

Yelena Larkin

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ACADEMIC POSITIONS

2020 – current	Associate Professor of Finance, York University, Schulich School of Business.
2015 – 2020	Assistant Professor of Finance, York University, Schulich School of Business.
2012 – 2015	Assistant Professor of Finance, Pennsylvania State University, Smeal College of Business.
2011 – 2012	Lecturer, Pennsylvania State University, Smeal College of Business.

RESEARCH INTERESTS

Product markets
Intangible capital
Financial and investment policy

EDUCATION

2006 – 2012	PhD, Doctoral Program in Finance, the Johnson School of Management, Cornell University.
2002 – 2004	MA magna cum laude, integrated MA program in Financial Economics and MBA in Finance for outstanding students, Hebrew University of Jerusalem, Israel.
1999 – 2002	BA magna cum laude, Psychology and Economics, Hebrew University of Jerusalem, Israel.

NONACADEMIC EMPLOYMENT

2005 – 2006	The World Bank, Pension Investment Department, Hedge Fund Team, Washington, DC, U.S. <i>Investment Analyst</i>
2004 – 2005	Emda Mutual Funds Management, Bank Hamizrahi group, Tel-Aviv, Israel. <i>Investment Analyst</i>
2001 – 2004	Bank of Israel, Foreign Exchange Control Department, Research Unit, Jerusalem, Israel. <i>Research Analyst</i>

PEER-REVIEWED PUBLICATIONS

1. Larkin, Y. (2020). “Reliance on Major Customers and Product Market Competition”, *Finance Research Letters* (in press).
(<https://doi.org/10.1016/j.frl.2020.101436>)
2. Grullon, G., Larkin, Y., & Michaely, R. (2019). “Are U.S. Industries Becoming More Concentrated?” *Review of Finance* 23: 697-743.
 - Lead article (Editor’s Choice)
 - First prize in the Pagano-Zechner award for the Best Non-Investments Paper in the Review of Finance(<https://academic.oup.com/rof/article/23/4/697/5477414>)
3. Larkin, Y., & Lyandres, E. (2019). “Inefficient Mergers”, *Journal of Banking and Finance* 108-105648.
(<https://doi.org/10.1016/j.jbankfin.2019.105648>)
4. Anderson, A. G., & Larkin, Y. (2019). “Does Non-Informative Text Affect Investor Behavior?” *Financial Management* 48: 257-289.
 - 2012 Annual Meeting of the Academy of Behavioral Finance and Economics Best Student Paper Award(<https://onlinelibrary.wiley.com/doi/10.1111/fima.12225>)
5. Larkin, Y., Ng, L., & Zhu, J. (2018). “The Fading of Investment-Cash Flow Sensitivity and Global Development.” *Journal of Corporate Finance* 50: 294-322.
(<https://www.sciencedirect.com/science/article/pii/S0929119917306533>)

6. Larkin, Y., Leary, M. T., & Michaely, R. (2017). “Do Investors Value Smooth Dividends Differently?” *Management Science* 63: 4114-4136.
(<https://pubsonline.informs.org/doi/pdf/10.1287/mnsc.2016.2551>)
7. Larkin, Y. (2013). “Brand Perception, Cash Flow Stability, and Financial Policy.” *Journal of Financial Economics* 110: 232-253.
(<http://www.sciencedirect.com/science/article/pii/S0304405X13001608>)
 - 2011 WFA PhD Candidate Award for Outstanding Research

WORKING PAPERS

1. “Dividend Policy and Product Market Competition,” jointly with Gustavo Grullon (Rice University) and Roni Michaely (University of Geneva). Second round of revise and resubmit requested, *Journal of Financial and Quantitative Analysis*.

This paper shows that firms in more competitive industries pay higher dividends than do firms in less competitive markets. We establish a causal link by showing that an exogenous increase in competition due to large tariff reductions leads to higher dividend payout ratios. Further tests, including a shock to managerial entrenchment, indicate that agency considerations are a plausible channel for the negative effect of concentration levels on dividend payouts. Overall, our findings are consistent with two notions: One, the disciplinary forces of competition induce managers to pay out excess cash; and two, dividends are an outcome of external governance factors.

