Dear Sir/Madam,

I am writing to express my strong interest in participating in the NBER Doctoral Training Workshop on Economics of Executive Compensation on June 17-18, 2024.

As a third-year PhD student conducting research on bank managers' compensation, I am confident that my knowledge and research interests neatly align with the objectives of the workshop.

I am particularly excited about learning from the experts in the field of executive compensation, Dirk Jenter and Kelly Shue, about the determinants and consequences of executive pay, both theoretically and empircally. Additionally, I view this workshop as a great opportunity to learn from fellow junior researchers in this field.

Enclosed with this letter is my motivational statement as well as my CV listing completed PhD courses. My PhD supervisor, prof. dr. Peter Koudijs will supply a letter of recommendation. Please find his contact details below.

Many thanks in advance for considering my application.

Sincerely,

Eva Mulder

Reference contact details:
Prof. dr. P.A.E. Koudijs
Professor in Finance and History
Erasmus School of Economics
Erasmus University Rotterdam
koudijs@ese.eur.nl

EVA MULDER

Erasmus School of Economics
Erasmus University Rotterdam
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3062 PA Rotterdam, the Netherlands

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(+316)37314153
mulder@ese.eur.nl
https://nl.linkedin.com/in/eva-mulder-860b96137

RESEARCH INTERESTS

Finance, Banking, Monetary Policy, Economic History

EDUCATION

PhD in Finance 2021 — Present
Erasmus University Rotterdam & Tinbergen Institute
Supervisor: Prof. dr. Peter Koudijs

MPhil in Economics 2021 — 2023
Tinbergen Institute

MSc Economics 2018 — 2020
University of Groningen

Exchange Semester 2018
Concordia University, Montreal

BSc Economics & Business Economics 2014 — 2018
University of Groningen

BA History 2015 — 2018
University of Groningen

PAST POSITIONS

Research Assistant, Ghent University Ghent, Belgium
Faculty of Economics and Business Administration, division Corporate Finance 2020 — 2021

Research Analyst, European Central Bank Frankfurt, Germany
Directorate General Research, Financial Research Division 2020

Trainee, European Central Bank Frankfurt, Germany
Directorate General Research, Financial Research Division 2019 — 2020

PHD COURSES

Tinbergen Institute, MPhil/Research Qualification (48 ECTS) 2021 — 2023

Compulsory Courses

- Fundamental Mathematics
- Statistics
- Microeconomics II: Game Theory
- Econometrics I
- Econometrics II
- Microeconomics III: Contract Theory
- Macroeconomics IV: Financial Frictions

Advanced Specialization

- Corporate Finance Theory
- Empirical Corporate Finance
- Applied Microeconometrics
- Banking
- Law, Economics and Organization
- Institutions and Financial Structure

Additional Courses

- Macro Finance and Central Banking
  Tinbergen Institute 2022
- Banking Regulation and the Future of Money
  BSE Summer School 2023
- Empirical Tools and Applications in Banking and Macro Finance
  BSE Summer School 2023

TEACHING EXPERIENCE

Teaching Assistant, University of Groningen 2016 — 2019

- Globalization I: Economic and Social History (Undergraduate)
- Macroeconomics (Undergraduate)
- Microeconomics (Undergraduate)
- Research Paper (Undergraduate)

OTHER EXPERIENCE

Secretary, Studiegroep ECB, Expert group for the Dutch Parliament 2023 — 2024

Research Assistant, University of Groningen Groningen, The Netherlands

Faculty of Economics and Business, department Economics, Econometrics and Finance 2018 — 2019

Faculty of Arts, department Economic and Social History

AWARDS

Groningen University Fund 2018

Travel grant for exchange semester abroad

LANGUAGES AND SOFTWARE SKILLS

- **Languages:** Dutch (native), English (fluent), German (intermediate)
- **Software:** STATA, R, LaTex

Statement Doctoral Training Workshop: Economics of Executive Compensation

By mean of this statement I wish to express my strong interest in attending the workshop on Economics of Executive Compensation. I believe that the workshop would be a great addition to my current knowledge and fit neatly in my research agenda.

Currently, I am in the third year of the PhD program at Erasmus School of Economics under the supervision of prof. dr. Peter Koudijs. During the first two years of the program, I have successfully completed the PhD courses at Tinbergen Institute. As a result, I have a thorough understanding of contract theory and corporate finance theory, as well as financial and organizational economics. Further deepening and specializing my knowledge about incentive pay will directly enable me to improve my current research.

