A New Logic of Financial Inclusion in the US: The Role of Institutional Entrepreneurs

Jose R. Godinez, Ana C. Silva and Sarah E. Wolfolds

We use institutional theory to propose a model to advance financial inclusion in a developed country. Our proposal takes into account the existing logics of practices that have been institutionalized in the financial industry and the role of institutional entrepreneurs who defy conventions in the delivering of services. We then propose a field study to analyze the role of new technologies and financial capability services used by institutional entrepreneurs to advance financial inclusion in a developed market, such as the United States.

Financial Inclusion

Financial inclusion is defined as "*the access that individuals and businesses have to useful and affordable financial products and services that meet their needs*" (World Bank, 2016). This definition echoes the emphasis on reforms that address the multifaceted aspect of financial inclusion. For instance, along with reforms to stimulate access and use of services, many countries are implementing consumer protection and financial capability efforts to ensure that consumers are able to use the services in a way that helps them achieve financial security (World Bank, 2012).

Researchers and practitioners have largely agreed that the poor might not participate in the formal financial system because they are too costly to serve. Mas (2009) disputes this by noting that the poor buy products every day at small prices. He argues that financial access is not impeded by its costs but by lack of information, customer service, and infrastructure available to reach the underserved. Thus, to overcome these barriers, the financial industry needs strategies to adapt its services to reach these populations in an innovative manner and at a low cost.

Microfinance has surged as a popular tool to expand financial inclusion. Microfinance Institutions (MFIs) help reduce financial constraints while supporting consumption choices that can increase household welfare (Yunus, 1999). MFIs worldwide account for an estimated US$60 to US$100 billion in loans every year. Scholarship has concluded that microfinance has served customers rooted in low-growth, informal economies (Portes & Haller, 2005; Webb *et al*., 2009). Others suggest that, to further advance their mission, MFIs should integrate mobile technology and training to their business model (Kapoor *et al*., 2007; Karlan & Valdivia, 2011; Petersen & Rajan, 2002). Technology can reduce operating costs that can be transferred to clients. Also, with mobile applications, customers are able to request or pay loans via phone, which increases financial access (Mair & Marti, 2006). Research also shows that underserved consumers often lack the information, knowledge, or skills to make informed financial decisions (Sinclair *et al*., 2009). Thus, financial capability should also be developed to promote the appropriate use of financial services (Accion, 2013). The evidence points to an overall positive effect of these programs, but further research is needed. For instance, Karlan and Valdivia (2011) find that client retention and repayment rates increase with financial training. However, they do not find higher profits from micro-entrepreneurs that received business training.

Most scholarship analyzing the impact of new technologies and financial capability on financial inclusion has focused on developing countries. However, the factors underpinning financial inclusion in a developed country have not been sufficiently addressed. Thus, this study seeks to analyze the role of the institutional environment, new technologies, and financial capability to support financial inclusion in a developed market

An Institutional Logics Method to Analyze Financial Inclusion in the United States

Financial exclusion is not unique to developing markets. In 2015, approximately 68 million adults in the US were either unbanked or underbanked. Together, this represents almost 27% of households. Minorities and low-income groups are particularly financially excluded (Federal Deposit Insurance Corporation, 2016). Institutional entrepreneurs are filling this void by providing innovative services at lower costs than traditional banks. Many of these organizations are mission-based Community Development Financial Institutions (CDFIs) dedicated to delivering responsible, affordable lending to help underserved communities join the economic mainstream.

Any effort to understand and change a social arrangement of financial inclusion must take into account the influence of institutional orders on the behavior and cognition of social actors. In other words, successful efforts must include three aspects: the institutional environment, institutional logics, and institutional actors. Even though these actors have been studied previously in different degrees, they have not been used to understand changing institutionalized aspects of financial inclusion in a developed economy. Thus, we develop a framework (Figure 1), and utilize it to explain how institutionalized financial exclusion can be changed.

Institutions, described as the "rules of the game", function as constraints on human behavior and interaction (North, 1990). Institutions can be divided into formal and informal. In this case, formal institutions are the existing rules and regulations that govern financial institutions and that can make costs of providing small loans too expensive. Informal institutions are the unwritten standards of how a financial institution should operate, for example, having pricey real estate even in places where the revenues of the services offered are small. The institutional logics viewpoint focuses on explaining how organizational actions are shaped by shared beliefs that rationalize the value of particular identities and interests (Thornton & Ocasio, 1999). A distinct characteristic of this approach is the recognition that logics are also internalized by members of an organization, and hence, affect how managers interpret the external environment and make decisions (Thorton *et al*., 2012). Thus, scholars have recognized that organizations face institutionally complex environments that encompass conflicting external demands (Banalieva *et al*., 2015; Greenwood *et al*., 2014). This means that a firm's internal operations and external practices can be attributed to logic-consistent decisions that underpin existing identities and strategies based on the institutional environment of the location where they operate.

