Name: Haocheng (James) Xu

Contact Information: Email: Haocheng-xu@uiowa.edu; Phone number: 2162628699

Current Attending School: University of Iowa

Research Interest: Politics and Finance, Entrepreneurial Finance, Innovation, Financial Analysts, IPOs

PhD Program Entry Year: 2021

Expected Year of Completion: 2027

Faculty Name Providing A Recommend Letter: Jiajie Xu

HAOCHENG (JAMES) XU

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RESEARCH INTERESTS

Empirical Corporate Finance, Politics and Finance, Innovation, Entrepreneurial Finance, Financial Analysts,

EDUCATION

UNIVERSITY OF IOWA — Iowa City, IA
Ph.D. Candidate in Finance — 2021-2027 (Expected)
LEHIGH UNIVERSITY — Bethlehem, PA
Master of Science in Financial Engineering — 2019-2021
BOSTON COLLEGE — Chestnut Hill, MA
Bachelor of Arts in Mathematics — 2015-2019

JOB MARKET PAPER

Political Belief Disagreement: Evidence from IPO Pricing and Share Allocations (Solo-authored)
This study investigates the impact of political belief disagreement in the IPO setting. By matching IPO deal data with BoardEx executives, institutional holdings data, and political donation records from the FEC, I show that political alignment systematically relates to IPO pricing and allocations. Using a shift-share instrument, I provide causal evidence that executive–president misalignment reduces underpricing. A within-underwriter design further shows that issuer–underwriter misalignment causally increases underpricing. For the underwriter–investor margin, I document that lower disagreement is associated with greater underpricing and that higher disagreement predicts smaller allocations at the fund–deal level, consistent with favoritism in book-building. These results indicate that political homophily operates through distinct channels—optimism/signaling, agency frictions, and favoritism—affecting both prices and allocations in primary equity markets.
Presentations: 2026 SWFA (Scheduled); University of Iowa Finance Brown Bag Seminar

WORKING PROJECTS (* DENOTES COAUTHOR PRESENTATION)

[1] **Political Polarization and Analyst Disagreement** (with Amrita Nain, Yi Hao)
We study the impact of political polarization on analysts' earnings forecast dispersion. Using continuous, time-varying measures of ideological leanings of U.S. state legislators on the liberal-conservative scale, we show that greater political polarization in a state leads to greater dispersion in earnings forecasts of analysts located in that state. This effect is stronger for firms in politically sensitive industries and firms that commit significant resources to social and environmental issues. We develop a continuous, firm-level measure of analysts' ideological disagreement and document the importance of our finding for both asset pricing and corporate investments. Looking at the cross-section of returns, we show that stocks covered by more politically polarized analysts earn lower future returns. In an M&A setting, we show that acquirers covered by more polarized analysts earn significantly lower announcement returns for equity offers but not for all-cash offers.
Presentations: 2025 SFS Cavalcade North America*; 2025 EasternFA; 2025 FMA (Best Paper Awards Semi-finalist in Asset Pricing & Investments); 2025 Silicon Prairie Finance Conference; University of Texas at San Antonio*; University of Iowa Finance Brown Bag Seminar

[2] **Financing Innovation During Crisis** (with Amrita Nain, Yasmine Nosair, Jiajie Xu)
We study whether funding goes up for firms developing labor-saving automation patents facing COVID-induced labor supply shock. We look into different types of funding, including venture capital funding, corporate acquisitions, and government funding such as SBIR and SBA. Additionally, we examine whether VC experience matters in identifying the firms conducting labor-saving innovation as well as the value of such innovation. Employing a work-from-home suitability measure, we find that innovative firms that are shielded from the labor shock themselves and develop more labor-saving innovations attract more VC funding, particularly experienced VCs. We find no similar effects for corporate acquisitions and government funding.
Presentations: University of Iowa Finance Brown Bag Seminar

[3] **Partisan Assortative Matching in the Equity Analyst Workplace** (with Yunxin Yi)

We study the effect of workplace partisan matching on the performance of sell-side equity analysts. Looking at forecast-level estimates, we find that workplace partisan matching is positively associated with the forecast accuracy of analysts employed in the same brokerage house in that quarter. With firm-by-analyst fixed effect, we strengthen the identification that this positive impact is persistent over time and is unlikely to be confounded by time-invariant analyst or firm characteristics. This effect is stronger for firms in politically sensitive industries, but weaker for firms with high social and environmental scores. Overall, this paper documents a direct, positive, and time-persistent effect of partisan assortative matching within the analyst workplace on forecast performance.

