

Curriculum Vitae

Paola Sapienza

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Academic position

2009-present Professor of Finance, Department of Finance, Kellogg School of Management, Northwestern University
2008- 2009 Ford Visiting Associate Professor University of Chicago, Graduate School of Business
2006- 2009 Associate Professor of Finance, Department of Finance, Kellogg School of Management, Northwestern University
1998- 2006 Assistant Professor of Finance, Department of Finance, Kellogg School of Management, Northwestern University

Other affiliations

- Director of the American Finance Association, 2011 to present
- Member of the Board of Assicurazioni Geneali, 2010 to present
- Zell Center Faculty Fellow, 2006 to present
- Research Associate, National Bureau of Economic Research (NBER), 2007 to present
- Faculty Research Fellow, National Bureau of Economic Research (NBER), 2003 to 2007
- Research Fellow, Centre for Economic Policy Research (CEPR), London, UK 2007 to present
- Research Affiliate, Centre for Economic Policy Research (CEPR), London, UK 1998 to 2007
- Faculty Fellow, Center for International Economics and Development, Northwestern University.
- Faculty Affiliate, Center for International and Comparative Studies, Northwestern University.

Education

1998 Ph.D. in Economics, Harvard University
1993 M.A. in Economics, Department of Economics, Harvard University
1989 Bachelor in Economics (laurea), summa cum laude, Bocconi University, Milan.

Fellowships, honors and awards

Smith Breeden Distinguished Paper Award, Journal of Finance, 2009.

Visiting fellow, University of Chicago GSB Initiative on Global Markets, winter quarter, 2008.

Templeton Foundation Grant on "Optimism, Success, and Free Markets," with Luigi Zingales, 2005-06, 2007-08

BSI GAMMA Foundation Grant, 2005-2007

Foundation of Banque of France Grant on Cost-Effectiveness of Bank Regulation, with Luigi Guiso and Luigi Zingales, June 2005- December 2006

Donald P. Jacobs Faculty Chair, 2003-2004

Nasdaq Award for the best paper on capital formation for the paper "Does Local Financial Development Matter?" with Luigi Guiso and Luigi Zingales, 2002

Investment Analysts Society of Chicago Research Grant Award, with Christopher Polk, 2002

Baffi Graduate Fellowship, 1991-93

Editorial activities

Associate editor, *Management Science*, 2009- present

Associate editor, *Journal of Economic Perspectives*, January 2005 – December 2007

Publications

1. "Time Discounting for Primary and Monetary Rewards" with Ernesto Reuben and Luigi Zingales, *Economic Letters*, 106, January 2010: 125-127.
2. "Between- and within-sex variation in hormonal responses to psychological stress in large sample of college students" with Dario Maestripieri, Nicole Baran, and Luigi Zingales, *Stress*, September 2010.
3. Gender differences in financial risk aversion and career choices are affected by testosterone (with Dario Maestripieri and Luigi Zingales), August 25, 2009, *Proceeding of the National Academy of Sciences*.
4. "Cultural Biases in Economic Exchange?," (with Luigi Guiso and Luigi Zingales), *The Quarterly Journal of Economics*, 124(3), August 2009.
5. "Is Mistrust Self-fulfilling?" with Ernesto Reuben and Luigi Zingales, *Economic Letters*, 100, pp.89-91, August 2009.
6. "A Lobbying Approach to Evaluating Sarbanes-Oxley," with Yael Hochberg and Annette Vissing-Jørgensen, *Journal of Accounting Research*, 47(2), pp. 519-583, May 2009.
7. "The Stock Market and Corporate Investment: a Test of Catering Theory," with Christopher Polk, *The Review of Financial Studies*, January 2009, 187-217. This paper previously circulated with the title "The Real Effects of Investor Sentiment."
8. "What Do Independent Directors Know? Evidence from Their Trading," with Enrichetta Ravina, forthcoming, *The Review of Financial Studies*, September 2008.

