BALBINDER SINGH GILL

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RESEARCH AND TEACHING INTERESTS

Corporate Finance and Governance, Financial Modelling, International Finance, Behavioral Finance, Climate Finance, Labor and Finance

EDUCATION

Ph.D. in Finance, Fox School of Business, Temple University, 2016-May 2021 (expected)
Doctoral thesis: The role of natural disasters in corporate finance decisions
Proposal defense, September 2020

Ph.D. in Financial economics (doctoral courses), Vrije Universiteit Brussel, Belgium, 2015-2016

M.S. in Management, Vlerick Leuven Gent Management School, Belgium, 2008-2009

B.S./M.S. in Commercial sciences, EHSAL Europese Hogeschool Brussel, Belgium, 2003-2007

WORKING PAPERS

"Natural disasters, public sentiment, and bank lending: Cross-country evidence?" (job market paper)

American Finance Association (2020), Young Economists Symposium (2019), Academy of Behavioral Finance & Economics (2019), Financial Management Association (2019), and Temple University (2019)

"Who benefits from post-disaster politics? Evidence from federal business disaster loan programs"

"Does natural disaster risk matter in corporate decision making? Global evidence from cash holdings"

Southern Finance Association (2019)

"The CEO leadership effect: Evidence on the nexus between leverage and wage" (with Kose John and J. Jay Choi)

Financial Management Association (2019)

"Leverage, labor governance, and employee outcomes?" (with Kose John and S. Abraham Ravid).

Temple Conference on Convergence of Financial and Managerial Accounting (2016), American Finance Association (2017), Association of Financial Economists (2018), Midwestern Finance Association (2018), Temple University (2017), Yeshiva University (2019), New York University (2019), and Lund University (2019)

“In God We Trust: Religiosity, Religions, and Corporate Capital Structure.
Australasian Finance and Banking Conference (2018), Temple University (2018)

“Capital structure variability and protection of minority shareholder rights: Cross-country evidence”
American Economic Association (2015), Financial Management Association Doctoral Consortium (2016), Financial Management Association (2016)

WORK IN PROGRESS

“Do green firms treat their employees better?” (with J. Jay Choi and Kose John)
“Capital structure of nonprofit organizations”
“How to measure capital structure stability: Evidence from international data”

PRESENTATIONS

AEA: 2015 (by coauthor)
AFA: 2017, 2020
FMA: 2016, 2019
Midwest Finance Association: 2018
Southern Finance Association: 2019
Academy of Behavioral Finance and Economics: 2019
Australasian Finance and Banking Conference: 2018
Young Economists Symposium at Columbia University: 2019
Association of Financial Economists: 2018
Temple Conference on Convergence of Financial and Managerial Accounting: 2016
New York University: 2019 (by coauthor)
Yeshiva University: 2019 (by coauthor)
Lund University: 2019 (by coauthor)
Temple University: 2017, 2018, 2019, 2020

TEACHING AND RESEARCH EXPERIENCE

Temple University, Fox School of Business

Instructor: Financial modelling (undergraduate), Summer 2019, (student evaluation: 4.4/5.0)

Guest lecturer, Professor Amir Shoham, International finance (undergrad), Fall 2018-19
Guest lecturer/RA: Professor J. Jay Choi, International finance (undergrad), Fall 2018-20

Teaching Assistant: Professor Tilan Tang, Seminar in corporate finance (undergrad), Fall 2018-19

Atheneum Bellevue and Grensland Scholen, Belgium, Fall 2015

Instructor: Economics, mathematics, and law (high school)

University College Hogeschool, Belgium, Fall 2008

Instructor: Database management (B.A.)

University College Artevelde Hogeschool, Belgium, Fall 2007-08

Instructor: Statistics, Financial algebra, ICT, IT applications in business economics, Marketing management (B.A.)

