SEBASTIAN CIFUENTES

Finance PhD Candidate, UC San Diego – Rady School of Management
Research Focus: Entrepreneurship, Housing, and Neighborhood Spillovers

I am a Finance PhD candidate at UC San Diego studying how local environments shape entrepreneurship, with a focus on social interactions, regulation, and household constraints. My research uses large-scale administrative and spatial data to identify causal mechanisms behind business formation and local economic dynamism.

Program Information

- **Institution:** University of California, San Diego (Rady School of Management)
- **PhD Program:** Finance
- **Year of Entry:** 2022
- **Expected Year of Completion:** 2028

Area of Interest

- Entrepreneurship; Social Interactions and Economic Opportunity; Housing and Neighborhood Effects

Current Research

- *When Entrepreneurs Move In: Evidence from North Carolina* (primary research project)

Faculty Letter of Recommendation

- **Prof. Richard R. Townsend**, University of California, San Diego

Contact Information

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Education

Expected 2027	Finance PhD Candidate, UC San Diego, USA
2019	M.Sc. in Industrial Engineering, *summa cum laude*, Pontificia Universidad Católica de Chile, Chile
2019	Industrial Engineer Degree, Major in Mining Engineering, *summa cum laude*, Pontificia Universidad Católica de Chile, Chile

Research Interests

Entrepreneurship, Housing and Mortgage Markets, and Economic Inequality.

Work In Progress

1. "When Entrepreneurs Move In: Evidence from North Carolina"

   Abstract: This paper provides the first causal evidence that entrepreneurial activity diffuses through neighborhood ties. I exploit residential moves in North Carolina to study whether the arrival of an entrepreneurial neighbor increases business formation among incumbent residents. The analysis merges statewide business registrations, voter files, and property transaction data into a panel that links individuals to their neighbors and entrepreneurial outcomes over nearly two decades. Using a nearest-neighbor design with highly granular fixed effects, I find that exposure to entrepreneurial neighbors raises the probability of business entry by 4–9 percent within five years. Most effects occur in unincorporated, lower-cost businesses, while exposure to high-quality entrepreneurs is associated with a higher likelihood of starting incorporated firms. These findings show that localized social interactions are an important channel through which entrepreneurship and economic opportunity spread.

Pre Doctoral Publications

2. "Expected prices, futures prices and time-varying risk premiums: The case of copper" with Gonzalo Cortazar, Héctor Ortega and Eduardo S. Schwartz. *Resources Policy*, Vol. 69(7), pp. 101825, December 2020.

Fellowships and Awards

2024	Richard Libby Graduate Research Award ($10,000), *UC San Diego*
2022-Present	Rady Academic Year Fellowship, *UC San Diego*
2019	Best Mining Engineering Student, *Pontificia Universidad Católica de Chile*
2016-2019	Scholarship for Academic Excellence, *Pontificia Universidad Católica de Chile*
2012 - 2019	Scholarship for Academic Excellence, *Chilean Government*

Courses Taught

2022-Current *UC San Diego*

- New Venture Finance, MFin course (TA for R. Townsend)
- Collecting and Analyzing Financial Data, MFin course (TA for M. Reher)
- Investments, International Finance, Behavioral Finance, and International Finance, MBA and MFin courses (TA for M. Warachka)
- Financial Investments, UG course (TA for S. Banerjee)
- Finance and Valuation in Corporate Finance, MBA and MFin courses (TA for W. Mullins)
- Corporate Finance and Derivatives and Structured Finance, MFin courses (TA for B. Breon-Drish)
- Investment Analysis, MFin course (TA for A. Timmermann)

2015-2018 *Pontificia Universidad Católica de Chile*.

- Graduate and Undergraduate TA. Courses: Finance, Financial Management, Advanced Topics in Finance, Management and Organizational Behavior, Fundamentals of the Economy of Minerals, and Accounting.

