Jeremias Huber

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Dear NBER Entrepreneurship Research Committee,

with this letter I want to express my keen interest to attend the 16th Entrepreneurship Research Boot Camp (ERBC). I am currently a fourth year PhD student of Finance at Columbia Business School, where my research interests center around Asset Pricing, Venture Capital and Information Frictions. Attending this summer school would greatly benefit my research agenda. Beyond that, I would be excited to meet and learn from other researchers in my area.

I would like to thank you for your consideration for the Entrepreneurship Research Boot Camp (ERBC) and I am looking forward to hearing back from you. Please find my application materials attached in this file.

Kind regards,

Jeremias Huber

For reference I list:

Michael Ewens

David L. and Elsie M. Dodd Professor of Finance

Columbia Business School

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My research interests center around Asset Pricing, Venture Capital and Information Frictions; my research is focused on importing tools from the asset pricing literature to speak to notions of risk and return within the Venture Capital asset class. So far, a growing literature has emerged trying to benchmark venture capital returns (and private equity returns more broadly) to publicly traded securities. Notably Long and Nickels (1996) as well as Kaplan and Schoar (2005) pioneered the public market equivalent (PME) to capture PE investment risks as spanned in public markets. However, since novel technologies are largely funded in private markets and technological shocks to the economy are generally viewed as systemic shocks, benchmarking innovative startup companies to publicly traded companies could lead to un-spanned risk, if there are frictions to the risk sharing mechanisms between those markets.

Importantly, there are major differences between public versus private market investing. In his seminal paper about the ICAPM Merton [see Merton (1973)] stated: "An investor making a portfolio decision which is irrevocable ("frozen") for ten years, will choose quite differently than the one who has the option (even at a cost) to revise his portfolio daily." Given typical investment horizons in venture capital, this seems to be a key ingredient to consider when comparing public and private markets. Further, unlike in public markets VC and PE investments are not divisible to the same extent which impacts investor diversification. Moreover, investments in VC are long-only investments, and often require strong involvement of VC investors in the management of the company.[1] While notions of risk perceived by VC investors largely contain a strong firm (micro) focus, these investors have to generally consider a set of risks ranging from founder risk (micro), to market specific risk (macro) and liquidity risk (macro). Given the skewed outcomes of startup outcomes [e.g. see Gornall and Strebulaev (2022) among others] there appears to be a strong focus on the upside of VC investments and "idiosyncratic" (micro) volatility is largely seen as an opportunity, as typically only a small number of portfolio companies are responsible for a venture capital investor's return. Despite the seemingly strong (micro) firm-level focus that prevails in the venture capital industry, macro-level risk can have a pronounced impact on firm-level outcomes even for startups, especially through the channel of funding liquidity.

[1] Analogies can be drawn to activist investors in public markets.

Against this backdrop, I seek to provide model-theoretic underpinnings and use state of the art data-driven approaches to allow for the importation of commonly used asset pricing tools in the venture capital research area. Thinking about VC risk through this more structural and comprehensive lens, will be informative for questions around the asset allocation within VC and between VC and public markets. Further, since startup financing is tied to real outcomes, the paper will provide some insights into how innovation is priced in the economy. This approach is of great relevance given the growing importance of private markets relative to public markets, indicated both by the growing asset allocation into VC as well as the shrinking number of publicly traded companies.[2] For this reason, a recent summary paper by Kortweg and Westerfield (2022) listed the question around risk factors within private equity as one of the core questions yet to be fully addressed in the literature.

Part of my research interest also extends to the Financing of Innovation more broadly. Beyond the investor's problem in firms' incentives when fundraising, e.g. when to showcase their technology to investors. Contrary to already established firms, innovative firms are valued in accordance with their potential to generate cashflows in the future and often have little collateral or information to guide investors' decisions while requiring stable access to fund their R&D and nascent operations.

Given my research interest, attending the NBER Entrepreneurship Research Boot Camp would be of incredible value to me. Not only would it allow me to familiarize myself more closely with cutting-edge research around entrepreneurship by attending the lectures, but I would also be able to benefit from the network of scholars and their feedback on my own work. I would be more than excited to learn from, among other, Shai Bernstein, Nick Bloom, Yael Hochberg, Josh Lerner, David Robinson, Antoinette Schoar and many more organizers as well as participants of the summer school.

[2] See e.g. Ewens and Farre-Mensa (2020, 2022), Gupta and Van Nieuwerburgh (2021)

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Education

Columbia University, Graduate School of Business, New York since 08/2019
- ***Finance, PhD Candidate***

Research areas: Asset Pricing, Venture Capital and Information Frictions

The London School of Economics and Political Science, UK 08/2017–06/2018
- ***Finance and Economics, Master of Science*** **– Graduated with Distinction**
  The Sudipto Bhattacharya Scholarship for MSc Finance and Economics (merit-based)

Freie Universität Berlin, Germany 10/2016–08/2017
- ***Mathematics***, non-degree study, Linear Algebra and Real Analysis, grade: **1.5** (1.0 - 5.0 scale)

Humboldt Universität zu Berlin, Germany 10/2012–09/2016
- ***Economics, Bachelor of Science***, Distinction and 2nd in graduating class, grade: **1.1** (1.0 - 5.0 scale)

University of California, Berkeley, California 08/2014–05/2015
- ***Education Abroad Program***, GPA: **3.95** (4.0 scale)

Research/Internship Experience

Columbia University, Graduate School of Business, New York since 03/2021
Research Assistant
- assisting Prof. Stijn Van Nieuwerburgh with research on public debt (https://www.publicdebtvaluation.com)

Columbia University, Graduate School of Business, New York 09/2020–01/2021
Research Assistant
- assisted Prof. Laura Veldkamp with research on information in finance and macroeconomics

University of Chicago Booth School of Business, Chicago 08/2018–06/2019
Research Professional in Finance
- assisted Prof. Elisabeth Kempf with research in empirical corporate finance

Deutsche Bundesbank, Frankfurt 04/2017–08/2017
Intern, Banking Supervision
- assisted in a research project examining bank deposit volatility in low interest rate environment

Humboldt Universität zu Berlin, Berlin 05/2016–09/2016
Student assistant, Institute of Finance
- assisted Dr. David Bosch with research on commodities markets, further supporting teaching.

