

# Daniel J. Taylor

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The Wharton School  
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## EDUCATION

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Stanford University

*Ph.D. Business, 2010*

Duke University

*M.A. Economics, 2005*

University of Delaware

*B.S. Economics, 2003*

*Minor: Information Systems; Cum Laude*

## ACADEMIC POSITIONS

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The Wharton School of the University of Pennsylvania

*Associate Professor (with tenure)*

2017 – present

Wharton Teaching Excellence Award, 2019

Wharton Faculty Fellow, 2019

Dean's Research Grant, 2019-2021

*Assistant Professor*

2011 – 2017

Harold C. Stott Assistant Professor, 2013-2017

Dean's Research Grant, 2011-2013

*Lecturer*

2010 – 2011

## RESEARCH INTERESTS

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opportunistic/fraudulent reporting; insider trading; white collar crime; disclosure theory;

## REFEREED PUBLICATIONS

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**Political Connections and the Informativeness of Insider Trades** (with A. Jagolinzer, D. Larcker, and G. Ormazabal) Journal of Finance, forthcoming

– Synopsis printed in *CATO Institute Research Briefs in Economic Policy* (Jan 2018)

- Featured in *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Sept 2016); *The Economist* (Feb 2018); *CNBC* (Feb 2018)
- Winner, *Outstanding Research Paper Award*, Jacobs Levy Center for Quantitative Financial Research (April 2019)

**Economics of Managerial Taxes and Corporate Risk-Taking** (with C. Armstrong, S. Glaeser, and S. Huang) *The Accounting Review*, January 2019, 1-24.

- Featured in *Columbia Law School Blue Sky Blog* (Dec 2017)

**Linguistic Complexity in Firm Disclosures: Obfuscation or Information** (with B. Bushee and I. Gow) *Journal of Accounting Research*, March 2018: 85-121.

- A widely-used Perl command to calculate Fog Index, *Lingua:EN:Fathom*, was revised as a direct result of the computational errors identified in this paper (see v1.22 of this command)

**JOBS Act and Information Uncertainty in IPO Firms** (with M. Barth and W. Landsman) *The Accounting Review*, Nov 2017: 25-47.

- Cited in the SEC’s final ruling on amendments to Regulation A of the Securities Act, “Amendments for Small and Additional Issues Exemptions Under the Securities Act” *SEC Release No. 33–9741, 34–74578, 39–2501*
- Featured in *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Aug 2014); speech by SEC Commissioner Kara Stein (Dec 2016); *CFO* (Oct 2017); *CPA Practice Advisor* (Oct 2017); *MarketWatch* (Oct 2017); *The Intercept* (Feb 2018); speech by SEC Commissioner Kara Stein (Jun 2018); *Xconomy* (Apr 2019)

**Guiding Through the Fog: Financial Statement Complexity and Voluntary Disclosure** (with W. Guay and D. Samuels) *Journal of Accounting and Economics*, Nov 2016: 234-269.

- Featured in *Columbia Law School Blue Sky Blog* (Mar 2015)

**From Casual to Causal Inference in Accounting Research: The Need for Theoretical Foundations** (with J. Bertomeu and A. Beyer) *Foundations and Trends in Accounting*, Fall 2016: 1-53.

**Abnormal Accruals in Newly Public Companies: Opportunistic Misreporting or Economic Activity?** (with C. Armstrong and G. Foster) *Management Science*, May 2016: 1316-1338.

**Asymmetric Reporting** (with C. Armstrong and R. Verrecchia) Journal of Financial Reporting, Spring 2016: 15-32.

**Delegated Trade and the Pricing of Public and Private Information** (with R. Verrecchia) Journal of Accounting and Economics, Dec 2015: 8-32.

**The Relation Between Equity Incentives and Misreporting: The Role of Risk-Taking Incentives** (with C. Armstrong, D. Larcker, and G. Ormazabal) Journal of Financial Economics, Aug 2013: 327-350.

- Featured in Keynote Address by PCAOB Chair James Doty at *AICPA National Conference on Current SEC and PCAOB Developments* (Dec 2012); *Wall Street Journal* (May 2013); *Harvard Law School Forum on Corporate Governance and Financial Regulation* (May 2013)

**Why Do Pro Forma and Street Earnings Not Reflect Changes in GAAP? Evidence from SFAS 123R** (with M. Barth and I. Gow) Review of Accounting Studies, Sep 2012: 526-562.

