UNC
COLLEGE OF
ARTS & SCIENCES

THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

DEPARTMENT OF PUBLIC POLICY

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April 1, 2012

Dear Sir or Madam,

I write to apply to the 5th Entrepreneurship Research Boot Camp. I am completing my first year in the PhD program at UNC. I am interested in conducting entrepreneurship research. I feel that participating in the boot camp would hone my ability to explore interesting new avenues of thought in the field of research on entrepreneurship.

I am in the Public Policy department, and have received both an undergraduate degree in economics with honors and a minor in statistics and operations research (with an emphasis on statistics). The policy department at UNC is known for its focus on applied microeconomics. My advisor at UNC is Professor Feldman, who has published a substantial amount of work on the subjects of innovation and entrepreneurship. Currently, I am working on a literature review of the effects that tax rates have on entrepreneurship. Once this paper has been published, I hope to pursue more empirical research on the same subject. I am also working with Professor Feldman on a paper discussing the role of university-industry partnerships in promoting innovation and entrepreneurship. My advisor encouraged me to apply to this program and has written a letter on my behalf for the program.

Over the course of my academic career, I have taken a number of relevant courses as both a graduate and undergraduate student. I took an advanced (500 level) course on applied econometrics and a number of courses relating to statistics and probability to boost my research skills as an undergraduate. I also took a course on differential equations and a series of courses on calculus (cumulating in a 500 level course on real analysis) to better understand the economic models discussed in the existing literature. As a graduate student, I completed a course on regional economic development, which I believe important to an understanding of the determinants of entrepreneurship. I am also currently enrolled in the first course of a three course sequence on econometrics that I intend to finish, and will have completed a three course sequence on microeconomics by this May. Next semester, I plan to take Howard Aldrich's course on organizational ecology at the recommendation of my advisor.

I am extremely interested in writing my doctoral dissertation on a topic related to entrepreneurship. I am considering researching the effect that economies of scope could have on boosting innovation. Also, I would like to empirically determine the effects that tax policies have on entrepreneurship in a given area. I first became interested in entrepreneurship when I wrote a paper as an undergraduate detailing the relationship between entrepreneurship and economic growth. My honors thesis explored the topic of whether public or private R&D spending more effectively stimulated innovation- an important determinant of entrepreneurship. I am certain that

even more research topics will occur to me as I become more familiarized with the present literature on entrepreneurship.

Since I have not yet had any course specifically focused on entrepreneurship, the literature reviews I conducted during my research and some parts of other courses are the only exposure I have had to current thinking on entrepreneurship. This is a major motivation for attending this boot camp. I believe that I would benefit from a more formal outline of existing research on entrepreneurship. Attending the Entrepreneurship Research Boot Camp would therefore both augment my research skills and solidify my understanding of contemporary theories on innovation and entrepreneurship.

In conclusion, I would like to thank you for considering my application. I hope to hear from you soon. My cell phone number is (919) 433-7965, and my email address is danielsm@live.unc.edu. Please let me know if I can provide any additional information during the application process.

Sincerely,

Daniel Smith

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MARYANN P. FELDMAN
S.K. Heninger Distinguished Professor

April 2, 2012

Re: Recommendation for Daniel Smith

Dear Kauffman Entrepreneurship Boot Camp Committee,

Daniel Smith received his B.A. in Economics, with honors, with a minor in Mathematical Decision Sciences from The University of North Carolina, Chapel Hill in 2010. Mr. Smith is a native North Carolinian and is well prepared for graduate work in Public Policy. He is interested in topics related to innovation, entrepreneurship policy and economic development. He is completing his first year of coursework and has done well in our program.

Mr. Smith graduated with honors after completed a senior honors thesis that examined the relationship between public and private research and development spending. This is a timely and interesting topic and an impressive undergraduate research project. Mr. Smith is preparing his thesis for consideration for publication. He has already published a paper entitled, "The Role of Entrepreneurship in Economic Growth" in the Undergraduate Economic Review, is a peer-reviewed journal aimed at promoting high quality undergraduate research. This paper was the outcome of an independent research project with Boone Turchi, who ranks Mr. Smith in the top 5% of undergraduates he has taught during his career at Carolina, noting that Mr. Smith has a good command of empirical methods and research design.

