

Shai Bernstein

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ACADEMIC APPOINTMENTS

Associate Professor of Finance, Stanford GSB, 2016-present

Assistant Professor of Finance, Stanford GSB, 2012-2016

Dhirubhai Ambani Faculty Scholar in Entrepreneurship for 2015-2016

Younger Family Faculty Scholar for 2013-2014

OTHER AFFILIATIONS

NBER Faculty Research Fellow (Corporate Finance), 2015-present

NBER Faculty Research Fellow (Productivity, Innovation and Entrepreneurship), 2015-present

SIEPR Faculty Fellow, 2016-present

EDUCATION

Ph.D., Business Economics, Harvard University, 2007-2012

M.A., Financial Economics, Hebrew University of Jerusalem, 2005 - 2007

B.A., Mathematics and Economics, Ben Gurion University, 2002 - 2005

JOURNAL PUBLICATIONS

- [1] Bernstein, Shai, Emanuele Colonnelli, and Benjamin Iverson, 2017, "Asset Allocation in Bankruptcy", *Journal of Finance*, Forthcoming.
- [2] Bernstein, Shai, Arthur Korteweg, and Kevin Laws, 2017, "Attracting Early Stage Investors: Evidence from a Randomized Field Experiment", lead article *Journal of Finance*, 72(2): 609-538.
- [3] Bernstein, Shai, and Albert Sheen, 2016, "The Operational Consequences of Private Equity Buyouts: Evidence from the Restaurant Industry", *Review of Financial Studies*, 29(9):2387-2418.
- [4] Bernstein, Shai, Xavier Giroud and Richard Townsend, 2016, "The Impact of Venture Capital Monitoring", *Journal of Finance*, 71(4), 1591-1622.
- [5] Bernstein, Shai, Josh Lerner, Morten Sorensen and Per Stromberg, 2016, "Private Equity and Industry Performance", *Management Science*, 63(4):1198-1213.

- [6] Bernstein, Shai, 2015, “Does Going Public Affect Innovation?”, *Journal of Finance*, 70(4): 1365-1403
Brattle Prize Winner (First Prize) for Best Paper in the Journal of Finance, 2015
- [7] Bernstein, Shai, Josh Lerner and Antoinette Schoar, 2013, “The Investment Strategies of Sovereign Wealth Funds”, *Journal of Economic Perspectives*, 27(2): 219-38.
- [8] Bernstein, Shai, and Eyal Winter, 2012, “Contracting with Heterogeneous Externalities”, *American Economic Journal: Microeconomics*, 4(2): 50-76.

WORKING PAPERS

Bankruptcy Spillovers with Emanuele Colonnelli, Xavier Giroud, and Benjamin Iverson

Revise and Resubmit at *Journal of Financial Economics*

Abstract. How do different bankruptcy approaches affect the local economy? Using U.S. Census micro-data, we explore the spillover effects of reorganization and liquidation on geographically proximate firms. We exploit the random assignment of bankruptcy judges as a source of exogenous variation in the probability of liquidation. We find that employment declines substantially in the immediate neighborhood of the liquidated establishments, relative to reorganized establishments. The spillover effects are highly localized and concentrate in non-tradable and service sectors, consistent with a reduction in local consumer traffic and a decline in knowledge spillovers between firms. The evidence highlights the externalities that bankruptcy design can impose on non-bankrupt firms.

Private Equity and Financial Fragility During the Crisis with Josh Lerner and Filippo Mezzanotti

Revise and Resubmit at *Review of Financial Studies*

Do private equity firms contribute to financial fragility during economic crises? We find that during the 2008 financial crisis, PE-backed companies increased investments relative to their peers, while also experiencing greater equity and debt inflows. The effects are stronger among financially constrained companies and those whose private equity investors had more resources at the onset of the crisis. PE-backed companies consequentially experienced higher asset growth and increased market share during the crisis.

Does Economic Insecurity Affect Employee Innovation?

with Timothy McQuade and Richard Townsend

Abstract. Do household wealth shocks affect employee output? We examine this question through the lens of technological innovation, by comparing employees that worked at the same firm and lived in the same metropolitan area, but experienced different housing wealth declines during the 2008 crisis. Following a housing wealth shock, employees are less likely to successfully pursue innovative projects, particularly ones that are high impact, exploratory, or complex in nature. The effects are more pronounced among employees with fewer outside labor market opportunities, and among employees who had little equity in their house before the crisis. In contrast, run-ups in housing prices before the crisis did not affect employee innovation. The results highlight a “bottom-up” view of innovation, wherein lower-level employees are important determinants of firm-level innovation.

TEACHING

Entrepreneurial Finance, FIN373, Stanford GSB (MBA), 2012-present

Empirical Methods in Corporate Finance, FIN630, Stanford GSB (PhD), 2013-present

HONORS, SCHOLARSHIPS, and FELLOWSHIPS

2015	Brattle Prize (First Prize) for Best Paper in the Journal of Finance, 2015 (“Does Going Public Affect Innovation?”)
2014	Kauffman Foundation Junior Faculty Fellowship in Entrepreneurship
2011	Best paper award, Coller Institute, London Business School (“Does Going Public Affect Innovation?”)
2010	Ewing Marion Kauffman Dissertation Fellowship
2007 - 2012	Doctoral Fellowship, Harvard Business School
2005 - 2006	Rector's Fellowship, Hebrew University of Jerusalem
2006	Dean's list, School of Business Administration, Hebrew University of Jerusalem