GEORG RICKMANN

January 2021

Email: Georg.Rickmann@Kellogg.Northwestern.edu
Web: GeorgRickmann.com
Address: Kellogg School of Management at Northwestern University
2211 Campus Drive, Room 4447
Evanston, IL 60208

CURRENT EMPLOYMENT

Kellogg School of Management, Northwestern University, Evanston, IL — Jul 2020 - present
Assistant Professor and Donald P. Jacobs Scholar

EDUCATION

MIT, Sloan School of Management, Cambridge, USA — Jul 2015 - Sep 2020
PhD in Accounting

University of Warwick, Warwick Business School, Coventry, UK — Sep 2012 - Feb 2015
MSc in Finance

University of Göttingen, Göttingen, Germany — Oct 2008 - Sep 2012
BSc in Economics/Business

RESEARCH INTERESTS

I am broadly interested in corporate debt markets, corporate disclosure, and the link between secondary financial markets and the real economy.

ABSTRACTS OF MY PAPERS

The Effect of Market Transparency on Corporate Disclosure: Evidence from the Observability of Bond Prices and Trading

• *Job Market Paper; Conditionally Accepted at The Accounting Review*

• *Abstract:* Economic theory suggests that (1) observable market returns and trading are important information constructs that help investors learn about the firm and (2) investors' access to such information is an important determinant of managers' disclosure decisions. I study how the *observability* of market prices and trading (hereafter, market transparency) affects firms disclosure incentives. I exploit the staggered introduction of TRACE, which made bond prices and transactions publicly observable, and show that firms provide more guidance when their bonds prices and trading become observable. This effect is stronger for firms with informationally sensitive bonds and firms without exchange-listed bonds prior to TRACE. Also, firms become particularly more likely to disclose bad news, consistent with the notion that investors access to market information limits managers incentives to withhold information. I corroborate my results using a small controlled experiment, in which prices and trading are revealed for a randomized set of bonds, and threshold rules used by the regulator. Together, my results suggest that increased market transparency improves investors access to information not only directly, by revealing the information contained in returns/trading, but also indirectly, by increasing corporate disclosure.

Ex-Post Equity Awards and Measurement of the Pay-Performance Relation

• *coauthored with S.P. Kothari*

• *Abstract:* We provide evidence that equity awards, which constitute a dominant share of CEO pay, are used to reward managers ex-post for realized performance in the preceding fiscal year. Many firms explicitly mention this practice in their proxy statements, and equity grants increase substantially with the firm's performance for the immediately preceding year. This finding has important implications for the measurement of the pay-performance relationship. The convention of treating equity grants as compensation for the year of the grant, rather than for the preceding year, results in an underestimated pay-performance relationship, especially for firms relying heavily on equity as a means of compensation. We show that adjusting total compensation to include equity granted after the end of the fiscal year, as opposed to during the fiscal year of firm performance, more than doubles the pay-to-performance elasticity.

How does Temporary Mispricing in Secondary Bond Markets Affect Firms' Financing Decisions? Evidence from Plausibly Exogenous Mispricing in the Cross-Section of Bonds

• *Abstract:* I study how mispricing in secondary bond markets affects corporate financing behavior. My mispricing measure exploits fund flow-driven fire-sells and purchases of bonds by mutual bond funds. I show that such fire-sales and purchases substantially dislocate bond prices from fundamentals, and prices take about one year to fully revert. Firms alter their debt issuance in response to such mispricing. The difference in net debt issuance between firms with recently fire-sold (underpriced) bonds and firms with recently fire-purchased (overpriced) bonds is equivalent to 0.26%-0.34% of assets. This change in net debt issuance is driven by long-term debt issuance, and it is not offset by corresponding changes in equity issuance or dividend payouts, suggesting that mispricing in secondary bond markets ultimately distorts the total allocation of capital across firms.

REFEREE SERVICE AND OTHER INFORMATION

Ad-hoc Reviewer: Journal of Accounting and Economics, The Accounting Review, Journal of Banking and Finance, Hawaii Accounting Research Conference 2019, AAA Annual Meeting 2017, MIT Asia Conference 2016.

Presentations and Conference Participation

2020: Boston College, Rochester University, University of Colorado Boulder, University of Toronto, Columbia University, Northwestern University, London Business School, INSEAD, Georgetown University, Frankfurt School of Finance and Management

2019: Journal of Accounting and Economics Conference, Washington University Research Conference in Honor of Nick Dopuch, Duke Accounting Theory Summer School, Wharton Theory Boot Camp, AAA Annual Meeting

2018: Deloitte Foundation, J. Michael Cook Doctoral Consortium

2017: FARS Midyear Meeting, AAA Annual Meeting

2016: Journal of Accounting and Economics Conference

Scholarships:

Sloan PhD Fellowship	2015-2020
Economic and Social Research Council (ESRC) Scholarship	2013-2015
Warwick Business School Scholarship for Academic Excellence	2012-2013

TEACHING EXPERIENCE

Massachusetts Institute of Technology

Financial Accounting – Median rating: 7/7 — 2019
Disclosure Theory for Empiricists (PhD seminar) – Median rating: 7/7 — 2019
Accounting for Managers – No rating — 2018
Financial Accounting – Median rating: 6/7 — 2015

Warwick Business School

Financial Management – Median rating: 5/5 — 2014
Financial Markets – Median rating: 5/5 — 2014

University of Göttingen

Basic Corporate Finance – No rating — 2012
Basic Corporate Finance – No rating — 2011