9. "Trusting the Stock Market," with Luigi Guiso and Luigi Zingales, *The Journal of Finance*, December 2008, Volume 63(6), pp 2557-2600.
10. "Culture, Gender, and Math," with Luigi Guiso, Ferdinando Monte, and Luigi Zingales, *Science*, 30 May 2008, 320, 1164.
11. "Social Capital as Good Culture," with Luigi Guiso, and Luigi Zingales, *The Journal of the European Economic Association*, April-May 2008, 6(2-3): 295-320.
12. "Does Culture Affect Economic Outcomes," with Luigi Guiso and Luigi Zingales, *Journal of Economic Perspectives*, Spring 2006, vol. 20(2), pp. 23-48.
13. "Does Local Financial Development Matter?" with Luigi Guiso and Luigi Zingales, *Quarterly Journal of Economics*, vol. 119 (3), August 2004, pp. 929-969.
14. "The Role of Social Capital on Financial Development," with Luigi Guiso and Luigi Zingales, *American Economic Review*, vol.94 (3), June 2004, pp. 526-556.
15. "The Effects of Government Ownership on Bank Lending," *Journal of Financial Economics*, Vol. 72 (2), May 2004, pp. 357-384. Reprinted in: Stijn Claessens and Luc Laeven (editors), *A Reader in International Corporate Finance*. Washington, DC: World Bank Publications, 2006, pp. 259-286.
16. "People's Opium? Religion and Economic Attitudes," with Luigi Guiso and Luigi Zingales, *Journal of Monetary Economics*, Vol. 50(1), January 2003, pp. 225-282
17. "The Effects of Banking Mergers on Loan Contracts," *Journal of Finance*, Vol. 57, No. 1 February 2002, pp. 329-368.

Working papers

18. Can we infer social preferences from the lab? Evidence from the trust game [Abstract], (with Nicole Baran and Luigi Zingales), Working Paper, August 2009.
19. "The Determinants of Attitudes toward Strategic Defaults in Mortgages," with Luigi Guiso and Luigi Zingales, Financial Trust Index Working Paper, March 2011.
20. "Procrastination and Impatience," with Ernesto Reuben and Luigi Zingales, April 2009.
21. "Long Term Persistence," with Luigi Guiso and Luigi Zingales. This paper previously circulated with the title "Was Putnam Right?" August 2008.
22. "Understanding Trust," with Anna Toldra and Luigi Zingales, August 2010.
23. "The Cost of Banking Regulation," with Luigi Guiso and Luigi Zingales, July 2007.

Other writings

24. "Civic Capital as the Missing Link," with Luigi Guiso and Luigi Zingales; prepared for the Social Economics Handbook, edited by Jess Benhabib (NYU) Alberto Bisin (NYU) Matthew O. Jackson (Stanford), March 2010.
25. "Trust and Financial Markets" Keynote Address, in "Eleventh Annual International Banking Conference: The Credit Market Turmoil of 2007–08: Implications for Public Policy," forthcoming.
26. Discussion of "Self-Selection and the Forecasting Abilities of Female Equity Analysts", *Journal of Accounting Research*, forthcoming.
27. "A Description of the Templeton-Chicago MBAs Longitudinal Study," with Ernesto Reuben and Luigi Zingales (January 2008)
28. Discussion of "The Bright Side of Internal Capital Markets" by Naveen Khanna and Sheri Tice, *Journal of Finance*, Vol. 56, No. 4, August 2001, pp. 1528-1531.
29. "Comments on Lessons from Case Studies on Large Insolvencies" in Douglas D. Evanoff and George G. Kaufman (eds.), *Systemic Financial Crises: Resolving Large Bank Insolvencies*, pp. 391-394. New Jersey: World Scientific, 2005.

