

TIANCHEN (HUGO) ZHAO

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EDUCATION

- **University of Maryland** – PhD in Finance 2021-2027 (expected)
- **Columbia University** – M.A. in Economics 2019-2021
- **Emory University** – B.A. in Economics and Mathematics 2015-2019
Magna Cum Laude

RESEARCH INTERESTS

- Empirical Asset Pricing, Municipal Finance, Asset Management, Sustainable Finance

RESEARCH PAPERS

- **The Fiscal Spillovers of Firm Risk: Tax Structure and State Finances**
– Job Market Paper

Abstract: How does risk among local firms affect state government finances, and how does tax structure shape states' exposure and responses? I study these questions by linking stock return volatility of local public firms to state-issued municipal bonds and state fiscal outcomes from 2001 to 2021. I find that higher return volatility among locally headquartered firms consistently predicts higher state borrowing costs on general obligation (GO) debt and lower tax revenue collections. Importantly, the estimated revenue decline is larger for general sales tax (GST) than for personal income tax (PIT). I show that asymmetric tax-rate responses help explain this difference. Although higher firm risk predicts comparable declines in both statewide income and consumption, states react by raising top marginal PIT rates while leaving GST rates largely unchanged. By raising PIT rates on high-income households, states appear to partly offset PIT revenue losses, while limited GST rate adjustment leaves GST revenues exposed to tax-base declines. Consequently, states that derive a larger share of general fund revenue from GST face larger increases in borrowing costs and larger declines in tax revenue collections. To deal with these fiscal pressures, these states enact smaller budgets, cut public service spending more deeply, and are more likely to make large rainy-day fund drawdowns. Overall, my findings suggest that tax structure and tax-rate policy are important determinants of the fiscal consequences of firm risk. Reliance on sales taxes need not provide fiscal stability when local firm risk rises.

- **Presentations:** *Boca Finance and Real Estate Conference 2026 (scheduled), University of Maryland*
- **Dinner Table Alphas** with Sean Cao (Maryland), Huaizhi Chen (UT Dallas), and Lauren Cohen (Harvard)
– [SSRN](#)
– Best Paper Award, Edinburgh Corporate Finance Conference 2026

Abstract: We show that household linkages, formed primarily of spousal employment ties, are important in explaining asset managers' skills and their portfolio choices. Mutual fund managers with spouses that work at the executive and C-suite levels obtain monthly gross returns of up to 0.32%

above those of asset managers with non-executive spouses. This effect is driven largely by managers' quarterly stock trades in the industries where their spouses are employed. The spouse-industry stocks bought (sold) by executive-spouse linked managers outperform (underperform) those bought (sold) by the non-executive-spouse linked managers by 4.30% (4.33%) per quarter. These patterns suggest that spousal relationships facilitate fund managers' comprehension of industry-level information. We further find that fund managers' spouse-industry trades predict subsequent earnings surprises. Overall, our results indicate that the boundaries of information advantages in asset management extend beyond the managers themselves and highlight the importance of household linkages to information production in the asset management industry.

- **Presentations:** *AFA 2027 (scheduled), Alpine Finance Summit 2026, ASU Sonoran Winter Finance Conference 2026, CICF 2026, Clemson Finance Research Conference 2026, Conference on Financial Economics and Accounting 2026 (scheduled), Edinburgh Corporate Finance Conference 2026, EFMA 2026, Esade Spring Workshop 2026, Finance and Business Analytics Conference 2026, Finance and Accounting Annual Research Symposium 2026, FIRS 2026, International Behavioural Finance Conference 2026 (scheduled), Red Rock Finance Conference 2026, Research in Behavioral Finance Conference 2026, SFS Cavalcade North America 2026, Texas A&M Young Finance Scholars Consortium 2026, UIC Finance Conference 2026, VSB Mid-Atlantic Research Conference (MARC) in Finance 2026, Nanyang Technological University, University of New Hampshire*

- **Government Data and Financing: Insights from Internal Controls** *with Sean Cao (Maryland) and Anya Nakhmurina (Yale)*

- [Draft](#)

Abstract: We investigate the economic consequences of data breaches on U.S. local governments. Using a stacked difference-in-differences design, we find that breached municipalities experience an increase in municipal bond yield spreads. The effect is concentrated in municipalities with pre-existing weaknesses in general or information system-specific internal controls, suggesting that well-maintained internal controls may mitigate the adverse financing impact of a data breach within government organizations. However, despite such benefits, we find little evidence of internal control improvements among breached municipalities with weak controls. Instead, these municipalities reduce both total expenditures and administrative spending that includes internal control functions in the years after a breach. Overall, our results raise concerns about local governments' data breach preparedness, which can potentially compromise public service provision.

