

Second Miami Behavioral Finance Conference

December 15-17, 2011

Department of Finance
School of Business Administration
University of Miami
Coral Gables, Florida 33124, USA



[HTTP://BUS.MIAMI.EDU/UMBFC/](http://bus.miami.edu/umbfc/)

UNIVERSITY OF MIAMI

**SCHOOL of BUSINESS
ADMINISTRATION**



Second Miami Behavioral Finance Conference

PROGRAM AGENDA

December 15-17, 2011

Keynote Speaker: Peter Bossaerts, *California Institute of Technology*

Program Committee Chair: Campbell Harvey, *Duke University and University of Miami*

Organizer: Alok Kumar, *University of Miami*

THURSDAY, DECEMBER 15, 2011

6:00 pm – 8:30 pm *Welcome Reception:* Southwest Terrace, Biltmore Hotel

FRIDAY, DECEMBER 16, 2011

8:15 am – 8:45 am *Breakfast:* Outside Storer Auditorium,
School of Business Administration

8:45 am – 9:00 am *Welcome Remarks:* Eugene Anderson, Dean, School of Business
Administration
Conference Program Overview: Campbell Harvey, Program
Committee Chair

9:00 am – 9:40 am Misvaluing Innovation
Lauren Cohen, Harvard University, Karl Diether, Dartmouth College,
and Chris Malloy, Harvard University
Discussant: David Solomon, University of Southern California

9:40 am – 10:20 am Speculative Betas
Harrison Hong, Princeton University and David Sraer,
Princeton University
Discussant: Andrea Frazzini, AQR Capital

10:20 am – 10:50 am *Coffee Break*

10:50 am – 11:30 am Dividends as Reference Points: A Behavioral Signaling Approach
Malcolm Baker, Harvard University and Jeff Wurgler, New York University
Discussant: Steve Huddart, Pennsylvania State University

11:30 am – 12:10 pm Cleared for Takeoff? CEO Personal Risk-Taking and Corporate Policies
Matt Cain, University of Notre Dame and Stephen McKeon,
University of Oregon
Discussant: Henrik Cronqvist, Claremont McKenna College

12:10 pm – 2:00 pm *Lunch:* Executive Dining Room, School of Business Administration
Keynote Speech
The Human Brain Behind Financial Skill
Peter Bossaerts, California Institute of Technology

2:00 pm – 2:40 pm Anxiety in the Face of Risk
Thomas Eisenbach, Federal Reserve Bank of New York and
Martin Schmalz, Princeton University
Discussant: Andrew Hertzberg, Columbia University

2:40 pm – 3:20 pm What is in a Name? Mutual Fund Flows When Managers Have
Foreign Sounding Names
Alok Kumar, University of Miami, Alexandra Niessen-Ruenzi,
University of Mannheim, and Oliver Spalt, Tilburg University
Discussant: Susan Christoffersen, University of Toronto

- 3:20 pm – 3:50 pm *Coffee Break*
- 3:50 pm – 4:30 pm Social Networks, Information Acquisition, and Asset Prices
Bing Han, University of Texas at Austin and Liyan Yang, University of Toronto
Discussant: Simon Gervais, Duke University
- 4:30 pm – 5:10 pm Peer Effects in Economic Attitudes
Ken Ahern, University of Michigan, Ran Duchin, University of Michigan, and Tyler Shumway, University of Michigan
Discussant: Jay Ritter, University of Florida
- 6:30 pm – 9:30 pm *Reception and Dinner: La Cascade Restaurant, Biltmore Hotel*