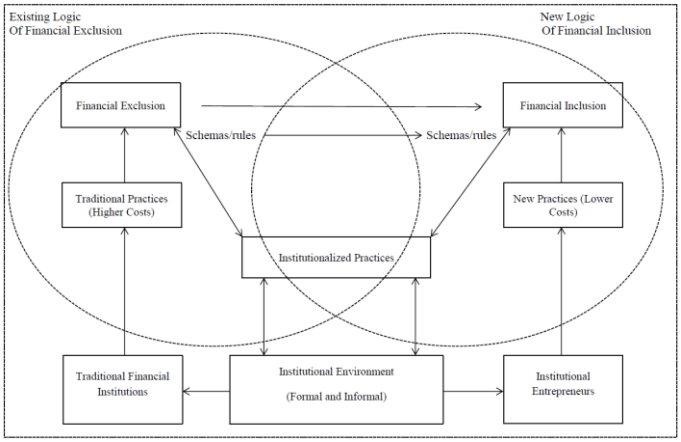
In the case of financial institutions, there is evidence that operations differ depending on the community logic where they are located. Battilana and Dorado (2010) argue that in order to be sustainable, organizations need to create a common organizational identity that balances the logics they combine. Also, Almandoz Rios (2014) proposes that banks that conduct operations based on a community logic are more likely to lend to local businesses and to prioritize local relationships than national banks. For this proposal, it is important to note that traditional banks operate under the logic of creating a profit while mission-based institutions seek both financial and social returns. This discrepancy helps to explain the logics and their outcomes. For traditional financial institutions the logics underpinning their actions are generated from a customary manner of operating. Such operations involve high overhead that is transmitted to the end-consumer. Social entrepreneurs, on the other hand, are not constrained by traditional practices, which allows them to innovate their processes and services and provide financial services to the poor at lower costs. This in turn can become institutionalized and, as a consequence, create financial inclusion.

Field Study at Capital Good Fund

To understand how institutional entrepreneurs can influence financial inclusion in a developed market, technology and financial capability should be addressed simultaneously. For this reason, we propose to study Capital Good Fund (CGF), a pioneer CDFI that provides financial services to low income households in Rhode Island, Florida, and Delaware in the US. Through microfinance and other innovative financing methods, CGF uses a holistic approach to support their clients in achieving financial stability (Capital Good Fund, 2016).

To carry out our research, we will analyze the impact of the use of a mobile application to help CGF's customers access financial services in a convenient, inexpensive, and secure way. Clients will be able to access credit, pay loans and bills, transfer money, make purchases, and keep track of their cash flow through this application. The app will provide information and recommendations based on personal aspects of the consumer such as age, income, and financial goals. The financial capability component of the intervention will consist of one-on-one financial coaching sessions tailored to the needs of the customer. The study will be carried out using a randomized control trial to measure the marginal impact of financial coaching and the usage of the mobile application in clients' financial behaviors—such as making loan repayment and paying bills on time—as well as overall financial well-being. After the initial phase is finalized, we then can study the consequences of a formal financial institution adopting similar practices in the delivery of their products to underserved populations.

Figure 1: Financial inclusion: Institutional change through interaction among institutional logics, resources, and actors



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Greenwood, R., Hinings, C. & Whetten, D., 2014. Rethinking Institutions and Organizations. *Journal of Management Studies,* 51(7), pp. 1206-1220.

Kapoor, M., Morduch, J. & Ravi, S., 2007. From microfinance to m-finance. *Innovations Technology, Governance, Globalization,* Volume 2, pp. 82-90.

Karlan, D. & Valdivia, M., 2011. Teaching entrepreneurship: Impact of business training on microfinance clients and institutions. *The Review of Economics and Statistics*, 93(2), pp. 510-527.

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Thornton, P. & Ocasio, W., 1999. Institutional logics and the historical contingency of power in organizations: executive succession in the higher education publishing industry, 1958-1990. *American Journal of Sociology*, Volume 105, pp. 801-843.

