March 30, 2016

McCombs School of Business
University of Texas at Austin
2110 Speedway, Stop B6600
Austin, TX 78712

Phone: (609) 351-4819
Email: adam.winegar@utexas.edu

Dr. Hellmann
Saïd Business School
University of Oxford
Park End Street
Oxford OX1 1HP
United Kingdom

Dear Thomas Hellmann,

I am writing to apply for the 2016 NBER Entrepreneurship Research Bootcamp as described in the Call for Applicants. Please find my CV and application essay in the following pages. My letter of recommendation writer is Professor Richard Lowery, who will be sending his letter to Brett Maranjian directly.

Please let me know if you require any additional information. I look forward to hearing back from you and potentially attending the Research Bootcamp this summer.

Sincerely yours,



Adam Winegar

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University of Texas at Austin
2110 Speedway, Stop B6600
Austin, TX 78712

Cell: (609) 351-4819
E-mail: adam.winegar@utexas.edu

EDUCATION

The University of Texas at Austin – McCombs School of Business *Austin, TX*
Ph.D. in Finance — Expected May 2017
M.S. in Finance — May 2013

Swarthmore College *Swarthmore, PA*
B.A. in Economics — June 2008

RESEARCH INTERESTS

Corporate Finance Theory, Private Equity, Entrepreneurship, Competition

WORKING PAPERS

Venture Capital Competition, Asymmetric Information, and Project Choice
I develop a model for how competition and asymmetric information between venture capitalists affects their project choices. I utilize a multi-stage search framework that allows for both heterogeneity among entrepreneurs and venture capitalists. In response to a decrease in entry costs, both the supply of venture capital and the proportion of funded risky projects increases. Further, the model predicts that higher skilled venture capitalists will be the first to switch to searching for riskier projects. I show empirical evidence that is both consistent with this model and recent empirical evidence that increased venture capital funding is associated with increased valuations, failure rates, and funding of more innovative companies.

Private Benefits of Control: Evidence from the Location of Private Company Sales (with Mark Jansen)
SWFA Best Paper in Corporate Finance (Doctoral)
We estimate the impact of a new channel for how private benefits of control affect the valuations of acquired firms. Using a proprietary database of private firm transactions, we find that firms in more livable cities sell for a 16% premium over comparable firms in less livable cities. These results are robust to controlling for local economic characteristics and instrumenting for how livable the city is with the quality of life measured in 1990. Using a decomposition, we further distinguish non-economic factors in cities from economic factors and find that non-economic factors are priced only for buyers that are likely to co-locate with the target company.

A Signaling Theory of Derivatives-Based Hedging (with Fernando Anjos)
We model a commodity producer with private information about future volume; and for whom low realized cash flows cause costly financial distress. The first-best strategy is to sell forward all future production, avoiding any price risk. However, low-volume firms have an incentive to mimic, which in equilibrium makes high-volume producers distort their hedging strategy. Under certain conditions, high-type firms hedge more than their own production volume in equilibrium. On the other hand, equilibrium sometimes entails high types hedging less than low types. The model suggests that apparently-inefficient hedging policies may be due to signaling, and not speculation or risk shifting.

TEACHING EXPERIENCE

Instructor:
Investment Management (Undergraduate Course) Summer 2014

Teaching Assistant:
Investment Management (Undergraduate Course) 2012-2013
Investment Theory and Practice (MBA Course) 2014-2016
Financial Risk Management (MBA Course) 2013-2015

PROFESSIONAL EXPERIENCE

The Brattle Group *Washington, D.C*
Research Analyst 2008-2010
Senior Analyst 2010-2011

ADDITIONAL INFORMATION

Relevant Coursework (Ph.D. Level):
Microeconomics I & II, Macroeconomics I, Econometrics I & II, Advanced Econometrics, Corporate Finace Theory, Empirical Corporate Finance, Asset Pricing Theory, Empirical Asset Pricing, Mathematical Finance
Computing Skills:
Stata, Python, Mathematica

REFERENCES

Richard Lowery
Assistant Professor of Finance
University of Texas at Austin
richard.lowery@mccombs.utexas.edu
(512) 232-6823

Sheridan Titman
Professor of Finance
University of Texas at Austin
sheridan.titman@mccombs.utexas.edu
(512) 232-2787

John Hatfield
Associate Professor of Finance
University of Texas at Austin
john.hatfield@utexas.edu
(512) 471-4901

Fernando Anjos
Assistant Professor of Finance
NOVA University School of Business and Economics
fernando.anjos@novasbe.pt

I am writing to apply for the 2016 NBER Entrepreneurship Research Bootcamp (ERBC). Due to my current research interests, the program was recommended to me by several faculty members as well as past bootcamp alumni. From my discussions with them, I believe the ERBC will be beneficial to me as a researcher for several reasons. First, it will help me improve my current research topic. Second, it will expose me to additional topics in entrepreneurial finance and help spark future research ideas in this area. The primary source of both of these benefits is the faculty of the bootcamp, who are all experts in their specific fields. Their instruction and resulting discussion, coupled with a research focused environment, is an invaluable resource for any aspiring researcher interested in entrepreneurship. Finally, my interaction with other researchers who share similar interests in entrepreneurship will be beneficial for generating potential collaboration.

