

PROMOTION RECOMMENDATION
The University of Michigan
Stephen M. Ross School of Business

Kyle Handley, assistant professor of business economics and public policy, Stephen M. Ross School of Business, is recommended for promotion to associate professor of business economics and public policy, with tenure, Stephen M. Ross School of Business.

Academic Degrees

Ph.D.	2011	University of Maryland, Economics, College Park, MD
M.Sc.	2006	London School of Economics, Economics, London, UK
B.S.	2000	University of Wisconsin- Madison, Economics and Mathematics, Madison, WI

Professional Record:

2012 – Present	Assistant Professor of Business Economics and Public Policy, University of Michigan, Stephen M. Ross School of Business, Ann Arbor, MI
2016 – 2017	Sanford Robertson Professor of Business Administration, University of Michigan, Stephen M. Ross School of Business, Ann Arbor, MI
2011 - 2012	Post-doctoral Fellow, Stanford Institute for Economic Policy Research, Stanford University, Stanford, CA
2007 – 2011	Economist, U.S. Bureau of the Census, Washington, D.C.

Summary of Evaluation:

Teaching: In his time at Ross, Professor Handley has taught in four different degree programs: BBA, MBA, EMBA and PhD. The course he has taught most often is BE 300, the core applied microeconomics course in the BBA program. As the core course coordinator, he significantly updated course materials and introduced several pedagogical innovations. The pedagogical innovations include in-class exercises related to demand and supply and pricing, as well as the use of Learning Catalytics, an interactive digital technology tool. Professor Handley uses this tool to ask students a variety of questions about the lecture material and to run small experiments to illustrate key concepts. One of the benefits of the technology is that it facilitates participation from a broader cross-section of students. On the end-of-semester evaluation form, one student wrote, “it was easy to participate in this class, which is not a feeling I have with many classes.” Professor Handley’s enthusiastic and innovative approach to BE 300 has paid off in strong teaching evaluations. The last three times he taught the course (twice in Winter 2016, once in Winter 2017), 92% of students responded 4 or 5 on Q8. Students gave him similarly high marks for being organized and well prepared (93% responded 4 or 5 on Q2). He also received strong evaluations for a related course, BE 301, the area’s attempt to offer an advanced version of the applied microeconomics core for students who had already taken and done well in intermediate microeconomics in the economics department. Because this course emphasized advanced topics and a more quantitative approach, it was a substantially different prep than BE 300. He taught this course one time (Fall 2013). The course did very well in terms of evaluations (a mean Q8 score of 4.86), but unfortunately there was not sufficient demand. A basic problem was that the students who qualified for the advanced version of the core preferred to take the standard version, where they could expect to get an A.

This past academic year, Professor Handley agreed to teach EMBA 637, the macroeconomics course in the EMBA program. He invested heavily in the course and worked hard to emphasize the relevance

of the material to front-page news that managers should understand. His syllabus mixed textbook readings with newspaper articles and podcasts with the goal of providing students the tools they need to better understand the contemporary macroeconomic environment and related policy debates. The executives who make up the student body in this program found the course difficult and too onerous. However, from their written comments, it is clear that they recognized the value of the learning and the dedication, and high quality materials and teaching, that Professor Handley brought to the classroom.

Professor Handley has done an excellent job teaching in the PhD program. Because his own research program is broad in terms of methodology, he is well equipped to introduce students to cutting edge research that is well grounded in economic theory and that uses a variety of econometric techniques (e.g., reduced form as well as structural methods). He has been an active PhD adviser of both the Business and Economics and the LS&A's Economics department students. His CV lists 13 students on whose committees he served. A second hallmark of Professor Handley's teaching record is rigor. He expects a lot from students and pushes them intellectually. His approach is very well-suited for the PhD (and BBA) program. Students benefit from the tough questions he asks and direct feedback he gives in seminars and the detailed comments he gives on their papers and presentations. Overall, we consider Professor Handley's teaching record to be very good.

Research: Professor Handley's research program has three streams. One examines the effects of policy uncertainty on international trade, business and general economic welfare. The second stream investigates the effect of private equity financing on key firm outcomes, including productivity and employment. The third stream connects the first two by examining the effect of international trade on employment and the structure of industries. Professor Handley is best known for his research on trade policy uncertainty. A fundamental insight of this research is that when there is uncertainty about tariff rates and other aspects of trade policy, firms will be reluctant to make costly investments and will be less responsive to positive demand shocks. Thus, policies that help resolve this uncertainty have the potential to increase trade flows even if there is no change in actual tariff rates. Recent current events suggest the importance of this idea: many experts argue that the uncertainty created by the Trump Administration's threats has been as damaging to international trade and economic growth as the actual tariff increases that have been imposed. Professor Handley has three A level publications and three working papers on this topic. The second main stream of his research examines the economic effects of leveraged buyouts by private equity firms. These transactions have been the subject of considerable debate and some controversy. Critics argue that they destroy jobs and leave companies saddled with debt, while defenders of these deals claim that they improve firm efficiency and productivity. Empirical evidence on the question has been incomplete and, in some cases, misleading. His research uses comprehensive and detailed data to shed light on what leveraged buyouts mean for job creation and destruction, firm productivity and market exit and entry. The results suggest that private equity managers indeed seem to make decisions and implementing policies that the selling firm found difficult to pursue, such as shutting down low performing units and shedding workers, but they also provide capital and managerial resources to expand profitable business activities. The third main stream of Professor Handley's research relates to the effect of trade on industries and employment outcomes. The impact of international trade on domestic firms and employment is a key reason why debates about trade policy have become so important and contentious in recent years. He has written several papers that contribute to this debate.