SATURDAY, DECEMBER 17, 2011

- 8:30 am – 9:00 am *Breakfast: Outside Storer Auditorium, School of Business Administration*
- 9:00 am – 9:40 am Small Cues Change Savings Choices
James Choi, Yale University, Emily Haisley, Barclays Bank, Jennifer Kurkoski, Google Inc., and Cade Massey, Yale University
Discussant: Victor Stango, University of California at Davis
- 9:40 am – 10:20 am A Welfare Criterion for Models with Heterogeneous Beliefs
Markus Brunnermeier, Princeton University and Wei Xiong, Princeton University
Discussant: Alp Simsek, Harvard University
- 10:20 am – 10:50 am *Coffee Break*
- 10:50 am – 11:30 am Momentum Crashes
Kent Daniel, Columbia University and Toby Moskowitz, University of Chicago
Discussant: Narasimhan Jegadeesh, Emory University
- 11:30 am – 12:10 pm Winning by Losing: Evidence on Overbidding in Mergers
Ulrike Malmendier, University of California at Berkeley, Enrico Moretti, University of California at Berkeley, and Florian Peters, University of Amsterdam
Discussant: Gennaro Bernile, University of Miami
- 12:10 pm – 2:00 pm *Lunch: Outside Storer Auditorium, School of Business Administration*
- 2:00 pm – 2:40 pm Voice Pitch and Labor Market Success
 Bill Mayew, Duke University, **Chris Parsons**, University of California at San Diego, and Mohan Venkatachalam, Duke University
Discussant: Brad Barber, University of California at Davis
- 2:40 pm – 3:20 pm Experiments With The Lucas Asset Pricing Model
Elena Asparouhova, University of Utah, Peter Bossaerts, California Institute of Technology, Nilanjan Roy, California Institute of Technology, and William Zame, University of California at Los Angeles
Discussant: Robert Bloomfield, Cornell University
- 3:20 pm – 4:00 pm Can Facebook Predict Stock Market Activity?
Yigitcan Karabulut, Goethe University Frankfurt
Discussant: Byoung-Hyoun Hwang, Purdue University

Second Miami Behavioral Finance Conference

BIOGRAPHIES

Kenneth R. Ahern is an Assistant Professor of Finance at the Ross School of Business, University of Michigan. He holds a Ph.D. in Economics from UCLA. Among other places, his research has been published in the *Quarterly Journal of Economics* and *Journal of Financial Economics*. His research has also been featured in major media outlets, including *Time Magazine*, *The Economist*, and *The New York Times*, as well as cited in government debates around the world.

Elena N. Asparouhova is an Assistant Professor of Finance at the University of Utah. She holds a Ph.D. in Social Sciences from California Institute of Technology. Among other places, her research has been published in the *Journal of Financial Economics* and *Management Science*. Her research has also been honored with the best paper awards from the *Review of Finance* and the *Journal of Financial Markets*.

Brad M. Barber is the Gallagher Professor of Finance at the UC Davis Graduate School of Management. He is also the Director of the Center for Investor Welfare and Corporate Responsibility, as well as the current finance area editor for *Management Science*. He holds a Ph.D. in Finance from the University of Chicago. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Political Economy*, and *Quarterly Journal of Economics*. According to a 2009 citation study, Professor Barber is one of the 50 most cited financial economists in the world. His research has also been covered extensively in the financial press, including *Business Week*, *Time*, *The Wall Street Journal*, *ABC News*, *NBC Nightly News*, CNN, CNNfn, and CNBC.

Gennaro Bernile is an Assistant Professor of Finance at the University of Miami. He holds a Ph.D. in Finance from the University of Rochester. Among other places, his research has been published in the *Journal of Accounting and Economics* and *Financial Management*.

Markus K. Brunnermeier is the Edwards S. Sanford Professor of Economics at Princeton University. He is also affiliated with Princeton's

Bendheim Center for Finance, and the director of Princeton's Julis-Rabinowitz Center for Public Policy and Finance. In addition, he is a research associate at CEPR, NBER, and CESifo, and a visiting scholar at the Federal Reserve Bank of New York. He holds a Ph.D. in Economics from the London School of Economics. He is an associate editor of the *American Economic Review*, *Journal of European Economic Association*, and *Journal of Finance*, and has served on the editorial board of the *Review of Financial Studies* and the *Journal of Financial Intermediation*. Among other places, his research has been published in the *American Economic Review*, *Journal of Finance*, *Journal of Financial Economics*, and *Review of Financial Studies*. In addition to other honors and awards, he is an elected Fellow of the Econometric Society, and a recipient of the Bernácer Prize, the Smith-Breedon Prize, and the RFS's Brennan Award. Among others, media coverage of his research include the *New York Times*, *The Wall Street Journal*, *Forbes*, *The Economist*, and NPR.