Presentations at conferences

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| January 2011 | American Economic Association Meeting, Denver |
| January 2010 | American Economic Association Meeting, Atlanta |
| October 2009 | Market on Trial Workshop, Northwestern University |
| September 2008 | Keynote Address "Trust and Financial Markets" at the Eleventh Annual International Banking Conference on "Credit Market Turmoil of 2007–08: Implications for Public Policy", Federal Reserve Bank of Chicago. |
| November 2007 | NBER Education Program Meeting, Cambridge. |
| July 2007 | Centre for Economic Policy Research (CEPR), European Summer Symposium on Financial Markets, Gerzensee, Switzerland, Organizer of a focus session on "Microfoundations of financial choices: trust, overconfidence, and risk preferences" |
| July 2007 | Conference on Financial Intermediation, Bank of Portugal, Oporto. |
| March 2007 | Access to Finance Conference, World Bank, Washington |
| May 2006 | Formation and Evolution of Institutions Conference, Brown University, Providence. |
| July 2005 | NBER Capital Market and the Economy, Boston |
| July 2005 | Open Issues in Finance (Conference organized by CIFRA and Wharton Center for Financial Institution), Amsterdam |
| May 2005 | International Conference on Competition, Stability and Integration in European Banking, Brussels, Belgium |
| April 2005 | 2 nd Workshop on Globalization and Contracts: Trade, Finance and Development, Paris, France |

March 2005 Endogenous Institutional Change, Stanford University

January 2005 American Economic Association Annual Meeting, Philadelphia, PA

November 2004 National Bureau Economic Research (NBER) Macroeconomics and Individual Decision Making Conference, Cambridge, MA

July 2004 National Bureau Economic Research (NBER) Summer Institute Corporate Finance Meeting, Cambridge, MA

May 2004 Federal Reserve Bank of Chicago Conference on Bank Structure and Competition, Chicago, IL

January 2004 American Economic Association Annual Meeting, San Diego, CA

January 2003 American Finance Association Annual Meeting, Washington, DC.

December 2002 Fourth Annual Conference on “Financial Market Development in Emerging and Transition Economies”, Santiago de Chile, Chile

November 2002 Will Universal Banking Dominate or Disappear? Consolidation, Restructuring and (re)regulation in the Banking Industry (Fundación Banco Bilbao Vizcaya and CEPR), Madrid, Spain

June 2002 Western Finance Association Meeting, Park City, Utah.

April 2002 National Bureau Economic Research (NBER) Behavioral Finance Meeting

July 2001 National Bureau Economic Research (NBER) Summer Institute Capital Markets in the Economy, Cambridge, MA

March 2001 5th BIRC Scientific Council Symposium, University of Chicago, Chicago, IL

January 2001 American Economic Association Annual Meeting, New Orleans, LA

January 2001 American Finance Association Annual Meeting, New Orleans, LA

November 2000 National Bureau of Economic Research (NBER), Corporate Finance Meeting, Cambridge, MA

October 2000 7th Mitsui Life Symposium on Global Financial Markets, University of Michigan, Ann Arbor, MI

June 2000 Western Finance Association, Annual Meeting, Sun Valley, Idaho

January 2000 American Finance Association Annual Meeting Meetings, Boston, MA

December 1999 National Bureau Economic Research (NBER) Corporate/Macro University Conference, Cambridge, MA

July 1999 Centre for Economic Policy Research (CEPR), European Summer Symposium on Financial Markets, Gerzensee, Switzerland.

June 1999 Western Finance Association, Annual Meeting, Santa Monica, CA

September 1998 CEPR/ESI Conference on “The Changing European Financial Landscape,” Brussels, Belgium

Seminar presentations

Arizona State University (2009), Carnegie Mellon (2004, 2010), Columbia University (2003, 2005), Dartmouth University (2006), De Paul University (2005), Duke University (2001), European Central Bank (2005), FermiLab (2010) Georgetown University (2006), Harvard University (2010), International Monetary Fund (2003), Indiana University (2008), London

Business School (1998, 2002, 2005), London School of Economics (2005), Massachusetts Institute of Technology (2005), Mc Gill University (2002), Michigan State University (2003), New York Federal Reserve (2000, 2003, 2004, 2008), New York University (2006, 2007, 2009), Northwestern University (1998, 2008, 2009), Ohio State University (1998), Rice University (2010), Stanford University (2000), Stockholm University (2005), Tilburg University (2005), UCLA (2009), University of Amsterdam (2005), University of British Columbia (2007), University of Chicago (1998, 2005, 2008), University of Florida - Gainesville (2000), University of Illinois at Urbana Champaign (2004), University of North Carolina (2005), University of Pennsylvania (2004, 2008), University of Pittsburgh (2010), University of Southern California (1998, 2008), University of Texas (Austin) (1998, 2005, 2010), University of Texas, Dallas (2011), University of Virginia (2003), Yale University (2002, 2006).