WORK-IN-PROGRESS

[1] **Partisan Matching and Talent Flow** (with Jiajie Xu)

PROFESSIONAL ACTIVITIES & SERVICE

Review Committee:

- EasternFA (2025, 2026), FMA (2025)

Discussions:

- FMA (2022, 2024, 2025), EasternFA (2025), SWFA (2026)

GRANTS & AWARDS

2025 Graduate College Summer Fellowship ($5,500); Graduate College Travel Award

2024 Graduate College Post-Comprehensive Research Fellowship ($11,000); Graduate College Summer Fellowship ($5,500); Graduate College Travel Award

TEACHING EXPERIENCE

UNIVERSITY OF IOWA — Iowa City, IA
Introductory Financial Management x2 — Fall 2022 & Summer 2023

- Stand-alone instructor, online
- Course Evaluation: (Both) above 5 (on a scale of 6) with a response rate over 50%

Introductory Financial Management — Iowa City, IA
(Discussion Session x3) — Spring 2022

SKILLS & PERSONAL INTERESTS

Languages: English (fluent); Chinese (native)
Programming: Python, STATA, SAS, LATEX
Personal Interests: Bodybuilding, Powerlifting (Total 990LB), Meditation, Automobiles, Hiking

REFERENCES

Amrita Nain (Committee Chair)
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Cameron M. Ellis
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Research Summary: As a fifth-year PhD candidate at the University of Iowa, my research sits at the intersection of political economy and entrepreneurial finance. I am driven by a central question: How do non-financial frictions—specifically political disagreement and partisanship—distort the allocation of capital to early-stage and innovative firms? While traditional finance literature focuses on information asymmetry and agency costs, my work highlights how the increasingly polarized political landscape creates tangible barriers for entrepreneurs accessing public markets and venture capital.

My job market paper, "Political Belief Disagreement: Evidence from IPO Pricing and Share Allocations," investigates how political alignment between executives, underwriters, and institutional investors affects the pricing and allocation of newly issued equity. Matching IPO deal data with BoardEx executive records, institutional holdings, and FEC political donation records, I show that political alignment systematically influences underpricing and share allocations through distinct channels — optimism and signaling, agency frictions, and favoritism in book-building. Using a shift-share instrument, I provide causal evidence that executive–president misalignment reduces underpricing, and a within-underwriter design shows that issuer–underwriter misalignment causally increases it. These findings reveal that political homophily has tangible consequences for how entrepreneurial firms access public capital markets, affecting both the cost of going public and which investors receive allocations.

A second project, "Financing Innovation During Crisis" (with Amrita Nain, Yasmine Nosair, and Jiajie Xu), directly studies entrepreneurial finance by examining whether venture capitalists channel funding toward firms developing labor-saving automation patents in response to COVID-induced labor supply shocks. A key contribution is showing that VC experience serves as a critical filter for identifying and valuing innovation during periods of high uncertainty — experienced VCs are significantly better at directing capital toward these firms, while corporate acquisitions and government funding programs show no similar responsiveness. In a third project with Amrita Nain and Yi Hao, "Political Polarization and Analyst Disagreement," we document that growing ideological polarization increases sell-side analyst forecast dispersion, with consequences for asset pricing and acquirer returns. This paper was presented at the SFS Cavalcade North America and recognized as a semi-finalist for the FMA Best Paper Award in Asset Pricing and Investments.

Looking ahead, I plan to deepen my research at the intersection of political economy and entrepreneurial finance. I am currently collaborating with Jiajie Xu on a project examining how political polarization affects inventor flows across firms and the subsequent impact on firm-level innovation and performance. This work explores how ideological environments shape the movement of human capital — a critical input for entrepreneurial and innovative firms.

