Jillian Popadak
Wharton School
University of Pennsylvania
3000 Steinberg Hall-Dietrich Hall
3620 Locust Walk
Philadelphia, PA 19104 USA

April 1, 2012

Thomas Hellman
Sauder School of Business
University of British Columbia
2053 Main Mall, Vancouver, BC, V6T 1Z2

Dear Professor Hellmann,

I am writing to express my strong interest in attending the NBER Entrepreneurship Camp this summer. I am currently completing a Ph.D. at the Wharton Business School in Applied Economics. My research uses applied econometric tools to study the rationale behind a variety of corporate financial policy decisions.

I recognize that many of the intangibles firms possess stem from their success and survival as an entrepreneurial firm. Thus, I believe there are many insights to be gained from researching entrepreneurial firms and understanding the incentives and constraints they face. The distinguished group of researchers presenting at the camp will certainly be a treat and I hope to attend to hear such outstanding insight.

I have enclosed a copy of my curriculum vitae and an essay outlining my reasons for wanting to attend the boot camp. My Ph.D. advisor, Professor Mark Duggan, will separately email a letter of recommendation. Should you have any questions in the interim, please do not hesitate to contact me at: jpopadak@wharton.upenn.edu or 202-265-6111. Thank you for your consideration and I look forward to hearing from you.

Sincerely,

Jillian Popadak

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Wharton
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April 1, 2012

Professor Thomas Hellman
Sauder School of Business
University of British Columbia
2053 Main Mall, Vancouver, BC, V6T 1Z2

Dear Professor Hellmann,

I am delighted to write to you on behalf of Jillian Popadak, a third year Ph.D. student in Wharton's Applied Economics program, who is hoping to attend the NBER Entrepreneurship Camp this summer. Jill is a smart, hard-working, and creative researcher and I am certain that she would be a high-externality participant at this camp.

I have known Jill for almost a decade, as she served as a Research Assistant for me when she was an undergraduate at Wellesley College back in 2003-4. She did an outstanding job as an RA and I was very impressed by her work ethic and her enthusiasm for economic research. Jill and I reconnected last summer when I moved from the University of Maryland's Economics Department to Wharton's Business and Public Policy Department, where she was finishing up the second year of the Ph.D. program. I was immediately impressed by the mature, serious doctoral student that she had become and by her breadth of knowledge in the corporate finance and public finance literatures. Those initial discussions became more formal when I took on the role as her Ph.D. advisor this past Fall and I am pleased by her research progress during the last several months and am confident that she will produce a first-rate dissertation.

In her second-year paper "The Effects of Industry Peer Interactions on Corporate Payout Policy," Jill explores whether and to what extent there is a causal link between dividend changes or initiations by one firm and the payout decisions of competitors. The paper is very impressive, especially given the short amount of time that Jill spent on it, and is likely to make an impact in this area of research. She uses multiple econometric strategies, including IV and a variance-based approach, to disentangle peer effects from common factors that would influence the decisions of both the firm and its competitors. She presented this paper in the Wharton Finance and Applied Economics brown bag seminars and, in both cases, it was very well received. The audience asked tough questions and she thoughtfully fielded them.

At Wharton, Jill has taken classes into her third year so that she could complete both the Finance and Applied Economics Ph.D. sequence. This coursework has already proven valuable in her research and, through her own initiative, she is also taking a Corporations course in the law school in addition to many Wharton courses. She is an active participant in seminars and asks insightful questions of presenters, whether they are fellow students presenting their ongoing

research or Professors visiting Wharton for a seminar. Jill also interacts well with others as she has a very pleasant and easygoing personality and loves to talk about economics and finance.

Perhaps most important of all, Jill has become increasingly interested in entrepreneurship-related research. Learning from the outstanding group of scholars that you have assembled for this camp would be very beneficial for her research. One thread of her research focuses on the life-cycle theory of the firm and how regulation impacts its boundaries. Although her intuition for business gives her a distinct advantage in developing creative research questions in this area, I know she would benefit tremendously from the exposure to cutting-edge research in the area.