- **Presentations:** *FARS Midyear Meeting 2026, Eastern FA 2025, Hanyang Accounting Research Symposium 2025, LBS Transatlantic Doctoral Conference 2025, SGF 2025, Australasian Finance and Banking Conference 2024, Inter-Finance PhD Seminar 2024, Sydney Banking and Financial Stability Conference 2024, University of Macau, University of Maryland*

- **What Drives the Dynamics of CSR Returns?** *with Renxuan Wang (CEIBS), Russell Wermers (Maryland), and Ruoke Yang (SEC)*

- [Draft](#)

Abstract: We investigate the relationship between corporate social responsibility (CSR) and stock returns during economic downturns and the underlying economic mechanisms. First, we successfully replicate two influential studies that reach opposite conclusions on this topic and propose several explanations that may reconcile their findings, including differences in CSR scoring, empirical specifications, and adjustments for systematic risk exposures. We find that high-CSR stocks exhibit time-varying factor loadings, particularly a stronger tilt toward the value factor during bad economic times. From the standpoint of cash flow (CF) vs. discount rate (DR) news, we show that CSR returns are largely driven by aggregate DR shocks, highlighting the role of shifts in investor sentiment and preferences. CSR spread portfolio returns are lower in bad times, but increase in response to positive DR shocks. Finally,

we analyze flows to socially responsible (SR) mutual funds and find evidence that is fully consistent with the documented return patterns: while SR funds typically face outflows during downturns, these outflows lessen when aggregate DR shocks increase. These findings suggest that investors in general view CSR as a luxury good, but some investors retain trust in high-CSR firms despite challenging market conditions.

- ***Presentations:*** *CEIBS Finance/Accounting Symposium 2025, CICF 2025, Junior Academics Research Seminars (JARS) in Finance 2025, NYU Stern Summer Climate Finance Conference 2025*

- **Negative Sentiment and Aggregate Retail Trading: Evidence from Mass Shootings**

- PhD First-Year Summer Paper; Resting

Abstract: I analyze the role of sentiment in aggregate retail investors' trading activity. Using mass shootings in the U.S. as exogenous, non-economic, and negative shocks to investor sentiment, I find that retail investors on average net sell stocks of firms headquartered in the states where mass shootings took place in the previous week ("local" stocks). During the week after mass shootings, local stocks experience a decrease in daily retail share volume order imbalance equal to around 8% of the sample mean. Consistent with lower sentiment-driven trading, the retail net divestment from local stocks increases in the number of victims from mass shootings, and is more pronounced following unsolved shootings and shootings with teenage victims. However, such trading behavior does not seem to be rational, as local mass shootings have little impact on local firms' financial and operating performance, as well as local economic conditions. Finally, institutional investors do not react to mass shootings, which suggests that retail investors are more prone to sentiment.

- ***Presentations:*** *AFA Poster Session 2024, Asian Meeting of the Econometric Society in China 2023, Asian FA 2023, FMA 2023, Financial Markets and Corporate Governance Conference 2023, International Conference of the French Finance Association PhD Workshop 2023, SGF PhD Poster Session 2023, World Finance Conference 2023, University of Maryland*

CONFERENCE AND SEMINAR PRESENTATIONS

- 2027: AFA (scheduled)
- 2026: Boca Finance and Real Estate Conference (scheduled), CICF, Conference on Financial Economics and Accounting (scheduled), FARS Midyear, International Behavioural Finance Conference (scheduled), SFS Cavalcade NA, University of Maryland
- 2025: CEIBS Finance/Accounting Symposium, CICF, Eastern FA, LBS TADC, JARS, NYU Summer Climate Finance, SGF, University of Maryland
- 2024: AFA, Inter-Finance PhD Seminar, SBFC, AFBC, University of Maryland
- 2023: SGF, FMCG, AFFI, AMES China, Asian FA, World Finance Conference, FMA, University of Maryland
- 2022: SFA, SWFA, University of Maryland

CONFERENCE DISCUSSIONS

- 2026 IBFC (scheduled): **Which Stock Picks Do Retail Investors Follow?** by Goutham Abotula, Julia Reynolds, and Cuyler Strong
- 2025 LBS TADC: **Spillover Effect of Government Subsidies on Peer Firm Disclosures** by David Wang