Mr. Smith was an outstanding applicant to our program and was award the highly coveted 5-year Royster scholarship. He was elected to Phi Beta Kappa and Omicron Delta Epsilon, the National Economics Honor Society. Smith's GRE scores are exceptional (760 Quantitative; 720 Verbal). During his educational and employment experiences he has conducted research, statistical analysis, grant writing and project management. He has a keen interdisciplinary understanding of policy and economics. Moreover, his doctoral research interests are an excellent fit with the boot camp program For all of these reasons, Danny Smith is well suited for participation in the NBER summer entrepreneurship program. Please do not hesitate to contact me if I can provide any additional information.

Sincerely,

Maryann P. Feldman
S.K. Heninger Distinguished Professor of Public Policy
University of North Carolina, Chapel Hill

I have always had a strong desire to pursue policy relevant empirical research in economics.

I am trained as an economist. I graduated with honors from the University of North Carolina at Chapel Hill with a bachelor's degree in economics in 2010. Most instrumental to my professional development were two independent studies that allowed me to conduct original research. The first examined the relationship between economic growth and democracy (with an emphasis on China), while the second focused on the international determinants of entrepreneurship. Both of these independent studies required me to collect and analyze empirical data and use econometrics. I eventually managed to get results from the independent study on entrepreneurship published in the journal *Undergraduate Economic Review*. I also completed an honors thesis detailing the different effects that public and private R&D spending have on economic growth. I drew data from 49 different countries which represented a broad economic and geographical spectrum. I also explored the amount of time it took public and private R&D to produce economically useful results and whether the effects of public and private R&D spending differed in developed and developing countries.

I believe that a firm grasp of how to properly gather and analyze empirical data is also essential. For this reason, I minored in Mathematical Decision Sciences (a combination of statistics and operations research). In addition, I took an advanced 500 level course on econometrics. To further improve my statistical skills, I undertook an internship at SRA International in 2010. The project concerned systematic irregularities in machine measurements of nematodes, but the internship built on my statistical course work, especially time series analysis.

In addition to pursuing my own research, I have been eager to learn as much as possible about existing economic theory. This desire to gain more knowledge of economic theory led to my spending the second semester of my junior year at the University of Sydney in Australia. This gave me a different perspective on economics and allowed me to take a course on experimental and behavioral economics that is not offered by the University of North Carolina at Chapel Hill. All of these experiences have honed my ability to conduct research and communicate the results and also whetted my appetite to conduct research.

My reason for choosing to continue my graduate studies in Public Policy rather than Economics lies in the contrast between what I learned from my independent study courses and the more advanced economics courses. The mathematical models I have studied in economics courses necessarily use assumptions that simplify individual or political responses to economic forces. The assumptions are generally not exactly true, but the robustness of the model conclusions is rarely checked against real data. Since I wanted my research to have a broader impact on society, I felt that any theory I developed should be relevant in the real world. Advice from both professors and a professional economist has thus led me to explore Public Policy as a discipline where I think I could make a genuine contribution to both the academic and policy debates revolving around the issue of entrepreneurship. With its more empirical and pragmatic focus, research on entrepreneurship has much to gain from incorporating a more policy oriented perspective. While more abstract mathematical models are undeniably useful in helping to generate theories on entrepreneurship, these theories must ultimately be empirically tested and have their applicability to the real world carefully evaluated. My research interests naturally led me to apply to the University of North Carolina at Chapel Hill's graduate policy program, which

is focused on applied microeconomic research in topics such as innovation and entrepreneurship. In addition, completing the graduate program at Chapel Hill would allow me to work closely with Professor Maryann Feldman, who has focused much of her research on the determinants of entrepreneurship. I am confident that my schooling in public policy will allow me to better perform this important task.

After graduation, I had the opportunity to work as a research assistant for Professor Maryann Feldman for several months. This gave me a chance to both be exposed to the latest research on innovation and entrepreneurship and gain valuable insight into the process of generating new research. While working for Professor Feldman, I would summarize and review relevant journal articles, conduct data set construction and statistical analysis for her, and help her with writing and editing works she hoped to get published. The chief projects I worked on with her were a comparison of innovation in European countries and individual U.S. states, an examination of new firm formation in the Research Triangle Park in North Carolina, and an evaluation of the National Science Foundation's Partnerships for Innovation program commissioned by the Kauffman Foundation. I am listed as a co-author on the latter working paper.

