Contact Information

Charles Parry
cp649@cam.ac.uk
+44 (0) 7805 585 846
Faculty webpage: https://www.econ.cam.ac.uk/people/phd/cp649
Personal website: https://sites.google.com/view/charles-parry

---

PhD Programme Summary

University of Cambridge
PhD in Economics

Areas of interest: Entrepreneurial Finance, Innovation, Firm Dynamics, Corporate Finance

Year of Entry: 2020
Expected year of completion: 2026

Supporting faculty member: Dr William H Janeway

CHARLES PARRY

Contact: cp649@cam.ac.uk

EDUCATION

University of Cambridge 2020 – Present
PhD Candidate in Economics
Supervisor: Vasco Carvalho
Advisor: Charles Brendon

University of Cambridge 2018 – 2019
MPhil in Economic Research (Distinction)

London School of Economics and Political Science 2014 – 2017
BSc Economics (First-Class Honours)

RESEARCH INTERESTS

Firm Dynamics, Corporate Finance, Entrepreneurial Finance, Innovation

RESEARCH PROJECTS

Start-up Financing, Entry and Innovation
CERF Best Student Paper Award – 2024

Local Stock Markets (w/Igli Bajo)

CONFERENCES & PRESENTATIONS

2024: Cambridge University Macroeconomics Workshop; Judge Business School CERF Lunch Talk; Theories and Methods in Macro (T2M); 2024 RCEA International Conference in Economics, Econometrics, and Finance; EDGE Jamboree.
2025 (incl. scheduled): Cambridge University Macroeconomics Workshop; Columbia PE Research Conference; Eastern Finance Association Annual Meeting.

WORK EXPERIENCE

Organisation for Economic Co-operation and Development 2023 – 2024
PhD Intern (latterly, Consultant), PIE Division

European Central Bank 2019 – 2020
Trainee, Monetary Policy Strategy (Policy Assessment)

RBB Economics 2017
Summer Intern

Compass Lexecon 2016
Summer Intern

TEACHING

Teaching Assistant, University of Cambridge 2021 – 2024
R200, Graduate Macroeconomics (PhD Track)
E200, Graduate Macroeconomics
Part IIA, Undergraduate Macroeconomics

Visiting lecturer, Coburg University 2022
International Economics, MBA Programme

AWARDS

Newton College Masters Award (Isaac Newton Trust) 2018
Doctoral Training Programme Studentship (ESRC) 2020
MPhil Teaching Prize 2021-22, 2022-23
CERF Best Student Paper Award 2024

EXTRA-CURRICULAR

Organiser of the Macroeconomics Reading Group (w/Deniz Atalar), University of Cambridge 2022 – 2023
Cambridge Co-Coordinator of the Applicant Mentoring Programme 2021 – 2024
Treasurer, Jesus College Graduate Society 2021

SKILLS

Programming Python, MATLAB, Stata
Languages English (Native), German (Advanced)

Research Summary

In my research, I use theoretical and structural models to understand how access to capital markets shapes innovation, with a particular focus on young firms.

In my job market paper for 2025/26, Start-up Financing, Entry and Innovation, I develop a new model of the venture capital market that facilitates studying various applied questions that currently lack quantitative analysis. The model focusses on the implications of staged financing, which helps to mitigate agency frictions, but exposes start-ups to financing risk (the inability of viable firms to secure follow-on funding). The model captures rich features of the US data on start-up funding patterns, and I estimate that roughly one-in-four VC-backed start-ups fail due to financing risk.

I then apply the model in two distinct contexts to further explore its implications. I compare the US and UK markets as a case study to understand why other developed countries have typically been unable to replicate the success of the US VC market. Broadly speaking, the gap in activity could be explained by more limited access to funding for UK start-ups or weaker demand from UK start-ups for risk capital. Utilising the structural model, I present evidence consistent with a funding gap for UK start-ups, which is compounded by the weaker acquisition opportunities they face. Secondly, despite the success of VC in the US, concerns remain about financing for transformative, long-horizon projects. In my model, such projects typically need to raise more funding rounds and these frequent visits to the capital markets expose them to substantial financing risk, which generates funding misallocation. The model lets me estimate the size of these effects and highlights significant misallocation of VC funding away from science-related sectors toward IT and software related start-ups.