My current research topic is directly related to the field of entrepreneurial finance. In this paper, I examine how competition and asymmetric information between venture capitalists affects the types of projects that they fund. I develop a model of competition that utilizes both random and directed search and allows for heterogeneity among entrepreneurs and potential VC's. The main implication of the model is that when search costs decrease, VC's rationally respond to increased competition by increasingly funding riskier but also more innovative projects. Further, the model predicts that more experienced VC's will be the first to search for riskier projects. The model makes several other empirical predictions that are consistent with the literature regarding valuations and failure rates. I empirically test this model using both aggregate VC funding data and micro-level VC-portfolio company return data made available by a large wealth management company. The exposure to a wide-range of experts and related literature that the ERBC provides will improve my understanding of how my research relates to the broader entrepreneurial finance literature and help me improve my paper.

Beyond my specific topic, the experience I will gain from attending the bootcamp will deepen my understanding of the current state of research on entrepreneurship. I am interested in researching other questions in this field including how the interaction of public and private markets affects innovation, the current trend of companies staying private longer, and how changes in capital raising regulations affect entrepreneurial activity. The intensive research focused setting of the bootcamp allows for these topics, among others, to be discussed and dissected in detail. This type of exposure, in terms of both depth and breadth, is a particularly attractive aspect of the bootcamp. My hope is that by attending the ERBC, I will gain insight into questions I am currently interested in, as well as areas that I have not yet explored.

In addition to the instruction that the ERBC provides, the bootcamp will help me progress as a researcher by providing an opportunity to meet other researchers interested in entrepreneurship. Hopefully, this interaction will allow for future collaboration, an important element of becoming a successful researcher. I enjoy collaborating with fellow classmates. Currently, I am working with a classmate, Mark Jansen, on a research project that explores how entrepreneurs' preferences for desirable locations affect private company valuations. However, I also look forward to potentially expanding my network of future collaborators. I have discussed the bootcamp with two alumni of the program, Nicholas Crain and Mark Jansen, who both mentioned this as a clear benefit. Furthermore, the bootcamp will allow me to meet other researchers that are not exclusively from a Finance department. This sort of interdisciplinary collaboration is difficult to produce organically but often yields substantial benefits to both the individual researchers and their respective fields. Given the environment of the ERBC, it is likely to facilitate these types of interactions.

My interest in entrepreneurship and its relation to finance has provided me with what I hope to be a fruitful research agenda going forward. I want to attend the ERBC because it will strengthen my ability to contribute to this field. I will benefit from the bootcamp's intensive expert instruction across a range of topics, and through interaction with the diverse set of fellow researchers in attendance. Further, I will be able to contribute to the discussion both through careful preparation with the papers in the syllabus and additional insights from papers related to my current research topics. I hope to attend the ERBC this summer and thank you for your consideration.

To whom it may concern:

I am writing to recommend Adam Winegar for the NBER Entrepreneurship Bootcamp. Adam is my student at the University of Texas. He is working on a theoretical paper (with supporting empirical analysis) that studies the venture capital cycle. Adam shows a talent for modeling that I have never observed among our students, and I suspect he will be a successful applied theorist going forward. What I like most about his paper is that he takes the institutional setting seriously while still working towards producing a parsimonious model. He has good instincts for producing minimal models that capture the essential features of the setting which he is modeling while at the same time generating subtle and surprising results.

His main paper is an analysis of a two-stage venture capital cycle which he uses to explain the positive correlation between venture capital funding and projects failures. That is, when funding is high, more projects fail; at the same time, the successful projects appear to come from more "innovative" firms during these periods. Adam's model focuses on the competition that occurs in the follow-on venture capital phase, where venture capitalists with existing projects risk facing Bertrand competition with second round venture capitalists. The search frictions that are stronger for new projects, an important and realistic aspect of the venture capital setting, can lead players to prefer to enter the new project market when there is a lot of capital available in the second round venture capital market.

I think Adam would both benefit from and contribute to the Entrepreneurship Research Bootcamp. His paper has progressed well and I believe other participants will benefit significantly from his insights and ideas. Adam has an excellent grasp of both economic theory and the venture capital industry, and he will benefit from discussions with experts in the area and other students as he moves forward on developing further projects in this area.

To conclude, Adam is the best theorist to come out of Texas since I have been here and likely long before that. He would take full advantage of the opportunity presented by this workshop and would be a valuable addition.

Best,

Richard Lowery