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Project timeline: June 2017-July 2018

June of 2017	Start of intervention: Financial coaching and digital training
June- December 2017	Theoretical development
May- July 2018	Evaluation of program intervention

Budget

Financial coaching	$4,500	3 hours of coaching for 50 clients (coaches paid $30/hour)
Digital training	$1,000	2 workshops of 25 clients each
Clients incentive/stipend	$7,250	$60 for 3 financial coaching sessions and for digital training/usage. $25 each for control group
Site visits	$1,000	4 visits by 3 PIs
Conference attendance for 3 PIs	$4,800	At $1,600 each
Total expenses	**$18,550**	

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EDUCATION

University of Edinburgh Business School, UK. PhD in Management. September 2010 – July 2014

University of Manchester, UK. MS in International Business, September 2007 - December 2008

Johns Hopkins University, US. BS in Business Management, August 2005 - June 2007

Georgetown University, US. Certificate in Business Administration, August 2004 - May 2005

Universidad Rafael Landivar, Guatemala. BS Industrial Engineering, January 1998 - October 2003

ACADEMIC EMPLOYMENT

Merrimack College. Assistant Professor of Management. September 2014 – Present

Visiting Assistant Professor of Management. September 2013 – September 2014

Courses Designed and Taught

- MGMT6290 Competition, Innovation, and Strategic Advantage (Graduate Capstone)
- BUS4402 Strategic Analysis and Decision Making (Undergraduate Capstone Writing Intensive)
- BUS1500 Introduction to Doing Business in Latin America

University of Edinburgh Business School. Teaching Assistant. September 2011 – June 2013 Courses Taught

- CMSE11136 Current Debates in International Business in Emerging Markets (Graduate)
- BUST08009 International Business and the Multinational Enterprise (Undergraduate)

RESEARCH

Publications in Refereed Journals

Godinez, J. & Liu, L. (In Press). How the corruption level of the host country affects the decision- making process of allocating FDI to a highly corrupt foreign location. Journal of Business Ethics.

Godinez, J., Garita, M. 2016. The Dimensions of Corruption and its Impact on FDI Decision- Making: the case of Guatemala. Business and Politics, 18(2), pp 123-141.

Godinez, J. & Liu, L. (2015). Corruption distance and FDI flows into Latin America. International Business Review, 24(1), pp 33-42.

Garita, M. & Godinez, J. (2014). An Analysis of Central America and Eastern Europe Relative Comparative Advantages. Journal of Eastern European and Central Asian Research, 1(1), pp 95-104.

Manuscripts Under Review

Godinez, J., Webb, H., Garita, M. (2015). Dealing with the unknown: How M-banking firms are succeeding when operating in an unregulated industry. (1st R&R). Journal of Business Research.

Godinez, J., Bandeira de Mello, R., Khalik, M., & Sanchez, L. Corruption and FDI, what happens next? Beyond the decision-making process of allocating FDI to a highly corrupt country. Under Review at Journal of World Business.

Selected Work in Progress

Godinez, J. Creating Market Inclusion: Assessing the Role of Social Entrepreneurship in Working Institutional Voids in a Developed Market

Godinez, J. & Jin, S. The role of the MNE on Income Inequality: Integrating the institutional environments of the home and host countries in explaining how multinationals contribute to the allocation of income.

Godinez, J., Silva, A., & Wolfolds, S. A new logic of financial inclusion in the US: The role of institutional entrepreneurs.

Book Edited

Garita, M. & Godinez, J. (2015). Business Development Opportunities and Market Entry Challenges in Latin America. Hershey, PA: IGI Global.

Book Chapters

Godinez, J. & Garita, M. (2015). Corruption and Foreign Direct Investment: A Study of Guatemala. In Tihanyi, L., Banalieva, E., Devinney, T. M., and Pedersen, T. (Eds.) Emerging Economies and Multinational Enterprises (Advances in International Management), 28, pp. 297-326.

Godinez, J. (2015) Corruption and how it hinders opportunities to foreign firms investing in Latin America. In Garita, M. & Godinez, J. (Eds.) Business Development Opportunities and Market Entry Challenges in Latin America. Hershey, PA: IGI Global.

Godinez, J. & Terpstra, T. (2015) Obstacles in the trade between China and Latin America and how to overcome them. In Garita, M. & Godinez, J. (Eds.) Business Development Opportunities and Market Entry Challenges in Latin America. Hershey, PA: IGI Global.

Book Review

Godinez, J. (2016). Review of the Book Business in Emerging Latin America. Robles, F., Wiese, N., & Torres-Baumgarten, G. New York: Rouledge. International Journal of Business and Emerging Markets, 8(2).

Conference Presentations

Godinez, J. & Jin, S. (July 2017). The role of the MNE on Income Inequality: Integrating the institutional environments of the home and host countries in explaining how multinationals contribute to the allocation of income. Academy of International Business. Dubai, United Arab Emirates.

Godinez, J., Webb, H., & Garita, M. (September 2016). Dealing with the unknown: How M-banking firms are succeeding when operating in an unregulated industry. Strategic Management Society. Berlin, Germany.