Discussions

Discussion “Persistent Anti-Market Culture: A Legacy of the Pale Settlement and of the Holocaust” by Irena Grosfeld, Alexander Rodnyansky and Ekaterina Zhuravsaka, NBER Political Economy Meeting, April 2011.

Discussion on “Three’s Company: Wall Street, Capitol Hill, and K Street” by Deniz Igan and Prachi Mishra, American Economic Association, Denver, 2011

Discussion “Sovereign Wealth Fund Portfolios” by Alexander Dyck and Adair Morse, Private Equity and Venture Capital Conference, Collier Institute, London Business School, May 11, 12, 2010.

Discussion of “Disclosure and the cost of capital: Evidence from firms’ responses to the Enron Shock” by Christian Leuz and Catherine Schrand, NBER Summer Institute on Corporate Finance, July 2009.

Discussion of “How Good is Chinese and Indian Management? New Evidence from Europe, the US and Asia,” Nick Bloom, Christos Cenekos, Raffaella Saun, John Van Reenan, NBER Summer Institute on Microeconomics, Efficiency and Welfare: Lessons for Latin America, July 2008.

Discussion of “Firm Boundaries in the New Economy: Theory and Evidence,” Krishnamurthy Subramanian, 10th Annual Texas Finance Festival, April 2008.

Discussion of “The Economic Consequences of Legal Origins”, La Porta, Lopez-de-Silanes, and Shleifer; and “The Political Economy of Finance” Haber and Perotti, A Review of Comparative Governance Systems Conference, Erice, Italy, April 2008.

Discussion of Simeon Djankov, Yingyi Qian, Gerard Roland, Ekaterina Zhuravskaya “What Makes an Entrepreneur?” NBER International Entrepreneurship Conference, February 2008.

Discussion of Ray Fisman and Edward Miguel “Corruption, Norms and Legal Enforcement: Evidence from Diplomatic Parking Tickets”, American Economic Association meeting 2008.

Discussion of Ron Kaniel, David Robinson, and Cade Massey “The Importance of Being An Optimist: Evidence from Labor Market” NBER Corporate Finance Meeting, November 2007.

Discussion of Craig Doidge, Andrew Karolyi, and Rene Stulz “Has New York Become Less Competitive in Global Markets? Evaluating Foreign Listing Changes Over Time”, NBER Corporate Finance Meeting, August 2007.

Discussion of Yakovlev and Zhuravskaya “Deregulation of Business”, NBER Political Economy Meeting, July 2007.

Discussion of Siegel and Zepp Larson, "Labor Market Institutions and Global Strategic Adaptation," 13th Mitsui Life Symposium on Financial Markets in Ann Arbor, June, 2007

Discussion of Danny Quah “Life in Unequal Growing Economies”, Conferences on Causes and Consequences of Income Distribution, The Watson Institute for International Studies, Brown University, April 2007

Discussant of Manju Puri and David Robinson “Optimism and Economic Choice” NBER Corporate Finance Meeting, Boston, August, 2005

Discussant of Matias Braun and Claudio Raddatz “The politics of financial development: evidence from trade liberalization” 2005 Western Finance Association Meeting, Portland, Oregon.

Discussant of the papers: “Political Competition and Economic Growth: Lessons from the Political Economy of Banking in Mexico and the United States” by Stephen Haber,; “Banking Deregulation and Industry Structure: Evidence from the French Banking Reforms of 1985” by Marianne Bertrand, Antoinette Schoar, and David Thesmar; “Finance as a Barrier to Entry.” Nicola Cetorelli and Philip Strahan” at the Conference “Entry, Entrepreneurship and Financial Development”, World Bank, January 10-11, 2005.

