

DONALD E. BOWEN III

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RESEARCH INTERESTS

Empirical Corporate Finance: Investment, Innovation, Entrepreneurship, Firm Boundaries

EDUCATION

- **Ph.D. in Finance**, University of Maryland, 2012-May 2017 (Expected)
- **B.S. in Finance and Economics**, *magna cum laude*, Arizona State University, 2010

WORKING PAPERS

- “Patent acquisition, investment, and contracting” (**Job market paper**)
Best Paper in Innovation and Entrepreneurship from the Ed Snider Center for Entrepreneurship and Markets, University of Maryland, 2016
Abstract: Numerous works have examined the finance-related implications of intellectual property that is generated internally or acquired through M&A activity. The transfer of intellectual property via the secondary market for patents has received less attention. This paper fills that gap by asking how patent acquisitions interact with firm investment policy. I find that patent acquirers subsequently invest in more R&D, increase internal patenting, and eventually make new investments in CAPX. Firms with more technological expertise and investment opportunities acquire more patents. Patent sales are the dominant type of contract and maximize investment incentives; patent licenses frequently contain royalties, which induce underinvestment problems. Nevertheless, licensing can be explained in part by financial and strategic considerations. Licensing is more likely when buyers become financially constrained, when revenue can be shifted to low tax sellers, and when the buyer is a competitor acquiring rights to a valuable patent. Overall, these results suggest patent acquisitions are motivated by the pursuit of investment synergies, rather than innovation substitution, commercialization motives, or legal threats.
- “Were non-independent boards really captured before SOX?”
Summary: I exploit a loophole that allows firms to change the legal independence of their board without changing personnel to study the pre-SOX optimality of board structure. Within a diff-in-diff empirical strategy, I find that firms that avoided mandates to alter their boards outperformed firms forced to change their boards.

PUBLICATIONS

- “What’s your identification strategy? Technology adoption within corporate finance” (with Laurent Fresard and Jerome Taillard), *Management Science* (Forthcoming)
Summary: Empirical finance methods are useful setting to study technology adoption frictions because they have neither patent protection nor secrecy. Thus, intuition suggests that these innovations should be adopted almost instantaneously once they seem profitable. Indeed, adoption began concurrent to the emergence of a detectable citation premium for articles with identification methods. Consistent with recent theories of technology diffusion, the adoption varies across researchers based on individuals’ expected net benefits of adoption.

FELLOWSHIPS, AWARDS, AND GRANTS

- Best Paper in Innovation and Entrepreneurship from the Ed Snider Center for Entrepreneurship and Markets, University of Maryland, 2016
- Graduate All-S.T.A.R. Fellowship, University of Maryland, 2014 (*Bonus stipend for 16 out of 4000 graduate students at UMD*)
- Travel Grant Award, American Finance Association, 2014
- Graduate Fellowship, University of Maryland, 2012-2017
- Graduate Fellowship, University of Rochester, 2010-2012
- Dan and Elizabeth Mullen Scholarship in Finance, Arizona State University, 2010
- Earl and Ellen Davis Scholarship, Arizona State University, 2010
- Honors Study Abroad Merit Scholarship, Arizona State University, 2007
- Deans Scholarship, Arizona State University, 2006-2010

TEACHING EXPERIENCE

- International Corporate Finance, Robert H. Smith School of Business, 2014, 2016 (3.6 / 4.0)

TEACHING INTERESTS

- Entrepreneurship, corporate finance, investment policy

PROFESSIONAL SERVICE AND CONFERENCE PARTICIPATION

- Program committee member: Midwest Finance Association (2016)
- Invited participant: NBER Entrepreneurship Research Bootcamp

UNIVERSITY SERVICE

- Brownbag organizer, Finance Department, University of Maryland, 2013-2016

CONFERENCE AND SEMINAR PRESENTATIONS

- University of Maryland, 2014, 2015, 2016
- Boston College, 2013
- University of Maryland, 2013
- University of Rochester, 2011
- Arizona State University, 2010

PROGRAMMING

- Languages: Stata, Python
- Tools: Web crawling, VFI solutions, SMM, MCMC
- Database experience: CRSP, Compustat, Execucomp, I/B/E/S, SEC Edgar, Riskmetrics, SDC

REFERENCES

- Michael Faulkender (chair), Associate Professor of Finance, University of Maryland
- Laurent Fresard, Assistant Professor of Finance, University of Maryland
- Jerry Hoberg, Associate Professor of Finance, University of Southern California