

Shai Bernstein
Stanford Graduate School of Business
655 Knight Way, Stanford, CA 94305
shaib@stanford.edu
650-725-7266

ACADEMIC APPOINTMENTS

Associate Professor of Finance, Stanford GSB, 2016-present
Assistant Professor of Finance, Stanford GSB, 2012-2016

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, Abhishek Dev, and Josh Lerner, 2019, “The Creation and Evolution of Entrepreneurial Public Markets”, *Journal of Financial Economics*, Forthcoming.
- [2] Bernstein, Shai, Timothy McQuade, and Richard Townsend, 2019, “Do Household Wealth Shocks Affect Productivity? Evidence from Innovative Workers During the Great Recession”, *Journal of Finance*, Forthcoming
- [3] Bernstein, Shai, Josh Lerner, and Filippo Mezzanotti, 2018, “Private Equity and Financial Fragility During the Crisis”, *Review of Financial Studies*, Forthcoming.
- [4] Bernstein, Shai, Emanuele Colonnelli, Xavier Giroud, and Benjamin Iverson, 2018, “Bankruptcy Spillovers”, *Journal of Financial Economics*, Forthcoming.
- [5] Bernstein, Shai, Emanuele Colonnelli, and Benjamin Iverson, 2017, “Asset Allocation in Bankruptcy”, (Lead Article) *Journal of Finance*, 74(1):5-5
- [6] 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.

- [7] 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.
- [8] Bernstein, Shai, Xavier Giroud and Richard Townsend, 2016, “The Impact of Venture Capital Monitoring”, *Journal of Finance*, 71(4), 1591-1622.
- [9] Bernstein, Shai, Josh Lerner, Morten Sorensen and Per Stromberg, 2016, “Private Equity and Industry Performance”, *Management Science*, 63(4):1198-1213.
- [10] 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
- [11] Bernstein, Shai, Josh Lerner and Antoinette Schoar, 2013, “The Investment Strategies of Sovereign Wealth Funds”, *Journal of Economic Perspectives*, 27(2): 219-38.
- [12] Bernstein, Shai, and Eyal Winter, 2012, “Contracting with Heterogeneous Externalities”, *American Economic Journal: Microeconomics*, 4(2): 50-76.

WORKING PAPERS

The Contribution of Immigrants to Innovation in the United States

with Rebecca Diamond, Tim McQuade and Beatriz Pousada

Charles River Associates Award for the Best Paper on Corporate Finance, WFA

We characterize the contribution of immigrants to US innovation, both through their direct productivity as well as through their indirect spillover effects on their native collaborators. To do so, we link patent records to a database containing the first five digits of 160 million of Social Security Numbers (SSN). By combining this part of the SSN together with year of birth, we identify whether individuals are immigrants based on the age at which their Social Security Number is assigned. We find that over the course of their careers, immigrants are more productive than natives, as measured by number of patents, patent citations, and the economic value of these patents. Immigrant inventors are more likely to rely on foreign technologies, to collaborate with foreign inventors, and to be cited in foreign markets, thus contributing to the importation and diffusion of ideas across borders. Using an identification strategy that exploits premature inventor deaths, we find that immigrants collaborators create especially strong positive externalities on the innovation production of natives, while natives create especially large positive externalities on immigrant innovation production, suggesting that combining these different knowledge pools into inventor teams is important for innovation. A simple decomposition suggests that despite immigrants only making up 16% of inventors, they are responsible for 30% of aggregate US innovation since 1976, with their indirect spillover effects accounting for more than twice their direct productivity contribution..

Who Creates New Firms when Local Opportunities Arise?

with Emanuele Colonnelli, Davide Malacrino and Tim McQuade

Abstract. We examine the characteristics of the individuals who become entrepreneurs when local opportunities arise. We identify local demand shocks by linking fluctuations in global commodity prices to municipality level agricultural endowments in Brazil. We find that the firm creation response is almost entirely driven by young and skilled individuals. Their response is larger in municipalities with better access to finance and more skilled human capital, and is driven entirely by the formal market. These results highlight how the composition of the local population can have a significant impact on the entrepreneurial responsiveness of the economy.

WORK IN PROGRESS

Who funds start-ups? Evidence from tax records in Norway with Hans Hvide

Who provide equity financing to start-up companies when venture capital is not readily available? In this project we use comprehensive and complete ownership records and equity financing of all start-up companies in Norway, available through tax records. We explore the role and importance of individual participation in the private equity market of start-up companies, and illustrate the almost exclusive participation of individuals at the top of the wealth distribution.

Innovation hubs and Migration with Rebecca Diamond and Tim McQuade

We explore the migration patterns of inventors using residential records of all individuals in the United States. We explore whether innovation hubs contribute to the economy by exporting innovation to other regions in the country, or deplete other regions from key human capital. We employ various identification strategies to tackle these questions.

TEACHING

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

This course focuses on financial decision-making process largely from the point of view of the CEO of an entrepreneurial venture. The course develops tools and concepts of corporate finance related to modeling, valuation, control, and investment decisions within an entrepreneurial context and explores various sources of capital available for early-stage ventures.

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

Introduction to empirical research and econometric methods in corporate finance. Topics include investment policy, entrepreneurship and innovation, financing decisions, corporate governance, managerial incentives, financial contracting, and the structure and internal organization of firms.

HONORS, SCHOLARSHIPS, and FELLOWSHIPS

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| 2019 | <i>Charles River Associates Award for the Best Paper on Corporate Finance, Western Finance Association</i> |
| 2015 | Brattle Prize (First Prize) for Best Paper in the Journal of Finance, 2015
("Does Going Public Affect Innovation?") |
| 2014 | |
| 2011 | Kauffman Foundation Junior Faculty Fellowship in Entrepreneurship
Best paper award, Coller Institute, London Business School |
| 2010 | ("Does Going Public Affect Innovation?")
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, Hebrew University of Jerusalem |