Discussant of the papers: “BCCI and Barings” by Richard J. Herring; “Long-Term Capital Management and Enron”, by Franklin Edwards and Edward R. Morrison; and “Argentina and Uruguay: Two Contrasting Experiences” by Liliana Rojas-Suarez at the conference on “Systemic Financial Crises: Resolving Large Bank Insolvencies,” September 30, 2004 to October 1, 2004, Federal Reserve Bank of Chicago.

Discussant of Robin Burgess and Rohini Pande “Do Rural Banks Matter? Evidence from the Indian Social Banking Experiment”, Mitsui The 9th Mitsui Life Symposium on Global Financial Markets: Microanalysis and Emerging Markets will be held at the Michigan Business School, Ann Arbor, Michigan on June 11-12, 2004.

Discussant of Marianne Bertrand, Antoinette Schoar, and David Thesmar “Banking Deregulation and Industry Structure: Evidence from the French Banking Reforms of 1985”, NBER Corporate Meeting, November 2003, Boston.

Discussant of Marcello Bofondi and Giorgio Gobbi “Bad Loans and Entry into Local Credit Markets”, First Banca d’Italia and CEPR conference on Financial Structure, Product Market Structure and Economic Performance, 2003.

Discussant of Utpal Bhattacharya, Peter Groznik, and Bruce Haslem “Is CEO Certification of Earnings Numbers Value-Relevant?” 2003 Western Finance Association Meeting, Los Cabos, Mexico.

Discussant of Atif Mian “Incentives, Supervision, and Organizational Hierarchy: A Loan-Level Investigation of Banking” NBER Corporate Finance Meeting, April 2003, Chicago.

Discussant of Toni Whited “External Finance Constraints and the Intertemporal Pattern of Intermittent Investment”, American Finance Association Annual Meeting, Washington, DC, January 3-5, 2003

Discussant of Ulrike Malmendier and Geoffrey Tate “CEO Overconfidence and Corporate Investment”, CEPR/Studienzentrum Gerzensee European Summer Symposium in Financial Markets, Gerzensee, 1 - 12 July 2002

Discussant of Paul Kupiec “Is the New Basel Accord Incentive Compatible?”, Basel II: An Economic Assessment, Basel 17-18 May, 2002

Discussant of Naveen Khanna and Sheri Tice, “The Bright Side of Internal Capital Markets”, American Finance Association Annual Meeting, New Orleans, LA, 2001

Discussant of William Dunkelberg and Jonathan Scott, “Bank Consolidation, Small Business, and Capital Market”, American Economic Association Annual Meeting, Boston, MA, 2000

Discussant of Steven Ongena, David C. Smith and Dag Michalsen “Distressed Relationships: Lessons from the Norwegian Banking Crisis (1988-1991)”, American Finance Association Annual Meeting, Boston, MA, 2000

Refereeing

American Economic Review, Economics Letters, European Economic Review, International Journal of Game Theory, Journal of Banking and Finance, Journal of Business, Journal of Finance, Journal of Financial Intermediation, Journal of Economics, Journal of the European Economic Association, Journal of Money, Credit and Banking, Journal of Political Economy, National Science Foundation, Review of Economic Studies, Review of Financial Studies, Quarterly Journal of Economics, World Development.

Teaching experience

2007	Ph.D. Course: Empirical Corporate Finance
2006 and 2008	Ph.D. Course: Topics in Finance.
1999- Present	Kellogg School of Management, Northwestern University: Corporate Finance for MBA students
1992-1993	Harvard University, Teaching Fellow for Microeconomic Theory
1989-1990	Bocconi University, Teaching Fellow for Monetary Economics

Other work experiences

1993-1996	Bank of Italy, Economist, Research Department, Financial Studies Division, Rome, Italy
1989-1990	Bocconi University, Research Fellow.