In a second paper, Local Stock Markets, joint with another PhD student, I study the role that stock markets play in domestic economies. Existing studies have documented that stock markets play a crucial role in facilitating firms' access to capital, especially for R&D intensive firms, for which equity financing is often preferable to debt. However, in a world of free capital mobility, it is less clear whether liquid stock markets need to be domestic (i.e. local) for firms to reap these benefits. In this paper, we propose a new model to study this question, which has received increasing attention following the weak performance of European stock markets in recent times. In the model, firms make optimal entry and listing decisions, and investors, with an information advantage in forecasting domestic economic conditions, make endogenous portfolio decisions. The information advantage of local investors implies that local stock markets can lower the cost of funds to local firms if local investors hold these assets. Conversely, liquidity externalities lead to lower costs of funds for larger stock markets, which may lead domestic firms to choose to list on large foreign exchanges. In light of this trade-off, our model provides a framework for understanding the implications of local stock markets for domestic outcomes and for evaluating policy interventions.

Reasons For Applying

I am applying to the NBER Entrepreneurship Research Boot Camp for two main reasons. Firstly, while much of my research focusses on venture capital, I am part of the macroeconomics group in Cambridge. As I have transitioned towards research in entrepreneurship, I have developed a strong grasp of the literature but would certainly benefit from structured exposure to key themes, methods, and debates in the field. The boot camp offers an opportunity to draw connections between different strands of the literature and I expect this will both strengthen my current work and inspire my future research.

Secondly, I am eager to engage with faculty and fellow participants who share an interest in entrepreneurship. At Cambridge, there are relatively few researchers working in this area, and I see this programme as an opportunity to exchange ideas and build relationships with scholars tackling similar questions. Given my focus on venture capital, I am particularly keen to discuss how different empirical approaches could complement my applied theory approach. I also hope that the programme will help foster potential future collaborations.

Dr. William H. Janeway
Faculty of Economics
University of Cambridge

Saturday, February 15, 2025

Charles Parry: Applicant to NBER Entrepreneurship Research Boot Camp 2025

I have been advising Charles Parry on his doctoral thesis in the Faculty of Economics of the University of Cambridge since the summer of 2023. Over this period, Charles' work has gained substantially in scope and depth. He began with a general interest in the relationship between frictions in the financing market for startups and the types of technologies addressed by venture capitalists, with particular concern for understanding why Europe has been a laggard in venture capital. This interest has matured into a robust and extensible formal model with significant empirical applications.

Charles has integrated a canonical search-and-match model of the encounter between entrepreneurs and VCs with Nanda's and Rhodes-Kropf's work on Financing Risk (2016) and Investment Cycles (2013). He is able to show that long-duration ("deep tech") startups are more exposed to Financing Risk and, thus, likely to be under-invested in by VCs. He explicitly takes account of the consequences of changing financing regimes as the balance between the supply and demand of startup finance evolves.

Charles has extended the model and its empirical application to take account of the M&A market for startups, since acquisition can serve as an outside option for a startup in search of follow-on financing. This alternative has been especially visible in the IT sector, where the leading Tech companies have made hundreds of acquisitions of startups in recent years. When taken to the US data, the extended model well matches the historic pattern of the distribution of VC investment across technology sectors.

The relevance of incorporating the acquisition market for startups was highlighted when the Biden Administration's enforcement of the anti-trust laws threatened this channel for startup exits and consequently cast a cloud over the startup VC market itself. Charles' work is now well positioned for examination of the consequences of the Trump Administration's apparent removal of this threat.

To supplement his primary mobilization of US data, Charles has been developing a case study of UK venture capital. The potential to demonstrate the broader relevance of his work to understanding the dynamics of lagging innovation economics is significant.

I have no doubt that Charles will benefit greatly from participation in the NBER Entrepreneurship Research Boot Camp.

Yours respectfully,

Dr. William H. Janeway