

Charles Schnitzlein

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Education

- Ph D, Washington University, 1994.
Major: Business Administration/Finance
Supporting Areas of Emphasis: Macroeconomics
Dissertation Title: Asset Markets Under Asymmetric Information: An Experimental Investigation
- MS, University of Wisconsin-Madison, 1980.
Major: Economics
- BS, St. Lawrence University, 1977.
Major: Economics
Supporting Areas of Emphasis: Environmental Studies

RESEARCH

Research Publications

Refereed Journal Articles

- Schnitzlein, C., Shao, M., Sherman, A. (2019). Come on in the Water is Fine! An Experimental Examination of Hybrid IPO Auctions with a Public Pool. *Journal of Financial Research / Wiley*, 1-35.
- Schnitzlein, C., Camargo, E. M., Sade, O., Zender, J. (2015). On the persistence of overconfidence. *Journal of Behavioral Finance*.
- Schnitzlein, C., Camargo, E. M., Sade, O., Zender, J. (2013). Divisible good auctions with asymmetric information. *Journal of Financial and Quantitative Analysis*, 1271-1300.
- Schnitzlein, C., Shao, M. (2013). Capacity constraints and the winner's curse in multi-unit common value auctions. *The Quarterly Review of Economics and Finance*, 188-201.
- Schnitzlein, C., Sade, O., Zender, J. (2006). Asymmetry in divisible good auctions: when less (potential demand) is more (revenue). *Review of Finance*, 389-416.
- Schnitzlein, C., de Jong, C., Koedijk, K. (2006). Stock market quality in the presence of a traded option. *The Journal of Business*, 2243-2274.
- Schnitzlein, C., Sade, O., Zender, J. (2006). Competition and Cooperation in Divisible Good Auctions. *The Review of Financial Studies*, 195-235.
- Schnitzlein, C., Lamoureux, C. (2004). Microstructure with Multiple Assets: An Experimental Investigation into Direct and Indirect Dealer Competition. *Journal of Financial Markets*.
- Schnitzlein, C. (2002). Price Formation and Market Quality When the Number and Presence of Insiders Is Unknown. *The Review of Financial Studies*, 1077-1109.

Schnitzlein, C., Lamoureux, C. (1997). When It's Not the Only Game in Town: The Effect of Bilateral Search on the Quality of a Dealer Market. *The Journal of Finance*, 683-712.

Schnitzlein, C. (1996). Call and Continuous Trading Mechanisms Under Asymmetric Information: An Experimental Investigation. *The Journal of Finance*, 613-636.

Presentations Given

Schnitzlein, C. R., American Economic Association Annual Meeting, AEA, Georgia. (January 5, 2019).

Schnitzlein, C. (Author), Morales, E. (Author & Presenter), "Information and Risk Attitudes: An Experiment." (March 21, 2018).

Schnitzlein, C. R., GSB Research Seminar Series, "Information and Risk Attitudes: An Experiment," University of Vermont, Burlington. (February 21, 2018).

Schnitzlein, C. (Author & Presenter), Financial Management Association Annual Meeting, "Come On In, the Water's Fine! An Experimental Examination of Hybrid IPO Auctions with a Public Pool," FMA, Florida, United States. (October 2015).

Schnitzlein, C., Invited Research Seminar/Ivey School of Business, "Multi-unit Auctions with Noncompetitive Bidding", Ivey School of Business, London, Canada. (April 25, 2014).

Schnitzlein, C., Southern Finance Assoc Annual Meeting, "Information Aggregation When Informed Traders Have Independent Information", SFA, United States. (November 2013).

Schnitzlein, C., Invited Lecture/Stetson University, "On the persistence of overconfidence," Stetson University, Deland, United States. (April 19, 2013).

Schnitzlein, C., Midwest Finance Assoc Annual Meeting, "On the persistence of overconfidence," Chicago, Illinois, United States. (March 2013).

Schnitzlein, C., Experimental Finance Conference, "On Information Aggregation," Society for Experimental Finance, Luxembourg. (September 7, 2012).

