Alexander Reifschneider

Ph.D. Student In Economics

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I am a fourth-year Ph.D. student and a scientific assistant to the president at IWH. My research is about understanding how the financial circumstances of entrepreneurial firms affect the broader economy.

Education

2020-11 - 2025-11

Ph.D.: Economics

Halle Institute For Economic Research (IWH) - Halle
Supervisors: **Reint Gropp & Merih Sevilir**
Core Courses:
1. **Advanced Econometrics** – Jeffrey Wooldridge *(Michigan State University)*
2. **Finance and Product Markets** - Laurent Fresard (*Universita della Svizzera italiana*) and Gordon Phillips (*Tuck School of Business*)
3. **Financing Innovation, Labor, and Households** – Kristoph Kleiner *(Indiana University)*
4. **Introduction to Graduate Labor Economics** – Florian Hoffmann (*Vancouver School of Economics)*
5. **Advanced Microeconomics** - IWH

2018-05 - 2020-05

Master of Science: Economics

Humboldt University - Berlin
Thesis: Excess reserves, monetary policy and financial volatility (1,3)
Ph.D. - level courses:
1. **Advanced Labor Economics** (Ph.D. - level)
2. **Advanced Monetary Economics** (Ph.D. - level)
3. **Advanced Econometrics** (Ph.D. - level)
4. **Advanced Macroeconomic Analysis** (Ph.D. - level)
5. **Research Seminar: Machine Learning Methods** (Ph.D. - level)
6. **Time Series Analysis** (Ph.D. - level)

2015-05 - 2018-05

Bachelor of Science: Economics

Humboldt University - Berlin
Thesis: Macroprudential rules and monetary policy when financial frictions matter (1,3)

Work History

2020-11 - Current **Scientific Assistent to the President**

Halle Institute for Economic Research (IWH), Halle

2018-12 - 2020-09 **Student Assistant - Chair of Finance**

Humboldt University

2018-08 - 2018-11 **Internship**

Deutsche Bank AG

Skills

Stata

Python

Matlab

Latex

R

Seminars And Conferences

- Participation at the "19. Sommerworkshop der Deutschen Bundesbank" in Frankfurt am Main
- Assistance at the organization of the 27. "European Workshop on Economic Theory" in Berlin

Publications

Gropp, R., & Reifschneider, A. (2023). Sind Subventionen für Halbleiter zu rechtfertigen?. *Perspektiven der Wirtschaftspolitik*, *24*(2), 166-170.

Engl. Gropp, R., & Reifschneider, A. (2023). Are subsidies for semiconductors justified?. *Economic Policy Perspectives* 24(2), 166-170.

Third Party Funding

Support of Javier Miranda (IWH) for the successfull application of the Leibniz Excellence Grand (900.000€)

What is my research about?

My research is about understanding how the financial circumstances of entrepreneurial firms affect the broader economy. I am working on three projects that shed light on different aspects of this topic. Two are single-authored research projects, and one is a joint project with my supervisor, Merih Sevilir.

Project 1: Entrepreneurial firms merge

The general perception is that start-ups do not merge. Various obstacles hinder those deals: too many parties are involved, valuations are unclear, and the implementation takes up too much valuable time. However, we observe a significant increase in M&A activity among start-ups, especially in the last decade. In this project, I am empirically investigating why this is happening and what are the implications. My conjecture is that start-ups merge to survive. The reason is that start-ups need to reach a certain size to successfully exit through an IPO or acquisition. Fierce competition or a lack of venture capital supply can severely reduce the prospects of surviving until they reach a critical size. Hence, competing start-ups merge to join innovative forces and reach the required size as quickly as possible. Although these mergers could be anti-competitive, they foster innovation and create positive spillover effects.

Project 2: Entrepreneurial firms export

Germany is the third largest exporter in the world. Unlike most OECD countries, about 90% of German exporters are highly innovative small and medium-sized enterprises called “Hidden Champions”. These firms are considered to be the “backbone” of Germany’s economy and contribute over-proportionally to aggregate productivity growth and innovation. However, Hidden Champions are not only financially constrained but also are vulnerable to financial shocks. Using a quasi-natural experiment, I try to identify the causal link between export financing frictions and aggregate productivity growth. The results contribute to a broad literature on financial frictions in trade and have important policy implications.

