Alessio Piccolo

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University of Oxford

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Education

2015- **DPhil Economics, University of Oxford**, (2019 expected)
Thesis Title: "Essays in Financial Economics"
2016 **Visiting Student, Princeton University**
2013-15 **MPhil Economics, University of Oxford**
2013 **Laurea Magistralis (*Summa Cum Laude*), Economics, University of Naples Federico II**

References

Professor Margaret Meyer
Department of Economics, University of Oxford
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Professor Joel Shapiro
Saïd Business School, University of Oxford
+44 1865 288973
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Professor Marco Pagano
Department of Economics, Univ. of Naples Federico II
+39 081 675306
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Professor Stephen Morris
Department of Economics, Princeton University
+1 609 258 4032
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Research Fields

Financial Economics, Information Economics, Corporate Finance

Teaching Experience

2017-19 Tutor, Core Microeconomics (Undergraduate), Christ Church College, University of Oxford
2017-18 Teaching Assistant for Professor Margaret Meyer, Advanced Microeconomics (Graduate), University of Oxford
2015-16 Teaching Assistant for Professor Godfrey Keller, Microeconomics (Undergraduate), University of Oxford

Conferences and Seminar Presentations

2018 2nd Workshop on Corporate Debt Markets at Cass Business School, Financial Intermediation Research Society FIRS, Oxford Financial Intermediation Theory OxFIT (Discussant), European Association for Research in Industrial Economics EARIE, HEC Paris, Oxford Saïd School of Business

2017 University of Oxford, Warwick Economics PhD Conference, Norwegian School of Economics, Frontiers of Finance (Discussant), Catalan Economic Society Conference, Edinburgh Corporate Finance Conference, Financial Intermediation Research Society FIRS, Belgrade Young Economists Conference, 13th CSEF-IGIER Symposium on Economics and Institution, Oxford Financial Intermediation Theory OxFIT (Discussant), Lindau Nobel Laureate Meeting

2016 Oxford Financial Intermediation Theory OxFIT (Discussant), Oxford University, University of Naples Federico II, Carnegie Mellon Economics of Credit Ratings Conference

Research Experience

2016 Research Assistant, Professor Joel Shapiro, University of Oxford
2012-13 Research Assistant, Professor Marco Pagano, University of Naples Federico II

Honors, Scholarships, and Fellowships

2018-19 Vice-Chancellors' Fund, University of Oxford
2017-18 Doctoral Studentship, Department of Economics, University of Oxford
2017 Young Economist at the Lindau Nobel Laureate Meeting
2013-17 Economic and Social Research Council Studentship (Full Award), University of Oxford

Job Market Paper: *"Executive Compensation and Short-Termism"*

The stock market is widely believed to pressure executives to deliver short-term earnings at the expense of long-term value. This paper develops a model of the interaction between executive compensation and stock market prices, analyzing its implications for corporate short-termism. I show that inefficient short-termism can arise in equilibrium as a self-fulfilling prophecy, due to strategic complementarities between the firm's investment horizon and investors' decision to acquire information about short-term performance or long-term value. However, the severity of the underlying agency problem between the manager and shareholders fully determines whether short-termism is an equilibrium outcome. This implies both that the stock-market cannot be identified as the cause of corporate short-termism and that it actually has the potential to alleviate the problem. The model helps us assess evidence presented in the "myopia" debate and yields novel implications regarding ownership structure, executive compensation, and managerial horizon.

Working Papers

"Credit Ratings and Market Information" (with Joel Shapiro)
Revise and resubmit, Review of Financial Studies

How does market information affect credit ratings? How do credit ratings affect market information? We examine a model in which a credit rating agency's (CRA's) rating is followed by a market for credit risk that provides a public signal - the price. A more accurate rating decreases market informativeness, as it diminishes mispricing and, hence, incentives for investor information acquisition. On the other hand, more-informative trading increases CRA accuracy incentives by making rating inflation more transparent. We analyze implications for policy and the real economy.

"Credit Ratings and Competition"

I analyze a model of competition between credit rating agencies (CRAs). In equilibrium, investors only buy assets that received high ratings from multiple CRAs. This has two contrasting effects on the quality of certification. On the one hand, the issuer needs to pass the screening of multiple CRAs; other things being equal, this improves certification. On the other hand, it has the perverse effect of incentivizing dishonest ratings, by introducing a team dimension that dilutes the CRAs' reputational concerns. When the perverse effect dominates, competition reduces the quality of certification. However, mandating disclosure of indicative ratings can restore the first-best outcome.

Work in Progress

Information Specialization in Financial Markets

Languages: English (fluent), Italian (native)

Last updated 1 November 2018.