Godinez, J. (July 2016). Corruption and FDI, what happens next? Beyond the decision-making process of allocating FDI to a highly corrupt location. Multidisciplinary Perspectives on Corruption and its effects on Businesses. King's College London, London, UK.

Godinez J., Liu, L. (February 2016). Towards a Decision-Making Model of Dealing with Corruption Abroad: A Top-Management Perspective. Academy of International Business Latin America Chapter. Sao Paolo, Brazil.

Godinez, J., & Liu, L. (October 2015). Corruption and its effects on FDI: Analyzing the Interaction Between the Corruption Levels of the Host and Home Countries and its Effects at the Decision-Making Level. International Vincentian Business Ethics Conference (Nominated for best paper award). New York, USA.

Godinez, J., Webb, H., & Garita, M. (August 2015). How M-banking firms are succeedingwhen operating in an unregulated industry. Academy of Management Annual Meeting. Vancouver, Canada.

Godinez, J. & Garita, M. (March 2014). The Dimensions of Corruption and its Impact on FDI Decision Making: The Case of Guatemala. Academy of International Business, Latin American Chapter. Medellin, Colombia.

Godinez, J. & Liu, L. (June 2013). Corruption Distance and its Effect on FDI to Latin America: A New Perspective. Academy of International Business. Istanbul, Turkey.

Godinez, J. & Liu, L. (March 2013). Corruption distance and foreign direct investment flows. Academy of International Business, UK Chapter. Birmingham, UK.

Godinez, J. (May 2012). How does corruption affect the attraction of FDI? Revisiting Internationalization: Dynamics, Diversity and Sustainability, Aalborg Centre for International Business. Aalborg, Denmark.

Godinez, J. (March 2011). Doctoral Colloquium Presentation. Academy of International Business, UK Chapter. Edinburgh, UK.

Invited Talks

Silva, A. & Godinez, J. (January 2017). Designing a Financial Capability Center. Universidad del Norte. Barranquilla, Guatemala.

Godinez, J. (July 2013). International Business for Emerging Country Firms. Universidad San Pablo. Guatemala City, Guatemala.

Godinez, J. (July 2013). Strategies for the Internationalization of Guatemalan Businesses. Universidad del Istmo de Guatemala. Guatemala City, Guatemala.

Godinez, J. (July 2012). How to do International Business. Association of Economists of Guatemala. Guatemala City, Guatemala.

Godinez, J. (July 2012). International Business as a tool for Development. Annual meeting of Guatemalan scientists. Guatemala City, Guatemala.

SERVICE

Merrimack College

Chair, Girard School of Business Ethics Search Committee. Merrimack College. Fall 2016.

Chair, Girard School of Business Strategy Search Committee. Merrimack College. Fall 2015.

Girard School of Business Graduate Committee. Merrimack College. September 2014 – Present.

Merrimack College. Internationalization Leadership Team. September 2014 – May 2015.

Merrimack College. Admissions and Standards Committee. September 2014 – May 2015.

University of Edinburgh. Leader of the Intl. Business Competition Team. September 2011 – May 2013.

Journal Reviewer

Journal of Business and Emerging Markets. March 2015 – Present.

International Business Review. March 2013 – Present.

Journal of World Business. March 2013 – Present.

Conference Reviewer

Academy of Management

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Academy of International Business Latin America Chapter

GRANTS

Merrimack College Faculty Development Grant 2016, $3,500.00

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Merrimack College Provost Innovation Fund (shared with 2 faculty members), 2014, $10,000.00

INDUSTRY EXPERIENCE

Contracts Manager. Romano Concrete Construction, Laurel, MD. January 2009 – September 2010 Financial Analyst. Grupo Mutual, Quetzaltenango, Guatemala. October 2007 – January 2009 Project Manager. Bussing, Quetzaltenango, Guatemala. January 2001 – October 2003 Assistant Manager. Instagrafic, Quetzaltenango, Guatemala. January 1999 – January 2001

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CURRENT ACADEMIC POSITIONS

Associate Professor of Finance. Chair, Accounting and Finance department, Merrimack College

Founding Director, Financial Capability Center, Merrimack College

Research Affiliate, Center for Insurance Research, IE Business School, Spain.

