Simon Glossner

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RESEARCH INTERESTS

Institutional Investors, Responsible Investing, Corporate Social Responsibility

EDUCATION

Postdoctoral Research Associate in Finance *2019–present*
University of Virginia – Darden School of Business
Supervisor: Prof. Pedro Matos

PhD in Economics with a concentration in Finance (summa cum laude) *2014–2018*
Catholic University Eichstätt-Ingolstadt, Germany

Master of Science in Business Administration (with distinction) *2011–2014*
Catholic University Eichstätt-Ingolstadt, Germany
Major in Finance and Accounting

Visiting Master Student, University of St. Gallen, Switzerland *2012*

Bachelor of Science in Business Administration *2008–2011*
Catholic University Eichstätt-Ingolstadt, Germany

Visiting Bachelor Student, University College Dublin, Ireland *2010*

PUBLICATIONS

Russell Index Reconstitutions, Institutional Investors, and Corporate Social Responsibility *2020*
Critical Finance Review, Forthcoming

Investor Horizons, Long-Term Blockholders, and Corporate Social Responsibility *2019*
Journal of Banking & Finance, Volume 103, Pages 78–97

JOB MARKET PAPER

Repeat Offenders: ESG Incident Recidivism and Investor Underreaction
Cubist Systematic Strategies PhD Candidate Award for Outstanding Research

Presentations: AEFIN Finance Forum, AFFI, EUROFIDAI Paris December, DGF (poster session), PFMC, University of Lille, UVA Darden Business School, Western Finance Association
Media coverage: Agenda, City A.M., Columbia Law School Blue Sky Blog, Forbes, Forbes

"This paper captures poor environmental, social, and governance (ESG) practices based on a firm's history of negative ESG incidents. I find that firms' past ESG incident rates predict more future incidents, weaker profitability, and lower risk-adjusted stock returns. These abnormal returns are consistent with markets underreacting to incidents, as past incident rates also predict larger analyst forecast errors, more negative stock price reactions when firms announce their quarterly earnings or have subsequent incidents, and more pronounced abnormal returns in firms with weaker investor attention. I further document that ESG-aware mutual funds profit from this underreaction. Overall, these findings suggest that the negative long-term value implications of poor ESG practices are not fully reflected in stock prices."

WORKING PAPERS

Do Responsible Investors Invest Responsibly?
(joint with Rajna Gibson Brandon, Philipp Krueger, Pedro Matos, and Tom Steffen)
Review of Finance, Revise & Resubmit (solicited by Alex Edmans)
John L. Weinberg/IRRCi Research Paper Award (semi-finalist)
Fordham Gabelli – PVH Corp Global Thought Leadership Grant
ICPM Research Award

Presentations: American Finance Association, EasternFA, European Finance Association*, FMA, GRASFI 3rd Annual Conference, ICPM Virtual Fall Discussion Forum*, Midwest Finance Association, PRI Academic Week, PRI Knowledge Sharing Session*, Schroders Systematic Investments*, SFS Cavalcade North America, SMU-TBLI*, Sustainable Finance Forum*, University of Delaware Weinberg Center/ECGI Corporate Governance Symposium*, Vanguard* (* presented by co-author)*
Media coverage: Harvard Law School Forum on Corporate Governance, PRI Blog

“We explore a novel survey on responsible investing by institutional investors around the world and match it to archival data on their equity portfolio holdings. We document that institutions that publicly commit to responsible investing exhibit better environmental, social, and governance (ESG) portfolio-level scores but this holds only outside of the United States. US-domiciled investors that commit to responsible investing, in contrast, exhibit at best similar, if not significantly worse portfolio ESG scores than their uncommitted peers. This disconnect between words and actions in the U.S. appears to be partly driven by underperforming investors seeking to attract fund flows, consistent with concerns of ’greenwashing.’”

Do Institutional Investors Stabilize Equity Markets in Crisis Periods? Evidence from COVID-19
(joint with Pedro Matos, Stefano Ramelli, and Alexander F. Wagner)

Presentations: FSU SunTrust Beach, LSE Systemic Risk Centre, Midwest Finance Association, UVA Darden Business School*, Virtual Asset Management Seminar Series (* presented by co-author)*
Media coverage: Bloomberg, Darden Ideas to Action, Harvard Law School Forum on Corporate Governance, Institutional Investor, Neue Zürcher Zeitung
Video: What can we learn from the market reactions to COVID-19?

“During the COVID-19 crash, U.S. stocks with higher institutional ownership performed worse. This underperformance was unrelated to revisions in earnings expectations, which suggests a disconnect between stock prices and firm fundamentals. Two mechanisms were at play: Institutions faced a sudden increase in redemptions and simultaneously attempted to de-risk their equity portfolios. Most types of institutional investors re-balanced portfolios toward financially strong firms, whereas hedge funds sold stocks indiscriminately. Data from a discount brokerage (Robinhood) confirm that retail investors provided liquidity. Overall, the results suggest that when a tail risk realizes, institutional investors amplify price crashes.”

Catering Through Transparency: Voluntary ESG Disclosure by Asset Managers and Fund Flows
(joint with Marco Ceccarelli and Mikael Homanen)

“Our paper finds that, by using a standardized disclosure framework, clients are able to identify investors with higher levels of ESG integration, thereby alleviating informational asymmetries within the responsible investment landscape. We show this by examining institutional investor’s voluntary disclosure about their ESG practices. After joining the Principles for Responsible Investing (PRI), the world’s largest responsible investment network, investors are obliged to file an annual ESG report, which is assessed and scored by the PRI. Clients allocate more assets toward institutions that receive higher scores on the reporting framework. This effect is particularly strong when the voluntary disclosure is confirmed by ESG ratings verified by Morningstar.”

WORK IN PROGRESS

Climate-Committed Institutional Investors
(joint with Vaska Atta-Darkua, Philipp Krueger, and Pedro Matos)

The "Greening" of Investment Management: Enlightenment or Marketing
(joint with Richard Evans)

Do PRI Signatories Have ESG Investment Skill?
(joint with Marco Ceccarelli, Mikael Homanen, and Ellie Luu)

PRI Signatories: The Good, the Bad, and the Ugly
(joint with Marco Ceccarelli, Mikael Homanen, and Daniel Schmidt)

SCHOLARSHIPS AND AWARDS

John L. Weinberg/IRRCi Research Paper Award (semi-finalist)	*2021*
ICPM Research Award	*2020*
Fordham Gabelli – PVH Corp Global Thought Leadership Grant	*2020*
WFI Ingolstadt School of Management Best PhD Dissertation Award	*2019*
McKinsey Firsthand Program	*2016–2018*
PhD Scholarship from the Friedrich-Naumann-Stiftung für die Freiheit	*2016–2018*
Cubist Systematic Strategies PhD Candidate Award for Outstanding Research	*2018*
Master of Science with Distinction	*2014*

TEACHING EXPERIENCE

Risk Management (Catholic University of Eichstätt-Ingolstadt) *2015–2018*
Master-level course, Teaching Assistant in 2015, 2016, 2017, and 2018
Average student evaluation over four courses: 1.65 (1.00 best, 5.00 worst)

TECHNICAL SKILLS

Data science: R (data.table, dplyr, ggplot2, lfe), Python, Stata, SQL, Matlab, Excel
Machine Learning: Python TensorFlow/Keras, Scikit-learn
Web crawling/scraping: Python Beautiful Soup
Software development: Github, Linux/Unix

LANGUAGES

German (native), English (fluent), French (basic)

Last Update: September 2021