Schnitzlein, C., Eastern Finance Association Annual Meeting, "Multi-unit Auctions with Noncompetitive Bidding." (April 20, 2012).

Schnitzlein, C., Invited Research Seminar/Hebrew University in Jerusalem, "Information Aggregation When Informed Traders Have Independent Information," Hebrew University, Israel. (October 11, 2011).

Research Currently in Progress

"Bidding Strategies in Multi-Unit Common Value Experimental Auctions: Symmetric Nash, Level-k Or?" (On-Going).

We explore bounded-rationality alternatives to a fully rational Bayesian-Nash equilibrium in bidding in common value auctions.

"Can Markets Aggregate Independent Information? A Comparison of a Continuous Double Auction and a Market Scoring Rule?"

UNDER SECOND ROUND REVIEW: Review of Finance (FT50 & ABS4)

We study information aggregation in an experimental market in which there are multiple pieces of information that combine additively to determine intrinsic value. We compare two

mechanisms: a continuous double auction and a prediction market based on a market scoring rule. In the continuous double auction, when signals are all bullish or all bearish, market prices never reach intrinsic value. When information is in conflict, ending prices are typically within the range of signals but the midpoint of the spread at the close is often on the wrong side of the unconditional expectation. We show both under reaction and overreaction can arise in a unified framework due to strategic behavior that is consistent with a model of limit order trading. In the prediction market, overall inefficiency is similar despite a unique Bayesian Nash equilibrium that implies complete information aggregation.

"Does Information Quality Affect Risk Preferences?" (On-Going).

We use theoretical and experimental evidence to show that lower quality information can lead to more aggressive bidding behavior. Specifically, we find that subjects without a private information signal display less risk aversion than those receiving valuable information. Our results have implications for understanding noise trading in financial markets and interpreting the behavior of entrepreneurs. We have completed 40 experimental sessions. We expect the paper to be ready for submission by the end of the summer.

"Is confidence a proxy for risk-preferences?" (On-Going).

This project builds on previous work: Morales, Sade, Schnitzlein and Zender (2013-JFQA) and Sade, Schnitzlein, and Zender, and Morales, Sade, Schnitzlein and Zender (2013). In the former paper we used experimental methods to study the performance of various types of auction mechanisms. We measured pre and post experiment for each subject and uncovered a relationship between confidence and bidding behavior. In the latter paper we analyze the determinants and implications of the level of confidence. In this project we extend that work and seek to fill a major gap in the literature by studying the relationship between confidence and risk preferences. This is important because many of the influential theoretical and empirical analyses that study the implications of overconfidence for investor behavior and market outcomes do so in a way that confounds attitude toward risk and overconfidence.

"Why DCF Analysis Misallocates Resources and Damages Social Welfare" (On-Going).

TEACHING

Teaching Experience

The University of Vermont

BSAD 184, Financial Institutions & Markets, 1 course.
BSAD 282, Security Val & Portfolio Mgmt, 11 courses.
BSAD 299, Business Admin Honors Thesis, 4 courses.
BSAD 301, Finance for Innovators, 2 courses.
BSAD 392, Independent Study, 1 course.
BSAD 395, Corporate Finance, 2 courses.
BSAD 396, Finance for Innovators, 2 courses.
MBA 301, Finance for Innovators I, 6 courses.
MBA 302, Finance for Innovators II, 6 courses.
MBA 303, MD3: Growing a Sust. Enterp., 1 course.
MBA 304, MD4: Sust. and Entrep., 1 course.
MBA 305, Sustainable Entrepreneurship in Action - Practicum, 5 courses.
MBA 395, Law Framework Entrepr Business, 1 course.
MBA 396, Intro to Sustainable Finance, 1 course.

Awards and Honors

Teaching Incentive Program Teaching Award, University of Central Florida. (April 2014).

SERVICE

Department Service

Committee Chair, Ad hoc committee to revise the finance department curriculum. (March 2015 - Present).

Committee Chair, Pizzagalli Chair in Free Enterprise Search Committee. (August 2017 - April 2018).

Committee Chair, Daigle Professorship in Finance Search Committee. (August 2014 - March 2015).