Project 3: Publicly listed firms relax financial constraints of entrepreneurial firms

Together with Merih Sevilir, we explore the role of publicly listed firms in easing financial constraints for start-ups. The idea behind this project stems from a simple observation. Due to their access to public capital markets, listed firms can borrow money at lower rates than small and privately held start-ups. At the same time, corporate venture capital deals gained significant importance, and many listed firms became indispensable financiers for innovative start-ups. Building on these two observations, we ask whether listed firms act as intermediaries between public capital markets and financially constrained start-ups. In fact, we find that listed firms benefiting from an exogenous reduction in the cost of capital, increase their corporate venture capital activity. Start-ups benefiting from the capital injection thrive and are more likely to successfully exit in an IPO.

Why would I like to attend the bootcamp?

Throughout my Ph.D. I read a large number of groundbreaking papers by Josh Lerner, David Robinson, and Antoinette Schoar. Their ideas and contributions have inspired me and built my passion for research on entrepreneurship. Attending the bootcamp would allow me to meet my idols in person and learn from them firsthand. Furthermore, I want to gain more insights into the highly successful research ecosystem in the United States. Both of my supervisors spent a large part of their careers in the US and taught me

valuable lessons on how to become a productive and successful researcher. I quickly realized that their approach to research significantly differs from that of other faculty members. It would be extremely valuable for me to understand these differences better and transfer my experience and exposure back to Germany, facilitating knowledge diffusion from the NBER to Europe.

Feb 15, 2024

IWH
Halle Institute for Economic Research
Member of the Leibniz Association

Dear colleague,

It is with great pleasure and enthusiasm that I recommend **Alexander Reifschneider** as a potential participant in the NBER Entrepreneurship Bootcamp. I met Alex in July 2021 when I received a job offer at the Halle Institute of Economic Research in Germany. Alex was a first year PhD student then and we started interacting over Zoom until I moved from the US to my new job in Germany in June 2022. Since June 2022, we have been interacting in person almost on a daily basis, brain storming and sharing several research ideas with each other. Because of these close and frequent interactions over the last 2.5 years, I believe I got to know Alex well.

Due to his intellectual curiosity and strong academic background he obtained in Economics from Humboldt University in Berlin, Alex has been very productive in constructing a very interesting research portfolio. He has several projects in the broad area of entrepreneurship. In one of his projects, he studies entrepreneurial firms referred to as "Hidden Champions" in Germany. Hidden Champions are small, successful and innovative firms, which generate a significant amount of their revenues from exporting innovative products and technologies. Some of these firms obtain export credit guarantees from the German government, insuring them against the risk of unpaid claims from their exporting activity. Alex investigates the impact of exogenous removal of such guarantees on Hidden Champions' investment and innovation outcomes. He shows that removal of export guarantees results in reallocation of resources from less productive to more productive firms, and improves aggregate innovation productivity in the economy.

In a second project, Alex investigates mergers between young and early-stage startups. While it is well known that going public in an IPO and getting acquired by an established firm relax the financial constraints of late stage startups, Alex finds that for smaller and younger startups, a merger between two startups improves their survival and growth prospects by combining their scarce capital and labor inputs. In addition, he establishes that such mergers between early stage startups are more likely when there is a higher number of startups competing with each other as they allow small startups reach a critical size and improve their survival and growth prospects.

Alex and I have been working on a joint project on the role of established firms funneling capital from public capital markets to startups. We show that when established firms experience an exogenous increase in their access to capital markets, they increase their investment in financially constrained startups through their corporate venture capital (CVC) activity and M&A activity involving VC-backed startups. Hence, the paper provides the first evidence that relaxation of financial constraints of established firms relaxes the financial constraints of startups, contributing to their growth and productivity.

I believe Alex would benefit from the entrepreneurship boot camp enormously due to his accumulated knowledge on the subject of entrepreneurship, intellectual curiosity, critical thinking ability and his willingness to work hard. He would also engage in active discussions with both the Professors and peer PhD students, contributing to a vibrant learning environment. Most importantly, I believe that Alex would bring his boot camp experience from the NBER back to Germany, resulting in this invaluable experience to spillover to many young PhD students and scholars.
Please let me know if you have any further questions and if I can provide more information on why I am very enthusiastic about Alex' participation in the entrepreneurship bootcamp.

Best regards
Merih Sevilir

Professor of Finance
Halle Institute for Economic Research and ESMT-Berlin
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