

# JFQA

## JOURNAL OF

## FINANCIAL AND QUANTITATIVE ANALYSIS

### Articles

**Political Uncertainty and Household Stock Market Participation**  
Vikas Agarwal, Hadiye Aslan, Lixin Huang, and Honglin Ren

**Using Patent Capital to Estimate Tobin's Q**  
Michael Woepfel

**Consolidating Product Lines via Mergers and Acquisitions:  
Evidence From the USPTO Trademark Data**  
Po-Hsuan Hsu, Kai Li, Xing Liu, and Hong Wu

**The Informational Role of Ownership Networks in Bank Lending**  
Haoyu Gao, Hong Ru, and Xiaoguang Yang

**Business Cycle Variation in Short Selling Strategies: Picking  
During Expansions and Timing During Recessions**  
Peter N. Dixon and Eric K. Kelley

**Agency Costs of Debt in Conglomerate Firms**  
Michela Altieri

**De Facto Bank Bailouts**  
Phong T. H. Ngo and Diego L. Puente-Moncayo

**The China Syndrome Affects Banks: The Credit Supply Channel  
of Foreign Import Competition**  
Sergio Mayordomo and Omar Rachedi

**Capital Inflows and Property Prices: Ethnicity, Education, and  
Spillovers**  
Yuk-Ying Chang and Sudipto Dasgupta

**Exporting Uncertainty: The Impact of Brexit on Corporate America**  
Murillo Campello, Gustavo S. Cortes, Fabrício d'Almeida, and  
Gaurav Kankanhalli

**Financial Globalization and Bank Lending: The Limits of  
Domestic Monetary Policy**  
Jin Cao and Valeriya Dinger

**Private Funds for Ordinary People: Fees, Flows, and  
Performance**  
Timothy J. Riddiough and Jonathan A. Wiley

**Language Skills and Stock Market Participation:  
Evidence From Immigrants**  
Xu Gan, Frank M. Song, and Yang Zhou

### Corrigendum

**Exporting Uncertainty: The Impact of Brexit on Corporate  
America—CORRIGENDUM**  
Murillo Campello, Gustavo S. Cortes, Fabrício d'Almeida,  
and Gaurav Kankanhalli

### Editors

**Hendrik Bessembinder**

**Ran Duchin**

**Mara Faccio**

**Thierry Foucault**

**Jarrad Harford**

**Stephan Siegel**

Published by Cambridge University Press for  
the University of Washington Michael G. Foster  
School of Business in cooperation with the  
Arizona State University W. P. Carey School of  
Business, Boston College Carroll School of  
Management, HEC Paris, and the Purdue  
University Krannert School of Management

VOL. 57, NO. 8

December 2022



**CAMBRIDGE**  
UNIVERSITY PRESS

**Articles**

|   |      |
|---|------|
| <b>Political Uncertainty and Household Stock Market Participation</b> .....   | 2899 |
| Vikas Agarwal, Hadiye Aslan, Lixin Huang, and Honglin Ren   |      |
| <b>Using Patent Capital to Estimate Tobin's Q</b> .....   | 2929 |
| Michael Woepfel   |      |
| <b>Consolidating Product Lines via Mergers and Acquisitions: Evidence From the USPTO Trademark Data</b> .....             | 2968 |
| Po-Hsuan Hsu, Kai Li, Xing Liu, and Hong Wu   |      |
| <b>The Informational Role of Ownership Networks in Bank Lending</b> .....   | 2993 |
| Haoyu Gao, Hong Ru, and Xiaoguang Yang  |      |
| <b>Business Cycle Variation in Short Selling Strategies: Picking During Expansions and Timing During Recessions</b> ..... | 3018 |
| Peter N. Dixon and Eric K. Kelley   |      |
| <b>Agency Costs of Debt in Conglomerate Firms</b> .....   | 3048 |
| Michela Altieri   |      |
| <b>De Facto Bank Bailouts</b> .....   | 3081 |
| Phong T. H. Ngo and Diego L. Puente-Moncayo   |      |
| <b>The China Syndrome Affects Banks: The Credit Supply Channel of Foreign Import Competition</b> .....                    | 3114 |
| Sergio Mayordomo and Omar Rachedi   |      |
| <b>Capital Inflows and Property Prices: Ethnicity, Education, and Spillovers</b> .....                                    | 3145 |
| Yuk-Ying Chang and Sudipto Dasgupta   |      |
| <b>Exporting Uncertainty: The Impact of Brexit on Corporate America</b> .....   | 3178 |
| Murillo Campello, Gustavo S. Cortes, Fabrício d'Almeida, and Gaurav Kankanhalli   |      |
| <b>Financial Globalization and Bank Lending: The Limits of Domestic Monetary Policy</b> .....                             | 3223 |
| Jin Cao and Valeriya Dinger   |      |
| <b>Private Funds for Ordinary People: Fees, Flows, and Performance</b> .....  | 3252 |
| Timothy J. Riddiough and Jonathan A. Wiley  |      |
| <b>Language Skills and Stock Market Participation: Evidence From Immigrants</b> .....                                     | 3281 |
| Xu Gan, Frank M. Song, and Yang Zhou  |      |