- Featured in *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Nov 2010); *Wall Street Journal* (May 2015)

**Asset Securitizations and Credit Risk** (with M. Barth and G. Ormazabal) The Accounting Review, Mar 2012: 423-448.

**Frictions in the CEO Labor Market: The Role of Talent Agents in CEO Compensation** (with S. Rajgopal and M. Venkatachalam) Contemporary Accounting Research, Spring 2012: 119-151.

**Corporate Governance and the Information Content of Insider Trades** (with A. Jagolinzer and D. Larcker) Journal of Accounting Research, Dec 2011: 1249-1273.

- Featured in *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Oct 2011); *Marketwatch* (Mar 2019);

**The Market Reaction to Corporate Governance Regulation** (with D. Larcker and G. Ormazabal) Journal of Financial Economics, Aug 2011: 431-448.

- Cited in the SEC's final ruling on proxy access (SEC Rules 14a-8 and 14a-11), "Facilitating Shareholder Director Nominations" *SEC Release No. 33-9136*

- Synopses printed in *Review of Financial Regulation Studies* (Winter 2011) and *CFA Digest* (Aug 2011)
- Featured in *Wall Street Journal* (Jul 2010); *New York Times* (Nov 2010); *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Sep 2010); *CFA Institute* (Aug 2014)

**When Does Information Asymmetry Affect the Cost of Capital?** (with C. Armstrong, J. Core, and R. Verrecchia) Journal of Accounting Research, Mar 2011: 1-40.

- Cited in the SEC’s proposed rule regarding mandatory clawbacks “Listing Standards for Recovery of Erroneously Awarded Compensation” *SEC Release No. 33-9861, 34-75342*
- Cited in the SEC’s proposed amendment to Section 404(b) of SOX “Amendments to the Accelerated Filer and Large Accelerated Filer Definitions” *SEC Release No. 34-85814*

**Correcting for Cross-Sectional and Time-Series Dependence in Accounting Research** (with I. Gow and G. Ormazabal) The Accounting Review, Mar 2010: 483-512.

- 2<sup>nd</sup> most highly-cited paper published in *The Accounting Review* in the past decade (source: Thomson ISI/WebOfScience)

## **NON-REFEREED ACADEMIC PUBLICATIONS**

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**Thoughts on the Divide Between Theoretical and Empirical Research in Accounting** (with Q. Chen, J. Gerakos, and V. Glode) Journal of Financial Reporting, Fall 2016: 47-58.

**In Defense of Fair Value: Weighing the Evidence on Earnings Management and Asset Securitizations** (with M. Barth) Journal of Accounting and Economics, Feb 2010: 26-33.

**The Stock Market’s Pricing of Customer Satisfaction** (with C. Ittner and D. Larcker) Marketing Science, Oct 2009: 826-835.

## **PRACTITIONER PUBLICATIONS AND REGULATORY COMMENT LETTERS**

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**Governance of Corporate Insiders’ Equity Trades** (with D. Larcker, J. Kepler, and B. Tayan) in Stanford Closer Look Series, Jan 2020: 1-5. Stanford University Press.

- Featured in *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Jan 2020);

**Comment Letter on Proposed Exemption to Internal Control Audits under SOX 404(b)** (with M. Barth, W. Landsman, and J. Schroeder), Jul 2019

- Featured in *Wall Street Journal* (Jul 2019); *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Jul 2019); *Council of Institutional Investor’s Comment Letter to the SEC* (Jul 2019); *Better Market’s Comment Letter to the SEC*; *Wall Street Journal* (Aug 2019); *CFA Institute’s Comment Letter to the SEC*; *Corporate Secretary* (Aug 2019); *Internal Audit 360* (Aug 2019)

**Follow the Money: Compensation, Risk, and the Financial Crisis** (with D. Larcker, G. Ormazabal, and B. Tayan) in Stanford Closer Look Series, Sept 2014: 1-5. Stanford University Press.

**Post-Earnings Announcement Drift and Related Anomalies** in Handbook of Equity Market Anomalies (2011): 91-115. Wiley Publishing. Ed. Len Zacks.

