Rotman

March 6, 2024

NBER Doctoral Workshop on the Economics of Executive Compensation Selection Committee

Noemie Bucourt
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Dear Selection Committee,

I am a sixth-year PhD candidate preparing to go to the job market next fall. I would love to participate in the Workshop on Executive Compensation, as the two working papers I am currently focused on are directly related to this topic.

The lectures and interaction with faculty will greatly help me in improving these papers as well as develop some new ideas for research.

Claire Celerier has been advising me during my PhD and is writing a letter of support. Her email address is claire.celerier@rotman.utoronto.ca.

I am looking forward to hearing from you and hope to meet you in Cambridge in June.

Best regards,
Noemie Bucourt

NOÉMIE BUCOURT

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Education

2017- UNIVERSITY OF TORONTO, ROTMAN SCHOOL OF MANAGEMENT, TORONTO, CANADA
PhD in Finance
Committee: Redouane Elkamhi, Nicolas Inostroza, Claire Celerier, Liyan Yang

2020 MATERNITY LEAVE

2017 DAUPHINE UNIVERSITY, PARIS, FRANCE
Master in Finance (Master 104)

PhD Courses completed

2018-2019 Theoretical Corporate Finance (Denis Gromb), Applied Empirical Corporate Finance (Pat Akey), Topics in Finance (faculty from the Finance area)

2017-2018 Microeconomics (Marcin Pęski, Ettore Damiano, Colin Stewart, Martin Osborne), Econometrics (Victor Aguirregabiria, Adonis Yatchew), Financial Theory I (Liyan Yang), Financial Theory II (Redouane Elkamhi)

Working Papers

2023 ESG Investing and Managerial Incentives, with Nicolas Inostroza

Work in Progress

2023 Real Effects of Personal Liability for Decision-Makers: Evidence from Manufacturing Pollution in Canada

Conference and Seminar Presentations

2024 TD Management Data and Analytics Lab Research Roundtable (scheduled), 5th Annual Canadian Sustainable Finance Network (CSFN) Conference (scheduled)

2023 TD Management Data and Analytics Lab Research Roundtable, RBC x Rotman Sustainable Finance Research Roundtable, Midwest Finance Association (presentation and discussions), Financial Intermediation Research Society (presentation), Rotman Finance PhD research roundtable

2022 Rotman Applied Theory Reading Group, Rotman School of Management (Finance)

2021 CIREQ Interdisciplinary PhD Student Symposium on Climate Change

2019 Rotman School of Management (Finance)

Discussions

2023 "The Market for ESG Ratings" by E. Azarmsa and J. Shapiro, MFA

2023 "Governance through Regulation, Liquidity, and Destruction: Fighting Short-Termism under Moral Hazard and Adverse Selection" by A. Corum, MFA

Awards and Grants

2023 Ontario Graduate Scholarship, EFA Travel Grant, TD Management Data and Analytics Lab Research Grant, Dobson Business & Climate Project research grant

2017-2023 University of Toronto Fellowship

2022 Ontario Graduate Scholarship, TD Management Data and Analytics Lab Research Grant

2020 University of Toronto Parental Grant

2017-2020 Rose Patten Management Fellowship

2017-2019 Director's Fellowship

Teaching

2021 Instructor, Rotman Commerce, University of Toronto (undergraduate)
Introduction to Corporate Finance (RSM333), evaluation: 4.1/5

2020 Teaching Assistant, Introduction to Corporate Finance (Dana Boyko), University of Toronto

2019 Teaching Assistant, Investor Psychology and Behavioral Finance (Charles Martineau), University of Toronto
Teaching Assistant, Investments (Lisa Kramer), University of Toronto

2018 Teaching Assistant, Investments (Lisa Kramer), University of Toronto
Teaching Assistant, Behavioral Finance (Lisa Kramer), University of Toronto

Research Assistance

2024 Research Assistant for Camille Hebert, Ting Xu, Alexander Dyck

2018 Research Assistant for Andreas Park, Marius Zoican, Mariana Khapko

Professional Service

2023 Co-founder & co-organizer of the Rotman Women in Finance Research Initiative

2019-2023 Mentor for incoming PhD students, Rotman School of Management

2021-2022 Co-organizer, Applied Theory Reading Group, Rotman School of Management

2021 Referee, ACM EC Conference

2017 Chair, Master Association, Dauphine University

Non-Academic Experience

2016 Société Générale, Credit Risk Modelling Intern (6 months), Paris, France

2015 CIRANO, Research Assistant for the FinÉcoLab project (Marine de Montaignac) and Stephanie Boulenger (6 months), Montreal, Canada

2014 OECD Centre of Development Director's Office Intern (3 months), Paris, France

Skills and languages

Softwares Stata, Python

Languages English (fluent), French (native)

Personal

French citizen, Canadian Permanent Resident

Born June 13, 1993

Married, one child

Last updated in January 2024

Application to the NBER Workshop on Economics of Executive Compensation

Noemie Bucourt

February 6th, 2024

My research aims to understand managerial incentives for minimizing corporate externalities on society. The majority of the literature on sustainability has focused on firm-level incentives to reduce environmental harm. For instance, Akey and Appel [2021] and Bellon [2021] have studied the effects of corporate liability on pollution. Heinkel et al. [2001], Berk and van Binsbergen [2021], Pástor et al. [2021] have studied the effects of ESG investing by financial investors on corporate sustainability investment. The essence of my research is to differentiate decision-makers from their respective firms, focusing on the intersection between individual incentives and corporate sustainability decisions. Participating in the NBER Workshop on the Economics of Executive Compensation would offer a great opportunity for me to further develop the contribution of this research to both the literatures on agency and sustainability.