AREAS OF INTEREST

Financial Inclusion, Financial Capability, Behavioral and Consumer Finance, Social Finance

EDUCATION

Ph.D.	Financial Economics	University of Houston (Texas, U.S.)	1992-1998
M.B.A.	Business	Madrid Business School- U. of Houston	1988-1990
B.Sc.	Biological Sciences	Universidad Complutense (Madrid, Spain)	1982-1987

ACADEMIC EXPERIENCE

Institution (*Position*)	**Courses**	**Programs**	**Dates**
Merrimack College, US *Associate Professor of Finance*	Fieldwork in Financial Coaching Investments Financial Management Corporate Governance	 Undergraduate M.S. Management	2010-
IE Business School, Spain *Visiting Professor*	Corporate Finance	International MBA	2009
Bentley University, US *Visiting Scholar*	Advanced Financial Management	Undergraduate	2007-2008
IE Business School, Spain *Professor of Finance*	Corporate Finance Financial Management	Global MBA MBA Executive MBA	2003-2007

Universidad Adolfo Ibañez, Chile *Professor of Finance* *Director, International MBA* *Director, Wharton Global Consulting Practicum*	Corporate Finance Investments Investments Advanced Financial Management	Executive MBA International MBA Undergraduate	1998-2002
Instituto Tecnológico Autónomo de México, Mexico *Professor of Finance*	Financial Management Corporate Finance	Executive MBA Undergraduate	1994-1995

SCHOLARLY ACTIVITY

Peer- Reviewed Journal Articles

Microfinance, Country Governance, and the Global Financial Crisis, 2015, with G. Chavez. *Venture Capital: An International Journal of Entrepreneurial Finance 17 (1-2), 191-213*. Special issue: Financing Small and Medium Sized Enterprises: Meeting the Challenges after the Global Financial Crisis.

Supermar, SA, 2015, with F. Lopez-Lubian and G. Chavez and. *Journal of Higher Education Theory and Practice 15 (2), 67-84.*

Market Reaction to Enterprise Applications: A Multicultural Perspective, 2015, with G. Chavez and O. Lorenzo. *Journal of Accounting and Organizational Change 11 (2), 269-294.*

Earning Management, Country Governance, and Cross-Listing: Evidence from Latin America, 2015, with G. Chavez and R. A Wiggins. *Global Journal of Emerging Market Economies 7 (1), 4-20.*

Transparency, Value Creation, and Financial Crises, 2013, with G. Chavez and F. Lopez-Lubian. *Journal of Applied Corporate Finance 45 (1), 81-88.*

Brazil's Experiment with Corporate Governance, 2009, with G. Chavez, *Journal of Applied Corporate Finance 21 (1), 34-44.*

Cross-listing and Liquidity in Emerging Market Stocks, 2008, with G. Chavez, *Journal of Banking and Finance 32 (3)*, *420-433*.

Return on ADRs and Arbitrage in Emerging Markets, 2003, with R. Rabinovitch and R. Susmel, *Emerging Market Review 4 (3), 225-247*.

Components of Execution Costs: Evidence of Asymmetric Information at the Mexican Stock Exchange, 2002, with G. Chavez, *Journal of International Financial Markets, Institutions and Money 12 (3),* 253-278.

Current Projects

Financial Innovation for the Greater Good: Microfinance in the US, with G. Chavez.

Financial Capability after Eight Years of Economic Crisis: The case of Spain, with L. Nunez.

Changing the Financial Behaviors of Young Adults: Evidence from a Financial Coaching Program in Colombia, with J. Godinez and L. Sanchez.

Group Financial Coaching: Lessons and Effective Practices, with J. Parent and A. Seitchik.

A New Logic of Financial Inclusion in the US: The Role of Institutional Entrepreneurs, with J. Godinez and S. Wolfolds.

Peer- Reviewed Conference Presentations and Proceedings

AFCPE Research and Training Symposium, Louisville, KY. *Financial Coaching: The Financial Capability Center. 2016*

Social and Sustainable Finance and Impact Investing Conference, Skoll Center for Social Entrepreneurship, Said Business School, Oxford University, UK. *Capital Good Fund: Microfinance in the US. 2015*

Finance, Risk and Accounting Perspectives Conference, Oxford University, UK. *Microfinance, Country Governance and the Global Financial Crisis*. 2014

Financial Education Association Conference, Savannah, GA. *Supermar, SA*. 2014

Global Finance Conference, Monterey, CA. *Disclosure*, *Country Governance, and Cross-Listing: Evidence from Latin America*. 2013

Financial Management Association, Atlanta, GA. *Disclosure and Asymmetric Information for Cross-Listed Firms*. 2012

Global Finance Conference, Chicago, IL. *Transparency, Value Creation, and Financial Crises*. 2012

Global Finance Conference, Rio de Janeiro, Brazil. *Brazil's Experiment with Corporate Governance*. 2006

Financial Management Association, Toronto, Canada. *Return on ADRs and Arbitrage in Emerging Markets. 2001*