## **CURRENT WORKING PAPERS**

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**Undisclosed SEC Investigations** (with T. Blackburne, J. Kepler, and P. Quinn)

**Audit Process, Private Information, and Insider Trading** (with S. Arif, J. Kepler, and J. Schroeder)

- Featured in *Harvard Law School Forum on Corporate Governance and Financial Regulation* (Nov 2018); *Marketwatch* (Mar 2019); *Council of Institutional Investors, The Voice of Corporate Governance* (May, 2019); *Marketwatch* (Jun 2019);
- Winner, *Best Academic Paper Award*, Weinberg Corporate Governance Symposium (Mar 2019)

**Proprietary Costs and Disclosure Substitution: Theory and Empirical Evidence** (with M. Heinle and D. Samuels)

**The Economics of Public Scrutiny and Financial Misreporting** (with D. Samuels and R. Verrecchia)

- Featured in *CFO* (May 2018); *Barron’s* (Jun 2018)

## **CONFERENCE DISCUSSIONS AND PANELS**

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*“Theory and Inference in Accounting Research,” 2019 Stanford Theory & Inference Conference*

*“Surviving and Thriving in the Profession,” 2019 AAA Doctoral Consortium*

*“Change in Capitol: How a 60 Minutes Expose and the STOCK Act Affected the Investment Activity of U.S. Senators,” 2017 FEA Conference*

*“When and Why do IPO Firms Manage Earnings,” 2017 Review of Accounting Studies Conference*

- Winner, Morgan-Stanley Best Discussant Prize *2017 Review of Accounting Studies Conference*

*“Pre-IPO Communication and Analyst Research: Evidence Surrounding the JOBS Act,” 2017 NYU/SEC Changing Role of Stock Markets in Capital Formation*

*“Increased Creditor Rights, Institutional Investors, and Corporate Myopia,” 2016 Harvard IMO Conference*

*“Payoffs to Aggressiveness,” 2015 AAA Annual Meeting*

*“The Unification of Theory and Empirical Research and the Path toward Knowledge,” 2015 Junior Accounting Theory Conference*

*“Corporate Governance and Securitization Quality: The Impact of Shareholder Rights in the Banking Industry,” 2014 AAA Annual Meeting*

*“Earnings Co-Movement and Earnings Manipulation in Different Economic States,” 2014 FARS Mid-year Conference*

*“Managerial Incentives to Increase Firm Volatility Provided by Debt, Stock, and Options,” 2013 Washington University St. Louis Nick Dopuch Conference*

*“The Association Between Audit Committee Characteristics and Information Asymmetry,” 2013 AAA Annual Meeting*

*“Accounting Experts, Information Cost, and Implied Cost of Equity Capital,” 2013 AAA Annual Meeting*

*“Management Team Incentive Alignment and Firm Value,” 2013 FARS Mid-year Conference*

*“Sell-Side Analyst Research and Stock Comovement,” 2012 FARS Mid-year Conference*

*“Identifying Expectation Errors in Value/Glamour Strategies,” 2011 Colorado Conference*

*“Actuarial Independence, Client Importance, and Pension Assumptions,” 2011 FARS Mid-year Conference*

*“Outside Directors' Equity Compensation and Information Acquisition,” 2011 FARS Mid-year Conference*

*“Are Short Sellers Informed? New Evidence from Short Sales on Financial Firms during the 2007-2008 Subprime Crisis,” 2010 AAA Annual Meeting*

*“Market Reaction to Financial Asset Impairments during the Financial Crisis of 2007-2008,” 2010 AAA Annual Meeting*

*“Geographic Location, Media Coverage, and Investor Reactions,” 2010 FARS Mid-year Conference*

*“Banks’ Asset Securitization and Information Asymmetry,” 2009 FARS Mid-year Conference*

*“Stock Returns and Trading Activity Around Earnings Announcements for Chinese A-Shares,” 2008 AAA Meeting*

## **INVITED PRESENTATIONS**

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2020: SEC Commission-wide Data Science Seminar

2019: Stanford; Michigan; PCAOB; SEC Commissioner’s Office (x2); Washington Univ; Weinberg Corporate Governance Symposium; Florida; Carnegie-Mellon; Miami; Stanford Theory and Inference; Notre Dame Conference; Columbia; Indiana; Hawaii