Robert J. Bloomfield is the Nicholas H. Noyes Professor of Accounting at Cornell's Johnson Graduate School of Management. He holds a Ph.D. in Accounting from the University of Michigan. He is the founding Director of the Financial Accounting Standards Research Initiative (FASRI). He is also an Editor of *Accounting, Organizations and Society*, and serves on the editorial boards of a number of journals, including *The Accounting Review*, *Journal of Accounting and Economics*, and *Journal of Accounting Research*. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *The Accounting Review*, and *Management Science*. His research has also been covered extensively in the financial press, including *Newsweek*, *Business Week*, *The Wall Street Journal*, *New York Times*, *Los Angeles Times*, *SmartMoney*, and CNBC.

Peter L. Bossaerts is the William D. Hacker Professor of Economics and Management at the California Institute of Technology. He holds a Ph.D. in Finance from UCLA. Between 2007 and 2009, he was at the Swiss Federal Institute of

Technology in Lausanne (EPFL), where he worked on the foundation of the Swiss Finance Institute @ EPFL. He is President-elect of the Society for Neuroeconomics, Co-Editor of the *Review of Finance*, and has served as Associate Editor of numerous journals, including the *Review of Financial Studies*, *Mathematical Finance*, and *Journal of Neuroscience, Psychology and Economics*. Among other places, his research has been published in the *Journal of Finance*, *Review of Financial Studies*, *Econometrica*, *Review of Economic Studies*, *Review of Economics and Statistics*, and *Journal of Neuroscience*. He is best known for his pioneering work in experimental asset pricing and in decision neuroscience/neuroeconomics, and has given more than twenty five keynote lectures in the last five years. He was elected a Fellow of the Econometric Society in 2010 and elected an Econometric Theory Fellow of the Society for the Advancement of Economic Theory in 2011.

James Choi is an Associate Professor of Finance at the Yale School of Management. He holds a Ph.D. in Economics from Harvard University. He is also a fellow of NBER and the Yale Center for Consumer Insights. Among other places, his research has been published in the *Journal of Finance*, *American Economic Review*, *Journal of Financial Economics*, *Review of Financial Studies*, and *Quarterly Journal of Economics*. He is a winner of TIAA-CREF's Paul A. Samuelson Award.

Susan E. K. Christoffersen is an Associate Professor of Finance at the University of Toronto's Rotman School of Management. She holds a Ph.D. in Finance from the University of Pennsylvania's Wharton School. Among other places, her research has been published in the *Journal of Finance*, *Journal of Financial Economics*, and *Review of Financial Studies* and has been cited by media outlets, including the *New York Times*, *International Herald Tribune*, *Bloomberg News Service*, *CBS Marketwatch*, and *The Wall Street Journal*.

Henrik Cronqvist is the McMahon Family Chair in Corporate Finance, George R. Roberts Fellow, and an Associate Professor of Financial Economics at the Robert Day School of Economics and Finance at Claremont McKenna College. He holds a Ph.D. in Finance from the University of Chicago. Among other places, his research has been published in the *American Economic Review*, *Journal of Finance*, *Journal of Financial Economics*, and *Review of Financial Studies*. His research has been featured in the *Economist*, *Financial Times*, *The Wall Street Journal*, and on PBS.

Kent D. Daniel is a Professor of Finance at Columbia University. Between 2004 and 2010, he was with the

Quantitative Investment Strategies group at Goldman Sachs Asset Management, serving as head of QIS's equity research effort and a co-chief investment officer. He holds a Ph.D. in Finance from UCLA. He has served as an Associate Editor for the *Journal of Finance*, as a research associate and a faculty research fellow for NBER, and as a Director for both the AFA and WFA. Among other places, his research has been published in *Journal of Finance* and *Journal of Monetary Economics*. In addition to other awards, his research has been honored twice with Smith-Breeden Prizes.