An important quantitative indicator of Professor Handley's research productivity is his success in obtaining extramural funding. To date, he has received six grants totaling \$400,000. This includes a

grant from the highly competitive National Science Foundation program in Social, Behavioral and Economic Sciences. In addition, he was recently named a Campbell Visiting Fellow at Stanford's Hoover Institution, where he will visit in the summer of 2019.

An additional aspect of Professor Handley's case that gives us confidence is his strong pipeline. His CV lists seven working papers and his research statement describes other work in progress, including both extensions of his published work and projects that will take his research program in new directions. These working papers include collaborations with an established star (Nick Bloom of Stanford GSB), another economist in his cohort (Tim Moore of Purdue), two former PhD advisees (Vanessa Alvarez and Sui-jade Ho) and a current PhD advisee (Frank Li). We are particularly excited with his research on the impact of Chinese trade on U.S. employment. Like his work on trade policy, this project is on a topic that is of first-order importance to economists. Overall, we consider Professor Handley's research record to be excellent.

Recent and Significant Publications:

- Carballo, J., Handley, K., & Limão, N. (2018). Economic and Policy Uncertainty: Export Dynamics and the Value of Agreements (NBER Working Papers No. 24368). *National Bureau of Economic Research, Inc.*
- Handley, K. & Limão, N. (2017a). Policy Uncertainty, Trade, and Welfare: Theory and Evidence for China and the United States. *American Economic Review*, 107(9), 2731–83.
- Handley, K. & Limão, N. (2015). Trade and Investment under Policy Uncertainty: Theory and Firm Evidence. *American Economic Journal: Economic Policy*, 7(4), 189–222.
- Handley, K. (2014). Exporting under Trade Policy Uncertainty: Theory and Evidence. *Journal of International Economics*, 94(1), 50–66.
- Davis, S. J., Haltiwanger, J., Handley, K., Jarmin, R., Lerner, J., & Miranda, J. (2014). Private Equity, Jobs, and Productivity. *American Economic Review*, 104(12), 3956–90.

Service: Professor Handley's record of service to the area, the school and the profession exceeds by a wide margin what is expected of assistant professors. In particular, he has taken on a major service role as the director of the PhD Program in Business and Economics, which is a joint program with the LS&A's Economics Department. He has done so with energy, enthusiasm and creativity. Even before taking on this role, he made major contributions to the program by reviewing applications and mentoring students. He also has been an active and thoughtful participant in faculty recruiting over the years. At the level of the school, he took the initiative to organize informal lunches and other events for junior faculty. His service to the profession includes being a co-organizer of three conferences hosted here at UM. He is a very active reviewer and conference participant. Overall, we consider Professor Handley's service record to be excellent.

External Reviewers:

Reviewer A: "Kyle clearly works on first order issues in the field of international trade. The role of uncertainty in trade policy had largely been ignored, and his work with Nuno Limao on this topic has clearly left a large imprint in our field. Plus, it has proven to be incredibly timely. I believe that his accomplishments to date should be sufficient to merit tenure at your institution."

Reviewer B: "Kyle is clearly in the very top group of untenured (or very recently tenured) economists working primarily on trade policy and agreements. His service to the profession in the form of conference organizing, outreach efforts and refereeing activities is impressive and seems indicative of

a scholar with a strong commitment to the profession. I am therefore happy to strongly recommend Kyle Handley for promotion to the rank of Associate Professor with tenure”

Reviewer C: “Kyle certainly compares favorably with other recently tenured scholars in our field. Despite being busy with the ‘trade policy uncertainty’ agenda I have described above, Kyle has also found time to write some of the best papers economics has to offer about the impact of private equity funding on real economic activity (such as job creation and destruction). I would strongly recommend that you make this promotion.”

Reviewer D: “[O]n the basis of his output, I would place Kyle among a strong group of [junior] scholars who study international economics at business schools and in economics departments. I support the promotion.”

Reviewer E: “Professor Handley deserves promotion to tenure on the basis of important scholarship and publications in top economics journals”

Reviewer F: “I think that Kyle deserves tenure at Ross and I think this is a clear case. Kyle has emerged as one of the leading scholars studying the impacts of trade policy uncertainty on firms. This research agenda has gained prominence over the past few years, and Kyle has been one major contributor’s to this area. This is a tenure case that Ross should be enthusiastic about. Promoting Kyle would continue Ann Arbor’s tradition of strength in international trade.”

Reviewer G: “His promotion is more than amply merited based on Kyle’s research to date. The quality and impact of his work is far enough above the bar for such an appointment that I do not see this case as even remotely close. His research to date has been extremely influential; and he shows no signs of slowing down (quite to the contrary). A promotion to a tenured position is amply merited.”

Summary of Recommendation: Professor Handley has an excellent research program. It is clear from the letters that he has established himself as a thought leader who has already made a significant impact on the profession. He has a healthy pipeline of papers and projects in progress that indicates a strong trajectory. Professor Handley is a dedicated and versatile teacher who brings enthusiasm and rigor to the classroom. He has also shown himself to be a generous colleague who is always willing to go above and beyond in providing service to the area, the school and the profession. With the support of the business and economics area and the Executive Committee, I am pleased to recommend the promotion of Kyle Handley to associate professor of business economics and public policy, with tenure, Stephen M. Ross School of Business.



D. Scott DeRue
Edward J. Frey Dean of Business
Stephen M. Ross School of Business

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