

LAURA BLATTNER

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Stanford University ◊ Graduate School of Business

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ACADEMIC APPOINTMENTS

Stanford Graduate School of Business,
Assistant Professor of Finance

since 2018

EDUCATION

Harvard University
Ph.D. Political Economy & Government (Economics Track)

2018

Oxford University, Nuffield College
M.Phil. Economics, Distinction

2012

Oxford University, Merton College
B.A. Philosophy, Politics & Economics, First Class

2010

RESEARCH INTERESTS

Financial Economics, Macroeconomics, Corporate Finance, Banking

WORKING PAPERS

**When Losses Turn Into Loans:
The Cost of Undercapitalized Banks**
2018

with Luisa Farinha and Francisca Rebelo

We provide evidence that a weak banking sector contributed to low productivity following the European debt crisis. An unexpected increase in capital requirements provides a natural experiment to study the effects of reduced capital adequacy on productivity. Affected banks respond by cutting lending but also by reallocating credit to distressed firms with underreported loan losses. We develop a method to detect underreported losses using loan-level data. We show that the credit reallocation leads to a reallocation of production factors across firms. We find that the resulting factor misallocation accounts for 20% of the decline in productivity in Portugal in 2012.

**What Did 1 Trillion Euros Buy Us? Evidence on
the Real Effects of Quantitative Easing in Europe**
2018

with Luisa Farinha and Gil Nogueira

This paper studies the transmission channels of the European Central Banks (ECB) asset purchase programs via the banking sector using proprietary data from the Bank of Portugal. Banks that hold larger amounts of assets eligible for ECB purchase prior to announcement of the programs realize trading profits from selling these assets following the announcement. Banks use most of these gains to increase their cash holdings. We find a moderate positive effect on loan approval rates for new corporate borrowers, which is stronger for riskier borrowers. However, banks do not offer significantly lower interest rates or provide additional loans to existing customers. We investigate an additional origination channel. The ECBs purchase of asset-backed securities (ABS) and covered bonds does not lead banks with pre-existing issuance technology to originate more loans. Our results suggest that the

pass-through of asset purchase programs to lending conditions may occur through channels other than bank balance sheets.

Debt or Demand: Which Holds Investment Back?

Evidence from an Investment Tax Credit

with Luisa Farinha and Francisca Rebelo

2018

We study how debt frictions and demand affect corporate investment using administrative data from a large temporary investment tax credit in Portugal. We obtain exogenous variation in demand for exporting firms from product-destination-level changes in foreign demand. We proxy debt frictions by an index of different debt-earnings ratios. Debt has a strong, non-linear effect on the likelihood that a firm invests in response to the tax credit. Firms in the lower two quartiles of our debt-earnings index have roughly equal predicted take-up probabilities. For firms in the third quartile, predicted take-up drops by 50% while firms in the worst debt-earnings quartile have a predicted take-up rate close to zero. We show that the effect of demand is mediated by the size of a firm's debt burden. While demand has a strong positive effect for the bottom debt quartiles, demand ceases to affect take-up in the highest debt quartile. These results highlight that the distribution of debt, rather than the absolute stock of debt, matters for understanding post-crisis investment dynamics.

SCHOLARSHIP, HONORS, AND AWARDS

AQR Top Finance Graduate Award	2018
Young Innovators Award, Vordenker Forum, Plansecur	2018
BlackRock Applied Research Award (Winner)	2017
Lamfalussy Fellowship, European Central Bank	2017
Research Grant, Harvard Institute for Quantitative Social Science	2017
Harvard University Certificate of Distinction in Teaching	'16, '17
Macro Financial Modeling Fellowship, Becker Friedman Institute	2016
Research Grant, Lab for Economic Applications and Policy	2015
GSAS Summer Pre-dissertation Fellowship, Harvard	2015
Research Grant, Hirtle Callaghan Fund	2015
Ph.D. Fellowship, German National Merit Foundation	2014
ERP Fellowship, German Federal Ministry of Economics and Technology	2013

PROFESSIONAL ACTIVITIES

Referee *American Economic Review, Journal of Finance*

PRESENTATIONS

Copenhagen Business School, Chicago (Booth), Northwestern (Kellogg), MIT Sloan (Finance, Applied Economics), Penn (Wharton), Yale (SOM), Michigan (Ross), NYU (Stern), Duke (Fuqua), Princeton, Berkeley (Haas), Stanford (GSB), Young Scholars Finance Consortium (Texas A&M) LSE, Columbia (GSB)	2018
Bank of Portugal, Bank of England, Harvard University	2017

TEACHING EXPERIENCE

Corporate Finance and Banking (2nd year Ph.D. class), Harvard,
teaching fellow for Professors Sam Hanson and Adi Sunderam. *2017*

Corporate Finance and Banking (2nd year Ph.D. class), Harvard,
teaching fellow for Professors David Scharfstein and Jeremy Stein *2016*

International Finance (2nd year Ph.D. class), Harvard,
teaching fellow for Professor Gita Gopinath. *2016*

Empirical Macroeconomics (2nd year Ph.D. class), Harvard,
teaching fellow for Professor Gabriel Chodorow-Reich. *2016*