

## Shai Bernstein

Stanford Graduate School of Business  
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650-725-7266

### 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

### 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, and Albert Sheen, “The Operational Consequences of Private Equity Buyouts: Evidence from the Restaurant Industry”, *Review of Financial Studies*, forthcoming
- [2] Bernstein, Shai, Arthur Korteweg, and Kevin Laws, “Attracting Early Stage Investors: Evidence from a Randomized Field Experiment”, *Journal of Finance*, forthcoming
- [3] Bernstein, Shai, Xavier Giroud and Richard Townsend, 2016, “The Impact of Venture Capital Monitoring”, *Journal of Finance*, 71(4), 1591-1622.
- [4] Bernstein, Shai, Josh Lerner, Morten Sorensen and Per Stromberg, “Private Equity and Industry Performance”, *Management Science*, forthcoming
- [5] 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**
- [6] Bernstein, Shai, Josh Lerner and Antoinette Schoar, 2013, “The Investment Strategies of Sovereign Wealth Funds”, *Journal of Economic Perspectives*, 27(2): 219-38.

[7] Bernstein, Shai, and Eyal Winter, 2012, “Contracting with Heterogeneous Externalities”, *American Economic Journal: Microeconomics*, 4(2): 50-76.

## **WORKING PAPERS**

### **Asset Allocation in Bankruptcy** with Emanuele Colonnelli, and Benjamin Iverson

**Abstract.** This paper investigates the consequences of liquidation and reorganization on the allocation and subsequent utilization of assets in bankruptcy. We identify 129,000 bankrupt establishments and construct a novel dataset that tracks the occupancy and employment at real estate assets over time. Using the random assignment of judges to bankruptcy cases as a natural experiment that forces some firms into liquidation, we find that even after accounting for reallocation, the long-run utilization of assets of liquidated firms is lower relative to assets of reorganized firms. These effects are concentrated in thin markets with few potential users, and in areas with low access to finance. The results are consistent with the interpretation that in markets with high search costs, or financial frictions, liquidation may lead to inefficient asset allocation.

### **The Consequences of Household Shocks on Employee Innovation**

with Timothy McQuade and Richard Townsend

**Abstract.** 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.

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

**Abstract.** How do different bankruptcy approaches affect the local economy? Using U.S. Census micro-data at the establishment level, 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 within a five-year period, employment declines substantially in the immediate neighborhood of the liquidated establishments, relative to reorganized establishments. Most of the decline is due to lower growth of existing plants, with some reduced entry into the nearby area as well. The spillover effects are highly localized and concentrate in the non-tradable sector, particularly when the bankrupt firm is in the non-tradable sector as well. The results are consistent with liquidation leading to a reduction in consumer traffic to the local area or reducing knowledge spillovers between firms.

## **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