Lauren Mostrom

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Education

University of Chicago, Booth School of Business — *Chicago, IL*
PhD in Finance — *Sept 2021 - Present*

Wellesley College — *Wellesley, MA*
BA in Economics and Classical Studies — *Sept 2014 - June 2018*
- Honors Thesis: *All Aboard: The Rise of Board Interlocks Between Railroads and Underwriters (1880-1920)*

Research

Publications

Venture Capital Led Entrepreneurship in Health Care
Amitabh Chandra, Cirrus Foroughi, Lauren Mostrom
The Role of Innovation and Entrepreneurship in Economic Growth, 2020, University of Chicago Press

Working Papers

The Birth of Finance Capitalism in the United States: Securities Underwriters on Corporate Boards, 1880-1920
Carola Frydman, Eric Hilt, Lauren Mostrom

Research Assistantships

Early-Stage Work on PE Roll-ups
Sabrina Howell, Tong Liu, Constantine Yannelis

Early-Stage Work
Amir Sufi

Work Experience

Harvard Business School — *Boston, MA*
Research Associate for Amitabh Chandra and Aiyesha Dey — *April 2019 - June 2021*

Federal Reserve Bank of Boston — *Boston, MA*
Research Assistant for Christina Wang — *July 2018 - April 2019*

Teaching Experience

2023-2024 **BUSN 33050 Macroeconomics and the Business Environment,** Chicago-Booth (TA)

Achievements

2021 **Honorable Mention**, NSF Graduate Research Fellowship Program
2021 **Fanny Bullock Workman Graduate Fellowship**, Wellesley College Alumnae Career Center
2018 **Joseph Lambie Prize in Economic History**, Wellesley College
2018 **Case Research Fellow**, Wellesley College
2018 **Phi Beta Kappa**, Wellesley College

Contact Information

Lauren Mostrom

3rd Year PhD Student in Finance

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Recommender: Amir Sufi

Bruce Lindsay Distinguished Service Professor of Economics and Public Polcy

University of Chicago, Booth School of Business

Email: amir.sufi@chicagobooth.edu

Phone: (773) 702-6148

Coursework Completed During PhD

Economics

- Macroeconomics I (ECON 33000) *Instructor: Nancy Stokey*
- Macroeconomics II (ECON 33100) *Instructor: Mikhail Golosov*
- Price Theory I (ECON 30100) *Instructors: Kevin Murphy, Casey Mulligan*
- Price Theory II (ECON 30200) *Instructor: Phil Reny*
- Price Theory III (ECON 30300) *Instructor: Lars Stole*
- International Macroeconomics and Trade (BUSN 33946) *Instructors: Rodrigo Adao, Jonathan Dingel*
- Spatial Economics (ECON 33550) *Instructor: Esteban Rossi-Hansberg*

Econometrics

- Empirical Analysis I (ECON 31000) *Instructor: Azeem Shaikh*
- Econometrics II (BUSN 41902) *Instructor: Dacheng Xiu*
- Applied Econometrics (BUSN 41903) *Instructor: Chris Hansen*

Finance

- Asset Pricing I (BUSN 34901) *Instructors: John Heaton, George Constantinides*
- Asset Pricing II (BUSN 34902) *Instructors: Lars Peter Hansen, Stefan Nagel*
- Corporate Finance I (BUSN 34903) *Instructors: Zhiguo He, Doug Diamond*
- Corporate Finance II (BUSN 34904) *Instructor: Amir Sufi*
- Public Finance (BUSN 35916) *Instructors: Eric Zwick, Peter Ganong, Pascal Noel*
- Research Projects in Finance (BUSN 35908) *Instructor: Gene Fama*
- Disclosure, Reporting and Transparency (BUSN 30907) *Instructor: Christian Leuz*
- Topics in State and Local Finance (LAWS 53193) *Instructor: Julie Roin*
- Regulation of Banks and Financial Institutions (LAWS 43253) *Instructor: Adriana Robertson*

Research Statement

My research agenda applies approaches from empirical corporate finance to questions at the intersection of entrepreneurial and public finance. I primarily work under the supervision of Amir Sufi, Eric Zwick, and Constantine Yannelis.

I focus on narrow settings in order to develop a detailed understanding of the institutions shaping entrepreneurs' entry and growth decisions. My current solo-authored projects focus on the construction sector; this is an interesting setting in which to study entrepreneurship because it is rife with financial frictions. Furthermore, these firms receive a substantial share of government funds, meaning the resulting distribution of firms is a key determinant of the fiscal multiplier. In one project, I study horizontal and vertical roll-ups[1] in the industry, to shed light on the magnitude of agency costs incurred in the supply chain. Vertical consolidation may reduce the cost of inputs into construction projects by alleviating these agency costs, or it can increase input costs by amassing market power. The net pro- or anti-competitive effects of these acquisitions therefore directly impact the cost of public goods to taxpayers. To study the net effect on input prices, I've hand-collected data on state infrastructure auctions detailing bid prices for each item making up the project, such as price per traffic cone. In another project, I study barriers to growth; specifically, whether the surety bond process[2] constrains subcontractors from competing for larger projects as the prime contractor.