My current research is twofold. In one (likely job market) paper, I examine the effects of personal liability risk on corporate pollution. Centuries ago, corporate decision-makers earned protection against personal liability for the decisions they made on behalf of their firms, resulting in few executives being held accountable for their actions. I investigate environmental law, where personal liability is legally established albeit weakly enforced. Specifically, I analyze changes in pollution levels following a shift in the enforcement of personal liability in Ontario, Canada. The primary contribution lies in examining tangible outcomes subsequent to the enforcement of personal liability (unlike Aguir et al. [2014], Ivanova et al. [2022], Naaraayanan and Nielsen [2021] who study changes in governance structures following changes in laws). Preliminary results indicate that increased personal liability risk leads to a reduction in pollution. Currently, I am in the process of developing a model to ascertain the conditions under which real outcomes are influenced following the enforcement of personal liability (for example, more insurance could undo the effect but seems not to). Given my focus on the Canadian context, I have access to data on Director and Officer liability insurance, which is particularly pertinent for investigating this question.

In a second paper, I am collaborating with Nicolas Inostroza to investigate how financial markets may influence executives' decisions to invest in sustainability through "ESG investing." We develop a career concern model (such as Dewatripont et al. [1999]) in which sustainability of the firm is not observed but disclosed through a noisy signal. Besides, investors possess diverse preferences regarding the level of sustainability they expect from the firm and decide how much to invest in the firm. We assume that executives care about maximizing the stock price of their firm (we do not look at contracts). Through their decisions on corporate sustainability, they influence the posterior beliefs of investors about the firm's future sustainability outcomes. Preliminary results indicate that the preferences of the marginal investor determine the stock price. Furthermore, greater disagreement among investors regarding corporate sustainability results in less executive investment in sustainability. I am presently working on deriving additional results using this model and understanding their implications.

Participating in the workshop would significantly enhance my research as I aim to further develop the contributions of these two projects to the literature on executives' incentives. Reviewing current literature and gaining insight into the current research questions will help me in contextualizing my current results and developing further implications. Moreover, I am eager to meet professors who work in the field and receive their valuable feedback.

References

Iness Aguir, Natasha Burns, Sattar A Mansi, and John K Wald. Liability protection, director compensation, and incentives. *Journal of Financial Intermediation*, 23(4):570–589, 2014.

Pat Akey and Ian Appel. The limits of limited liability: Evidence from industrial pollution. *The Journal of Finance*, 76(1):5–55, 2021.

Aymeric Bellon. Fresh start or fresh water: The impact of environmental lender liability. *Available at SSRN 3877378*, 2021.

Jonathan Berk and Jules H van Binsbergen. The impact of impact investing. *Available at SSRN 3909166*, 2021.

Mathias Dewatripont, Ian Jewitt, and Jean Tirole. The economics of career concerns, part i: Comparing information structures. *The Review of Economic Studies*, 66(1):183–198, 1999.

Robert Heinkel, Alan Kraus, and Josef Zechner. The effect of green investment on corporate behavior. *Journal of financial and quantitative analysis*, 36(4):431–449, 2001.

Mariya N Ivanova, Annalisa Prencipe, Milda Tylaite, and Antonio Vazquez. Does more liability mean more responsibility? the effects of director liability in financial institutions. 2022.

S Lakshmi Naaraayanan and Kasper Meisner Nielsen. Does personal liability deter individuals from serving as independent directors? *Journal of Financial Economics*, 140(2):621–643, 2021.

L'uboš Pástor, Robert F Stambaugh, and Lucian A Taylor. Sustainable investing in equilibrium. *Journal of Financial Economics*, 142(2):550–571, 2021.

Joseph L. Rotman School of Management
University of Toronto

Finance Area

Rotman

Toronto, March 4, 2024

Dear NBER selection committee,

I am writing to strongly recommend **Noémie Bucourt** to participate to the NBER Doctoral Workshop on Executive Compensation. I know Noémie very well as I have been her adviser since 2018.

Noémie's research lies at the intersection of managerial incentives and corporate social responsibility. She currently works on two projects that approach these important questions from different perspectives: one examines how ESG investing influences executives to make their firms more sustainable, while the other focuses on personal liability for executives and how it deters them from polluting.

Noémie has successfully completed all theory and empirical courses at Rotman, and beyond the necessary skills she possesses to achieve great research papers, she also exhibits the drive and maturity necessary to become a successful professor in Finance.

Noémie will greatly benefit from the NBER workshop, especially as she is close to completing her PhD. Learning about the executive compensation literature will aid her in refining her papers which closely relate to this research agenda. I am confident that she will also greatly benefit from meeting professors who are at the forefront of the literature she contributes to.

Let me conclude by saying that Noémie is an extremely pleasant person, and that she will be a great addition to the workshop. She is very curious, enthusiastic, and open-minded.

Do not hesitate to contact me (claire.celerier@rotman.utoronto.ca) if you need more information about Noémie. I will be delighted to provide further thoughts about her application.

Sincerely,
Claire Célérier

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