Thomas M. Eisenbach is an Economist at the Research Group of the New York Fed. He earned a Ph.D. in Economics from Princeton University in May 2011. His main research interests involve how institutional and behavioral frictions affect the functioning of financial markets.

Andrea Frazzini is a Vice President at AQR Capital Management LLC. He holds a Ph.D. in Economics from Yale University. He has served as a Research Associate at the NBER, and on the Board of Directors of CRSP. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics* and *Journal of Political Economy*. His work has won several awards including both the 2008 and 2011 Smith Breeden Prizes and the Fama-DAF Prize. His research has been featured in the financial press, including in the *New York Times*, *Forbes*, *SmartMoney*, and *The Economist*.

Simon Gervais is an Associate Professor of Finance at Duke's Fuqua School of Business. He holds a Ph.D. in Finance from the University of California at Berkeley. He serves as an Associate Editor of *Management Science* and the *Journal of Financial Intermediation*. Among other places, his research has been published in the *Journal of Finance* and *Review of Financial Studies*. His work has won the RFS's Brennan Award.

Bing Han is an Associate Professor of Finance at the University of Texas, Austin. He holds a Ph.D. in Finance from UCLA and also a Ph.D. in Mathematics from the University of Chicago. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, and *Management Science*. Media cites of his research include the *New York Times*, *The Wall Street Journal*, and *SmartMoney*.

Campbell R. Harvey is the J. Paul Sticht Professor of International Business at Duke's Fuqua School of Business. He is also a Distinguished Scholar in Finance at the University

Second Miami Behavioral Finance Conference

BIOGRAPHIES

of Miami, a Visiting Researcher at the University of Oxford and the Oxford-Man Institute, and a Research Associate at Trinity College, Dublin. He holds a Ph.D. in Finance from the University of Chicago. He currently serves as Editor of the *Journal of Finance* and as a Research Associate of the NBER, and has served as Co-Editor of the *Review of Financial Studies* and President of the WFA. He also serves or has served as Associate Editor, Advisory Editor, and Advisory Board Member of numerous journals, including the *Journal of Financial Economics*. He has published more than one hundred articles in a wide variety of journals, including the *Journal of Political Economy*, *Journal of Finance*, *Journal of Financial Economics*, *Management Science*, and *Journal of Accounting and Economics*. His website was recently named one of the “Best of The Web” in *Forbes*. His hypertextual financial glossary, which has over 8,000 terms and over 18,000 internal links, is used by the *New York Times*, *Forbes*, *Bloomberg*, *The Washington Post*, CNNMoney and Yahoo, along with many other sites. His iPhone glossary app is sold through iTunes. The book version of the glossary, *The New York Times Dictionary of Money and Investing*, is coauthored with Pulitzer Prize winner Gretchen Morgenson. His work has earned numerous awards, including the Graham and Dodd Award, and he holds an honorary doctorate from Svenska Handelshogskolan in Helsinki.

Andrew Hertzberg is an Assistant Professor of Finance at Columbia University. He holds a Ph.D. in Economics from MIT. His research has been published in the *Journal of Finance*. One of his articles won the Brattle Prize for the best corporate finance paper at the *Journal of Finance*.

Harrison Hong is the John Scully '66 Professor of Economics and Finance at Princeton University. He holds a Ph.D. in Economics from MIT. He serves as an Associate Editor of the *Journal of Finance*, as a Director of the AFA, and as a research associate at the NBER. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics*, *American Economic Review*, *Quarterly Journal of Economics*, and *Review of Financial Studies*. Among other honors, he has been awarded the AFA's Fischer Black Prize, and the *JFE's* Fama-DFA Prize.