The NBER Entrepreneurship Research Boot Camp would be a transformative experience at this stage of my career. While I have developed a strong foundation in corporate finance, my research is increasingly centering on questions vital to the economics of entrepreneurship—specifically how social and political frictions interact with innovation policy and new firm formation. The intensive format of the boot camp offers a unique opportunity to receive feedback on my "inventor flows" project and to refine my job market paper before the market. Furthermore, joining a cohort of PhD students who are equally focused on the frontiers of entrepreneurship research would provide the intellectual community and structured engagement I need to ensure my work makes a meaningful contribution to the field.

IOWA | Tippie College of Business

Brett Maranjian
National Bureau of Economic Research
1050 Massachusetts Avenue
Cambridge, MA 02138, US

February 15, 2026

Dear Brett,

I am writing to recommend one of our doctoral students, Haocheng (James) Xu, for the NBER Entrepreneurship Boot Camp this summer. I currently serve as a member of his dissertation committee at the University of Iowa. Having attended the NBER Entrepreneurship Boot Camp myself in 2019, I can say firsthand how transformative the experience is for a young scholar. Based on the high caliber of participants I encountered during my time in the program, I am confident that James is comparable or even superior to the typical attendee, and he is exceptionally qualified for this opportunity.

James is a Ph.D. candidate in Finance (expected 2027) with deep research interests in entrepreneurial finance, innovation, and political economy. His Job Market Paper, "Political Belief Disagreement: Evidence from IPO Pricing and Share Allocations," is a solo-authored study that fits perfectly within the boot camp's focus. Using a novel dataset matching IPO deals with political donation records, James investigates how political homophily affects primary equity markets. He finds that partisan misalignment between issuers and underwriters causally increases underpricing, while underwriters use their allocation discretion to favor politically aligned institutional investors. This work demonstrates his ability to come up with research ideas, handle complex data, and implement identification strategies.

Beyond his dissertation, James has built a robust portfolio of research that directly addresses core themes in entrepreneurship and innovation. In a co-authored project with me and others titled "Financing Innovation During Crisis," we investigate whether funding increases for firms developing labor-saving automation patents when facing labor supply shocks. A key contribution of this work is the examination of how venture capital experience serves as a critical filter for identifying and valuing these innovations during periods of high uncertainty. The findings suggest that innovative firms shielded from shocks attract more capital, particularly from experienced VCs, while no such effects are observed for corporate acquisitions or government funding.

James is also deeply engaged in research at the intersection of political economy, corporate innovation, and firm performance. We are currently collaborating on a project examining political polarization, inventor flow, and firm performance, which explores how ideological environments influence the movement of human capital and its subsequent impact on firm-level innovation. This aligns

with his broader interest in how political factors shape financial outcomes. Furthermore, his research on "Political Polarization and Analyst Disagreement" was presented at the SFS Cavalcade North America, a top-tier finance conference, and was recognized as a Best Paper Award Semi-finalist at the FMA Annual Meeting. These achievements underscore his ability to produce high-quality research.

Having worked closely with James, I can say that he is an extremely bright scholar who shows every sign of becoming a top-quality researcher in entrepreneurial finance and innovation. I have absolutely no doubt about his ability to bring various research projects to a successful fruition. He has done several presentations of some of his other academic research in various conferences and internal seminars at the University of Iowa, which I found also to be of very high quality. Overall, has made excellent progress as an academic scholar in our Ph.D. program.

In summary, I would say that James could benefit greatly from the NBER Entrepreneurship Boot Camp Program. Having attended the program myself in 2019, I can attest to its profound impact on an emerging scholar's research trajectory and professional network. James is an exceptionally smart researcher whose work in innovation and entrepreneurial finance is already yielding significant insights. I am confident that he will not only contribute meaningfully to the cohort but also leverage this experience to become a top-quality researcher in the field. I therefore recommend him with the highest level of enthusiasm. If you have any questions about James, please feel free to call me at 857-361-9833 or e-mail me at jiajie-xu@uiowa.edu.

Sincerely,

Jiajie Xu
Assistant Professor in Finance
Chris and Elise Klein Faculty Excellence Fellow
Henry B. Tippie College of Business
University of Iowa