I am currently a Royster Fellow pursuing a PhD in Public Policy at the University of North Carolina at Chapel Hill. The Royster Fellowship offers full tuition, health insurance, and a yearly stipend for five years. The Royster Fellowship is the most competitive graduate fellowship available at the University of North Carolina at Chapel Hill. While in graduate school, I have begun work on a literature review detailing the relationship between levels of entrepreneurship and capital gains taxes, corporate income taxes, and personal income taxes. I believe that this is an important topic in both academia and more applied policy-making, and hope that my review will help to inform the debate on this subject once it is completed. Eventually, I hope to publish a paper with an empirical component on this topic as well.

Next – more broadly -- I feel that my training, to date, has given me the background knowledge necessary to understand the literature on entrepreneurship and innovation. I also became very familiar with Stata statistical software both interactively and by writing batch programs, and have some experience with SAS and Matlab.

In conclusion, attending the ERBC will hone my existing research skills and help me better understand the main trends in current research on entrepreneurship. My research on entrepreneurship will both augment a rapidly growing field in academic literature and also help answer a policy question that will have a broad impact on future economic growth in the U.S.

Daniel P. Smith

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Contact Information

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Phone: (919) 433-7965
Email: danielsm@live.unc.edu

Professional Preparation

University of North Carolina at Chapel Hill, Chapel Hill, NC
PhD-Public Policy May 2016 (expected)

University of North Carolina at Chapel Hill, Chapel Hill, NC
BA—Economics with Honors, Minor in Mathematical Decision Sciences (Statistics and Operations Research) December 2010

Publications

Smith, Daniel P., 2010, The Role of Entrepreneurship in Economic Growth, *Undergraduate Economic Review*, 6(1), Article 7.

Published Technical and Consulting Reports

Bercovitz, J., Feldman, M., and Smith, D., 2011, Partners' Perspectives on the National Science Foundation Partnerships for Innovation (PFI) Program. Report to the Kauffman Foundation.

Smith, Daniel P., 2010, Time Series Analysis of C. Elegans Measurements Made by the COPAS Biosort. Technical Report to SRA International.

Works in Progress

Smith, Daniel P., in preparation, The Relationship between Public and Private Research and Development Spending, extension of UNC Senior Economics Honors Thesis

Smith, Daniel P., in preparation, Entrepreneurship and Taxes: A Review of the Literature

Bercovitz, J., Feldman, M., and Smith, D., 2011, Industry Partners' Perspectives on the Partnerships for Innovation Program. Paper presented at APPAM.

Honors and Awards

- Royster Society of Fellows, 5 year UNC fellowship providing full tuition, health insurance, and a yearly stipend
- Phi Beta Kappa
- Omicron Delta Epsilon Economics Honor Society
- University Distinguished Trademark Merit Scholarship—UNC-Chapel Hill
- National Merit Scholarship—UNC-Chapel Hill
- Irwin B. Fieldhouse Scholarship–Alion Science and Technology
- Eagle Scout, Boy Scouts of America

Professional Experience

Research Assistant, Public Policy Dept., Univ. of North Carolina-Chapel Hill, Jan.- May 2011

- Assisted Dr. Maryann Feldman in reviewing literature, data set construction, and statistical analysis
- Worked with Stata and Access

Internship, SRA International, Durham, NC, June – Aug. 2010

- Used statistical techniques (including time series analysis in Stata) to determine error structure of data produced by COPAS Biosort machine
- Produced a report and gave a presentation on findings to SRA researchers

Teaching Assistant, Economics Dept., Univ. of North Carolina-Chapel Hill, Aug. 2008– May 2010

- Organized and ran help session for Economics 101 as part of a team
- Explained economic and mathematical concepts

List of Current and Completed PhD Courses

- PLCY 700- Mathematical Preparation for Public Policy and Economics
- PLCY 710- Public Policy Analysis
- PLCY 716- New Institutionalism: Politics, Institutions, and Public Policy
- PLCY 788- Advanced Economic Analysis for Public Policy I
- PLAN 773- Urban and Regional Development Seminar
- HPM 881- Linear Regression Models
- PLCY 717- Institutions: Macro-level Processes, Nesting and Institutional Dynamics
- PLCY 789- Advanced Economic Analysis for Public Policy II