- 2025 Eastern FA: **When Mayors Pledge to Be Heroes for Zero: The Effect of Local Governments' Environmental Programs on Their Cost of Debt** *by Xuanyu Bai, Ioannis Branikas, Wensong Zhong, and Z. Jay Wang*
- 2024 Inter-Finance PhD Seminar: **Human Capital and Portfolio Allocation Decisions in Venture Capital** *by Teodor Duevski*
- 2023 WFC: **Impact of ESG controversies on the relationship between CSR and Corporate Financial Performance. A view from the oil and gas industry** *by Antonio García-Amate, Alicia Ramírez-Orellana, Alfonso Rojo-Ramírez, and María del Pilar Casado-Belmonte*
- 2023 AMES Beijing: **Limited Attention and the Monday Anomalies: Evidence from the Saturday Jackpots** *by Chuan Yang Hwang and Chuyi Yang*
- 2023 FMCG: **Market Fragmentation and Price Impact** *by Lewen Guo and Pankaj Jain*
- 2022 FMA: **The Impact of More Able Managers on Corporate Trade Credit** *by Hui Liang James, Thanh Ngo, and Hongxia Wang*
- 2022 SFA: **Pulling the Plug: Retail Traders and Social Media** *by Justin Mohr*
- 2022 SWFA: **Do Pre-IPO Investments Generate Information Advantages? Evidence from Mutual Funds** *by Albert Wang and Julie Ngo*

GRANTS, SCHOLARSHIPS, FELLOWSHIPS, AWARDS

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| • Edinburgh Corporate Finance Conference Best Paper Award | 2026 |
| • LBS Transatlantic Doctoral Conference Travel Grant | 2025 |
| • CEIBS Finance/Accounting Symposium Travel Grant | 2025 |
| • AFA Travel Grant | 2024 |
| • International Conference Student Support Award (ICSSA) | 2023, 2024 |
| • Jacob K. Goldhaber Travel Grant | 2023, 2024 |
| • Robert H. Smith School of Business PhD Fellowship | 2021-Present |
| • Columbia University M.A. in Economics Scholarship | 2019 |
| • Emory University Magna Cum Laude Undergraduate Thesis | 2019 |
| • Omicron Delta Epsilon (ODE) Economics Honor Society | 2017 |

SERVICES

- Organizer, University of Maryland Finance Brownbag Seminar (Spring 2024-Spring 2025)
- Organizer, University of Maryland Finance PhD Reading Group (Fall 2023)
- Reviewer for World Finance Conference 2023, FMA European 2023, FMA Applied Finance Conference 2023, Eastern FA 2023-2025, SFA 2024, SWFA 2024, SBFC 2025, FARS Midyear 2027
- Session chair for SFA 2022, FMA 2022, SGF 2025

TEACHING

- **Instructor:** BMGT 446: International Finance (Fall 2025)

– Rating: 3.6/4.0 (2 sections, 83 students)

- **Teaching Assistant:** BUFN 721: International Investment (Fall 2026, Prof. Vojislav Maksimovic); BMGT 446: International Finance (Fall 2026, Prof. Vojislav Maksimovic); BUFN 758T: Portfolio Analysis, Investment Strategies and Climate (Spring 2024 and 2025, Prof. Russell Wermers); BUFN 736: Quantitative Investment Strategies (Fall 2023 and 2024, Prof. Russell Wermers); BUFN 734 and 758K: Portfolio Management (Fall 2022 and 2023, Prof. Mark Loewenstein); ECON 201: Intermediate Microeconomics (Fall 2017, Prof. Nelson Lind)

WORK EXPERIENCE

- **World Bank Short-Term Consultant** – Chief Economist Office Summer 2022

PERSONAL INFORMATION

- **Programming:** Stata, MATLAB, Python, SAS, R, LaTeX
- **Languages:** Mandarin (native), English (fluent), Japanese (elementary)
- **Status:** Chinese Citizen; Canadian Permanent Resident
- **Hobbies:** Basketball, Soccer, Weight Lifting, Singing, Clarinet

REFERENCES

Prof. Russell Wermers (Chair)

Paul J. Cinquegrana '63
Endowed Chair in Finance
Director of the Center for Financial Policy
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Prof. Lauren Cohen

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Prof. Pablo Slutzky

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Prof. Sean Cao

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Prof. Anya Nakhmurina

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