Application to the NBER Entrepreneurship Research Boot Camp 2025

Applicant's Basic Information

Name: Andy Li

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School: Amsterdam Business School, University of Amsterdam, The Netherlands.

Area of Interests: Entrepreneurial Finance, VC & Innovation, Sustainable Finance, Alternative Assets.

PhD Year of Entry: 2023 (2021 for the research master program)

PhD expected year of completion: 2027

Name of faculty supplying recommendation letter: Aleksandar Andonov (PhD committee chair, email: a.andonov@uva.nl)

To whom it may concern,

I am Andy Li, second-year PhD student (equiv. to fourth-year PhD in the U.S.) in Finance at the University of Amsterdam. With this letter, I would like to apply for the NBER Entrepreneurship Research Boot Camp 2025 in Massachusetts.

On my very first day of PhD, my supervisor Aleks gave (lent, but for an indefinite period) me the book *Patient Capital* (Ivashina & Lerner) to lure me into the space of VCPE. After a whole year of exploration, I become convinced that this is an exciting and important area of research, particularly entrepreneurship and innovation.

Together with supervisors Aleksandar Andonov and Paul Smeets, I study VC investments by development financial institutions globally, which participate in one out of every six deals to promote entrepreneurship and innovation. As we find limited impact of these investments, I realize that while government, charitable organizations, and long-term investors are increasingly engaged in VC investments, simply pouring money into the space is not enough. Proper measurement, transparency, incentive design, and governance are essential to achieve social goals with VC investments.

Motivated by this observation, I have started to explore a few topics in entrepreneurship (one of them will be my JMP): measuring the impact of Climate-Tech VC investments using climate science data, the effects of (de-)regulation on entrepreneurial activities in the U.S., the design of VC loan programs, and the governance of LPs pursuing social goals through VC investment. In my research, I enjoy spending time collecting new data. Some questions are hard to answer with data, so I pick up ideas and methods of corporate finance theory from my supervisor Enrico Perotti.

I have explored the institutional investment/LP side of VC, and I now wish to understand more about entrepreneurs' and venture capitalists' perspectives. What challenges and frictions do they face? What kind of entrepreneurship research helps address these challenges? I believe the boot camp is particularly suitable as it gathers scholars from not only finance but also from economics, strategy and management. While I focus on entrepreneurial finance, I increasingly realize that entrepreneurship goes far beyond money matters. On a more pragmatic note, I hope to get feedback on my research and JMP ideas from conversations with top scholars as well as PhD peers in the field.

Thank you for taking the time reading this application, and I very much look forward to being part of this boot camp!

Best Regards,

Andy

Andy Li
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Current position

University of Amsterdam — Amsterdam, the Netherlands
PhD candidate in Finance — *Oct. 2023 –*
Supervisor: Aleksandar Andonov, Enrico Perotti, and Paul Smeets.

De Nederlandsche Bank — Amsterdam, the Netherlands
Guest researcher — *Oct. 2023 –*

Education

University of Amsterdam/Tinbergen Institute — Amsterdam, the Netherlands
Mphil. Economics (Track: Advanced Econometrics and Finance) — *Sep. 2021 – July 2023*
GPA: 8.5/10 (rank 1/26)

University of Groningen — Groningen, the Netherlands
Bsc. Econometrics and Operations Research (Minor: Mathematics) — *Sep. 2018 – July 2021*
GPA: 9.1/10.0 (rank 2/147)

Research interests

Primary: Entrepreneurial Finance. VC & Innovation.
Secondary: Sustainable Finance. Alternative Assets.

Working Paper

1. Do Development Financial Institutions Create Impact through Venture Capital Investments?
with Aleksandar Andonov and Paul Smeets
Scheduled Presentations: SFS Cavalcade NA, 2025, The 1st Amsterdam Sustainable Finance Conference

Development Finance Institutions (DFIs) manage assets totaling $23 trillion, yet little research has been conducted on their investment activities and impact. We document that DFIs have increasingly invested in venture capital (VC) over the past three decades, participating as limited partners in one out of every six deals. We collect the mandates of DFIs and identify four main objectives they pursue through VC investments: building a VC ecosystem, supporting entrepreneurship and small and medium-sized enterprises, fostering innovation, and promoting sustainable business practices. We empirically test whether DFIs meet these objectives by addressing market failures, including externalities, information frictions, and coordination challenges. Our findings vary between developed and developing economies. In developing economies, DFIs are more likely to target industries with positive externalities, provide capital to underrepresented fund managers, and improve return transparency. However, they are less likely than conventional VC investors to support young funds or early-stage deals, and their investments have no significant impact on firm growth or innovation. In developed economies, we find little evidence that DFIs address market failures and their impact is even more limited. Overall, our findings suggest that DFIs have significant room to enhance their impact by better addressing market failures, aligning investments with stated mandates, and embracing higher risk in their portfolios.

Work in Progress

2. Environmental Protests against Banks
with Annick van Ool (De Nederlandsche Bank)
Research Grant from 'A Sustainable Future'

We document a global surge ($n = 478$) in protests against banks for environmental causes. These protests increasingly express *both* climate and biodiversity concerns. This paper aims to study their impact on banks along three dimensions. In the short-run, we show that these protests, on average, do not have significant effects on banks' stock prices. Next, we investigate the medium-run effects on banks' environmental policy

communicated in their annual reports using ChatGPT. [The results for this part are forthcoming]. Third, we explore the long-term impacts on banks' lending practices using confidential loan-level data for all banks operating in the Euro Area. Our results show that these protests have no significant effect on banks' lending. To our knowledge, this is the first systematic study of protests targeting financial institutions. Overall, the real effects of civil disobedience on banks appear to be limited.

