Contact Information:
Kunal Sangani
ksangani@g.harvard.edu
Harvard, Business Economics Program
Wyss Hall
20 N Harvard St
Boston, MA 02163

Reference: Josh Lerner, jlerner@hbs.edu

Kunal Sangani

Cambridge, 02138 | (315) 382-5338 | 8ksangani@gmail.com

EDUCATION

Harvard Business School, 8/19 – Present | Boston, MA

- ***PhD Candidate***, Business Economics (joint program between Harvard Economics & HBS)
- Fields: Macroeconomics, Finance
- Coursework: Micro/Macro/Metrics core, Labor, Theoretical and Empirical Perspectives on Entrepreneurship, Topics in Economic Growth, Corporate Finance, Asset Pricing, Empirical Methods in Corporate Finance, Topics in Macro-Finance, Advanced Empirical Macroeconomics, Topics in Heterogeneous Agents, Time Series, Industrial Organization I

Stanford University, Class of 2016: 9/12 – 6/16 | Stanford, CA

- ***B.A. with Honors & Distinction***, Economics & Minor in Computer Science
- **GPA**: 4.11/4.0; Elected as junior to Phi Beta Kappa and Haas Center Public Service Honor Society
- J. E. Wallace Sterling Award, awarded to top 25 graduates in school of Humanities and Sciences (of 1200+)
- James W. Lyons Award for Service, awarded to 4 students by Dean of Students and Vice Provost
- *Honors thesis*: "A Model of Firm Formality and Tax Evasion," advised by Matthew Jackson and Michael Best, and awarded 2016 Firestone Medal for top theses in Social Sciences & Engineering

RESEARCH

The Supply-Side Effects of Monetary Policy (*with David Rezza Baqaee and Emmanuel Farhi*)
(NBER Working Paper) (VoxEU Summary)
We propose a supply-side channel for the transmission of monetary policy. We study an economy with heterogeneous firms, sticky prices, and endogenous markups. We show that if, as is consistent with the empirical evidence, bigger firms have higher markups and lower pass-throughs than smaller firms, then a monetary easing endogenously increases aggregate TFP and improves allocative efficiency. This endogenous positive "supply shock" amplifies the effects of the positive "demand shock" on output and employment. The result is a flattening of the Phillips curve. This effect is distinct from another mechanism discussed at length in the real rigidities literature: a monetary easing leads to a reduction in desired markups because of strategic complementarities in pricing. We calibrate the model to match firm-level pass-throughs and find that the misallocation channel of monetary policy is quantitatively important, flattening the Phillips curve by about 70% compared to a model with no supply-side effects. We derive a tractable four-equation dynamic model and show that monetary easing generates a procyclical hump-shaped response in aggregate TFP and countercyclical dispersion in firm-level TFPR. The improvements in allocative efficiency amplify both the impact and persistence of interest rate shocks on output.

Venture-Backed Successes and Entrepreneur Herding
Do venture-backed successes spawn other "copycat" companies, or are entrepreneurs discouraged from entering markets where they will be forced to confront a well-funded competitor? I investigate this question using data from ProductHunt, an online platform where entrepreneurs share early product and business ideas. In the 90 days following an acquisition of a venture-backed company, there is a 40-70% increase in ProductHunt posts that are textually similar to the acquired company. A similar (though more modest) effect follows announcements of large venture funding rounds. This herding behavior suggests that aspiring entrepreneurs place more weight on the *market size signal* from an acquisition or funding round relative to the *competitor share signal*.

TEACHING & RESEARCH ASSISTANCE

Research Assistant to Emmanuel Farhi | Cambridge, MA | 5/20 – 7/20
Research Assistant to Paul Brest | Stanford, CA | 6/14 – 6/15
Teaching Assistant for "Problem Solving and Decision-Making for Social Change," Stanford Law School

REFEREEING

Quarterly Journal of Economics

OTHER PROFESSIONAL EXPERIENCE

Bolt (payments startup) | San Francisco, CA
Business Operations, 4/18 – 7/19, ***Marketing Lead,*** 7/18 – 7/19

The Boston Consulting Group (BCG) | San Francisco, CA
Associate**,** 1/17 – 4/18; ***Summer Associate*****,** 6/15 – 9/15

White House Council of Economic Advisers | Washington, D.C.
Research Intern**,** 9/16 – 12/16
Contributions include 2016 Economic Report of the President, TPP Issue Brief, and AI & The Economy Memo

Google | Mountain View, CA
Associate Product Manager (APM) Intern, Chromebooks UI team, 6/16 – 9/16

Research Statement:

I am excited for the chance to attend the 2021 NBER Entrepreneurship Bootcamp. The workshop would be a great opportunity to (1) learn the latest in research on entrepreneurship and entrepreneurial finance and (2) meet a wider network of collaborators for research projects.

My research agenda is centered around questions about entrepreneurship, innovation, and productivity, which I have been exploring through tools from macro, finance, and applied micro. Below, I have included descriptions of three current projects that are highly relevant to the NBER Entrepreneurship Bootcamp.

In one project, titled "Entrepreneur Herding: Evidence from ProductHunt," I use data from the online platform ProductHunt to look at early stage products and business ideas created by entrepreneurs. I investigate how those products and businesses pursued by entrepreneurs change following the announcement of "success signals"—acquisitions and large funding rounds—of existing VC-backed companies. I find that an acquisition of a venture-backed company leads to an increase in products shared on ProductHunt that are textually similar to the acquired company. My interpretation of this pattern is that news of the success of existing ventures gives entrepreneurs positive information about the market, encouraging entry. Empirically, this "market size signal" outweighs the "competitor share signal," i.e., the information about the funded or acquired company to dominate the market. I am currently working on linking the ProductHunt data to data scraped from products' websites, to understand how much of the observed herding effect is due to language adoption vs. true "copycat" products.

I recently started working on a related project with Jessica Bai on how investor sentiment affects innovation outcomes. We relate to an extensive literature that has sought to understand how investor optimism, for example over the business cycle, affects the quantity and quality of innovation that is pursued. Part of this literature has argued that cycles of investor optimism may

be efficient, since some ventures funded during times of investor optimism can contribute meaningfully to long-run growth. We look for empirical evidence on the effect of investor optimism on innovation outcomes by looking cross-sectionally rather than inter-temporally: we use a number of measures to detect categories that have high levels of investor interest, and link these to outcomes on patent counts and quality and new business entry. Both the above project and this project share a theme of looking at how frictions affect the allocation of effort and capital devoted to innovation, and then understanding how these distortions in the allocation affect long-run growth outcomes.

I have also been looking at macroeconomic misallocation broadly, through the framework set out by David Baqaee and Emmanuel Farhi. A recent working paper ("The Supply-Side Effects of Monetary Policy") that I co-authored with David and Emmanuel looks at how allocative efficiency changes in a distorted economy following a nominal shock. Changes in the degree of misallocation generate endogenous movements in aggregate TFP. I am interested in combining this approach with a richer set of dynamics around firm entry and R&D investment. This framework can be useful in understanding the dynamics that underlie productivity growth, which is influenced both by new technical developments and by the endogenous allocation of resources across firms of heterogeneous productivities.

I have been lucky to get some exposure to current entrepreneurship research through Josh Lerner and Bill Kerr's class on Theoretical and Empirical Perspectives on Entrepreneurship, as well as the Entrepreneurship/Innovation lunch workshop. I think the NBER Entrepreneurship Bootcamp will be a fantastic way to augment this base with a diverse set of perspectives on recent research and with the chance to meet collaborators across many institutions.

Thanks for your consideration!