Deutsches Institut für Wirtschaftsforschung (DIW), Berlin 03/2016
Intern, German Institute for Economic Research, Department of Macroeconomics
- co-authored short publication reviewing Corporate Taxation, Leverage and Macroeconomic Stability during spring break

The World Bank, Washington D.C. 08/2015–10/2015
Research assistant, Macroeconomics and Fiscal Management Global Practice
- Countries covered: The Gambia, Ghana, Liberia, Nigeria, Sierra Leone

Teaching Experience

Columbia University, Graduate School of Business, New York Spring 2023
Teaching Assistant, serving as TA for Prof. Michael Ewens' MBA course on *Advanced Topics in Private Equity*

Columbia University, Graduate School of Business, New York Fall 2022 & Fall 2021
Teaching Assistant, served as TA for Prof. Harry Mamaysky's PhD course on *Asset Pricing (Asset Pricing I)*

Columbia University, Graduate School of Business, New York Fall 2022
Teaching Assistant, served as TA for Debevoise-Columbia Executive Education Program (Debevoise & Plimpton LLC)

Columbia University, Graduate School of Business, New York Summer 2022
Teaching Assistant, served as TA for Prof. Achilles Venetoulias' Executive-MBA course on *Quantitative Finance*

Columbia University, Graduate School of Business, New York Spring 2022 & Spring 2021
Teaching Assistant, served as TA for Prof. Laura Veldkamp's PhD course on *Information in Financial Markets*

The London School of Economics and Political Science, UK 09/2017–04/2018
Teaching Assistant, taught two weekly seminars in Economics B (EC102) to first-year undergraduates

Humboldt Universität zu Berlin, Berlin 12/2016–04/2017
Tutor, assisted undergraduates with macroeconomics and mathematics by holding three weekly learning sessions

International Summer School in Economics and Management (ISSEM), Havana 09/2016–10/2016
Teaching Assistant, aided professor in teaching intensive two-week Game Theory course to Cuban and German students

Skills

Languages:	German (native), English (fluent, TOEFL: 115), Spanish (intermediate, B2 level), Latinum, Graecum
IT skills:	LaTeX, R, Python, Matlab, Stata

Awards/Scholarships

2023	AFA Travel Grant
2022	Eugene Lang Center for Entrepreneurship PhD Fellowship
2022	3rd Year Paper Prize for Finance PhD, Columbia Business School
2021-2022	Roger F. Murray Fellowship, Columbia Business School
Since 2019	Doctoral Fellowship, Columbia Business School
2017	The Sudipto Bhattacharya Scholarship for MSc Finance and Economics (merit-based)
2016	Graduated with distinction and second in graduating class (Humboldt University, Berlin)
2016	International Summer School in Economics and Management (ISSEM) Scholarship
2012	DMV Abiturpreis (students' price for mathematics)

Personal interests: Cultures and languages, traveling, cuisine, philosophy, chess, taekwondo, mentoring

Citizenship: German

Columbia Business School

Michael Ewens
David L. and Elsie M. Dodd Professor of Finance
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16th Entrepreneurship Research Boot Camp (ERBC)

Recommendation for Mr. Jeremias Huber

Dear Boot Camp Organizers,

I am writing to support Jeremias Huber's application for the 2023 Entrepreneurship Research Boot Camp. Jeremias is a finance Ph.D. student at Columbia Business School with excellent research potential, and I encourage you to give him your most careful consideration.

Since I joined in the Fall, Jeremias and I have been meeting weekly about his research. He has impressed me with his deep thinking, creativity, independence, and adaptability in facing the usual roadblocks in entrepreneurial finance research (e.g., data constraints and institutional setting quirks). In his research, he seeks to answer an essential question in the private equity literature: i) are there risk factors unique to venture capital markets beyond the risk factors commonly used in public equities, and ii) if such VC risk factors exist, how can we micro-found them? Answering these questions is crucial for understanding the evolution of the venture capital industry with wide-reaching implications on how we view innovation, the macroeconomy, and the set of available investment opportunities.

As a 2009 attendee of the boot camp, I know the benefits of the week for a graduate student. While I understand the bootcamp organizers aim to support students from outside the top schools, Jeremias deserves a close look. He would benefit from a deep dive into all the areas of entrepreneurship research. One reason Columbia hired me is to support entrepreneurial finance research among our PhDs, which with some exceptions, has been absent. I am teaching the first class in the area this term to fill this gap. Our finance PhDs have excellent asset pricing, corporate finance, and economics training. Jeremias' strong foundation in these areas ensures a high return to learning more about entrepreneurship research. Finally, I am confident that Jeremias will also be an excellent participant in the bootcamp's unique setting: he asks thoughtful questions and has the traits of a great academic collaborator.

He thus has my strongest recommendation.

Sincerely,
Michael Ewens
David L. and Elsie M. Dodd Professor of Finance
Columbia Business School

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