January 29, 2023

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Dear Prof. Bloom, Prof. Hochberg, Prof. Lerner, Prof. Robinson, Prof. Schoar, and Prof. Stern,

I am writing to you to apply for a place in the "Entrepreneurship Research Boot Camp 2023". Please find enclosed my curriculum vitae, motivation letter and a list of completed PhD courses.

I am currently a fourth-year PhD candidate in Finance at the London School of Economics. My primary fields of interest are entrepreneurship, innovation and climate finance.

A letter of recommendation by Prof. Dirk Jenter will be sent to you separately. For any further documents please do not hesitate to email me at M.Gischer@lse.ac.uk.

Thank you for your consideration.

Yours sincerely,

Marc Gischer

Marc Sebastian Gischer

Contact Information

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Education

London School of Economics — 2025 (expected)
PhD in Finance

London School of Economics — 2018
MSc Economics

London School of Economics — 2016
MSc Finance

University of Mannheim — 2014
BSc Business Administration

References

Dirk Jenter (primary)
Professor of Finance
London School of Economics
D.Jenter@lse.ac.uk

Ashwini K. Agrawal
Associate Professor of Finance
London School of Economics
A.Agrawal14@lse.ac.uk

Research Interests

Innovation, Entrepreneurship, Political Economy, Climate Finance

Teaching Experience

Finance for Executives (LSE Exec Education)	2022-2023
Corporate Finance (LSE MSc)	2020-2022
Principles of Finance (LSE BSc)	2021-2022

Research and Work Experience

Research Assistant to Prof. Amil Dasgupta, LSE	2019
Lazard, M&A, Healthcare, London	2017
Unicef, Frankfurt	2015

Scholarships & Awards

ESRC Scholarship
Prize of the German Mathematical Association
Prize of the German Physics Association

Working Papers

Taming Innovation: The Effect of Short-Term Rental Laws on Local Economies

How extensively should we regulate new business models? A growing number of regulators are calling for stringent rules to curb the impact of peer-to-peer services and products such as Uber, Airbnb and Bitcoin. I study the decision of some U.S. counties to introduce Short-Term Rental (STR) Laws and how they have affected their local economies. The introduction of these laws was hotly debated: Proponents argued, they would curb incentives of affluent people to invest in buy-to-let properties driving up house prices and protect local employment in the hotel and lodging industry. Critics feared, the regulation would stifle innovation and business dynamism, reduce consumer welfare and increase refinancing costs of counties because of lower property tax revenues. Using a difference-in-differences analysis, comparing economically and geographically similar counties, and verifying parallel trends before the introduction of the laws, I find only modest evidence for the effectiveness of the new regulation. While in some regions, employment and revenues of the hotel industry were slightly boosted in response to the regulation, other economic outcome variables, such as house prices, rents, local GDP and municipal bond yields were mostly unaffected.

Master of Disaster – The Effect of Political Leadership on Counties' Refinancing and Rebuilding Efforts after major Hurricanes

Natural disasters cause billions of dollars of damages across the United States. Hurricanes, alone, are responsible for almost $150 billion in damages per year. While the interaction between extreme weather events and financial markets has been explored in the past, we know very little about how financial markets evaluate the impact of party politics on local economies in the aftermath of disasters. In this paper, using an event study approach, I test whether the party affiliation of local politicians affects municipal bond issuance yields shortly after counties were hit by a hurricane. I find that under Democratic leadership, paradoxically, yields fall while they increase under Republican politicians. I propose two explanations for this observation and provide some suggestive evidence for both. First, in my sample, Democrats seem to be more proficient in obtaining more, particularly federal, funding in the aftermath of hurricanes. Secondly, and relatedly, it appears that Democrats are more skilful in channelling these funds into more innovative infrastructure projects that could improve counties long-term growth prospects.

PhD Courses

First Year

Microeconomics	*with Distinction*
Macroeconomics	*with Distinction*
Econometrics	*with Distinction*

Second Year

Corporate Finance	*with Distinction*
Asset Pricing	*with Distinction*

Degree Classification

MRes Finance	*with Distinction*

Entrepreneurship Research Boot Camp 2023

Over the last two centuries entrepreneurs were, arguably, the biggest driver of innovation and radically improved living conditions in the U.S. and globally. Within just a few years, start-ups such as Amazon, Airbnb and Moderna completely changed how people procure goods, travel and protect themselves against disease.

Equipped with new business models and technology, these companies challenged the status quo rather than just marginally improving existing products and services. Notably, despite their ample resources, market power, and know-how, it wasn't established companies that facilitated these breakthroughs but a few individuals with disruptive ideas.

More strikingly, while the founders of these newly established companies were able to amass vast fortunes – Jeff Bezos' estimated net worth is, literally, a million times higher than that of the median American family – they also helped create living conditions, even for low-income Americans, that are in many respects far superior to those of the super-rich a century ago. Despite all their wealth and private libraries, Carnegie and Rockefeller, for example, had access to lower quality and less information than the average American with a smartphone today. To me, the ability of changing our society drastically by implementing a new idea or business model makes entrepreneurship the most important and exciting area in economics.