3. Financing Innovation with Credit
with Julian Kölbel (St. Gallen/MIT)

Experience

Data analyst
Analyze and visualize the Macrofinance History data from University of Bonn *2023 –*
- Under the NWO grant of Prof. Enrico Perotti, Prof. Eric Bartelsman and Prof. Moritz Schularick

Teaching assistant
Bsc. Multivariate calculus; Risk insurance; Introduction to Actuarial Science *2020 – 2021*

Research assistant
Econometrics *2020; 2023*
- Assisting Dr. Tom Boot to derive asymptotic properties of CUE under certain specifications
- Assisting Prof. Michel van der Wel and dr. Anastasija Tetereva to set up GARJI estimation.

Achievements & Awards

A Sustainable Future Research Grant 2025
2,000 Euros *University of Amsterdam*

Tinbergen Full Scholarship 2021-2023
Merit-Based scholarship granted on the basis of academic achievement *Tinbergen Institute*

National Speech Contest in Japanese 2016
2nd prize *Guangzhou, China*

18th National Japanese Writing Contest for high school students 2015
Special Award, invited visit to Tokyo & Iwate with scholarship *Beijing, China*

Skills

ICT: R, Python, Stata, Eviews, Matlab, Latex, Power BI, WIX
Languages: Chinese (native), English (proficient), Japanese (previously proficient), Dutch (beginner-intermediate)
Other: Familiar with basic machine learning techniques, parallel computing, and forecasting models in finance and macroeconomics.

University of Amsterdam
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Aleksandar Andonov
Professor of Finance
University of Amsterdam
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Dear Entrepreneurship Boot Camp Team,

I am one of Andy Li's PhD advisors and I would like to recommend him for the NBER Entrepreneurship Research Boot Camp. Andy is a PhD student in finance at the University of Amsterdam and his research focuses on venture capital, entrepreneurship, and institutional investors. Andy is currently in the fourth year of our PhD program, counting also the completed two-year coursework at the Tinbergen Institute. I advise Andy together with my colleagues Enrico Perotti and Paul Smeets.

Andy's research projects are empirical, but he can think deeply about a problem and even use models to frame it theoretically. At this stage, He has one complete working paper on venture capital investments by Development Finance Institutions (DFIs). Andy also plans to write his job market paper in the area of entrepreneurial finance and has several developed ideas. The research boot camp will be a great opportunity for Andy to extend his knowledge and develop further his research projects.

Our joint working paper starts with the observation that Development Finance Institutions (DFIs) are one the largest investors in venture capital (VC), participating as limited partners in one out of every six deals. We use textual analysis of the DFIs' mandates and identify four main objectives that they pursue through VC investments: building a VC ecosystem, supporting entrepreneurship and small and medium-sized enterprises, fostering innovation, and promoting sustainable business practices. Essentially, DFIs aim to address market failures, such as externalities, information frictions, and coordination challenges. Our paper examines whether DFIs meet these objectives. We find that, in developing economies, DFIs are more likely to target industries with positive externalities, provide capital to underrepresented fund managers, and improve return transparency. However, they are less likely than conventional VC investors to support young funds or early-stage deals, and their investments have no significant impact on firm growth or innovation. In developed economies, we find little evidence that DFIs address market failures and their impact is even more limited. Overall, our findings suggest that DFIs have significant room to enhance their impact by better addressing market failures, and aligning investments with stated mandates.

We recently completed the first draft of this project, and it is scheduled to be presented at the SFS Cavalcade North America and the Amsterdam Sustainable Finance Conference. On this project, Andy contributed meaningfully at all stages. He worked on the development of research questions, data collection, and empirical analysis. During his earlier education in theoretical econometrics, Andy has familiarized himself with empirical methodologies in identification. The econometric training makes him also very careful in designing model specifications such as clustering and controls. In our project, I could see that he has great econometric skills and can run a careful empirical analysis.

UNIVERSITY OF AMSTERDAM
Amsterdam Business School

Aleksandar Andonov
Professor of Finance
Email: a.andonov@uva.nl

During his first year in the PhD program, Andy has explored various datasets useful for research in entrepreneurship and SMEs, including Preqin, SDC platinum, Pitchbook, Orbis Financials, and Patents, as well as sustainability-related datasets for SMEs such as Trucost and RepRisk. These datasets and empirical skills are helpful for his future research. He aims to research how to measure and improve the effectiveness of VC investments with social goals. For example, he is working on two projects measuring the impact of VC investments using climate science data and comparing the effectiveness of government-led venture equity investments and venture debts in crowding in private capital.

In addition, Andy is also among the most active PhD students in our seminars. He frequently asks critical questions during the seminars and meets the visitors. I am sure she will be a very enthusiastic and active participant in the NBER Entrepreneurship Boot Camp

Overall, Andy Li is a mature PhD student with a clear research focus on entrepreneurship and venture capital. He has research experience in entrepreneurship and he plans to write his job market paper also in this area. The NBER entrepreneurship boot camp will be a great opportunity for Andy to gain new insights, develop his research projects, and establish a professional network. I wholeheartedly support his application.

Best,

AAndonov

Aleksandar Andonov