**Corrigendum**

|   |      |
|---|------|
| <b>Exporting Uncertainty: The Impact of Brexit on Corporate America—CORRIGENDUM</b> ..... | 3313 |
| Murillo Campello, Gustavo S. Cortes, Fabrício d'Almeida, and Gaurav Kankanhalli           |      |

## MANAGING EDITORS

**Hendrik Bessembinder**  
Arizona State  
University

**Ran Duchin**  
Boston College

**Mara Faccio**  
Purdue University  
**Thierry Foucault**  
HEC Paris

**Jarrad Harford**  
**Stephan Siegel**  
University of Washington

## ADVISORY EDITORS

**Stephen Brown**  
New York University

**Mark Grinblatt**  
University of California at Los Angeles

## ASSOCIATE EDITORS

**George Aragon**  
Arizona State University

**Warren Bailey**  
Cornell University

**Turan Bali**  
Georgetown University

**Murillo Campello**  
Cornell University

**Riccardo Colacito**  
University of North Carolina  
at Chapel Hill

**Jeffrey Coles**  
University of Utah

**Zhi Da**  
University of Notre Dame

**Vivian Fang**  
University of Minnesota

**Todd Gormley**  
Washington University in  
St. Louis

**Allaudeen Hameed**  
National University of Singapore

**Jie He**  
University of Georgia

**Travis Johnson**  
University of Texas at Austin

**Marcin Kacperczyk**  
Imperial College London

**Jonathan Karpoff**  
University of Washington

**Kai Li**  
University of British Columbia

**Francis Longstaff**  
University of California at  
Los Angeles

**Nadya Malenko**  
University of Michigan

**Ronald Masulis**  
University of New South Wales

**John McConnell**  
Purdue University

**Robert McDonald**  
Northwestern University

**R. David McLean**  
Georgetown University

**Darius Palia**  
Rutgers University

**Neil Pearson**  
University of Illinois at  
Urbana-Champaign

**George Pennacchi**  
University of Illinois at  
Urbana-Champaign

**Jeffrey Pontiff**  
Boston College

**David Reeb**  
National University of  
Singapore

**Matthew Ringgenberg**  
University of Utah

**Bryan Routledge**  
Carnegie Mellon University

**Paul Schultz**  
University of Notre Dame

**Mikhail Simutin**  
University of Toronto

**Chester Spatt**  
Carnegie Mellon University

**Kumar Venkataraman**  
Southern Methodist  
University

**Yuhai Xuan**  
University of California at  
Irvine

**David Yermack**  
New York University

**Scott Yonker**  
Cornell University

**Lu Zhang**  
Ohio State University

**Guofu Zhou**  
Washington University in  
St. Louis

**PRODUCTION EDITOR**  
**Wendy Katz**  
University of Washington

**BUSINESS MANAGER**  
**Susan Huot**  
University of Washington

The Journal of Financial and Quantitative Analysis (ISSN 0022-1090), Michael G. Foster School of Business, University of Washington, 109 Founders Hall, UW Box 353200, Seattle, WA 98195-3200, is published 8 times a year in February, March, May, June, August, September, November, and December by Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006/Cambridge University Press, University Printing House, Shaftesbury Road, Cambridge CB2 8BS, UK for the University of Washington Michael G. Foster School of Business in cooperation with the Arizona State University W. P. Carey School of Business, Boston College Carroll School of Management, HEC Paris, and the Purdue University Krannert School of Management. Periodicals Postage Paid at New York, NY and additional mailing offices. POSTMASTER: Send address changes to Journal of Financial and Quantitative Analysis, Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.

