

ADAIR MORSE

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EDUCATION

Ph.D. Candidate, Finance, University of Michigan Business School, Expected Graduation: May, 2007
Visiting Scholar, Graduate School of Business, University of Chicago, 2004-2006
M.S., Statistics, Purdue University, May 2001
M.S., Agricultural Economics, Purdue University, December 2002 (completed 1999)
B.A., Colgate University, May 1990

RESEARCH INTERESTS

Corporate Finance, Household Finance & Institutions, Entrepreneurial Finance, Development, Real Estate

PUBLICATIONS

“What Has Mattered To Economics Since 1970?” (with E. Han Kim and Luigi Zingales)
Journal of Economic Perspectives, Forthcoming November 2006

WORKING PAPERS

“Payday Lenders: Heroes or Villains?” Job Market Paper.

I study the effect that the availability of exceptionally high interest consumer loans (payday loans) has on people’s welfare by using natural disasters as an exogenous shock to communities’ financial condition. Utilizing a propensity score matched triple difference approach, I find that communities with payday lenders show greater resiliency to natural disasters. For each of the welfare measures considered – foreclosures, births, deaths, and alcohol and drug abuse, – the estimates suggest that payday lending enhances the welfare of communities.

“Are Elite Universities Losing Their Competitive Edge?” (with E. Han Kim and Luigi Zingales). In review.

We study the location-specific component in research productivity of economics and finance faculty at the top 25 universities in the last three decades. We find that there was a positive effect of being affiliated with an elite university in the 1970s; this effect weakened in the 1980s and disappeared in the 1990s. We decompose this university fixed effect and find that its decline is due to the reduced importance of physical access to productive colleagues. Our results shed light on the potential effects of the internet revolution on knowledge-based industries.

“Patriotism in Your Portfolio” (with Sophie Shive). In review.

More patriotic countries keep a larger portion of their aggregate equity portfolios at home and have a greater CAPM home bias. In a panel of three World Values Survey waves covering 53 countries, our measures of patriotism are robustly positively related to home bias measures after controlling for barriers, diversification benefits, information and familiarity. The effect of patriotism is economically large: the average sample country invests \$18 to \$30 billion more abroad with a one standard deviation drop in patriotism.

“Who Blows the Whistle on Corporate Fraud?” (with Alexander Dyck and Luigi Zingales)

We study the mechanisms for detecting and bringing frauds to light by analyzing in depth all reported cases of security fraud in companies with more than \$750 million in assets between 1996 and 2004. We find a very limited role of investors in bringing fraud to light. Employees, industry regulators, and newspapers, by contrast, play a very important role. Analysts are important whistleblowers and are the most efficient whistleblowers (on average they discover a fraud after 395 days). When they fail it takes two years on average for a fraud to be discovered.

“Do CEOs Rig Incentive Contracts?” (with Vikram Nanda and Amit Seru)

Powerful CEOs rig the incentive part of their pay by slanting the weights on performance measures towards the better performing measure. We find that rigging accounts for 57% of the sensitivity of compensation to performance

measures. Our empirical evidence supports rent skimming theories, instead of monitoring substitution theories, that CEO power is associated with negative subsequent future profitability. The results suggest that shareholders would be better served if the terms of ex-ante incentive contracts were publicly disclosed.

WORK IN PROGRESS

“The Nature of Corporate Fraud?” (with Alexander Dyck and Luigi Zingales)

PROFESSIONAL EXPERIENCE

Assistant Controller, National Employer Solutions, Inc., Atlanta, GA; 1997
District Accounting Manager/Auditor, Browning-Ferris Industries (BFI), Fort Lauderdale, FL; 1995-1996
Founder and Partner, Bascule Leather Goods & Business Accessories, Atlanta & Poland; 1992-1995
English Teacher, State School System, Krakow, Poland; 1991
Intern, U.S. Department of Commerce, Washington, DC; 1987

TEACHING EXPERIENCE

Corporate Financial Analysis (undergraduate), University of Michigan, 2003
Teaching Rating 4.68/5.00
TA: Law School & MBA Corporate Finance (Michigan); Econometrics, (Purdue University)
Winrock International. Taught Micro-credit in Haiti and Guinea, 2000.

CONFERENCE PRESENTATIONS

American Finance Association, 2006, 2007
University of Texas Conference on Empirical Legal Studies, 2006
Federal Reserve Bank of Cleveland, Conference on Geography of Innovation, 2006
UNC-Duke Corporate Governance Conference, 2006
NBER Summer Institute, 2006
Georgia Tech International Finance Conference, 2004
European Financial Management Association Meetings, 2004
Financial Management Association European Meetings, 2004
International Industrial Organization Conference, 2003
WTO/World Bank Global Trade Conference, Geneva, 1999

HONORS

Olin Law and Economics Fellow, 2003-2004
Mitsui Life Financial Research Center Fellow, 2001 & 2003
Ludwig-Kruhe Graduate Fellowship, 2000
National Science Foundation, Summer Institute in Korea Fellow, 1999
Purdue University Andrews Fellowship, 1997-1999
Gamma Sigma Delta Honor Society in Agriculture, 1997
Omicron Delta Epsilon Honor Society in Economics, 1990
Magna Cum Laude, 1990
Phi Beta Kappa, 1990

NON-FINANCE PUBLICATIONS & PAPERS

“Vulnerability to Terrorism,” (with Alexia Brunet). AEA 2007 conference paper.

Abbott, Philip and B. Adair Morse. “Tariff Rate Quota Implementation in Developing Countries,” In *Agriculture and the New Trade Agenda*, Edited by Melinda Ingco and L. Alan Winters, Cambridge University Press, 2004. Also printed as “Tariff Rate Quota Implementation and Administration by Developing Countries,” *Agricultural and Resource Economics Review*, Volume 29 (1), April 2000.

(Contributor) World Bank: Rural Development Strategy for Middle East/North Africa Region, July-December, 2000, *Rural Development Strategy in the Middle East and North Africa*, 2001.