Spanish Financial Association, Madrid, Spain. *Components of Execution Costs: Evidence of Asymmetric Information at the Mexican Stock Exchange*. 2000

Invited Professional Public Speaking

Guest speaker, Building Financial Capability, Universidad del Norte, Barranquilla, Colombia. 2017

Guest speaker, *Building Community, Reaching for Justice: Developing Successful Partnerships for Financial Inclusion*. School of Education and Public Policy, Merrimack College. 2016

Guest lecturer, *Financial Behaviors, Financial Wellbeing*. Introduction to Psychology, Merrimack College. 2016

Guest speaker, 5 Minutes and a Mic*, Financial Capability: The Next Steps.* Writers House, Merrimack College. 2016

Guest speaker, *Financial Inclusion and Social Justice,* Social Justice Week, Merrimack College. 2015.

Guest speaker*, Lawrence, MA, Today: Highlighting the Challenges of Poverty and Expanding Economic Opportunity*, 2014 (applied research project presentation coauthored with J. Jennings). 2014.

Guest speaker, *Financial Inclusion and Alternative Financial Services in Lawrence, MA*. 2014.

Guest speaker, *Building Money Management Skills.* Public Boston Schools, Boston, MA. 2014.

Other Scholarly Activity

Reviewer, Association for Financial Counselling and Planning Education Knowledge Bowl, 2016.

Reviewer, Journal of Financial Education, 2016.

Dissertation Committee Member, Doctorate in Business Administration, IE University. Title: "Prospect Theory and the Disposition Effect: A Longitudinal Study for Retail and Institutional Investors in the Belgian Market in Different Market Circumstances". 2016-.

Reviewer for Venture Capital: An International Journal of Entrepreneurial Finance, 2015-

Co-chair, Finance and Economics Track, Northeast Decision Sciences Institute Conference, Boston, MA. 2015

Session Chair and Discussant, Financial Sustainability Track, Finance, Risk and Accounting Perspectives Conference. Oxford University, UK. 2014

Discussant, Financial Management Association Conference, Nashville, TN. 2014

Reviewer, Northern Finance Association Conference, 2014.

Reviewer, *Corporate Finance* by Parrino, Kidwell and Bates, 2nd Ed., Wiley, 2011 and 2013.

Reviewer, Journal of Emerging Markets Finance and Trade. 2011.

Reviewer, Journal of Banking and Finance. 2008-2010.

Research Seminar at Instituto de Empresa Business School, Madrid, Spain. *Cross-listing and Liquidity in Emerging Market Stocks*. 2006

SUSTAINED PROFESSIONAL ENGAGEMENT ACTIVITIES

Service on Non-Profit Boards

Board President, ACT Lawrence. Community Development Corporation serving the low income population of Lawrence, MA. Programs include financial education and coaching, foreclosure prevention, credit counselling, homebuyer education, and business and youth development. 2013-.

Board Member, Capital Good Fund. Community Development Financial Institution located in Providence, RI. CGF provides small dollar consumer loans to financially excluded populations. 2015-.

Founding Board Member and Clerk, Social Capital Fund, a supporting organization created to facilitate the access of CGF to social investors via a Direct Public Offer. 2015-.

Advisory Board Member, CGF's Direct Public Offer. Advisory services included financial projections and financing and scaling social impact. 2012-2015.

Member, Lawrence Nonprofit Board Chair Roundtable. Lawrence, MA. Group of nonprofit board chairs dedicated to sharing best practices and mentoring newly appointed chairs in the community. 2015-.

Member, Steering Committee for the Cultural Inclusion Board Training Program at Jericho Road- YWCA, Lawrence, MA. 2013-.

Consulting Activity

Consultant for international project on corporate governance in the banking industry sponsored by a major financial institution in Latin America. 2008-2010.

Director of the *Wharton-UAI Global Consulting Practicum* at the Universidad Adolfo Ibanez, Chile. Responsible for selling and delivering consulting services to Latin American firms seeking the opportunity to export their products or services to the US market. 2000-2002.

Consultant in financial projections and firm valuation for small size enterprises in emerging markets. 1998-2002.

ACADEMIC SERVICE AND ADMINISTRATIVE EXPERIENCE

Chair, Accounting and Finance Department, Merrimack College, 2016-

Chair, Finance Search Committee, 2016-

Director, Financial Capability Center, Merrimack College, 2015-

Co-chair, Budget, Salary and Benefits Committee, Merrimack College, 2014-2015. Member, 2013-2017.

Member, Finance Search Committee, Merrimack College, 2014-2016.

Chair, Finance Curriculum Development Committee, Girard School of Business, Merrimack College, 2013-2015.

Member, American Council on Education's International Leadership Team (ILT), Merrimack College, 2012-2014.