Ghent University Belgium, Scientific Researcher, 2009-2013

RESEARCH GRANTS AND AWARDS

2020 Cochran Award for Research Excellence Nomination
2019 AFA Travel Grant Award
Temple University Research Assistantship
2016 and 2017 Temple University Young Scholars Award
Special Research Fund (Bijzonder Onderzoekfonds), Ghent University

ACADEMIC SERVICE

Conference reviewer: FMA (2019, 2020)
Conference session organizer: FMA (2019, 2020)
Conference session chair: Australasian Finance and Banking Conference (2018), FMA (2020)
Conference discussant: FMA (2019), SFA (2019), Academy of Behavioral Finance and Economics (2019), Young Economists Symposium at Columbia University (2019), Australasian Finance and Banking Conference (2018)

SKILLS AND CERTIFICATES

The Blockchain Academy, *Blockchain Foundation Course Certificate*, 2018
Temple University, *Fox Online Teaching Certificate*, 2018
University of Michigan First Mitsui Center, Summer school on structural estimation in corporate finance, 2017
Statistical tools and languages: R, STATA, VBA
Databases: Amadeus, Bankscope, BELFIRST, Capital IQ, Datastream, Compustat, CRSP, ExecuComp, BoardEx, SDC, FactSet, Bloomberg

PROFESSIONAL EXPERIENCE

Bank of New York Mellon, Belgium, Summer traineeship, 2009
Co-organizer, Second Vlerick Family Day (fund-raiser for charity), Belgium, 2009
Market researcher, University College Arteveldehogeschool, Belgium, 2008

PROFESSIONAL ASSOCIATIONS

American Finance Association, American Economic Association, Financial Management Association, European Finance Association

PERSONAL

Belgian citizen
Hobbies: Running, tennis, and soccer
Languages: English (written and spoken), Dutch (written and spoken), and Punjabi (spoken)

REFERENCES

J. Jay Choi (Chair)
Laura H. Carnell Professor of Finance and International Business
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Natural disasters, public sentiment, and bank lending: Cross-country evidence (Job Market Paper)

This paper analyzes how the public mood around a local natural disaster event impacts the likelihood that firms will use debt financing in its aftermath. To address this question, I introduce two novel machine-learning based multidimensional indices I constructed for this purpose: the index of the public interest in natural disasters and the index of the severity of a natural disaster event. Using these two indices, I present strong evidence that the impact of the public mood depends on how lenders interpret the public mood around the local natural disaster event. First, I find that both domestically-owned banks and banks specialized in business lending are less likely to approve natural disaster business lending requests after considering the public mood around the local natural disaster event. These types of banks interpret the public mood as negative. Public mood is characterized by a higher degree of collective fear and uncertainty following the local natural disaster event. Second, I find that state-owned banks and bad loan banks are more likely to approve natural disaster business loan request after considering the public mood around the local natural disaster event. These types of banks interpret the public mood as positive. Public mood is characterized with a higher degree of willingness to participate as a group or separately in the local natural disaster relief effort. **I**n sum, I document the existence of lending bias for different types of institutions based on their reading of public sentiments in the disaster country.

Who benefits from post-disaster politics? Evidence from federal business disaster loan programs

I study the impact of the current public perception of the presidential leadership on the federal business physical disaster loan program. Using an external shock, the capture of Saddam Hussein, as an instrumental variable for the endogenous president popularity in a traditional 2SLS regression model, I find that popular presidents approve larger amount of federal business physical disaster loans to cities with disaster damaged businesses. This result is consistent with the view that popular president provides more federal disaster relief to avoid negativity and blame following an inadequate federal disaster relief spending. The positive causal impact of the popularity is stronger when (i) the political party of the president is the Republican Party, (ii) the president exercises less her discretionary power, and (iii) the president is a steward for the public than a steward for her own base. After exploring disaster-specific federal business disaster loan programs, I find that popular presidents before the presidential disaster declaration approve larger amount of federal business physical disaster loans with a stronger focus on business real-estate disaster loans than on business content disaster loans.