Copyright 2022, Michael G. Foster School of Business, University of Washington

PHONE: (206) 543-4598  
 FAX: (206) 616-1894  
 E-MAIL: [jfqa@uw.edu](mailto:jfqa@uw.edu)  
 URL: [jfqa.org](http://jfqa.org)

University of Washington  
 Michael G. Foster School of Business  
 109 Founders Hall UW Box 353200  
 Seattle, WA 98195-3200 USA

VOL. 57, NO. 8, DECEMBER 2022

---

### PURPOSE AND FOCUS

The Journal of Financial and Quantitative Analysis (JFQA) publishes theoretical and empirical research in financial economics. Topics include corporate finance, investments, capital and security markets, and quantitative methods of particular relevance to financial researchers. Opinions expressed in the JFQA are those of the authors and do not necessarily reflect those of the University of Washington Michael G. Foster School of Business. For submissions queries, please write, call, fax, or e-mail the JFQA office. For all other information related to the journal, please contact Cambridge Journals Customer Services: Cambridge University Press, One Liberty Plaza, 20th Floor, New York, NY 10006, USA.

### SUBMISSIONS

[www.editorialmanager.com/jfqa](http://www.editorialmanager.com/jfqa)

It is JFQA policy to give prompt attention to all submitted manuscripts. Consistent with this policy, honoraria are paid to referees who provide timely reviews. Submit manuscripts online ([www.editorialmanager.com/jfqa](http://www.editorialmanager.com/jfqa)). Payment is required at the time of submission. Please consult the journal website for current submission details. Manuscripts are considered for publication on the understanding that they have not been previously published in whole or in part, and are not being simultaneously considered for publication elsewhere.

### SUBSCRIPTIONS

[cambridge.org/jfqa](http://cambridge.org/jfqa)

For individuals or institutions interested in a single journal subscription in 2022, please contact Cambridge Journals Customer Services. In the U.S., Canada, or Mexico, subscription fees are payable in U.S. dollars: [journals\\_subscriptions@cambridge.org](mailto:journals_subscriptions@cambridge.org). Elsewhere in the world, subscription fees are payable in U.K. pounds sterling: [journals@cambridge.org](mailto:journals@cambridge.org)

#### 2022 Annual Subscription Fees

Volume 57: February, March, May, June, August, September, November, and December

| Category       | Access Type    | Price      |
|----------------|----------------|------------|
| Organizational | Online & Print | \$897/£508 |
| Organizational | Print only     | \$932/£502 |
| Organizational | Online only    | \$671/£403 |
| Individual     | Online & Print | \$161/£90  |
| Individual     | Print only     | \$139/£74  |
| Individual     | Online only    | \$111/£63  |
| Student        | Print only     | \$37/£27   |

### RIGHTS AND PERMISSIONS

All rights reserved. No part of this publication may be reproduced, in any form or by any means, electronic, photocopying, or otherwise, without permission in writing from Cambridge University Press. General enquiries from the USA, Mexico, and Canada should be addressed to the New York office of Cambridge University Press [cambridge.org/us/information/rights/contacts/newyork.htm](http://cambridge.org/us/information/rights/contacts/newyork.htm); general enquiries from elsewhere should be addressed to the Cambridge office [cambridge.org/uk/information/rights/contacts/cambridge.htm](http://cambridge.org/uk/information/rights/contacts/cambridge.htm); permission enquiries from Australia and New Zealand should be addressed to the Melbourne office [cambridge.org/uk/information/rights/contacts/australia.htm](http://cambridge.org/uk/information/rights/contacts/australia.htm); enquiries regarding Spanish language translation rights (only) should be addressed to the Madrid office [cambridge.org/uk/information/rights/contacts/madrid.htm](http://cambridge.org/uk/information/rights/contacts/madrid.htm). Photocopying information (for users in the USA): Copying for internal or personal use beyond that permitted by Sec. 107 or 108 of the U.S. Copyright Law is authorized for users duly registered with the Copyright Clearance Center (CCC), provided that the appropriate remittance is paid directly to: CCC, 222 Rosewood Drive, Danvers, MA 01923, USA. Specific written permission must be obtained for all other copying; contact the nearest Cambridge University Press office.