Member, Multicultural Competencies and Diversity Sub-Committee, ILT, Merrimack College, 2012-2013.

Member, Graduate Curriculum Committee, Merrimack College, 2012-2013.

Member, Girard Graduate Curriculum Committee, Merrimack College, 2011-2013.

Finance Club Faculty Advisor, Merrimack College, 2011-2014.

Director, MBA International Program, Universidad Adolfo Ibanez, Chile, 2000-2002.

Director, Wharton-UAI Global Consulting Practicum, Chile-U.S., 2000-2002.

Member, Dean's Academic Committee, Universidad Adolfo Ibanez, Chile, 2000- 2002.

Member, AACSB and AMBA Accreditation Committees. Universidad Adolfo Ibanez, Chile, 2001.

HONORS

Outstanding Counselling and Planning Center Award, Association for Financial Counseling and Planning Education (AFCPE). Merrimack College Financial Capability Center, 2016.

Faculty Development Grant, Merrimack College, 2011, 2012, 2013, 2015, and 2016.

Best Board Member Award, ACT Lawrence. Lawrence, MA, 2015 and 2016.

Massachusetts House of Representatives Recognition for Advancing Financial Inclusion in the Community through Financial Capability Services, 2015.

Travel Grant, MacArthur Foundation and Said Business School, Oxford University. Impact Investment Research Meeting. Chicago, IL, 2015.

Community Champion Award, ACT Lawrence. Lawrence, MA 2015.

Provost Innovation Fund, Financial Capability Center, Merrimack College, 2015.

Teaching Excellence Award, Instituto de Empresa Business School (IE), Madrid, Spain, 2010.

Nominated for Best Professor Award, IE Business School, 2009.

Best Teaching Evaluation, MBA, IE Business School, 2005, 2006, and 2009.

Best Paper Award, Return on ADRs and Arbitrage in Emerging Markets, Emerging Market Review, 2003.

MBA Teaching Excellence Award, Instituto Tecnológico Autónomo de México (ITAM), Mexico, 1995.

Students' Recognition for Teaching Excellence, Executive MBA Program, ITAM, Mexico, 1995.

Marine Insurance Scholarship, University of Houston, Texas, U.S., 1994-1995.

Madrid Business School Fellowship, Spain, 1992-1994.

VOLUNTEER EXPERIENCE

Financial coach for *Budget Buddies* (Lowell, MA), 2013.

Member of *Bankers without Borders* (Grameen Foundation) and *Financial Modeling Reserve Corps*. 2012-.

SELECTED PROFESSIONAL DEVELOPMENT (most recent)

Project Based Learning, WPI Project Based Learning Institute and the Center for Excellence in Teaching and Learning, Merrimack College. 2017.

Impact Investing in Action: Latino Communities and Financial Inclusion. MacArthur Foundation, Chicago, IL. 2015.

Financial Capability Certification, NeighborWorks America. Required courses include: Building Skills for Financial Confidence; Delivering Effective Financial Education for Today's Consumer; and Financial Coaching: Helping Clients Reach their Goals. Kansas City, MO. 2015.

Housing Development for the Rest of Us. Massachusetts Association of Community Development Corporations 2014 Convention. Boston, MA. 2014.

Institute for Trustees Annual Conference, Center for Nonprofit Excellence, Essex County Community Foundation, South Hamilton, MA. 2014.

Cultural Inclusion Board Training Program at Jericho Road and YWCA, Lawrence, MA. 2014.

Seminars on Diversity, Equity and Inclusion, American Council on Education's International Leadership Team, Merrimack College. 2013 and 2014.

SARAH E WOLFOLDS

Cornell University | Cornell College of Business
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Academic Positions

2016 - Present **Cornell University, Cornell College of Business, Charles H. Dyson School of Applied Economics & Management**

Assistant Professor of Strategy and Andrew Paul Sesquicentennial Faculty Fellow

Education

2016 **Harvard Business School**

Doctor of Business Administration in Strategy

2009 **Swarthmore College**

Bachelor of Arts in Economics and Mathematics, *High Honors*

Research and Teaching Interests

Research: Non-profit strategy, strategic change, strategic interaction, organizational economics, methods in strategy, human resource management

Teaching: Core strategy, competitive strategy, organizational economics, strategic change, international business, non-profit management, non-market strategy

Peer-Reviewed Publications

- Taussig, M., **Wolfolds, S.,** Hong, B. & Carlsson, K. "Tied up and shocked: How relational contracting with suppliers constrains global buyers during an economic crisis" (conditionally accepted in *Advances in International Management: 2017 Volume*)

Current Projects

- **Wolfolds, S.** "The Effect of Synergies and Competition on Organizational Choices in Non-Profits: Evidence from Latin American Microfinance." (Preparing for submission).

