Name: Lucy Hu
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Name of recommendation letter writer: Ernesto Dal Bo

Berkeley, March 26, 2013

To whom it may correspond,

I am writing in support of LUCY HU, who is applying for a spot in NBER's 2013 Entrepreneurship Research Boot Camp. Lucy is completing her fourth year in the *Business and Public Policy PhD program at Berkeley's Haas School of Business*. As an instructor and the PhD field advisor in the program, I have a good view to her performance.

In a nutshell, I believe Lucy is a "must have" for a workshop aimed at doctoral students in the entrepreneurship area. She is among the brightest students in a BPP program where the theme of entrepreneurship is part of everyday conversation. Lucy is very smart and technically strong. To give an example of her potential I'll simply recount what happened when I taught my Political Institutions course some three and a half years ago (she was in her first semester at Haas). By the end of that class students had to write a short paper. She did write one, and it was the best paper in the class (where there were far more advance students). More tellingly, the paper presented empirical research on electoral cycles in parallel to that of two relatively high profile job market candidates that year in the political economy field. She did similar empirical work but utilized a different measure for one of the key variables, and reached conclusions that were opposite to those of the more established scholars. I think it is very rare to find a 1st year student able to produce evidence that can "talk back" to the findings of job market candidates from top Economics departments.

For her a second year paper Lucy performed a very competent empirical analysis of the effects of exogenous events that affect the mood of judges (e.g., weather) on judicial sentencing. The possibility that justice may respond to case-irrelevant elements that might affect judges without their even realizing it is obviously important. Since then, Lucy has developed research interests that fall squarely in the intersection of behavioral economics and entrepreneurship, and is currently exploring some interesting avenues to connect her behavioral interests with evidence on factors spurring entrepreneurship by relying on field experimental methods. She has some potential great leads for performing her experiments and given she is clearly very strong, I expect her to deliver amply.

Given all of the above, I think she can add positively to the intellectual atmosphere of the entrepreneurship workshop, and the value of your sessions would certainly be well invested in her given her potential.

Do not hesitate to contact me (DalBo@haas.berkeley.edu) if you have any further questions.

Sincerely,

Ernesto Dal Bó
Harold Furst Associate Professor of Management Philosophy and Values
Business and Public Policy Group
Haas School of Business
UC Berkeley

LUCY YI HU

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EDUCATION

University of California – Berkeley, Haas School of Business, Berkeley, CA
Ph.D. Candidate in Business and Public Policy 2009 – Present
Advisors: Ernesto Dal Bo, Ben Handel, Noam Yuchtman

Bryn Mawr College, Bryn Mawr, PA
B.A. Economics with Honors (*Magna Cum Laude*) 2002 - 2006
B.A. Biology (at Haverford College)

RELEVANT PHD COURSEWORK

Microeconomic Theory, Econometrics, Applied Econometrics,
Political Economy, Contract Theory, Corporate Strategy and Technology,
Economics of Institutions, Labor Economics, Psychology and Economics

RESEARCH INTERESTS

Behavioral Economics, Network Economics, Entrepreneurship, Industrial Organization

WORKS IN PROGRESS

"Information Diffusion and Decision Making in an Online Social Network"
"What is the Crowd Worth: the Role of Peer Effects in Crowdfunding"
"The Effect of Emotion on Judicial Decision Making"

EMPLOYMENT

University of California – Berkeley, Haas School of Business, Berkeley, CA
Graduate Student Instructor for Prof. Catherine Wolfram Summer 2013
Graduate Student Instructor for Prof. Carl Shapiro Fall 2012
Graduate Student Researcher for Prof. Atif Mian 2010 – 2012
Graduate Student Researcher for Prof. Noam Yuchtman 2010 – 2011

NERA Economic Consulting, San Francisco, CA
Analyst 2006 - 2009
Conducted microeconomic and econometric analysis in the
Antitrust, Intellectual Property, and Securities practices.

FELLOWSHIPS AND AWARDS

White Research Fellowship	2012 – 2013
Ryoichi Sasakawa Young Leaders Fellowship	2009 – 2013
Graduate Division Summer Grant	Summer 2012
Crawford Research Fellowship	2011 – 2012
Sylvan C. and Pam Coleman Memorial Fellowship	2010 – 2011
Alvin and Norma Chan Fellowship	2009 – 2010

CONFERENCES

Institute for New Economic Thinking Young Scholar	2013
Academy of Management BPS Doctoral Consortium	2012
Yale Summer School in Behavioral Finance	2011
ISNIE (declined)	2011

I am a fourth year PhD student in Business and Public Policy at UC Berkeley-Haas and I am very interested in attending the NBER Entrepreneurship Research Boot Camp. I am looking to learn more about cutting edge research in entrepreneurship and the open questions that excite entrepreneurship scholars. I want to better understand not only how my research fits in with current thinking but also how it can contribute to and extend the existing body of knowledge. I see my current research as especially relevant for the area of entrepreneurship strategy, where I can perhaps shed some light on how entrepreneurs can utilize social networks and peer connection to introduce new ideas and products to consumers. Being able to attend this boot camp will also allow me to learn from the preeminent scholars in entrepreneurship research and form relationships with other students to discuss current research and explore future directions.

My research interests center on behavioral biases in decision making, with past projects looking at judicial and corporate decisions. Currently, I am focusing on how information transfer and peer effects affect information diffusion and decision making in social networks. It is possible that friends get pure information from friends by learning about the existence of a new product or technology. It is also possible that friends get endorsements from friends on how well the product functions, or peer effects. In addition, it is unclear how these different models of information diffusion affect decision making. With this research, my aim is to understand the mechanics of information transmission, empirically distinguish between these alternative models, and connect these models to decision making. Specifically, I study how information and products that are exogenously introduced to specific nodes in a social network such as Facebook travel through the network and the resulting decision by consumers whether to use that information or adopt that technology.

In the case of technology adoption, we can think of it first as an information transfer, where the consumer learns about the new technology, and then as a take up decision, where the consumer decides whether to use the technology. In such a field experiment, first I exogenously expose users to this new technology, randomizing by their position in the network and the characteristics of their network. Then I can empirically estimate the network and user attributes that affect diffusion and adoption throughout the network. I will also look at the differential information transfer between consumers who choose to adopt the technology versus those who do not adopt. Finally, I will use a structural model to estimate the importance of this pure information transfer channel versus the peer effects channel. This research has implications for

entrepreneurship strategy since we will better understand how network characteristics and peer effects affect technology adoption. In addition, perhaps this knowledge can help entrepreneurs refine their strategy when introducing a new product to better utilize social networks for wider information diffusion and higher adoption.

Extending this interest, I also want to study how information transfer and peer effects affect crowdfunding. First, I want to study the network characteristics of the founders that affect project funding success and that of the funders that make them decide to fund these projects. Similarly, I want to tease out the channels that affect a funder's decision, whether it is a pure information transfer or is there a certain element of peer endorsement that affects this decision. These effects could be very different in different models of crowdfunding. Perhaps in the money for goods model, where a funder contributes money in return for a physical item, information transfer is more important than peer effects. On the other hand, in the business ventures model (equity Crowdfunding), where a funder contributes money to a new venture in return for equity, peer effects is more important. Given the expanding role of crowdfunding in venture financing, and with the introduction of the JOBS Act, this is a very important question in entrepreneurship research.

With these research interests in mind, the NBER Entrepreneurship Research Boot Camp can help sharpen my empirical analysis and ground my research in an entrepreneurship framework. In addition, I am looking forward to enlightening lectures that inspire more research ideas and informative discussions with professors and other students on a wide range of topics related to entrepreneurship.