For all of these reasons, I am delighted to recommend Jillian Popadak to you in the strongest possible terms. She would derive an enormous benefit from the camp given her research interests and her strong background and I am certain that she would be a high-externality participant. Please feel free to contact me if you have any questions or need more information and best wishes for a successful Entrepreneurship Summer Camp.

Best regards,



Mark Duggan
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Professor of Health Care Management
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Jillian A. Popadak

Contact Information

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Email: jpopadak @wharton.upenn.edu
Citizenship: United States
DOB: April 14, 1982

Education

University of Pennsylvania, Wharton School, Philadelphia, PA, USA
Ph.D. Applied Economics, *expected* May 2014.

Georgetown University, Washington, D.C., USA
M.S. in Mathematics (Statistics), May 2008.

Wellesley College, Wellesley, MA, USA
B.A. in Economics and Classical Civilizations, May 2004.

Fields of Interest

Corporate finance, applied econometrics, contract theory, law and economics

Working Papers

The Effects of Industry Peer Interactions on Corporate Payout Policy

This paper empirically investigates the extent to which industry "peer pressure" affects an individual firm's payout policy. Intuitively, a firm looks to its industry peers to gauge what it might change and if it observes other firms changing their payout policy, it may feel pressured to do the same. I find that after accounting for all known observable factors affecting payout policy, peer influence is positive, highly significant, and explains more of the variation in payout than any traditional determinant. The causality of peer pressure is identified using conditional variance restrictions across industries of varying size. Additional tests are then performed to isolate the mechanisms through which industry peer pressure operates, and these results suggest that pressured firms are reducing shareholder value in the long-run when they alter their payout.

Research in Progress

Capturing Economic Value from Innovation Investments (with David Abrams)

Do Investment Grade Issuers Get Paid for Poison Puts? (with Adam Cohen and David Musto)

Third-parties Under Pressure: Control Rights Holders outside the CMBS Deal (with Maisy Wong)

Case Studies

Musto, D. and J. Popadak (2012) **"**The Relationship between the Board and Stockholders: Air Products Takeover Bid for Airgas" *Wharton School Case* 76.

Professional Activities

Referee for: *Journal of Financial Services Research, Journal of Financial Intermediation*
Mack Center for Technological Innovation Grant for "Capturing Economic Value from Innovation Investments," (with David Abrams), 2012
S.S. Huebner Doctoral Fellow, 2009 - present
Price Theory Summer Camp, University of Chicago, 2010
Member of the American Statistical Association, 2008 - present

Teaching Experience

Undergraduate: Business in the Global Political Economy, Introductory Statistics, and Probability Theory
MBA: Corporate Valuation, Financial Derivatives, and Global Strategy
Law School: Quantitative Methods for Lawyers, and Risk Management

Professional Experience

KPMG LLP, Washington, D.C., USA**,** 2006 - 2009
Senior Associate, Economic and Valuation Services
Delivered consulting services to Federal Government and Fortune 500 companies in the areas of economic analysis, valuation, transfer pricing, and tax-related statistical analysis.

World Trade Organization, Geneva, Switzerland, 2007
Statistical Assistant, Division of Economics and Statistics, Integrated Data Base Section
Developed new statistical technique used in the estimation of *ad valorem* equivalent tariffs based on data clustering and sampling. Evaluated outlier removal processes and measures of dispersion for the unit values.

Board of Governors of the Federal Reserve System, Washington, D.C., USA, 2004 - 2006
Research Assistant, International Finance Division/Trade and Quantitative Studies Section
Completed statistical and qualitative analyses of the world's energy and commodity markets. Researched various topics in international finance.