Other Academic Activities

Summer 2024 Graduate Student Researcher for Prof. Allan Timmermann, *UCSD*-Rady School of Management

Summer 2024 Graduate Student Researcher for Prof. Samuel Bazzi, *UCSD*-School of Global Policy and Strategy

Summer 2023 Graduate Student Researcher for Prof. W. Mullins and Prof. C.Avenancio Leon, *UCSD*-Rady School of Management

March 2023 Assistant Coordinator in Finance Research Symposium in Honor of Bruce N. Lehmann. Spring JOIM Conference, *UCSD*-Rady School of Management

Professional Experience

2020-2022 Senior Financial Engineer, *RiskAmerica*-Chile

2019-2020 Investment Analyst, *DVA Capital*-Chile

Other Activities and Service

2024 Mentee for the Committee on Racial Diversity (CORD) from the American Finance Association (AFA). Mentor: Professor Philip Bond (Foster School of Business, University of Washington)

2018 Volunteer at Preuniversitario Social de Ingeniería UC as *Math Teacher*. Preparing students for their University Admissions Test

2017 Volunteer at La Protectora de la Infancia as *Math Teacher*. Organizing and conducting math classes for school teenagers from a vulnerable community.

Additional Information

- *Spoken Language*: Spanish (native), English (fluent)
- *Computing*: Python, R, LaTeX, MySQL, SQL, MATLAB, PHP & Stata

Personal Information

Born: July 14, 1993. Citizenship: Chilean. Married

Current and Future Research, and Motivation to Attend

NBER Entrepreneurship Research Boot Camp 2026

My research agenda studies how local environments shape entrepreneurial activity, with a particular focus on social interactions, regulation, and household constraints. I study how micro-level frictions and spillovers translate into persistent differences in business formation and economic opportunity across neighborhoods.

My primary research project, *When Entrepreneurs Move In: Evidence from North Carolina*, provides causal evidence that entrepreneurship diffuses through neighborhood ties. Using statewide administrative business registrations, voter files, and property transaction data, I construct a panel that links individuals to their nearest neighbors over nearly two decades. I exploit variation in exposure generated by residential moves and implement a nearest-neighbor design with highly granular fixed effects. I find that the arrival of an entrepreneurial neighbor increases the probability that incumbent residents start a business within five years. The effects are concentrated in unincorporated and lower-cost businesses, while exposure to higher-quality entrepreneurs is associated with a greater likelihood of starting incorporated firms. These findings highlight localized social interactions as an important and underexplored mechanism behind entrepreneurial entry.

Building on this work, I am developing a new project that examines whether political selection shapes the regulatory environment facing entrepreneurs. In *Entrepreneurs in Office*, I plan to study whether electing local politicians with prior entrepreneurial experience reduces regulatory frictions and increases new business formation. The project will exploit close local elections to identify the causal effect of entrepreneurial experience on policy choices. A central component of the design is the construction of a novel text-based measure of local ordinances, using large language models to quantify the business relevance of regulatory language. This project aims to open the regulatory "black box" and connect policymakers' lived economic experience to micro-level entrepreneurial outcomes.

A complementary strand of my research agenda explores how household financial constraints generate neighborhood-level externalities. In an early-stage project titled *The Social Cost of Mortgage Debt Overhang*, I propose to study whether mortgage payment shocks among nearby homeowners reduce housing investment and depress local asset values. The empirical design leverages exogenous ARM rate resets to instrument for neighbors' debt overhang, allowing me to test whether balance-sheet distress propagates spatially through underinvestment and price capitalization. By shifting the focus from private to social costs of debt overhang, this project seeks to connect household finance to neighborhood capital formation and inform policy debates on debt relief.

I am eager to attend the NBER Entrepreneurship Research Boot Camp because it directly aligns with my research agenda and offers a unique opportunity to engage with scholars working at the frontier of entrepreneurship research. Exposure to cutting-edge work, new empirical approaches, and emerging research questions would be invaluable as I refine my current project and develop new ideas. I view the boot camp as an important input into my research process, helping me sharpen both the questions I ask and the methods I use to answer them.

Equally important, the boot camp's collaborative environment would allow me to learn from and interact with peers working on related topics. Given my own research on peer effects and entrepreneurial spillovers, I am particularly excited about the opportunity to exchange ideas, form new connections, and benefit from intellectual interactions that generate positive spillovers for my work and for others'. I see the boot camp not only as a venue for feedback, but as a setting that fosters sustained intellectual engagement and shapes long-run research trajectories.

