# Ellen Jiayang Lu

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## PROGRAM INFORMATION

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| **Institution** | The Wharton School, University of Pennsylvania |
| **Program** | PhD in Finance |
| **Year of Entry** | 2022 |
| **Expected Completion** | 2027 |

## RESEARCH INTERESTS

Entrepreneurship, Household finance, Corporate finance

## LETTER OF RECOMMENDATION

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| **Name** | Professor Sergio Salgado |
| **Institution** | The Wharton School, University of Pennsylvania |
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# Ellen Jiayang Lu

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## EDUCATION

**The Wharton School, University of Pennsylvania** 2022 — present
PhD in Finance
**School of Management, Yale University** 2021 — 2022
Master in Asset Management
**Bryn Mawr College** 2018 — 2021
BA in Mathematics, Minor in Economics

## Working Paper

**What Explains Wealth and Portfolio Differences between Black and White Americans?**
with Sylvain Catherine and James Paron
Conditionally accepted at Review of Financial Studies


**Abstract:** We show that disparities in economic factors can explain differences in the composition of Black and White households' balance sheets. In a dynamic setting, economic factors often change optimal saving rates in ways that offset their monetary cost or their effect on expected returns to wealth. Consequently, their net effect on wealth is often limited, making the racial wealth gap harder to explain. We estimate that differences in income levels, income risk, family structures, mortality, health expenditures, property taxes, mortgage rates and asset returns can explain half of the differential between the racial wealth gap and the racial income gap.


## Work in Progress

**Intentional or Incidental: What Explains the Inheritance Wave?**
with Sylvain Catherine, Chisom Onyishi, and James Paron

**Succession: Demographic Aging, Uncertain Exit, and Firm Investment**

## Teaching Experience

**Teaching Assistant**, The Wharton School, University of Pennsylvania
FNCE 2500 Venture Capital (Prof. Sylvain Catherine) 2024,2025,2026
FNCE 2390 Behavioral Finance (Prof. Marius Guenzel) 2024
FNCE 2170 Financial Derivatives (Prof. Winston Dou) 2023,2024

## Other Experiences and Internships

**Department of Economics, Haverford College**
Research Assistant for Prof. Giri Parameswaran 2021
Worked on paper "Bargaining in Monetary Policy Committees"
**Treasurer**, Self-Government Association (SGA), Bryn Mawr College 2020-2021
**Intern**, China Financial Futures Exchange (CFFEX) 2019

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My research studies how demographic change, particularly population aging, reshapes entrepreneurship, wealth, and capital allocation. As longevity rises and fertility declines, a growing share of productive assets is controlled by aging entrepreneurs who own and manage private firms. Because these entrepreneurs typically hold concentrated and illiquid ownership stakes, their financial and succession decisions directly influence firm investment, employment, and long-run growth. I am particularly interested in how aging entrepreneurs manage their wealth, plan for succession, and adjust firm sizes as they approach retirement, and how these lifecycle considerations shape entrepreneurial activity and capital formation more broadly.

In my current project, *Succession: Demographic Aging, Uncertain Exit, and Firm Investment*, I examine how aging business owners adjust firm investment in response to uncertainty about succession. Using comprehensive administrative data from the United Kingdom, I document that firms without an anticipated successor scale back investment substantially as owners approach retirement, with the gap widening sharply at older ages. These patterns suggest that succession uncertainty shortens owners' effective planning horizons, discouraging long-term and irreversible investment well before any ownership transition occurs. This mechanism highlights how demographic aging can influence entrepreneurship and capital formation even in the absence of realized transfers of control.

The NBER Entrepreneurship Research Boot Camp is an ideal setting for me to further develop my research agenda. My work sits at the intersection of entrepreneurship and demographic change, and I am eager to deepen its connection to the broader entrepreneurship literature. Interacting closely with faculty and peers working on related questions would be invaluable as I further my research.

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**Sergio Salgado**
Assistant Professor of Finance

February 19, 2026

**Recommendation Letter for Ellen Lu**

I am delighted to strongly recommend Ellen Lu for the 2026 NBER Entrepreneurship Summer School. Ellen is a great economist who will benefit tremendously from attending this workshop and interacting with other students and economists who conduct research in entrepreneurship. Ellen is interested in household finance, wealth inequality, and entrepreneurship. In this area, she already has a paper—joint with Sylvain Catherine and James Paron—where she has played a significant role in the model solution and data collection. Her current project—which will become part of her thesis—studies the determinants of the transfer of wealth across generations. Anecdotal evidence suggests that privately held companies face difficulties in passing wealth from founders to heirs. A few theories have been proposed for this observation. First, families with privately held businesses might be unable to pass on the required human capital to run the family business. Second, owners might be unable to sell their businesses since there is significant uncertainty regarding the value of privately held companies. Third, this might prompt entrepreneurs to hire external managers, potentially misaligning the incentives of the company owners with those who actually run the business (e.g., the CEO). Disentangling these mechanisms is crucial for the formulation of policies such as wealth and inheritance taxation.

In her paper, "Succession: Demographic Aging, Uncertain Exit, and Firm Investment," she empirically and quantitatively studies how succession considerations shape the decisions of entrepreneurs to save and invest in the family business. In her preliminary results, she uses detailed administrative data from the UK to show that entrepreneurs without an expected heir scale back and invest substantially less relative to similar companies with a potential heir, and this difference increases as the entrepreneur ages. This fact is crucial to the quantitative model she is currently developing, which merges a standard entrepreneurial model (à la Cagetti-De Nardi) with a human

capital accumulation model that allows entrepreneurs to endogenously pass part of their human capital to their heirs.

Given her interests, participating in the Entrepreneurship workshop would benefit Ellen and her research agenda substantially, allowing her to gain more experience, a better understanding of the literature, and insights into how to relate her research to the many open questions in this area. I expect her to excel in this workshop if she is given the opportunity to participate.

To conclude, Ellen is a thoughtful, hard-working, and curious economist with a valuable blend of skills in empirical analysis and quantitative methods. I have been her advisor for the past two years and have thoroughly enjoyed working with her. Please do not hesitate to contact me if there is any additional information I can provide.



Sergio Salgado