I am most interested in the environmental factors that foster entrepreneurship and innovation. While the United States benefit from a strong venture capital industry, start-ups in Europe and elsewhere still rely on more traditional financial intermediaries, such as banks. However, it is often argued, that banks don't have the risk appetite or know-how to efficiently distribute resources across innovative new ventures. Is it therefore necessary for companies in places like Europe to collaborate with, rather than compete against, resource-rich incumbents and if so what are the implications for competition? Moreover, with private funding for entrepreneurs being scarce, governments might be tempted to intervene. This raises the question whether government should actively support entrepreneurship and, if so, how. Lastly, governments can foster or curtail entrepreneurship through regulating new products and services such as Bitcoin or Airbnb.

In one of my papers, I study this very challenge. While successful entrepreneurship and rapid diffusion of innovation are usually desirable, governments face a dilemma. On the one hand, policy makers don't want to stifle growth and business dynamism but, on the other hand, new products and services might create negative externalities that evade existing regulations. My paper focuses on the example of Airbnb and the effect newly introduced short-term rental regulations have on local communities. As Airbnb spread through the U.S. creating thousands of jobs and servicing millions of customers, interest groups and citizens expressed alarm about its negative effect on local communities. While homeowners might benefit because Airbnb allows them to generate additional income, house prices and long-term rents might increase putting pressure on low-income people. At the same time, the hotel and lodging industry warned that their unregulated competitor is stealing market share which ultimately could lead to a reduction of their labor force

– again mostly hitting low-income workers. However, curbing short-term rentals might also decrease house prices and therefore reduce property tax revenue – a major source of local government income that can be reinvested into counties to help poorer people – as well as increase municipal bond yields.

Using careful matching and a diff-in-diff design, I examine whether harsher regulation of Airbnb-style rentals affects unemployment, house prices and municipal bond yields for U.S. counties. Surprisingly, in my sample, more restrictive rental rules do not seem to affect any of these variables, suggesting that the policy makers' goals of alleviating cost of living challenges were not achieved. On the other hand, stricter regulations are likely to have reduced the welfare of Airbnb customers. Although laying the foundation for successful entrepreneurship is often the most difficult task, this example shows that, even after having successfully completed the early stages of the founding phase, there are many, often regulatory, challenges for which ideal solutions still don't exist.

For a new project, I am in the process of constructing a dataset that matches innovators (identified from patent applications) to an administrative panel of (mostly small and young) firms, employees, and wages. This will allow me to observe how innovation success is rewarded, both within firms (through wage increases and promotions) and through the external labor market. I will also explore whether these rewards differ for innovators in different areas, in different types of firms, or at different career stages. The goal is to understand the financial incentives of innovators, and how these incentives differ between innovators who are also entrepreneurs, employee innovators in entrepreneurial firms, and employee innovators in large firms.

The NBER Entrepreneurship Boot Camp would be a fantastic opportunity to broaden my horizon and experience how thought leaders approach research in entrepreneurship and innovation. Importantly, I would have the chance to be exposed to different perspectives on questions such as: How can we encourage more entrepreneurship? Is new technology making certain types of entrepreneurship easier or more difficult? What different sources of financing are there to fund young companies and how do they interact? How can governments stimulate entrepreneurship and regulate innovations optimally?

One of the exciting aspects of the boot camp would be to discuss these questions with like-minded people. Even more interesting, for me, however, are those questions that I have not yet thought about but that will come up organically in discussions with workshop participants. Often, it is these interactions that reveal challenges as well as opportunities and the NBER Innovation Boot Camp is the ideal place to find collaborators who are equally excited about these topics and curious to find answers.

I would very much enjoy the opportunity to learn more about entrepreneurship from researchers working at the frontier and to actively contribute to the boot camp with questions and enthusiasm.

London School of Economics
Department of Finance

DIRK JENTER
Professor of Finance

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Confidential

Letter of Recommendation for Marc Gischer

February 12, 2023

I would like to give my strong endorsement to Marc Gischer's application for the NBER Entrepreneurship Research Boot Camp 2023. Marc is a creative, independent, and hard-working researcher with a strong interest in entrepreneurship and innovation research. I have no doubt that he would both benefit from and greatly contribute to the ERBC.

Ashwini Aggarwal and I have been co-supervising Marc for the last two years. From the beginning, I was struck by his enthusiasm for research and his willingness to explore unusual ideas. His research interests started broadly but have increasingly focused on entrepreneurship and innovation. For his third-year paper, Marc explored several ideas related to the effects of Airbnb on local communities. He ultimately wrote an interesting paper on the effects of local governments' attempts to regulate Airbnb-style rentals on local economies. Interestingly, even though his analysis focuses on markets with a large number of rentals (such as San Francisco), he finds that these regulations had no effects on a host of local economic variables (even though they did reduce the number of rentals). Thus, the regulations appear to have failed at achieving their goals, such as reducing local rents or house prices, while imposing costs on landlords and Airbnb customers.

In an exciting new project, Marc is combining data on innovators and their patents with a matched employer-employee panel that also contains information about employee pay. This will allow him to examine if and how innovators are being rewarded for successful innovations, either within their current firms or by changing employers. The richness of the data will also allow him to explore how these rewards differ for different types of innovators - entrepreneurial innovators in their own firm, employee innovators in entrepreneurial firms, and employee innovators in larger firms. This exciting project is in its first stages and would benefit greatly from feedback from experienced researchers in this area.

On a personal level, Marc is a joy to interact with. He is sociable and friendly, full of energy, and a pleasure to advise and work with. I am certain that he would be a great contributor to the ERBC. Thus, I strongly endorse Marc's application for the NBER Entrepreneurship Research Boot Camp 2023.

Please do not hesitate to contact me if you need any additional information.

Best regards,



Dirk Jenter