

Zesong (Zack) Liu

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The University of Texas at Austin
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EDUCATION

The University of Texas at Austin

Ph.D. Finance	(Expected) 2017
B.S. Mathematics Honors	2011
B.A. Economics	2011

RESEARCH INTERESTS

Corporate Finance, Innovation, Labor Economics, Financial Constraints

WORKING PAPERS

Intellectual Property Allocation and Firm Investments in Innovation, *Job Market Paper*

Successful innovations are achieved by combining employee ingenuity with firm resources. However, firms will suppress investment if employees can easily leave the firm and take these innovations with them. I provide new evidence on how changes to employee outside options impact innovation incentives using state court decisions to adopt the Inevitable Disclosure Doctrine (IDD), which strengthens firm trade secret protections by limiting employee mobility. I find that IDD adoption leads to an increase in innovation output and investment in high technology industries, where employee outside options are higher, but not in low technology industries. Furthermore, I find that these firms are able to hire talented employees. These results show that decreasing the ability of employees to leave the firm in high technology industries can be mutually beneficial.

Corporate Investment and Innovation in the Presence of Financial Constraints (with W. Grieser).

· Presentations: AFA 2017 (scheduled), MFA (2015)

We study the relation between investment behavior and competitor financial constraints. Using inter-firm patent citations and text-based product market similarities to identify intransitive competitor networks, we find that firms increase investment spending, patenting activity, and employee poaching when competitor constraints become more binding. In addition, firms shift their investment composition (product market and patent portfolios) towards competitors who experience a relative tightening of constraints. These effects are robust to controlling for selection and correlated effects across competitors. To mitigate endogeneity concerns, we exploit the 2004 AJCA tax holiday and the 1989 junk bond crisis as exogenous shocks to competitor constraints and find similar effects. .

TEACHING

Undergraduate Business Finance - Summer 2014
Course Evaluation : 4.3/5.0

HONORS

McCombs Tuition Scholarship (2012 - 2016)
University Honors (2007-2011)

SERVICE

McCombs Dean Selection Committee, 2015
McCombs AACSB Review Committee, 2016
Referee: Journal of Commodity Markets
Discussant: Midwest Finance Conference, 2015

ADDITIONAL INFORMATION

Employment Status: US Citizen

REFERENCES

Professor Sheridan Titman (Co-Chair)
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