Steven J. Huddart is a Professor of Accounting at Penn State's Smeal College of Business. He holds a Ph.D. from Yale University. He has served as Editor of *The Accounting Review*, and serves as an Associate Editor of the *Journal of Accounting and Economics* and on the editorial board of *Contemporary Accounting Research*, among others. His research has been published in the *American Economic Review*, *Econometrica*, *Journal of Accounting & Economics*, *Management Science*, and *Quarterly Journal of Economics*. He has addressed the FASB and the Financial Executives Institute, among other groups, on aspects of stock-based compensation.

Byoung-Hyoun Hwang is an Assistant Professor of Finance at Purdue University's Krannert School of Management. He holds a Ph.D. in Finance from Emory University. His research has been published in the *Journal of Financial Economics* and *Management Science*.

Narasimhan Jegadeesh is the Dean's Distinguished Chair in Finance at Emory University's Goizueta Business School. He holds a Ph.D. in Finance from Columbia University. He serves as an Associate Editor of the *Journal of Finance*. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics*, and *Review of Financial Studies*. His research has been discussed in several publications including *Business Week*, *The Economist*, *Forbes*, *Money Magazine*, *New York Times*, and *SmartMoney*.

Yigitcan Karabulut is a Ph.D. student in Finance at the Goethe University in Frankfurt. His research interests include household finance, behavioral finance, and financial intermediation.

Alok Kumar is the Gabelli Asset Management Professor of Finance at the University of Miami. He holds a Ph.D. in Economics from Cornell University. Among other places, his research has been published in the *Journal of Finance*, *Journal of Financial Economics*, *Review of Financial Studies*, *Journal of Accounting Research*, and *Management Science*. His research has also been covered in *The Wall Street Journal*, *New York Times*, *Washington Post*, *Forbes*, and *SmartMoney*.

Christopher Malloy is an Associate Professor of Finance and Marvin Bower Fellow at Harvard Business School, and a Faculty Research Fellow at the NBER. He holds a Ph.D. in Finance from the University of Chicago. Among other places, his research has been published in the *Journal of Finance*, *Journal of Political Economy*, and *Management Science*. In addition to other awards, his research has been honored twice with Smith-Breeden Prizes.

Ulrike Malmendier is an Associate Professor of Economics at UC Berkeley. She holds a Ph.D. in Business Economics from Harvard University. She currently serves as Associate Editor for the *Journal of Financial Intermediation*, *Economic Journal*, and *Journal of the European Economic Association*, as well as the Guest Associate Editor for the Special Issue on Behavioral Economics and Finance in *Management Science*. Among other places, her research has been published in the *Journal of Finance*, *American Economic Review*, *Quarterly Journal of Economics*, and *Journal of Financial Economics*. Among other honors, she was recently named an Alfred P. Sloan Research Fellow.

Stephen B. McKeon is an Assistant Professor of Finance at the University of Oregon. He earned a Ph.D. in Finance from Purdue University in 2011. His research interests include behavioral corporate finance, corporate governance and capital structure.

Alexandra Niessen-Ruenzi is an Assistant Professor of Finance at the University of Mannheim (Germany). She holds a Ph.D. in Finance from the University of Cologne (Germany). Her research interests include gender differences and prejudice in the mutual fund industry. She has published her work in *Management Science*.

Christopher A. Parsons is an Assistant Professor of Finance at UC San Diego's Rady School of Management. He holds a Ph.D. in Finance from UT Austin's McCombs School of Business. Among other places, his research has been published in the *Journal of Finance*, *American Economic Review*, *Journal of Financial Economics*, and *Review of Financial Studies*. Among other places, his research has been discussed in the *New York Times*, *USA Today*, *BusinessWeek*, and *Time*.

