

Xinxin Wang

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Research Interests

Corporate Finance, Entrepreneurship, Innovation, Venture Capital, Industrial Organization

Education

2011-2016 The University of California at Berkeley, Haas School of Business, Berkeley, CA
 Ph.D. in Business Administration, Finance
 M.S. in Finance

2008-2011 The University of Texas at Austin, Austin, TX
 B.S. Applied Mathematics *Track: Statistics and Probability*
 B.A. Economics *Minor: Finance*
 Summa Cum Laude - Highest Honors

Working Papers

Catering Innovation: Entrepreneurship and the Acquisition Market (Job Market Paper)

Innovation in the start-up market is a key determinant of economic growth. But what determines an inventor's decision to begin a new venture and his or her subsequent innovation? This paper analyzes the role of the financial market of acquisitions. After documenting its increasing importance as the dominant exit path for entrepreneurs, I test a novel catering theory of innovation: Does the market structure of potential acquirers have a measurable impact on inventors' start-up decisions? I construct a new dataset of early stage start-ups using the uniquely broad coverage of CrunchBase data. I disambiguate and match the resulting data to employment data from LinkedIn and to the entire universe of patent data. Using the prior citation history of entrepreneurs for exogenous variation, I construct a formal proxy variable and employ the Heckman selection model to establish causality. I find that a one standard deviation increase in acquirer market concentration decreases the inventor's propensity to become an entrepreneur by 4%. This first result suggests that fragmented markets are appealing entry markets. My main finding is that a one standard deviation increase in acquirer concentration and market size increases the quality of patents, as measured by citations per patent, and the catering of entrepreneurs, as measured by technological overlap with potential acquirers. The magnitudes suggest that 5-16% of entrepreneurial innovation can be attributed to the influence of acquisition markets, particularly in the information technology and biotechnology industries.

Work in Progress

Market Power in Merger Announcement Returns (with Ben Handel, Lucy Hu, and Ulrike Malmendier)

We provide evidence that a significant portion of the returns to merger announcements are explained by changes in market power resulting from the merger. Using a large sample of completed mergers from 1980 to 2012, we compute the expected and actual change in concentration for each merger. We find that a 0.1 expected increase in concentration measured using the Herfindahl index leads to a 2.3% increase in cumulative abnormal returns over a three day period. Actual increase in concentration, on the other hand, does not have any effect on abnormal returns. In the long-run, the results are reversed. Expected changes in concentration does not predict

long-run returns whereas actual changes in concentration positively predict long-run returns. We attribute the results to investors not fully internalizing the impact of market power in mergers.

Keeping Score: The Economic Valuation of Early Stage Startups (with Adair Morse)

Using a novel dataset of startups and investments from Crunchbase, we study the economic factors that underlay the common "scorecard" method used by venture capitalists and angel investors to evaluate startup success. We then examine how predictive the scorecard is in determining startup success in terms of follow-on investments and exit.

Teaching (Graduate Student Instructor/Teaching Assistant)

MBA MBA 295D New Venture Finance (Spring 2015)
 EWMBA 231 Corporate Finance (Spring 2014)

Undergrad UGBA 103 Introduction to Finance (Fall 2012)

Presentations, Conferences, and Awards

2014-2016 Haas School of Business Doctoral Research Fellowship
2015 Berkeley Stanford Joint Student Seminar Presenter
2013 Yale Summer School in Behavioral Finance
2011-2012 Haas Graduate Division Award
2008-2011 Phi Beta Kappa Honor Society

Other Information

- Professional Affiliations: American Economic Association, American Finance Association
- Programming Languages: SQL/MySQL/Sqlite, Stata, R, Matlab, Python, Ruby
- Languages: English (Native), Chinese (Fluent)
- Citizenship: USA

References

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Professor Lee Fleming
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