Richard R. Townsend
Associate Professor of Finance
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Dear Members of the Selection Committee,

I am writing to enthusiastically recommend **Sebastian Cifuentes** for the 2026 NBER Entrepreneurship Research Boot Camp. Sebastian is a Finance PhD candidate at UC San Diego Rady School of Management, where I serve as one of his dissertation advisors. I am well acquainted with both the boot camp and the caliber of participants it attracts. Sebastian is among the strongest PhD students I have worked with, and I believe he would be an outstanding addition to the program.

Sebastian's primary research project, *When Entrepreneurs Move In: Evidence from North Carolina*, provides the first causal evidence that entrepreneurial activity diffuses through neighborhood ties. The paper asks a simple but important question: does living next to an entrepreneur make you more likely to start a business? To answer it, Sebastian has assembled a rich dataset by merging statewide business registration records from the North Carolina Secretary of State, voter registration files, and CoreLogic property transaction data into a panel that links millions of individuals to their nearest neighbors over nearly two decades. The construction of this dataset alone represents a major undertaking that required both technical skill and considerable intellectual creativity.

The identification strategy is equally impressive. Sebastian adapts the nearest-neighbor research design of Bayer et al. (2022) to the entrepreneurship setting, exploiting the quasi-random variation in who moves in next door. The key insight is that while households choose which neighborhood to move into, they cannot choose which specific nearby house happens to become available, generating plausibly exogenous variation in the entrepreneurial background of one's immediate neighbors. Within Census block group and year cells, Sebastian compares incumbents whose new neighbors have prior entrepreneurial experience to those whose neighbors do not. He finds that exposure to an entrepreneurial neighbor increases the probability of business entry by 4 to 9 percent within five years. The effects are concentrated among immediate neighbors, diminish sharply with distance, and are robust to a wide battery of specification checks including event-study analyses that confirm the absence of differential pre-trends.

What makes the paper particularly compelling is the richness of the heterogeneity analysis. Sebastian shows that most of the baseline effect operates through entry into unincorporated, lower-cost businesses, but that exposure to high-quality entrepreneurs is associated with a higher likelihood of starting incorporated firms. He documents striking gender asymmetries: men benefit most from exposure to male entrepreneurial neighbors, while women show weaker or even negative responses regardless of the newcomer's gender. These patterns provide important clues

about the underlying mechanisms—suggesting that entrepreneurial diffusion operates through channels such as role modeling and information transmission that may be mediated by social similarity. The paper contributes to several literatures, including entrepreneurial peer effects, neighborhood effects, and the determinants of occupational choice, and I expect it to generate significant interest in the field.

Beyond this paper, Sebastian is developing a research agenda that sits squarely at the intersection of entrepreneurship, political economy, and household finance. His planned project, *Entrepreneurs in Office*, proposes to study whether electing local politicians with entrepreneurial experience reduces regulatory frictions and promotes business formation, using close elections and a novel text-based measure of local ordinances. Another early-stage project examines the social costs of mortgage debt overhang on neighborhood-level investment. These projects reflect Sebastian's ability to identify important questions and design credible strategies for answering them—qualities that the boot camp is designed to nurture and that Sebastian would bring to discussions with his peers.

On a personal level, Sebastian is a thoughtful and generous colleague. He is deeply engaged intellectually, asks incisive questions in seminars, and is always willing to help fellow students with their research. He is currently serving as a teaching assistant for my Master's-level course on entrepreneurial finance, and he has done an outstanding job—bringing both rigor and genuine enthusiasm for the material to every session. Before entering the PhD program, he worked as a Senior Financial Engineer and Investment Analyst in Chile, experience that gives him a practical grounding that enriches his academic work. I am confident he would contribute meaningfully to the collaborative environment of the boot camp and would benefit enormously from the intellectual interactions it fosters.

In summary, I give Sebastian my strongest recommendation for the NBER Entrepreneurship Research Boot Camp. His research is original, methodologically rigorous, and directly relevant to the core themes of the program. He is exactly the type of emerging scholar the boot camp is designed to support. Please do not hesitate to contact me if you have any questions.

Sincerely,



Richard R. Townsend
Associate Professor of Finance
Rady School of Management, UC San Diego
NBER Research Associate, Productivity, Innovation, and Entrepreneurship