Ye Wang

School of Business
Stevens Institute of Technology
Castle Point Terrace, Hoboken, NJ 07030

210.332.3458 (cell)
ywang15@stevens.edu
Website: https://www.yewang-finance.com/

Academic Experience

Stevens Institute of Technology
Assistant Professor of Finance 2020-Present

Education

Ph.D. Finance, Minor: Economics, University of Arizona 2015-2020
M.S. Business Administration, Finance Major, University of Texas at San Antonio 2011-2013
B.A. Business Administration, Economics Major, Shandong University (China) 2007-2011

Research Interests

Corporate Finance, Mergers and Acquisitions, Bank Debt, CEO compensation

Research

Publications

[1] **Hiring Retirement-age CEOs** (with David Yin), *European Financial Management*,2020

[2] **CEO Educational Background and Acquisition Target Selection** (with David Yin), *Journal of Corporate Finance* 52, pp.238-259,2018

Working Papers

[1] **Mergers, Product Prices, and Innovation: Evidence from the Pharmaceutical Industry** (with Alice Bonaime)

Abstract:
Using novel data from the pharmaceutical industry, we study the impact of mergers on product prices and innovation. Exploiting within-deal variation in product market consolidation, we show prices increase more within drugs in consolidating markets than within matched control drugs. Conservative estimates indicate a 2.3-3.4% price effect that persists for two years. Price increases are more pronounced within concentrated markets, for drugs without generic competition, and for acquisitions of drugs still in the pipeline. Examination of trade-offs reveals these deals generate significant shareholder value and spur labeling-related innovation but not new drug approvals.

[2] **Firm Reputation and the Cost of Bank Debt**

Abstract:
This paper examines whether firm reputation impacts borrowing costs and thus investment. Using unique data from *Fortune*'s Most Admired Companies surveys, I find that reputable borrowers enjoy lower borrowing costs and better loan contract terms. My identification strategy is based on propensity score matching, a regression discontinuity design, and clean reputation measures removing the impact of prior financial performance. Further evidence suggests that banks reward reputable firms with better contract terms because this reputation proxy contains incremental information on borrower future performance

and credit risk. Last, firms increase capital expenditures and R&D after receiving the Most Admired designation, consistent with reputable firms exploiting their lower cost of capital and with reputation having real effects on firms' investment policies.

[3] **Does Modern Information Technology Attenuate Managerial Information Hoarding? Evidence from EDGAR Implementation** (with Xiaoran Ni and David Yin)

Abstract:
Exploiting the staggered implementation of the EDGAR system from 1993 to 1996 as quasi-exogenous shocks, we find that the internet dissemination of corporate disclosures encourages managers' bad news hoarding and thus increases firms' future stock price crash risk. Supplemental evidence suggests that short-term pressures due to increased stock liquidity and investors' increased reliance on accounting numbers appear to play a role, and both accrual and real earnings management increase. Taken together, our findings indicate that while modern information technologies increase market efficiency by lowering information acquisition costs, they may have an unintended effect on managers' incentives to hoard bad news.

[4] **Takeover Threats and Stock Price Crash Risk, Revisited** (with Xiaoran Ni and David Yin)

Abstract:
This paper revisits the impact of takeover threats on firms' future stock price crash risk. Using the takeover index developed by Cain, McKeon, and Solomon (2017), which considers state takeover laws, federal statute, state court standards of review along with a list of firm-specific and economic variables, we find that a more hostile takeover environment reduces firms' future stock crash risk. Further, we identify improvement in accounting conservatism in response to the threat of takeover as the channel underlying our main findings. The results are robust to alternative measures of stock price crash risk and addressing multiple critiques of prior studies on takeover susceptibility. Overall, our findings are consistent with the market for corporate control serving as an effective governance mechanism and reducing agency problems.

Teaching

Stevens Institute of Technology (2020-Present)

Corporate Finance (BT 321)
Money, Banking, and Financial Institutions (BT 440)

University of Arizona (2015-2020)

Personal Investment (FIN 302)

Professional Services

Finance Ph.D. Student First-Year Paper Advisor

Fang Shen, 2021

Other Committee Service

Tenure-tract Assistant Professor in Finance Search Committee, 2021
Finance Doctoral Program Admissions Committee Member, 2021

Referee Activity

Journal of Corporate Finance

Conference Service

2019 Southwestern Finance Association (SWFA) — Presenter/Discussant
2019 Eastern Finance Association (EFA) — Session Chair/Presenter/Discussant/Paper Reviewer

Awards, Fellowships, & Grants

Center for Management Innovations in Healthcare (CMIH) 2019 Fall Research Grant, Eller College of Management, the University of Arizona — 2019
University of Arizona Graduate Assistantship — 2015-2020
University of Arizona Research Grant — 2015-2020
Southwestern Finance Association Doctoral Stipend, SWFA — 2019

Computing Skills

SAS, Stata, LaTeX, SQL, Bloomberg Terminal, Matlab, R