Service to Academic Community

Committee Member, Grossam Endowed Chair Search Committee. (December 2020 - Present).

I took on this task at the request of the SEMBA co-directors, Ad hoc committee to revise the SIMBA preparatory curriculum. (June 2015 - Present).

Committee Member, SIMBA 5-year review committee. (January 2019 - September 2019).

Committee Member, SIMBA 5-year review committee. (January 2019 - May 2019).

Committee Chair, Pizzagalli Chair in Free Enterprise recruitment Committee. (July 2017 - March 2018).

Committee Member, Stata Summer Research Award Criteria, Selection, Evaluation, and Brownbag Coordinator. (August 2015 - May 2017).

Committee Chair, Beckley Chair in Business Selection Committee. (February 2016 - February 2017).

Committee Chair, Ad hoc committee to establish sabbatical procedures for the Grossman School. (January 2016 - December 2016).

I initiated this revision of the curriculum., Ad hoc committee to revise the required quantitative sequence for Grossman School Majors. (August 2015 - August 2016).

Committee Chair, Daigle Professorship Recruitment Committee. (August 18, 2014 - March 18, 2015).

University Service including GSB

Committee Member, SRI Advisory Council. (August 2015 - Present).

Research, Scholarship & the Creative Arts Committee. (August 2016 - August 2019).

Committee Chair, MS Thesis Committee for Monica Petrella (CDAE). (February 2016 - August 2016).

Committee Member, Sharma Dean Review Committee. (October 2015 - February 2016).

Professional Service

Editor, Associate Editor, Journal of Financial Research. (December 2017 - Present).

Reviewer, Ad Hoc Reviewer, Management Science. (August 20, 2020 - August 23, 2020).

Reviewer, Ad Hoc Reviewer, Financial Innovation. (February 11, 2020 - February 14, 2020).

Editor, Associate Editor, Journal of International Markets, Institutions and Money. (January 2011 - January 2020).

Committee Member, Department of Finance, University of Central Florida. (May 2014 - July 2018).

Committee Member, Department of Finance, University of Central Florida. (June 2014 - January 2018).

Reviewer, Ad Hoc Reviewer, Journal of Finance. (September 2, 2016 - September 21, 2016).

Invited External Tenure Review, Loyola Marymount University. (August 8, 2016 - September 2, 2016).

Invited External Review for Promotion to Full Professor, McMaster University. (August 12, 2016 - August 30, 2016).

Reviewer, Ad Hoc Reviewer, Journal of Finance. (May 17, 2015 - May 23, 2015).

Reviewer, Ad Hoc Reviewer, Review of Financial Studies. (March 14, 2014 - March 25, 2015).

Reviewer, Ad Hoc Reviewer, Journal of Banking and Finance. (February 17, 2015 - February 21, 2015).

Reviewer, Journal Article, Review of Financial Studies. (July 20, 2014 - July 25, 2014).

Reviewer, Journal Article, Journal of Financial and Quantitative Analysis. (October 20, 2013 - October 29, 2013).

Reviewer, Journal Article, Review of Financial Studies. (August 8, 2013 - August 14, 2013).

Reviewer, Journal Article, Journal of Finance. (June 20, 2013 - June 28, 2013).

Reviewer, Journal Article, Review of Financial Studies. (May 2, 2013 - May 7, 2013).

Reviewer, Journal Article, Journal of Economics and Psychology. (March 18, 2013 - March 20, 2013).

Reviewer, Journal Article, Journal of Financial Research. (March 9, 2013 - March 12, 2013).

Reviewer, Journal Article, Review of Financial Studies. (January 10, 2013 - January 15, 2013).

Reviewer, Journal Article, Journal of Finance. (September 15, 2012 - September 21, 2012).

Reviewer, Journal Article, Journal of Financial Markets. (August 10, 2012 - August 20, 2012).

Reviewer, Journal Article, Journal of Economics and Psychology. (May 10, 2012 - May 14, 2012).

Consulting

Non-Governmental Organization (NGO), Dr Phillips Charities, Orlando, Florida, United States.
(May 2008 - June 2014).