2. “Climbing the Corporate Ladder: Whom Do Highly Skilled CEOs Work For?” jointly with Jason Kotter (Brigham Young University). Revise and resubmit requested, *Review of Finance*.

In this paper, we examine whether inside directors improve the CEO hiring process. Using a novel measure of managerial talent, we show that firms with inside directors hire more talented CEOs. This effect is particularly pronounced when hiring an outside CEO, when inside directors have stronger reputation incentives, and when insiders are likely to have more influence on board decisions. We employ a number of tests to explore the extent to which screening versus shareholder-manger agency problems can explain our results. Overall, our evidence suggests that inside directors play an important screening role in the CEO hiring process.

3. “Short Interest and Investment,” jointly with Alexei Boulatov (ICEF, Russia), Gustavo Grullon (Rice University) and Alexei Zhdanov (Pennsylvania State University).

In this paper we examine the informational content of financial markets and its effect on investment decisions by focusing on the role of short interest. We find that an increase in short interest induces

managers to cut investment. The negative relationship between short interest and investment is stronger when short interest is more informative, and also when firms are less transparent. Our findings hold after we address endogeneity concerns, and are not driven by reduction in external financing due to increase in short interest. We conclude that managers view short selling activity as a sign of short sellers' negative view on the company's growth options, and scale down their investment programs in response.

- 2019 FMA Annual Meeting – Best Paper Semifinalist

4. “Corporate Environmental Policy and Product Market Competition” jointly with Yaniv Grinstein (IDC, Israel and Cornell University)

Does product market competition affect corporate environmental policy? It is commonly believed that firms in competitive environments have stronger incentives to cut costs, which could lead them to neglect negative externalities. However, we find that cost cutting incentives could in fact be environmentally friendly. To arrive at this conclusion, we use a quasi-natural experiment of the restructuring of the utility industry in the US, which has opened the market to competition. We find that the restructuring has incentivized utilities to move to cheaper, but also less polluting, fossil fuels. Moreover, competition forces have smoothed out inefficient peak-capacity operation across competing plants, also contributing to reduction in pollution.

5. “Are Industries Becoming More Concentrated? The Canadian Perspective,” jointly with Ray Bawania (York University).

Since the late 1990s, U.S. industries have experienced an increase in concentration levels. To understand the origins of this trend, in this paper we ask whether this phenomenon has been echoed in the Canadian economic environment. We find that Canadian firms have also exhibited signs of consolidation, as evidenced by the increase in the dominance of large firms, as well as the decline in the number of TSX publicly traded firms. We also show that firms in industries with the largest increases in product market concentration show higher profit margins, and the volume of horizontal M&A deals has increased. We argue that the recent changes in concentration can be attributed to an increase in market power and cannot be explained by changes in financial market regulations. We posit that both the U.S. and Canadian economies were affected by two crucial factors that have led to product market consolidation: one, lax enforcement of antitrust regulations; and two, increasing barriers to entry.

6. “Short-Term Institutional Investors and the Diffusion of Supply Chain Information” jointly with Lilian Ng (York University) and Rui Duan (York University).

This paper investigates how a firm's customer base shapes its investor clientele. We show that more concentrated customer base is associated with higher holdings of short-term, but not long-term,

institutional investors. The results remain unchanged after addressing endogeneity concerns and considering short sellers as short-term investors. This evidence is consistent with the public information transfer channel, where short-term investors are able to process public but slowly diffusing supply chain information ahead of other market participants. Further evidence suggests that the link between customer concentration and short-term institutional ownership is stronger in the environment of high information asymmetry, as well as after the passage of Reg FD reform. Overall, our results suggest that the implications of a concentrated customer base extend beyond their impact on the product market space and key firm characteristics, and affect shareholder composition.