Jay R. Ritter is the Joseph Cordell Eminent Scholar in Finance at the University of Florida. He holds a Ph.D. in Economics and Finance from the University of Chicago. He is an Associate Editor of the *Journal of Financial Economics*, *Journal of Financial and Quantitative Analysis*, *Financial Management*, *Journal of Behavioral Finance*, *European Financial*

Management, and *Pacific-Basin Finance Journal*, and has been an associate editor of the *Journal of Finance*, *Review of Financial Studies*, and other journals. He has served as a Director of the AFA and is Vice President-Program Chair for the 2012 FMA meeting. Among other places, his research has been published in the *Journal of Finance*, *Review of Financial Studies*, and *Journal of Financial Economics*. His research has garnered numerous awards, including the *JF*'s Smith Breeden Prize, *JFQA*'s Sharpe Prize, and the *JFE*'s Jensen Prize. He served on the NASD-NYSE Blue Ribbon committee that made recommendations to the U.S. Securities and Exchange Commission on IPO regulations. A recent study listed him as the ninth most-cited author in the major academic finance journals during 2003-2008.

Alp Simsek is an Assistant Professor of Economics at Harvard University. He earned a Ph.D. in Economics from MIT in June 2010. His recent research focuses on the effect of uncertainty and belief disagreements on asset prices and financial contracts.

David Solomon is an Assistant Professor of Finance and Business Economics at USC's Marshall School of Business. He earned a Ph.D. in Finance from the University of Chicago Booth School of Business in 2009. He has published his work in the *Journal of Finance* and *Mathematical Finance*.

Victor Stango is an Associate Professor of Management at the UC Davis Graduate School of Management. He holds a Ph.D. in Economics from UC Davis. Among other places, his research has been published in the *Journal of Finance*, *Review of Financial Studies*, and *American Economic Review*. His work has been featured in *The Wall Street Journal*, *New York Times*, *The New Yorker*, *Business Week*, *Newsweek*, and elsewhere, and he has discussed his work on "Good Morning America," Fox News, CNBC, and Bloomberg, among others.

Jeffrey Wurgler is the Nomura Professor of Finance at NYU's Stern School of Business. He holds a Ph.D. in Business Economics from Harvard University. He is serving as a Special Issue Editor of the *Journal of Financial Economics*, and as an Associate Editor of *Management Science*, *Journal of Financial Economics*, and *Review of Asset Pricing Studies*, and as a Faculty Research Fellow for the NBER. Among other places, his research has been published in the *Journal of Finance*, *Quarterly Journal of Economics*, *Review of Financial Studies*, and *Journal of Financial Economics*. His papers have won several awards, including a Brattle Prize, *JFQA*'s Sharpe Award, and an Emerald Citation of Excellence Award.

UNIVERSITY OF MIAMI
SCHOOL of BUSINESS
ADMINISTRATION



Department of Finance
School of Business Administration
University of Miami
Coral Gables, Florida 33124, USA

PROGRAM COMMITTEE MEMBERS

PROGRAM COMMITTEE MEMBERS

Campbell R. Harvey, *Duke University and University of Miami* (Chair)

Malcolm P. Baker
Harvard University

Brad M. Barber
University of California, Davis

Nicholas C. Barberis
Yale University

Peter L. Bossaerts
California Institute of Technology

Markus Brunnermeier
Princeton University

Timothy R. Burch
University of Miami

Ricardo Caceda
University of Miami

Charles S. Carver
University of Miami

Lauren H. Cohen
Harvard University

Douglas R. Emery
University of Miami

Simon Gervais
Duke University

John Graham
Duke University

John M. Griffin
University of Texas at Austin

Bing Han
University of Texas at Austin

David A. Hirshleifer
University of California, Irvine

Matti Keloharju
University of Helsinki

Alok Kumar
University of Miami

Charles M.C. Lee
Stanford University

Christopher J. Malloy
Harvard University

Tobias Moskowitz
University of Chicago

Jay R. Ritter
University of Florida

Paul H. Schultz
University Notre Dame

Scott Weisbenner
University of Illinois

Jeffrey Wurgler
New York University

Wei Xiong
Princeton University

Second Miami Behavioral Finance Conference

December 15-17, 2011

[HTTP://BUS.MIAMI.EDU/UMBFC/](http://bus.miami.edu/umbfc/)