

# RICHARD R. TOWNSEND

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## ACADEMIC APPOINTMENTS

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<b>Rady School of Management, University of California San Diego</b> Assistant Professor of Finance	2016 – Present
<b>Rady School of Management, University of California San Diego</b> Visiting Assistant Professor of Finance	2015 – 2016
<b>Tuck School of Business, Dartmouth College</b> Assistant Professor of Business Administration Daniel T. Revers Faculty Fellow	2011 – 2016

## EDUCATION

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<b>Harvard University</b> Ph.D. in Economics Committee: Josh Lerner, Paul Gompers, Andrei Shleifer, Jeremy Stein	2011
<b>Harvard University</b> A.M. in Economics	2008
<b>Stanford University</b> B.A. in Economics, Honors (Highest), Distinction (Highest) Minor in Mathematics Minor in Computer Science	2005

## PUBLICATIONS

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- How Do Quasi-Random Option Grants Affect CEO Risk-Taking?**  
(with Kelly Shue)  
*Journal of Finance*, Forthcoming
- Growth through Rigidity: An Explanation of the Rise in CEO Pay**  
(with Kelly Shue)  
*Journal of Financial Economics*, 2017, 123(1): 1-21
- The Impact of Venture Capital Monitoring**  
(with Shai Bernstein and Xavier Giroud)  
*Journal of Finance*, 2016, 71(4): 1591-1622

**WORKING PAPERS**

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**The Consequences of Household Shocks on Employee Innovation**  
(with Shai Bernstein and Timothy McQuade)

How do household shocks affect employee project selection and risk taking within firms? To study this question, we construct a unique dataset that links employee patenting with employee housing transactions. We find that employees who experience a negative shock to housing wealth during the financial crisis produce fewer patents and patents of lower quality relative to others in the same firm and in the same metropolitan area. They are also less likely to patent in technologies that are new to their firm or more generally to draw on information from outside of their firm's existing knowledge base. Similarly, their patents combine information from fewer disparate fields and are used by a narrower set of technologies. The results are consistent with a career concerns model in which negative housing shocks lead to lower failure tolerance and therefore reduced risk taking within the firm. In contrast to the view that innovation is determined by firm level factors and the strategy set by top executives, this evidence suggests that shocks to individual inventors also affect the types of projects a firm pursues.

**Experimenting with Entrepreneurship: The Effect of Job-Protected Leave**  
(with Josh Gottlieb and Ting Xu)

Do potential entrepreneurs remain in wage employment because of the danger that they will face worse job opportunities should their entrepreneurial ventures fail? Using a Canadian reform that extended job-protected leave to one year for women giving birth after a cutoff date, we study whether the option to return to a previous job increases entrepreneurship. A regression discontinuity design reveals that longer job-protected leave increases entrepreneurship by 1.8 percentage points. The results are driven by more educated entrepreneurs, starting firms that survive at least five years and hire paid employees, in industries where experimentation is more valuable.

**Learning From Luck: Evidence From Mutual Fund Managers**

This paper uses data on mutual fund managers to examine whether success breeds confidence. I find that the better a manager performs in a given year, the bolder the investments he tends to make in the following year. Next, I investigate whether observably lucky success breeds confidence as well. I isolate lucky success in two ways. First, I estimate success that is due to market-timing and not stock-picking. Second, I estimate success that is due to the market shock that followed September 11th. In both cases, I find evidence that lucky managers indeed become more confident in themselves, apparently attributing some of their good fortune to their own ability.

## **WORK IN PROGRESS**

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IPO Spillovers  
(with Shai Bernstein and Xavier Giroud)

Gender Discrimination in Early Stage Financing  
(with Michael Ewens)

## **HONORS AND SCHOLARSHIPS**

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Kauffman Junior Faculty Fellowship	2016
NBER Household Finance Grant	2016
Harvard Graduate Fellowship	2005-2011
Anna Laura Meyers Thesis Award	2005
Phi Beta Kappa	2005
National Merit Scholarship	2001

## **PRESENTATIONS AND DISCUSSIONS**

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Including scheduled and conference presentations by co-authors

AFA annual meeting, MFA annual meeting	2017
AFA annual meeting, Caltech/USC PE Finance Conference, Finance UC Chile Conference, NBER Corporate Finance (Spring Meeting), NBER Entrepreneurship (Summer Institute)	2016
Adam Smith Conference, ASU Sonoran Winter Finance Conference, Corporate Governance Symposium, Entrepreneurial Finance and Innovation Conference	2015
AFA annual meeting, Economics of Entrepreneurship and Innovation Conference, EFA annual meeting, Harvard University (HBS), LBS Private Equity Findings Symposium, LBS Summer Symposium, NBER Behavioral Economics (Spring Meeting), NBER Income and Wealth, NBER Entrepreneurship (Summer Institute), NBER Law and Economics (Summer Institute), Northwestern University (Kellogg), Red Rock Finance Conference, SFS Finance Cavalcade, UCSD (Rady), University of Maryland (Smith), University of Pennsylvania (Wharton), Vanderbilt VC/PE Conference, WFA annual meeting, Yale University (SOM)	2014
China International Conference in Finance, Duke University (Fuqua), Gerzensee ESSFM, IDC Herzliya Finance Conference, LBS Summer Symposium, NBER Changing Financing Market for Innovation &	2013

Entrepreneurship, NBER Entrepreneurship (Winter Meeting), NBER Corporate Finance (Spring Meeting), NBER Personnel Economics (Summer Institute)

AEA annual meeting, Booth Junior Finance Symposium, Economics of Entrepreneurship and Innovation Conference, Entrepreneurial Finance and Innovation Conference, NBER Entrepreneurship (Winter Meeting) 2012

Dartmouth College (Tuck), Harvard University (HBS), Indiana University (Kelley), London School of Economics, Northwestern University (Kellogg), Rochester University (Simon), The Federal Reserve Board, University of North Carolina (Kenan-Flagler), University of Notre Dame (Mendoza) 2011

### **TEACHING EXPERIENCE**

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New Venture Finance, Rady School of Management	2016-Present
Private Equity Research to Practice, Tuck School of Business	2012-2015
Entrepreneurial Finance, Tuck School of Business	2011-2015
Household Finance, Harvard University	2009

### **PROFESSIONAL SERVICE**

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Referee: Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Quarterly Journal of Economics, Econometrica, Management Science, Review of Finance, Journal of Monetary Economics, Journal of Economics & Management Strategy

Program Committee: Western Finance Association (2016-2017), Midwest Finance Association (2015), European Finance Association (2015-2016)

Co-Organizer: Southern California Private Equity Conference (2017)

Associate Editor: Journal of Empirical Finance