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**MIT PLACEMENT ADMINISTRATOR**

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**DOCTORAL STUDIES**     Massachusetts Institute of Technology (MIT)  
Ph.D., Economics, Expected completion June 2008  
DISSERTATION: "Three Essays in Development Finance"

**DISSERTATION COMMITTEE AND REFERENCES**

Professor Esther Duflo  
MIT Department of Economics  
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**PRIOR EDUCATION**     Princeton University, *Summa Cum Laude*, A.B., Economics, 1993  
Thesis: "Gender Bias in U.S. Household Expenditure Data"

**CITIZENSHIP**     United States

**LANGUAGES**     English (native), Spanish (intermediate), Russian (basic)

**RESEARCH & TEACHING FIELDS**     Primary Field: Development  
Secondary Fields: Applied Microeconomics, Experimental Economics

**TEACHING EXPERIENCE**     Impact Assessment and Randomized Evaluation, Abdul Latif Jameel Poverty Action Lab, Teaching Fellow, 2005-present  
The Challenge of World Poverty (undergraduate, MIT course 14.11), Teaching Assistant to Professor Abhijit Banerjee, Fall 2006  
Impact Evaluations and Randomized Experiments, European Bank for Reconstruction and Development, Instructor, November 2006

Econometric Theory (graduate, MIT course 14.382), Teaching Assistant to Professors Victor Chernozhukov and Jerry Hausman, Spring 2006

- INDUSTRY EXPERIENCE** Centre Partners Management LLC, Associate (1996-2000), Principal (2000-2002)  
Analyzed, executed, and monitored investments for Centre Partners, a private equity investment partnership with \$800 million under management focused both on leveraged control transactions and structured minority investments in small-to-mid-cap companies. Board member of Bravo Corporation and Rembrandt Photo Services. Member of Advisory Committee for Centre Palisades Ventures and View India Enterprises, a venture capital fund targeting the Indian market.
- Morgan Stanley & Co. Inc., Analyst, Merchant Banking Division (1993-1995)  
Active in the development, analysis, execution and management of equity investments and debt financings for Morgan Stanley Capital Partners, manager of three equity funds representing over \$4 billion in committed capital.
- RESEARCH EXPERIENCE** Evaluation Consultant, European Bank for Reconstruction & Development (2006-present)  
Research Assistant to Professor Esther Duflo (2003-2006)  
World Bank, Special Assistant to Nicholas Stern, Chief Economist (2003)
- FELLOWSHIPS, HONORS, AND AWARDS** Russell Sage Foundation, Small Grant in Behavioral Economics (2007)  
George and Obie Schultz Fund (2007)  
National Science Foundation Graduate Research Fellowship (2005-2008)  
MIT Presidential Fellow (2003-2005)  
Wolf Balleisen Memorial Prize for Research in Economics (1993)
- PROFESSIONAL ACTIVITIES** MIT Graduate Economics Association, Co-President (2005-2006)  
Referee for *American Economic Journal: Applied Economics*, *The Economic Journal*, *Journal of Development Economics*, and *Review of Economics and Statistics*
- RESEARCH PAPERS** **“Contract Structure, Risk Sharing and Investment Choice” (Job Market Paper)**  
**Abstract:** Few microfinance-funded businesses grow beyond subsistence entrepreneurship. Most remain at a very small scale, with little capital and no employees. This paper considers one possible explanation: the structure of existing microfinance contracts may discourage risky but high-expected return investments. To explore this possibility, I develop a theory that unifies models of investment choice, informal insurance with limited commitment, and formal financial contracts. I then test the predictions of this theory with clients of a large microfinance institution in India using a series of experiments that allowed precise variation of both financial contracts and information. The experiments confirm the theoretical predictions that joint liability creates two inefficiencies. First, in the absence of effective mechanisms for peer monitoring, borrowers free-ride on their partners, making risky investments without compensating partners for this risk. Second, the addition of peer monitoring through project approval overcompensates, leading to sharp reductions in risk-taking and profitability. The theoretical prediction that group lending will crowd out informal insurance is not borne out by experimental evidence. While observed levels of informal insurance fall well short of the constrained Pareto frontier under both individual and joint liability, joint liability increases observed insurance transfers. Equity-like financing, in which partners share both the benefits and risks of more profitable projects, overcomes both of these inefficiencies and merits further testing in the field.

**“Efficiency and Rent Seeking in Local Government,”** with Esther Duflo and Raghavendra Chattopadhyay

**Abstract:** The decentralized provision of local public goods involves a tradeoff between the local government’s ability to elicit and serve the preferences of the citizens (efficiency) and the risk of elite capture (rent seeking). This paper proposes and implements a test of local government efficiency by using a policy in India that set aside leadership positions in local governments to members of disadvantaged minority groups. The set-asides, or “reservations,” are randomly assigned to villages, allowing unbiased estimates of their effects on the quantity and the types of public goods provided. If local governments are efficient, even if they discriminate against minority groups by supplying fewer public goods, they should still supply the public goods that minority groups value most. With homothetic preferences, when reservations increase the bargaining power of minorities, expenditures across all types of public goods should increase proportionately. We find that when leadership positions are reserved for disadvantaged minorities, hamlets in which these minorities live receive a greater allocation of public goods. Moreover, we can reject that this increase in public goods in minority hamlets is proportional to the distribution of goods when the leadership position is unreserved, suggesting local governments are not efficient.

**RESEARCH IN  
PROGRESS**

**“Financial Literacy & Firm Growth,”** with Antoinette Schoar and Alejandro Drexler

**Abstract:** A growing number of policymakers and microfinance institutions are providing basic business skills training to micro-entrepreneurs in order to encourage growth beyond the subsistence level. Yet the broad-based nature of most training programs makes it difficult to evaluate the mechanisms through which they operate. We conduct a randomized evaluation of a training program for micro-entrepreneurs in the Dominican Republic that allows us to identify the effects of cash management, investment planning, and accounting skills. By varying the treatment intensity, we can distinguish between the effects of receiving training, learning the material, and actually implementing the trained skills. This “proof of concept” approach will allow better targeting of human capital development programs.

**“Commitment, Paternalism, and Mental Accounting: The Effects of Programmed Savings and Remittance Products on Recipients and Senders,”** with Antoinette Schoar

**Abstract:** Remittances have become an important source of income for poor families in developing countries. Working with a large microfinance institution in the Dominican Republic, we designed a range of remittance-linked financial products: commitment savings accounts that restrict access to funds until certain savings targets are met; and programmed accounts that restrict the use of funds to certain items such as education, housing, or business investment. Using a randomized encouragement design, we can identify the welfare implications of remittances on recipients and test the hypothesis that recipients treat remittances differently than other sources of income while still providing all clients access to the remittance products. We test the effect of these accounts on the spending and investment behavior of recipients, distinguishing between the effects of commitment and mental accounting. We also evaluate the role of downstream commitment products on the remittance behavior of senders.