and want to conduct research on Entrepreneurial Finance. I see this workshop as an opportunity to learn more about the research frontier in the Economics of Entrepreneurship and Entrepreneurial Finance, which will benefit my current and future research.

In terms of my current research, I am currently working in two early-stage projects in Entrepreneurial Finance with Emanuele Colonnelli. In December 2018 we started collecting data for two related projects. The first project aims to study three specific frictions limiting the growth and innovation activity of early-stage ventures: Difficulties in acquiring/retaining talent, challenges in attracting investors, and lack of training and mentoring. We focus on emerging markets because these frictions are particularly acute in these economies. We are collecting data on business school students, startups, incubators, accelerators, angel investors, and venture capitalists, and designing three randomized field experiments on the matching between startups on the one hand, and (i) talent, (ii) investors, and (iii) incubators and accelerators on the other.

Our second project explores the role of political uncertainty around elections and VC/PE investments in emerging market economies. This research is motivated by survey evidence suggesting that the first order concern of investors entering startup ecosystems in emerging markets is political uncertainty. We started collecting data on VC/PE investments and elections around the emerging world a month ago. In terms of future research direction, I would like to explore research questions relevant for developed economies as well.

I also have a couple of projects in Corporate Finance. In a mid-stage research project, joint with Fritz Foley, Andres Liberman, and Alberto Sepulveda, we are studying the effect of information on bank and non-bank credit card lending. We hypothesize that public credit information leads to more credit to borrowers in good standing but less credit to new borrowers with limited credit histories. To causally asses this hypothesis, we exploit a natural experiment in which a non-bank lender's credit card portfolio was sold to a bank. As a result of the transaction, millions of credit card borrowers who were informationally captured by non-banks became observable to banks. We find that information has a large positive effect on credit as these borrowers experienced economically large and statistically significant increases in their bankcard limits.

Finally, I have a solo early-stage project in Corporate Finance that asks how shocks to credit card limits impact consumption dynamics and is motivated by two facts. First, in the aftermath of the Great Recession, 150 million US credit card accounts were closed and cardholders experienced unprecedented limit reductions, which reduced their liquidity and borrowing capacity. Secondly, households were hit hard by the Great Recession and the recovery of their consumption was surprisingly weak. While a large body of research shows that credit supply shocks tend to work through the household sector, its main focus has been mortgage lending and housing wealth shocks, thus the role of credit cards as the leading providers of liquidity remains understudied. To deal with the endogeneity of card closings and limit reductions, I plan to use an instrumental variable research design based on a unique feature of credit card loan funding. Specifically, my main instrument will measure the exposure of credit cards to an off-balance funding source that fueled credit card lending before the Great Recession collapsed in the aftermath of the crisis.

I am very excited about getting a better picture of the broad areas of research on the Economics of Entrepreneurship and Entrepreneurial Finance at the NBER Entrepreneurship Research Boot Camp.

Thanks for considering my application,

Agustin Hurtado
Ph.D. Student
Chicago Booth

Luigi Zingales
Robert C. McCormack Distinguished Service Professor of Entrepreneurship and Finance
University of Chicago Booth School of Business
5807 S. Woodlawn Avenue, Chicago, Illinois 60637
(773) 702-3196 | Luigi.Zingales@chicagobooth.edu

March 29, 2019

To Whom It May Concern:

This letter is to strongly endorse the application of **Agustin M. Hurtado** to the NBER Entrepreneurship Research Boot Camp. I could not think of a better candidate than Agustin. He is among our best PhD students. He has a strong interest in Entrepreneurial Finance. He is actively working in this area, writing a paper with Emanuele Colonnelli on start-ups in emerging markets and writing a case with me on a financial technology start-up called Tally. He is a third year student looking for a dissertation topic in this area. Hence, the Boot Camp will have the maximum impact and shape his future research.

Not only is his motivation for pursuing the Boot Camp excellent, so is his performance. He did very well in my class. He proved to be an excellent Teaching Assistant for myself and other colleagues. He proved he can write good papers independently and with other people. He wrote a very interesting paper with Fritz Foley and Andres Liberman exploiting a change in the information available to credit cards issuers in Chile. He also wrote an excellent curriculum paper on the impact on cost and availability of credit of Lending Club introducing a new algorithm for granting credit. Thus, Agustin is very keen to use institutional changes as a way to identify policy-relevant effects in financial markets. I've rarely encountered a PhD student more mature and better organized than Agustin. The student of mine he reminds me of the most is Effi Benmelech, but Effi was significantly older than Agustin at that time.

Last but not least, Agustin is different than most Chilean PhD student you normally meet. He is not the lucky descendent of one of the rich Chilean dynasties. He did not go to the right schools in Chile. He does not have the right connections. He is a self-made man. As I understand, he is the first in his family to get a college degree. In this sense, he is an entrepreneur himself.

In sum, I cannot think of a better candidate for the Entrepreneurial Finance Boot Camp than Agustin. If you need further information, I remain at your disposal.

Yours truly,



Luigi Zingales