2018: MIT; Toronto

2017: UC-Davis; Minnesota Spring Conference; NYU/SEC Changing Role of Stock Markets in Capital Formation; Review of Accounting Studies conference; FEA conference

2016: Temple; Utah; Chicago; Cornell; Harvard IMO Conference; Securities & Exchange Commission; Texas A&M; Treasury; Southern District of New York; FBI

2015: Rochester; AAA Mid-Atlantic Doctoral Consortium; Delaware; Penn State Accounting Research Conference; Colorado Summer Camp; Junior Accounting Theory Conference; AAA Annual Meeting

2014: FARS Mid-year Meeting; University of Texas Corporate Governance conference; Junior Accounting Theory Conference; AAA Annual Meeting; Stanford Summer Camp; USC; SUNY-Binghamton; Northwestern

- 2013: FARS Mid-year Meeting; Duke; AAA Annual Meeting; Duke/UNC Fall Camp; LBS; Washington University St. Louis Nick Dopuch Conference
- 2012: UNC; Miami; PennState; FARS Mid-year Meeting; FEA Conference
- 2011: FARS Mid-year Meeting; MIT; Northwestern; University of Minnesota; Colorado Summer Camp; Review of Accounting Studies conference
- 2010: FARS Mid-year Meeting; AFA Annual Meeting; Berkeley; Chicago; Harvard; UCLA; Michigan; Wharton; NYU; Stanford; Yale; U.S. Securities & Exchange Commission; AAA Annual Meeting
- 2009: FARS Mid-year Meeting; Stanford
- 2008: Stanford; AAA Annual Meeting; FEA Conference

### **INVITED CONFERENCES**

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- 2019: Weinberg Corporate Governance Symposium (presenter); Theory and Inference in Accounting Research (moderator); Carnegie-Mellon Conference (panelist); Notre Dame Accounting Conference (scheduled); Miami Winter Warm-Up Conference (invited participant)
- 2018: JAR conference (invited participant); NYU Summer Camp (invited participant); Harvard IMO conference (invited participant); Wharton Spring Conference (invited participant); Harvard IMO conference (invited participant); NYU Summer Camp (invited participant); Stanford Summer Camp (invited participant); Junior Accounting Theory Conference (invited participant); Toronto Summer Camp (presenter); JAR/PCAOB conference (invited participant); JAE conference (invited participant)
- 2017: Minnesota Empirical Conference (presenter); NYU/SEC Changing Role of Stock Markets in Capital Formation (discussant); JAR conference (invited participant); Wharton Spring Conference (invited participant); Review of Accounting Studies conference (discussant); JAR/PCAOB conference (invited participant); JAE conference (invited participant); FEA conference (discussant);
- 2016: JAR conference (invited participant); Harvard IMO conference (discussant); Wharton Spring Conference (invited participant); Colorado Summer Camp (invited participant); Stanford Summer Camp (invited participant); RAST conference (invited participant); JAR/PCAOB conference (invited participant); JAE conference (invited participant);
- 2015: AAA Mid-Atlantic Doctoral Consortium (presenter); Penn State Accounting Research Conference (presenter); JAR conference (invited participant); Colorado Summer Camp (presenter); Junior Accounting Theory Conference (moderator); AAA Annual Meeting (discussant); JAE conference (presenter); JAR/PCAOB conference (invited participant); Washington University Nick Dopuch Conference (invited participant);
- 2014: FARS Mid-year Meeting (presenter, discussant); University of Texas Corporate Governance conference (presenter); JAR conference (invited participant); Junior