I am also working concurrently as an RA for Constantine Yannelis (Chicago Booth), Sabrina Howell (NYU Stern), and Tong Liu (MIT Sloan) on a project studying PE roll-ups in healthcare. I have documented that within the specialties of Gastroenterology, Dermatology, and Anesthesiology in several large hospital referral regions, a single platform owns a substantial share of establishments.

In my future work, I anticipate branching out from the construction and healthcare settings but plan to similarly develop industry-specific knowledge of barriers to entry and growth facing entrepreneurs. By doing so I plan to seek out creative sources of exogenous variation to answer causal questions, shedding light on the

[1] A roll-up is the process by which a series of previously smaller, independent businesses are consolidated into a single firm known as a "platform." This strategy is commonly implemented by PE funds.

[2] Surety bonds are both a credit and insurance instrument required in government contracting. If a firm is awarded the contract, it needs to obtain a surety bond for the full amount of the project. Surety bond underwriters often request that the entrepreneur waive limited liability in the case of project non-completion, and the maximum amount is capped at 10 times working capital, unless the firm obtains an SBA guarantee.

magnitudes of policy-relevant frictions inhibiting entrepreneurship and innovation. For example, how have entrepreneurs' exit options changed over time, and how does anticipation of this outcome influence the entry decision? Does government procurement practice allocate projects to firms in a way that maximizes the fiscal multiplier, conditional on the current distribution of firms? Relatedly, how do these practices influence ex-ante entry decisions?

I'm interested in attending the boot camp because I expect it will improve my work's quality in three ways. First, it would allow me to hear from multiple faculty members about the questions currently at the frontier of entrepreneurship research, and the strengths and weaknesses of existing work on these questions. Learning from faculty at other institutions would broaden my perspective on these open questions, offering more context for the skills and ideas that will be in demand when I go on the job market in a few years. Second, it would provide additional exposure to the cutting-edge methodologies currently in use, to expand my toolbox for working in this area for the rest of my PhD and thereafter. Finally, I look forward to connecting with PhD students from other schools with similar interests, with whom I hope to collaborate in the coming years.

Amir Sufi
Bruce Lindsay Distinguished Service
Professor of Economics and Public Policy
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Booth School of Business
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773 702 6148

February 2024

RE: Lauren Mostrom

I am writing to support in the strongest terms possible Lauren Mostrom for participation in the NBER Entrepreneurship Research Boot Camp for the summer of 2024. She would be a fantastic addition to the camp. I first got to know Lauren as a second year Ph.D. student in my empirical corporate finance class. Lauren finished second overall in the class, and she also received the top grade on the final exam. This is out of 12 total students, all of whom are extremely talented Ph.D. students from Booth and the Economics Department.

I also advised Lauren on her second year study, which is a requirement at Booth to continue matriculation in the Ph.D. program. Lauren's second year study was motivated by the recent influential study by Karahan, Pugsley, and Sahin on the "Demographic origins of the startup deficit". The core hypothesis in the Karahan et al study is that the growth rate in labor supply should be expected theoretically to have a strong effect on the business start-up rate, and the study shows that in fact analysis of state-by-year level data supports the hypothesis. Lauren examined both existing and novel data sets to understand the industrial composition of the startup deficit across states, and whether the industrial composition of the effect reflected the economic mechanisms in the Karahan, et al study. It was a nice second year study, and it could potentially be developed into a publishable paper. The core result was that dynamics in the construction industry appear to be crucial for understanding the state-level variation in the start-up rate. Lauren's study then went on to discuss whether the construction sector fits the underlying assumptions of the Karahan, et al framework. At Booth we carefully review second year studies, and her study received "a clear pass" from the evaluating committee.

Given the quality of her work and our interactions, I hired Lauren as a research assistant during her third year. She is currently working in that capacity. She has been excellent, and I think she is going to do great work going forward. On a personal level, Lauren is friendly, outgoing, and collaborative. She will be a great contributor to the camp environment if she is accepted.

So, in summary, Lauren is fantastic, and her research interests lie squarely in the entrepreneurship space. She would be a great addition to the camp.

I hope this letter is helpful, and let me know if you have further questions.

Sincerely,

Amir Sufi