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National Bureau of Economic Research
1050 Massachusetts Avenue
Cambridge, Massachusetts 02138-5398

Bonn, March 3, 2024

Application – Doctoral Training Workshop on Economics of Executive Compensation

Dear Selection Committee,

Please find enclosed my application for the training workshop for graduate students and junior scholars on the Economics of Executive Compensation on June 17-18, 2024, in Cambridge, MA. The faculty member sending my letter of recommendation is Farzad Saidi (saidi@uni-bonn.de).

Thank you for considering my application. I am very much looking forward to hearing back from you.

Yours faithfully,

Valentin Kecht

Appendix: Statement on Motivation and Research Interests; CV

Statement on Motivation and Research Interests

Decades of research in economics and management have established the importance of CEOs in determining firm performance and strategic direction, making CEO transitions a crucial event. From an academic perspective, this importance extends to executive compensation for several reasons. First, CEO pay is key in attracting and retaining talent. Second, the relatively high availability and quality of CEO data can help understand mechanisms relevant to other parts of the economy. Third, as demonstrated by the recent debate about common ownership, executive compensation can also elucidate larger economic trends with substantial welfare implications. Finally, given the public attention dedicated to CEO pay, measuring and scrutinizing competing explanations for its variation over time and space may directly impact perceived inequality or political conflict.

For these reasons, I find executive compensation a fascinating topic that has justifiably garnered significant focus. On the theoretical end, my impression is that standard contract theory has proved useful in establishing a normative benchmark and accounting for some of the observed variation in CEO pay, while revealing major shortcomings in other areas. Importantly, as highlighted by recent evidence, this strand of literature teaches us little about the processes through which CEO pay is set in practice and how concerns about fairness, among other factors, come into play. Moreover, given my background in labor economics, I believe that the influence of market dynamics beyond the confines of boardrooms is relatively understudied.

I am very much interested in further exploring both of these aspects and I am currently working on a project that uses observational data to study the market for CEOs. In this project, conducted jointly with Alessandro Lizzeri (Princeton) and Farzad Saidi (Bonn), we investigate changes in age patterns across highly competitive labor markets with a particular focus on business executives. We start by documenting age increases across top positions in science and politics, and show that CEO age at appointment has surged over the last decades in the US and in Europe. Our working hypothesis is that – in addition to demographic and supply-side factors – these trends can be attributed to firms' increasing valuation of generalist skills and experience in response to heightened risk and uncertainty. Consistent with this conjecture, first results reveal a marked increase in CEOs' external experience over time, indicating a shift towards valuing a broad skill set acquired across different firms and sectors. Even if larger firms hire predominantly and to an increasing extent from inside, we show that this uptick is driven by those entering the firm at later and more senior stages, in line with our theoretical framework.

The role of firm structures in shaping labor mobility via changes in labor demand is similarly crucial to some of my other current work. Together with Giacomo Marcolin (Northwestern), we use administrative data to examine how recently unemployed individuals supplement their income through gig work. For identification, we exploit the staggered entry of gig platforms across German districts and find evidence consistent with the idea that individuals use gig work as a temporary income buffer, with ramifications on their medium-run employment prospects in the traditional labor market.

Taken together, I believe that coursework and my research experience have equipped me with the theoretical and empirical tools pertinent to studying CEO pay. The workshop aligns extremely well with my current research interests and would be an outstanding opportunity to learn from the leaders of the field about the frontier and connect with other PhD students working on related topics. Given this, I am very eager to attend the lectures and take advantage of the networking opportunities available at the workshop.

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Born: September 21, 1995
Nationality: German

Current Position

since 2021 *PhD Candidate*, University of Bonn

Research Fields

Labor Economics; Financial Economics; Political Economy

Education

2021–2023 MSc Economic Research, University of Bonn
2018–2021 MSc Economics and Social Sciences, Bocconi University
2014–2017 BA Romance Studies, University of Munich
2018–2021 BSc Economics, University of Munich

Completed PhD Courses

University of Bonn

First-Year Sequence: Mathematics for Economists; Microeconomics; Macroeconomics; Econometrics; Microeconomics II; Macroeconomics II; Econometrics II

Topics Courses: Financial Economics; Econometrics and Statistics; Macroeconomics and Public Economics; Management and Applied Microeconomics

Programming Courses: Dynamic Macroeconomics (Matlab), Effective Programming Practices (Python)

Bocconi University

Topics Courses: Advanced Econometrics IV; Applied Econometrics

Research

The Diffusion of Technological Progress in ICT. With Steffen Elstner, Christian Grimme and Robert Lehmann. *European Economic Review* 149: 104277 (2022).

Science Skepticism Reduced Compliance with COVID-19 Shelter-in-Place Policies in the United States. With Adam Brzezinski, David Van Dijcke and Austin L. Wright. *Nature Human Behaviour* 5.11: 1519-1527 (2021).

Research Experience

2021	Pompeu Fabra University (Luigi Pascali)
2019	Bocconi University (Carlo Altomonte)
2019	Deutsche Bundesbank, Research Center
2017-2021	Ifo Institute, Center for Macroeconomics and Surveys (Andreas Peichl)
2015-2017	University of Munich (Joachim Winter)

Teaching Experience

2023	University of Bonn, TA Econometrics (BSc)
2022	University of Bonn, TA Principles of Economics (BSc)

Other Work Experience

2021	European Commission (Secretariat-General, Recovery & Resilience Task Force), Trainee

Fellowships and Awards

2022	WU Best Paper Award of the City of Vienna
2022	ifo Research & Policy Prize
2021–2026	briq Institute on Behavior & Inequality, full PhD Scholarship
2018–2020	Bocconi International Award
2019–2020	IGIER Visiting Student Initiative

Technical Skills

Statistical Analysis: STATA (programmer), EViews (advanced)
Languages: R, Matlab, VBA, SQL, Python (advanced)
Typesetting: LaTeX(advanced), HTML (basic)

Languages

German: native, **English**: fluent, **French**: C1, **Italian**: B1, **Spanish**: A2

Last updated: March 3, 2024

From: "Farzad Saidi" <saidi@uni-bonn.de>
To: <maranjian@nber.org>
Subject: Valentin KECHT -- Doctoral Training Workshop on Economics of Executive Compensation

Dear Organizers,

This is to recommend my student **Valentin Kecht** from the University of Bonn's Department of Economics, who applied to your workshop.

I am Valentin's main advisor. His dissertation focuses on labor market dynamics relevant to the world of finance. One of his projects (joint with Alessandro Lizzeri and myself) considers the underlying drivers of the shockingly steep trend in CEO aging, i.e., the fact that upon appointment CEOs (both in the U.S. and in Europe) have become much older over the past two decades. Needless to say, our paper would also greatly benefit from Valentin's participation in your workshop.

Valentin is a veritable self-starter, with two publications in applied micro (e.g., in the European Economic Review) under his belt already despite the fact that he is only in his third year of doctoral studies. He is trained extremely well in applied microeconometrics, well-versed in multiple literatures from applied micro to labor and finance, and as driven as they come. This is also the reason why I decided to co-author with him.

Valentin is one of my very best students, at least on par with students of mine that were placed at Bocconi (Martin Kornejew) or the Fed Board (Ricardo Gabriel) in the recent past. He would be a brilliant addition to your workshop, and I very much hope that you invite him to participate in it.

Best,
Farzad