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# FAM PHDTALKS

WHERE IDEAS MEET, AND  
PEOPLE CONNECT.

**20** FEBRUARY  
2026

 15:00 – 18:00 PM

 Finsbury Square  
Room 305

Organised by  
Andrea Buffoli &  
Davide Rolfi



**Anand Shekhar**

PhD Candidate in  
Finance



**Ziwei Chen**

PhD Candidate in  
Actuarial Science



**Kabir Joshi**

PhD Candidate in  
Management



**Matthew O'Brien**

PhD Candidate in  
Economics at LSE

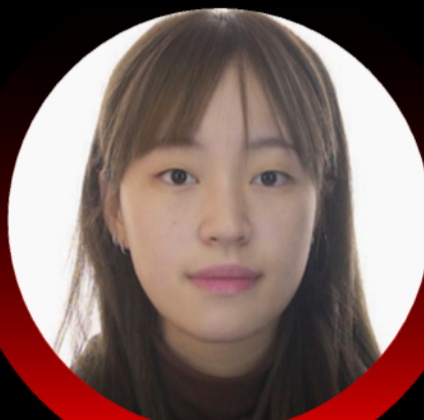
## Market-Based Financial Regulation and Tradable Quotas



Anand Shekhar

This paper examines the real economic effects of market-based compliance in directed credit programs. I study India's introduction of Priority Sector Lending Certificates, which allow banks to trade mandated lending obligations. Exploiting cross-sectional variation in banks' pre reform specialization, I use difference-in-differences and instrumental variables designs to identify the impact of the reform. The results highlight unintended spatial distortions arising from tradable credit mandates. Districts with greater exposure to specialized banks experience a relative decline in economic activity, measured by satellite-based nighttime lights. Credit reallocation occurs through an increase in the number of loans and a decline in average loan size, particularly in industrial and agricultural credit.

## Slab and Shrinkage Linear Regression Estimation



Ziwei Chen

Shrinkage estimation is a statistical methodology that is used to improve parameter estimation by reducing the Mean Square Error (MSE). This paper focuses on multiple linear regression estimators since the standard ordinary least square estimator is often computationally instable, for which shrinkage is a remedy that optimally reduces the estimation error. Penalised regression searches for models to reduce overfitting though tuning parameters require cross validation that may reduce out-of-sample performance; such penalised models rely on mechanical shrinkage through penalisation, which is different than our shrinkage procedures. Another shrinkage class is the Stein-type shrinkage estimators that are designed to dominate the maximum likelihood estimator; these are parametric models while ours are non-parametric, but both aim to improve the overall MSE of the model's parameters. We provide seven non-parametric shrinkage estimators, and provide theoretical guarantees that these new estimators have a lower MSE than the ordinary least square estimator; six shrinkage estimators are designed for any degree of model sparsity, while one shrinkage estimator is specific to situations in which extreme sparse models are sought, as in latent factor modelling. We illustrate that the theoretical guarantees are reflected in synthetic and real data, and we choose genetics, machine learning, and finance applications.

## Pathways of Sponsorship. How founder frames influence entrepreneurial sponsorship journeys



Kabir Joshi

Organisational sponsorship through incubators and accelerators is widely used to support new ventures by buffering them from environmental uncertainty and connecting them to critical resources. Prior research explains variation in sponsorship outcomes primarily through differences in program design, selection mechanisms, or mentor quality. Yet substantial heterogeneity persists even among founders who enter the same incubator at the same time and are exposed to identical support offerings. This raises a puzzle: why do founders engage with the same sponsorship environment in systematically different ways, and why do these differences lead to divergent learning outcomes? Drawing on longitudinal qualitative data from a single incubator, I show that founders enter the incubator with different interpretive framings of what the sponsorship is for—framing it, for example, as a space for validation, exploration, or instrumental access. These framings shape how founders notice, prioritise, and use incubator resources, giving rise to distinct engagement pathways that vary in the breadth and depth of engagement over time. By theorizing engagement pathways as the mechanism linking sponsorship design to heterogeneous outcomes, this study advances organisational sponsorship research beyond program-level explanations. It also extends work on entrepreneurial cognition by showing how interpretive frames shape learning in structured support environments.

## Memory as a Belief Technology



Matthew O'Brien

We study how memory shapes belief formation about macroeconomic and personal events. Using data from the Health and Retirement Study, we link individual performance on standard laboratory word recall tasks—a measure we call recall fluency—to expectations about stock returns, housing prices, and life expectancy. We find that recall fluency strongly predicts both the level and volatility of beliefs across domains. To explain these patterns, we develop a model of selective memory in which attention to contextual features governs retrieval from a database of past experiences. The model predicts that higher recall fluency amplifies the influence of domain-specific experiences on beliefs, increases sensitivity to current signals that match past experiences, and—perhaps surprisingly—strengthens the role of normatively irrelevant non-domain-specific experiences such as childhood health and socioeconomic status. We confirm these predictions empirically. Our findings establish memory capacity as a stable individual trait—akin to risk aversion or patience—that generates substantial heterogeneity in beliefs and economic behavior.