- Accounting Theory Conference (presenter); AAA Annual Meeting (discussant); Stanford Summer Camp (presenter); JAE conference (presenter); Causality Conference (invited participant)
- 2013: FARS Mid-year Meeting (discussant); JAE/HBS Social Responsibility conference (invited participant); Colorado Summer Camp (invited participant); Stanford Summer Camp (invited participant); UNC Global Issues in Accounting conference (invited participant); NYU-Stern Summer Camp (invited participant); AAA Annual Meeting (discussant); Duke/UNC Fall Camp (presenter); Washington University Nick Dopuch Conference (discussant); JAE conference (invited participant)
- 2012: FARS Mid-year Meeting (presenter, discussant); Colorado Summer Camp (invited participant); JAR/FRBNY Financial Crisis conference (invited participant); JAE conference (invited participant); FEA conference (presenter)
- 2011: FARS Mid-year Meeting (discussant); Stanford Summer Camp (invited participant); Colorado Summer Camp (discussant); RAST conference (presenter); JAE conference (invited participant)
- 2010: FARS Mid-year Meeting (presenter, discussant); AFA Annual Meeting (presenter); Stanford Summer Camp (invited participant); AAA Annual Meeting (discussant); JAE conference (invited participant)
- 2009: FARS Mid-year Meeting (presenter, discussant); AAA Tahoe Doctoral Consortium (invited participant); Stanford Summer Camp (invited participant)
- 2008: FARS Doctoral Consortium (invited participant); AAA Annual Meeting (presenter, discussant); JAE Conference (invited participant); FEA Conference (presenter);
- 2007: Stanford Summer Camp (invited participant)
- 2006: Stanford Summer Camp (invited participant)
- 2004: Duke-UNC Fall Camp (invited participant); Young Researchers in Time-Series Forecasting (invited participant)

## **INTERNAL AND EXTERNAL SERVICE**

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### Editorial Positions

The Accounting Review	<i>Editor</i>	2018 – present
	<i>Editorial Board</i>	2017 – 2018
Management Science	<i>Associate Editor</i>	2018 – present
Review of Accounting Studies	<i>Editorial Board</i>	2018 – present
SSRN Accounting Theory eJournal	<i>Editorial Board</i>	2018 – present
Journal of Accounting Research	<i>Editorial Board</i>	2016 – present
	<i>Referee of the Year</i>	2019

Journal of Financial Reporting	<i>Editorial Board</i>	2016 – present
Journal of Accounting and Economics	<i>Editorial Board</i>	2015 – present

#### DISSERTATION COMMITTEES & PLACEMENTS

John Kepler	(Stanford)	2019
Delphine Samuels	(MIT)	2017
Michael Carniol	(Rutgers)	2017
Jason Xiao	(University of Rochester)	2016
David Tsui	(USC)	2015
Terrence Blackburne	(University of Washington)	2013

#### PROFESSIONAL SERVICE

Member, WRDS Advisory Board		2019 – present
Leader, AAA/Deloitte Doctoral Consortium		2019 – present
Leader, AAA New Faculty Consortium		2019
Organizer & Founder, Wharton Theory Boot Camp for Empiricists		2018 – present
Member, Wharton IT Steering Committee		2017 – present
Member, Wharton Rookie Recruiting Committee		2015 – present
Member, Wharton PhD Qualifying Exam Committee		2012 – present
Organizer, Wharton Research Assistant Pool		2011 – 2017
Member, FARS Meeting Editorial Committee		2017
Member, FARS Best Dissertation Award Committee		2016
Member, Wharton PhD Curriculum Committee		2016
Organizer, Wharton Seminar Series		2013 – 2015
Member, AAA Meeting Editorial Committee		2013

### **COURSE DEVELOPMENT**

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#### PREDICTIVE ANALYTICS USING FINANCIAL DISCLOSURES (Spring 2019 – present)

Created this experiential course for undergraduates interested in learning how to manipulate Big Data and build predictive models. The course covers three hands-on applications in accounting contexts: (i) improving earnings forecast models, (ii) predicting accounting fraud, and (iii) detecting insider trading. The course draws on cutting-edge academic research in each area; introduces basic SQL coding skills; and leverages the datasets of Wharton Research Data Services.

#### EMPIRICAL DESIGN IN ACCOUNTING RESEARCH (Spring 2014 – present)

Created this course for Ph.D. students looking for an advanced course on empirical methodology and research design with application to the accounting literature. The course emphasizes applied econometrics and research design rather than topical

coverage of the literature [mini-versions taught at Northwestern, Stanford, and Washington University].

INTRODUCTION TO FINANCIAL ACCOUNTING (Fall 2010 – Fall 2017)

Designed a custom course pack for ~800 students to be used across all sections of Accounting 101 in Fall and Spring Semester.

**ADDITIONAL INFORMATION**

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Citizenship: United States

Hobbies/Other: Home improvements, Hiking, Eagle Scout