Flirting with disasters: Do firms financially plan ahead for disasters?, joint with Kose John and S. Abraham Ravid

There are two types of disasters: natural (Acts of God) and technological (human-caused) disasters. We investigate whether and under which conditions firms are hoarding precautionary cash holdings to address natural disaster risk, technological disaster risk or both. The empirical analysis requires us to introduce a novel multidimensional risk measure for each type of disaster as early warning sign for possible future disaster strikes. Using these measures, we provide evidence that firms do not trade-off between these two types of disasters in determining their cash policy. Firms prioritize the preparedness of possible natural disaster strikes above possible technological accidents. The natural disaster related precautionary cash holdings hoarding policy is a long-term policy option that is funded by using external financing and focused on a few disaster types such as wildfires and landslides. Firms address only technological disaster risk by precautionary hoarding cash holdings when they are less internal financially constrained or in smaller countries by surface area.

The CEO leadership effect: Evidence on the nexus between leverage and wage, joint with J. Jay Choi and Kose John

The effect of leverage on employee pay is unclear in existing work. We provide evidence that these mixed results are partly explained by the role of CEO leadership style. Based on comprehensive global firm-level data, we find that the benchmark relationship between leverage and employee compensation is negative – supporting the disciplinary hypothesis of leverage. However, this effect depends on the mediating influences of CEO management styles. CEO leadership style mediates the benchmark effect. Team-oriented or human-oriented CEOs increase the disciplinary negative effect of leverage on employee pay. Charismatic, self-protected, participative, or autonomous CEOs reduce the disciplinary negative effect of leverage.

Labor representation, management, leverage, and employee outcomes, joint with Kose John and S. Abraham Ravid

This paper extends the research into the interaction management labor and leverage. We focus on a particular feature of the Belgian corporate structure, namely the works councils. Works councils provide elected worker representatives with significant decision power regarding corporate policies and labor outcomes. We test two opposing views- the first position, (taken by the framers of the legislation in Belgium) is that this structure should lead to cooperation and better decision making. The second hypothesis is that this imposed cooperation will only transfer the well-documented conflict between labor and management inside the firm. In this context, we also test the role of leverage in firms with and without a works council. We find that several types of leverage and the works council increase employee turnover, and that the two elements are substitutes, supporting the idea that both the works council and leverage allow for more flexible decision making. We show that various components of leverage affect labor outcomes differentially depending on maturities and priorities in bankruptcy. Finally, in some support of the agency view, we show that the composition of the works council in terms of political affiliation, gender and age significantly affects labor outcomes.

In God we trust: religiosity, religions, and capital structure choice

The empirical impact of religiosity on leverage is unclear. I provide causal evidence that this unclarity is due to lack of control for the concentration of religions with different views on the usage of corporate debt in previous studies. Utilizing a worldwide sample, I identify and verify the causal relationship using earthquake events that and its descriptive parameters as instruments for the endogenous religious variables. I find that the concentration of religions is able to completely reverse the positive impact of religiosity on leverage when the concentration of religions is greater than or equal to 50%.

Capital structure variability and protection of minority shareholder rights: Cross-country evidence

This essay develops a unique measure of leverage variability. I apply this measurement to study the economic relation between outside minority investor protection rights and leverage variability in 646,909 privately owned firms from 20 European countries. I find that leverage is less stable in countries with better outside minority investor protection. I also provide empirical insights how the protection of minority shareholders against director's possible misuse of corporate rents for personal gain impact leverage variability. I find that corporate management pursues a more stable leverage policy when the threat of minority shareholder litigation increases.

Capital structure of nonprofit organizations

This paper investigates the capital structure choices of nonprofit organizations. These organizations use less debt when they are more mature, have higher degree of self-financing ability or have a lower risk of financial distress. We also find that nonprofit organizations have a time-varying optimal target level of leverage and tend to approach their target leverage very quickly. The results suggest that nonprofit organizations need between 0.4 and 0.8 years to remove half of the effect of a shock on its leverage, which appears to be very active intervention of individual decision makers of nonprofit organizations