- Siegel, J. & **Wolfolds, S.** "Mis-Accounting for Endogeneity: Heckman's Two-Step Method Without a Valid Instrument." (Writing stage).
- Menon, A., **Wolfolds, S.**, & Yao, D. "Cooperation and Competition in Non-Profit Fundraising." (Data analysis stage).
- Godinez, J., Silva, A., & **Wolfolds, S.** "A New Logic of Financial Inclusion in the US: The Role of Institutional Entrepreneurs" (Hypotheses development stage).

Fellowships & Awards

2017 – 2018	Cornell Institute for Social Sciences Small Grant Award ($4,500)
2015 – 2016	Strategic Research Foundation Dissertation Scholar ($10,000)
2012 – 2014	Harvard University, Bok Center Certificates of Distinction in Teaching for Microeconomic Theory I & II
2010 – 2016	Harvard Business School Doctoral Fellowship

Refereed Conferenced Presentations

2016 "Tied up and shocked: How relational contracting with suppliers constrains global buyers during an economic crisis,"

- Workshop for *Advances in International Management: 2017 Volume* at Bocconi University, Milan, Italy

2015 "Microfinance Firms' Response to Regulation: Investigating Strategy as a Moderator,"

- Association of Public Policy and Management Fall Conference, Miami, FL
- Academy of Management Annual Conference, Vancouver, Canada

2014 "Nonprofit Strategy and Response to Regulation: Evidence from Microfinance Institutions,"

- Southern Economic Association Annual Conference, Atlanta, GA

Invited Seminar Presentations

2016 "The Effect of Synergies and Competition on Organizational Choices in Non-Profits: Evidence from Latin American Microfinance,"

- University of Maryland Smith School of Business, College Park, MD
- University of Michigan Ross School of Business, Ann Arbor, MI
- University of Pennsylvania Wharton School, Philadelphia, PA
- Temple University Fox School of Business, Philadelphia, PA

2015 "The Effect of Synergies and Competition on Organizational Choices in Non-Profits: Evidence from Latin American Microfinance,"

- Cornell University Dyson School, Ithaca, NY
- Vanderbilt University Owen Graduate School of Business, Nashville, TN

2014 "Non-Profit Strategy and Response to Regulation: Evidence from Microfinance Institutions"

- Harvard Business School Strategy Unit Brownbag, Boston, MA
- Harvard Business School Doctoral Reunions, Boston, MA

Invited Conferences & Consortia

2016	Strategic Management Society SRF Dissertation Scholar Presentation, Berlin, Germany
2015	AOM Business Policy and Strategy (BPS) Dissertation Consortium, Vancouver, Canada
2015	AOM Public and Nonprofit (PNP) Doctoral Consortium, Vancouver, Canada
2013	AOM Business Policy and Strategy (BPS) Doctoral Consortium, Orlando, FL
2013	APPAM Professional Development Workshop Mentoring Session, Washington, DC

University Service

2016	Presentation of research to Ashoka U Renewal Site Visit Team

Professional Service

Ad hoc Reviewing:	*Small Business Economics,* Academy of Management (PNP and BPS Divisions), *Journal of Comparative Policy Analysis*
Professional Associations:	Strategic Management Society (SMS)
	Association for Public Policy, Analysis, and Management (APPAM)
	Academy of Management (AOM)
	American Economic Association (AEA)

Teaching Experience

2013	**Dubrovnik International University, Dubrovnik, Croatia** Visiting Professor for International Strategy and Policy (Undergraduate Course)
2013	**Zen Tours Business Workshop, Cambridge, MA** Instructor for Competitive Strategy (Executive Course)
2012 - 2014	**Harvard University, Cambridge, MA** Teaching Fellow for Microeconomic Theory I & II (Doctoral Courses)

2012 – 2013 **Harvard Business School, Boston, MA**
Facilitator for Leading Change and Organizational Renewal (Executive Education Program)

2007- 2009 **Swarthmore College, Swarthmore, PA**
Teaching Assistant for Real Analysis, Intermediate Microeconomics, Statistics for Economists, Multivariable Calculus (Undergraduate Courses)

Industry Experience

2009 – 2010 **Federal Reserve Board of Governors** *Research*
Assistant in Financial Studies, Research and Statistics Division

2007- 2009 **Federal Reserve Bank of Philadelphia** *Intern*
in the Research Department

Computing Skills

SAS, Stata, R; some Matlab, Perl, and ArcGIS

Personal Information

U.S. Citizen; married; conversational Spanish