WORK IN PROGRESS

- “Product Market Concentration and Customer Satisfaction,” jointly with Gustavo Grullon (Rice University) and Roni Michaely (University of Geneva).
- “Who Generates Innovation?” jointly with Gustavo Grullon (Rice University) and Roni Michaely (University of Geneva).
- “Financial Distress and Externalities,” jointly with Yaniv Grinstein (IDC, Israel and Cornell University)

TEACHING EXPERIENCE

2016 – current	Schulich School of Business, York University, “Managerial Finance.”
2017 – current	Schulich School of Business, York University, “Topics in Finance II,” (PhD course in Corporate Finance).
2016	Schulich School of Business, York University, “Topics in Finance I,” (PhD course in Corporate Finance).
2012 – 2015	Smeal College of Business, Pennsylvania State University, “Financial Management of the Business Enterprise.”
2010	Johnson Graduate School of Management, Cornell University, “Managerial Finance for non-Johnson Students.”
2005	Department of Economics, Hebrew University, “Introduction to Finance.”

MEDIA CITATIONS AND INTERVIEWS

Debt shakeout to make biggest tech firms, retailers even bigger. *Bloomberg*, Jun 9, 2020.

Here's how Elizabeth Warren helped ignite the largest antitrust political movement since the '70s. *Business Insider*, Dec 12, 2019.

New study: Canadian industry consolidation growing. *Globe Newswire*, Jul 25, 2019.

There are too few companies and their profits are too high. *The Nation*, Jul 12, 2019.

Hunting for giants. *The Wall Street Journal*, Jun 8, 2019.

Concentration in the asset management industry: Implications for corporate engagement. *Forbes*, Apr 17, 2019.

How dominant companies can be a drag on American economic growth. *Bloomberg*, Nov 4, 2018.

Corporate power on the agenda at Jackson Hole. *Financial Times*, Aug 17, 2018.

Apple's \$1 trillion milestone reflects rise of powerful megacompanies. *The New York Times*, Aug 2, 2018.

AT&T-Time Warner Merger: What does it mean for investors and the future of antitrust? (Teleconference). *The Council of Institution Investors (Washington DC)*, Jul 26, 2018.

Tip 193: Jonathan Tepper on Buffett, inflation, and growth (Podcast). *The Investors Podcast*, Jun 2, 2018.

The Israelis that have solved the puzzle occupying hundreds of economists recently (in Hebrew). *The Marker* (daily economic newspaper, Israel), Mar 10, 2018.

United Nations Trade and Development Report, 2017.

Here is why consumers have fewer choices than they used to. *CNN Money*, Dec 5, 2017.

The incredible shrinking stock market. *Globe and Mail*, May 16, 2017.

Are big companies damaging the economy? *Engineering.com*, Mar 14, 2017.

<http://www.engineering.com/AdvancedManufacturing/ArticleID/14497/VIDEO-Are-Big-Companies-Damaging-the-Economy.aspx>

The disturbing new facts about American capitalism. *The Wall Street Journal*, Mar 3, 2017.

Tech's giants keep devouring the competition. *Bloomberg*, Nov 14, 2016.

Productivity and the Trump administration. *Brookings Report*, Sept 29, 2016.

The rise of the superstars. *The Economist*, Sept 17, 2016.

Today's less competitive markets would anger Teddy Roosevelt. *The Hill*, Mar 16 2016.

Why a shrinking stock market has been good to investors. *The Wall Street Journal*, Jan 6, 2016.

Why your new iPhone costs an arm and a leg. *U.S. News and World Report*, Nov 16, 2015.

The great bluff of the American economy (in Hebrew and English). *The Marker* (daily economic newspaper, Israel). Oct 23, 2015.

Are U.S. industries becoming more concentrated? Harvard Law School Forum on Corporate Governance and Financial Regulation, Sept 2015.

<http://corpgov.law.harvard.edu/2015/09/16/the-disappearance-of-public-firms/>

PROFESSIONAL SERVICES

Presentations and Guest Lectures (2010–current)

2020 EFA Annual Meeting.

2019 York University Department of Economics; Canadian Law and Economics Association (CLEA) Annual Meeting; FMA Annual Meeting, York University Schulich School of Business.

