

# Felipe Cabezon

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## RESEARCH INTEREST

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Corporate Finance, Corporate Governance, Information Economics.

## APPOINTMENTS

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2021 - present Virginia Tech Pamplin College of Business  
Assistant Professor of Finance

## EDUCATION

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2016 - 2021 Ph.D. in Finance at USC Marshall School of Business  
2011 - 2012 M.A. in Economics at Pontificia Universidad Catolica de Chile  
2006 - 2010 B.A. in Economics at Pontificia Universidad Catolica de Chile

## WORKING PAPERS

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### 1) “Executive Compensation: The Trend Toward One Size Fits All”

[Link to SSRN](#)

*Second round R&R at Journal of Accounting and Economics*

**Abstract:** I report a “one-size-fits-all” trend in the structure of executive compensation plans. The distribution of compensation across pay components —salary, bonus, stock awards, options, non-equity incentives, pensions, and perquisites— has become more similar since 2006. 24% of the variation across firms disappeared in the last thirteen years. Using panel data regressions and plausibly exogenous shocks, I find that institutional investors’ influence on management decisions and proxy advisors’ recommendations are salient sources of this standardization. Finally, I find evidence suggesting that uniformity might come at the expense of optimal incentives, as increases in pay structure similarity translate into lower shareholder value.

**Presentations:** WFA 2021 (discussed by Vicente Cuñat), SFS Cavalcade 2021 (discussed by Dirk Jenter), MFA 2021 (discussed by Zhi Li), FOM 2020 (discussed by Wayne Guay)

**Awards:** 2021 WFA Best Student Paper

### 2) “Leaky Director Networks and Innovation Herding”, with Gerard Hoberg

[Link to SSRN](#)

**Abstract:** We first document that, despite potential legal issues, overlapping directors are surprisingly prevalent among direct competitors. Using panel data regressions and plausibly exogenous shocks, we find that competing firms in markets with dense overlapping-director networks experience innovation herding, lose product differentiation, and ultimately perform poorly. Novel text-based network propagation tests of technologies show that intellectual property leakage plays a role as firms with dense overlapping director networks experience faster propagation of technologies to competitors. Our findings suggest a coordination problem where industry participants cannot stop rivals from earning small gains from leakage despite much larger community-wide negative externalities.

**Presentations:** AFA 2023 (discussed by Michelle Lowry), NBER Big Data 2023 (discussed by Eric So)

3) “Racial diversity and inclusion without equity? Evidence from executive compensation”,  
with Eliezer Fich and Lubomir Litov [Link to SSRN](#)

**Abstract:** The compensation structure of top managers (except CEOs) varies according to ethnicity/race. On average, Blacks, Hispanics, and Asians receive less equity-based pay than Whites in the same C-suite. When racial minority executives move from White-CEO-led-firms to ethnic-minority-CEO-led-firms, their racial pay structure similarity improves by 32%. Companies in high racism locations have more dissimilar racial pay structures. As the racial pay structure similarity improves, the pay gap between White and ethnic-minority executives decreases, and firms exhibit better stock market and accounting performance, less financial fraud, and lower CEO-to-median-worker pay ratios. Our evidence suggests that pay structure race-based disparities occur when a corporate culture tolerates racial inequality and not due to the preferences of racial minority executives.

4) “When the Format Matters: Information Processing Costs, Investor Engagement, and Firm Financial Constraints”  
[Link to SSRN](#)

**Abstract:** This paper studies the role of standardized disclosure formats in easing firms’ financial constraints and investment policies. Based on a regulatory shift that integrated the distinct disclosure system of smaller firms with the overarching standard disclosure framework, this paper runs a difference-in-difference analysis that isolates the impact of a format change in disclosure while holding the informational content constant. Firms transitioning to the standardized format not only receive greater investor attention but also secure enhanced equity funding and invest more. The findings are consistent with the existence of information processing costs that hinder investors from gathering all the available financial information.

5) “The Effect of Mandatory Information Disclosure on Financial Constraints”  
[Link to SSRN](#)

**Abstract:** This paper examines the effects of mandatory disclosure systems on firms’ financial constraints and investment policies. I study a regulatory reform that eliminated the special disclosure system of small firms and integrated it into the standard disclosure system of large firms. Companies that voluntarily used the standard system before the reform become less debt-constrained, issue more debt and increase their investment. The findings are consistent with mandatory disclosure providing a commitment device for future disclosure that reduces the agency cost of debt.

**Presentations:** AFA 2019 (discussed by Toni Whited), TADC 2019 (discussed by Faizaan Kisat)

## MAJOR FINANCE CONFERENCES

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- 2024 American Finance Association (discussant), USC Finance PhD Alumni Conference (presenter)
- 2023 American Finance Association (presenter and discussant), NBER Big Data (presenter), Commonwealth Finance Workshop (presenter)
- 2022 Southern Finance Association (presenter and discussant), Commonwealth Finance Workshop (presenter and Discussant), Financial Markets Corporate Governance Conference (presenter and discussant), UC Economics Alumni Conference (presenter), Financial Management Association (discussant)
- 2021 Western Finance Association (presenter), SFS Cavalcade North America (presenter), Midwest Finance Association (presenter), Financial Management Association (discussant)
- 2020 Finance, Organizations and Markets (presenter)
- 2019 American Finance Association (presenter), Trans-Atlantic Doctoral Conference (presenter and discussant)

## HONORS AND AWARDS

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- 2022 FMCG Best Paper Award
- 2021 WFA Award for Best Student Paper
- 2020 UC Corporate Governance Center Research Fellowship
- 2019 USC Global Branding Center Fellowship for outstanding dissertation, Marshall School of Business  
Ford Fellowship for outstanding dissertation
- 2017 UC Corporate Governance Center Research Fellowship

## TEACHING

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- 2021 - present Corporate Finance (PhD level), Asset Valuation (undergraduate), and Corporate Finance (undergraduate) at VT Pamplin College of Business
- 2020 Microeconomics for Business (undergraduate) at USC Marshall School of Business
- 2014 - 2016 Industrial Organization (undergraduate) and Principles of Macroeconomics (undergraduate) at Universidad de los Andes (Chile)

## SERVICE

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- 2021 - present Finance Seminar series and Ph.D. Program Committee at VT Pamplin College of Business
- 2024 Program Committee for EFA 2024
- 2019 Organizer of 7th USC Annual Ph.D Conference in Finance

## REFEREE

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Quarterly Journal of Economics, Review of Financial Studies, Review of Finance, Review of Corporate Finance Studies, Journal of Corporate Finance, Review of Accounting Studies, Journal of Empirical Finance.

## PROFESSIONAL EXPERIENCE

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- 2012 - 2013 Ministry of Economics, Government of Chile: Advisor to the Minister and Research Analyst at the Competitiveness Office
- 2012 Inter-ministerial Commission for Financial Inclusion

## SKILLS

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- Software Stata, R, Mathematica
- Database experience CRSP, COMPUSTAT, Execucomp, ISS Incentives Lab, Voting Analytics, Boardex, I/B/E/S, Hoberg and Phillips Text Based Industry Classifications

## REFERENCES

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### **Gerard Hoberg**

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