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
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Ashwini K. Agrawal
Associate Professor of Finance
London School of Economics
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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

In 1993, the U.S. was home to thousands of retail companies, such as Walmart, Target and Costco worth hundreds of billions of dollars. Amazon was not one of them – it was founded in 1994. In 1997, Microsoft, Oracle and IBM were the most powerful computer and software companies in the world while nobody had ever heard of Google which had not yet been founded, either. Lastly, in the midst of the financial crisis the German public might have imprinted the name Bayer in their collective memory because daily Aspirin was needed to bear the dire economic situation, but nobody had taken notice of the just newly established company Biontech.

However, within a decade or two these newcomers radically changed how people procure goods, access information, and protect themselves against disease. Notably, despite their ample resources, market power, and know-how, it wasn't the established companies that facilitated these breakthroughs but a few individuals with disruptive ideas who happened to be in the right environment.

More strikingly, while the founders were able to amass vast fortunes – Jeff Bezos' estimated net worth is, literally, a million times higher than that of the median American family – the innovation that these and other start-ups produce, creates living conditions, even for those in the bottom quartile of the US wealth distribution, that are better than those of John Rockefeller or Andrew Carnegie who, in their peak, had a net worth of 4% of U.S. GDP at the time. After all, an ordinary bacterial infection or small car crash might have led to their premature demise as neither penicillin nor airbags had been invented, while nowadays even less wealthy Americans often have access to both.

I am deeply fascinated by how entrepreneurship can drive forward radical innovation which not only changes people's everyday life but, over time, also helps to drastically improve living conditions for the poorest in society.

In my own research I am interested in what environments are most conducive to entrepreneurship and innovation. Can successful start-ups emerge in countries in which venture capital is not readily available? How can traditional financial institutions bridge the gap? If financing is scarce, should resource rich incumbent companies collaborate with start-ups rather than compete against them? Can business practices that spur innovation in start-ups be adopted by larger corporations? How should governments intervene, if at all? Should they provide grants directly to companies or focus on financing hubs of knowledge creation such as universities? Finally, in the case of successful entrepreneurship, how should the government regulate new products and services such as Airbnb and Bitcoin?

In one of my recent papers, it is this last question that I tried to answer. While successful start-ups and rapid diffusion of innovation are often considered the best-case scenario, governments face a dilemma. On the one hand, policy makers don't want to stifle growth and innovation but, on the other hand, new products and services might create some undesirable negative externalities which evade traditional regulation. In my paper, I focus on the example of Airbnb and the effect newly introduced short-term rental regulation has on local communities. As Airbnb spread throughout the U.S. creating thousands of jobs and servicing

millions of customers, interest groups and citizens pointed out how the widespread use of Airbnb could negatively affect local communities. While homeowners might benefit because Airbnb allows them to generate an additional income stream, 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. To make matters worse for local politicians, curbing short-term rentals could decrease house prices and therefore reduce property tax revenue, a major source of income that can be reinvested into counties to help poorer people.

To evaluate the effect of regulation on local communities, I employ a diff-in-diff design in which I test whether counties that introduce strict laws experience different effects on municipal bond yields (capturing the financial health of counties), house prices and local unemployment than those counties that did not decide to regulate. Various robustness checks and careful matching help me address the concern that the decision to regulate is, of course, potentially highly endogenous. Surprisingly, in my sample, I don't find that regulation has a significant impact on bond yields, house prices or unemployment but it might have reduced 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.

The NBER Entrepreneurship Boot Camp would be a fantastic opportunity to broaden my horizon and experience how thought leaders in their fields approach research in entrepreneurship and innovation. Importantly, I would have the chance to be exposed to different perspectives and 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 possibly 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 thought about previously but that come up organically in discussions with workshop participants. Often, it is these interactions that reveal challenges for which we don't yet have solutions and the NBER Innovation Boot Camp is the ideal place to find collaborators who are equally excited about the topic 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.