2018 Fordham University; Finance and Accounting Conference in Jerusalem (Hebrew University); University of Calgary.

2017 FIRS Annual Academic Conference; EFA Annual meeting; NFA Annual meeting.

2016 AFA Annual meeting; UBC Winter Finance Conference; FSU SunTrust Beach Conference; FIRS Annual Academic Conference; CICF Annual Meeting (three presentations); New York World Finance Conference; University of Toronto.

2015 York University, NFA Annual Meeting (two presentations).

2014 Pennsylvania State University (three presentations); Early Career Women Conference (part of the WFA Annual Meeting).

2013 WFA Annual Meeting.

- 2012 Pennsylvania State University; FIRS Annual Academic Conference.
- 2011 WFA Annual Meeting; Caesarea Centre 8th Annual Academic Conference (Israel); Finance Down Under: Building on the Best from the Cellars of Finance Annual Conference (University of Melbourne); Case Western Reserve University; University of Virginia (Darden); University of Missouri; Stockholm School of Economics; Norwegian School of Management (BI); Copenhagen Business School; University of Illinois; Pennsylvania State University (two presentations); Southern Methodist University; University of Toronto; Virginia Tech University.
- 2010 Cornerstone Group (two presentations); SUNY-Binghamton University; 7th Annual Conference on Corporate Finance at Washington University in St. Louis; Syracuse University; Cornell University; FMA Annual Meeting.

Discussions (2010–current)

- 2020 NFA Annual meeting; FMA Annual meeting.
- 2019 NFA Annual meeting; FMA Annual meeting.
- 2018 NFA Annual meeting; FMA Annual meeting.
- 2017 EFA Annual meeting.
- 2016 CICF Annual meeting; NFA Annual meeting; Annual Conference on Financial Economics and Accounting (University of Toronto); Tel Aviv University Finance Conference.
- 2015 SFS Finance Cavalcade Conference; ITAM Finance Conference (Mexico).
- 2014 Caesarea Centre 11th Annual Academic Conference (Israel); Jerusalem Finance Conference (Israel).
- 2013 AFA Annual Meeting.
- 2012 Caesarea Centre 9th Annual Academic Conference (Israel); Annual Conference on Corporate Finance at Washington University in St. Louis.
- 2010 FMA Annual Meeting.

Session Chair (2010–current)

- 2019 Caesarea Centre 16th Annual Academic Conference (Israel).
- 2016 Caesarea Centre 13th Annual Academic Conference (Israel), New York World Finance Conference.
- 2010 FMA Annual Meeting.

Conference Program Committee (Paper Selection)

- 2013 – 2020 Caesarea Centre Annual Academic Conference (Israel).
- 2016 – 2020 MFA Annual Meeting.
- 2017– 2020 NFA Annual Meeting.
- 2015 – 2020 FMA/FMA Asia Annual Meeting.
- 2016 Financial Institutions, Regulation and Corporate Governance Conference (Australia).

Journal Referee

Journal of Finance; Review of Financial Studies; Journal of Financial Economics; Review of Finance; Management Science; Journal of Financial and Quantitative Analysis; Journal of Banking and Finance; Journal of Corporate Finance; Journal of Financial Research; European Journal of Finance; European Financial Management; Journal of Empirical Finance.

GRANTS AND FELLOWSHIPS (SELECTED)

- 2020 SSHRC Insight Development Grant (\$27,656 CAD).
- 2019 SSHRC Insight Grant (\$98,993 CAD).
- 2019 Schulich Fellowship Grant, York University (\$2,500 CAD).
- 2017 SSHRC Insight Development Grant (\$27,108 CAD).
- 2015 – 2019 Junior Faculty Grant, York University (\$650 – 1,200 CAD).
- 2011 New Faculty Research Grant, Pennsylvania State University (\$8,000 USD).

UNIVERSITY SERVICE

2015 – current Master Programs Committee – Finance Area representative.

2015 – 2018 Finance research seminar series – Coordinator.

ADDITIONAL INFORMATION

Citizenship: Israeli and Russian

Canada Permanent Resident

Languages: English (fluent), Russian (native), Hebrew (fluent), Spanish (basic)

Last updated on: Oct 26, 2020