Dissertation Committee and References

Mark Duggan (Chair)
Professor of Business Economics and Public Policy
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Michael Roberts
Professor of Finance
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Jillian Popadak

List of all current and completed courses:

Department	Course Title
Business Economics and Public Policy	Empirical Public Policy
Business Economics and Public Policy	Contract Theory
Business Economics and Public Policy	Behavioral Economics
Business Economics and Public Policy	Applied Economics
Economics	Microeconomic Theory
Economics	Econometrics I: Fundamentals
Economics	Game Theory
Economics	Econometrics II: Time-Series
Finance	Financial Economics
Finance	Financial Institutions
Finance	Intertemporal Macro Finance
Finance	Empirical Corporate Finance
Finance	Financial Economics Under Imperfect Information
Finance	Topics in Corporate Finance
Finance	Empirical Asset Pricing
Law School	Tax Policy
Law School	Law and Economics
Law School	Corporations
Operations Management	Optimization
Statistics	Applied Econometrics I
Statistics	Applied Econometrics II
Statistics	Bayesian Methods and Computation
Statistics	Observational Studies

Jillian Popadak

NBER Entrepreneurship Research Boot Camp Essay

My experience as a doctoral student has been formative and inspiring, yet also intense and frustrating. After completing the required courses and passing the qualifying examinations, the additional time that I had been given to focus on research seemed like such a gift. Excitedly, I set as a goal for myself to make a unique and innovative contribution to the field of empirical corporate finance over the course of my third year. As this year has progressed, I have read many journal articles, analyzed lots of data, and written my own paper. But more significantly, the puzzles that I have uncovered leave me hopeful for the future. There are many high-impact questions that still need to be answered.

There is large heterogeneity in corporate practices that are left unexplained by most standard models. For example, a variance decomposition of leverage that computed the within- and between-firm variation of leverage found that the between firm variation is approximately 50 percent larger than the within-firm variation. Yet, many researchers in practice plug-in firm explanatory variables and control for firm-fixed effects and time-effects; therefore, they are only explaining the within-firm variation. Intuitively, since leverage varies significantly more across firms as opposed to within firms over time, more emphasis needs to be placed on understanding the between-firm variation.

Understanding the origins of the between-firm variation and if it matters for a firm's economic performance has become a focus of my research. For example, I have a research paper which examines peer dynamics as an alternative explanation for the observed clustering in payout decisions of firms across time and industries. I was motivated to pursue this topic

because only three percent of the variation in dividend payout is attributable to observable firm characteristics while firm, industry, and managerial fixed-effects captured the remaining variation. I extended the standard models of payout policy to demonstrate that peer pressure is significant, and highly influential amongst firms. Beyond that, my paper goes on to answer the debate as to whether peer pressure is good or bad for those that invest in these firms. I find that pressured firms underperform benchmark peer firms by 3.4 percentage points in the long-run.

An alternative explanation to the basis of between-firm variation in financial policies is that mature firms possess intangibles that stem from their success and survival as an entrepreneurial firm. Recognizing the residual importance the incentives and constraints entrepreneurial firms face for subsequent decisions, I wanted to learn more about the economics of entrepreneurship. I searched for a course that focused on young, entrepreneurial firms, yet even at Wharton there is no doctoral course offered. When Doron Levit, who is a Professor of Finance, told me about the NBER Entrepreneurship Research Boot Camp, I was delighted.

Several of the papers written by those presenting at the camp have been formative in my thinking about the nature of the firm. Josh Lerner's research on patents was inspirational for a co-authored research project I have with David Abrams, who is a Professor of Law. We use previously unavailable data on patent values and characteristics to vastly improve the crude patent valuation measures currently employed. Further, I am working on a model of dynamic corporate governance practices over the life-cycle of the firm, which has been influenced by Antoinette Schoar's research. I imagine that the material that will be covered at the camp will also be significant in the development of my dissertation and of my research in general. Therefore, I hope this brief essay convinces you that I will be an excellent addition to the NBER Entrepreneurship Research Boot Camp.