My current research project focuses on skin-in-the-game of bank managers in the early 20th century. This project is co-authored with prof. Koudijs. It analyzes the role of additional personal liability of bank managers, in the form of personal underwriting, in banks' security issuances. The project uses historical security issuance records from the largest Dutch investment bank of the 1920s. Bank managers could personally participate in the bank's issuance of securities to guarantee their placement at a certain price on the market. The project uses this unique setting to shed light on the question whether bank managers should personally participate in banks' security issuances, as it can lead to both risk sharing and self-dealing.

Participation in security issuances worked as follows: if a security issuance was successful, the bank managers received the underwriting fee, otherwise they had to personally purchase the securities. The managers were encouraged to participate in such underwriting due to their relatively low base salary. However, when purchasing securities of unsuccessful issuances, managers could suffer substantial losses, sometimes even extending beyond their base salary.

Managers followed an exogenous rule of thumb for personal underwriting, based on the issuance amount that was offered to the bank. They had limited discretion in applying this rule. Our preliminary results show that managers especially deviated from the rule in cases where the security issuance ex post turned out to be unsuccessful. The managers thus sporadically reduced their exposure for high-risk security issuances, suggesting that skin-in-the-game can only be efficient when it is applied consistently.

Underwriting provided an opportunity to increase managers' income by increasing their skin-in-the-game. It was a risky business of itself, exposing the bank managers to additional personal downside risk that could easily outweigh the upside potential. In this unique historical setting, personal underwriting as a form of bank executive compensation thus allows for analyzing the effects of certain incentives, namely additional liability, on managerial behavior and firm outcomes.

The workshop on Economics of Executive Compensation thus appears to be an excellent fit for my research interests. I am very much looking forward to improving my understanding of executive compensation by means of this workshop. It would be a great opportunity to learn from Dirk Jenter and Kelly Shue, both experts in the field of executive pay and managerial behavior, about theoretical and empirical research in their field. I am confident that the workshop will not only benefit my current research, but will also have a lasting impact on my academic and professional journey.

Erasmus School of Economics

National Bureau of Economic Research
Brett Maranjian

Date
3/1/2024

Subject
Recommendation letter Eva Mulder for Doctoral Workshop

Our reference

Your reference

Page
1/1

Prof. dr. P.A.E. Koudijs
Professor of Finance and History
Business Economic – Finance

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PO Box 1738
3000 DR Rotterdam
The Netherlands

E koudijs@ese.eur.nl
W https://sites.google.com/view/peter-koudijs

Dear Brett Maranjian,

With this letter I would like to recommend Eva Mulder for the NBER Doctoral Training Workshop on Economics of Executive Compensation on June 17-18, 2024.

Eva started her PhD in Rotterdam in the summer of 2021. She is exceptionally bright, mature, motivated, hard-working and efficient. It is an absolute pleasure to work with her and I anticipate that she will end up writing a very good job market paper. In my mind, she compares well with the doctoral students I encountered during my time at Stanford GSB. She is by far the strongest student of the four PhD students I am currently supervising. Without doubt, she is a great candidate for the workshop.

Currently, Eva is working on an exciting topic in Bank Executive Compensation. There is a deeper question to what degree bank managers should directly participate in their banks' security issuances. On the one hand, this could improve incentives, with bank managers profiting from success (like on a bonus payment) while losing money if an issuance fails. On the other hand, this could lead to opportunistic self-dealing, with managers allocating the best issuances to themselves. Eva explores this question in the setting of the largest Dutch investment bank of the 1920s and 1930s for which detailed security issuance records are still available. The bank implicitly mandated managers to always participate in security issuances. Managers applied a rule of thumb based on issuance size cut-offs to determine how much to take up themselves, though they had some discretion to deviate. Eva shows that managers fully exploited this loophole, typically following the rule of thumb, but opportunistically reducing take up in the (ex post) worst issuances. These findings suggest that manager participation in security issuances can only fix incentives if it is implemented in a strict way.

Eva would tremendously benefit from participating in the workshop. Many thanks in advance for your consideration.



Prof. dr. P.A.E. Koudijs
Professor of Finance and History