# JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

JFQA Symposium on the Consequences of the COVID-19 Pandemic for Firms and Capital Markets

The COVID-19 Crisis and the Allocation of Capital Ran Duchin and Jarrad Harford

Shadow Banking in a Crisis: Evidence from Fintech During COVID-19

Zhengyang Bao and Difang Huang

Flattening the Illiquidity Curve: Retail Trading During the COVID-19 Lockdown Gideon Ozik, Ronnie Sadka, and Siyi Shen

The COVID-19 Pandemic and Corporate Dividend Policy Georg Cejnek, Otto Randl, and Josef Zechner

Who Supplies PPP Loans (and Does It Matter)? Banks, Relationships, and the COVID Crisis Lei Li and Philip E. Strahan

Buying the Vote? The Economics of Electoral Politics and Small-Business Loans

Ran Duchin and John Hackney

Venture Capitalists and COVID-19 Paul Gompers, Will Gornall, Steven N. Kaplan, and Ilya A. Strebulaev

Small-Business Survival Capabilities and Fiscal Programs: Evidence from Oakland

Robert P. Bartlett III and Adair Morse

The Role of Corporate Culture in Bad Times: Evidence from the COVID-19 Pandemic

Kai Li, Xing Liu, Feng Mai, and Tengfei Zhang

Natural Disaster Effects on Popular Sentiment Toward Finance Manish Jha, Hongyi Liu, and Asaf Manela

**Fditors** 

Hendrik Bessembinder
Jennifer Conrad
Mara Faccio
Thierry Foucault
Jarrad Harford
Paul Malatesta

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, HEC Paris, the Purdue University Krannert School of Management, and the University of North Carolina Kenan-Flagler Business School

VOL. 56, NO. 7

November 2021





# JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

A PUBLICATION OF THE UNIVERSITY OF WASHINGTON MICHAEL G. FOSTER SCHOOL OF BUSINESS IN COOPERATION WITH THE ARIZONA STATE UNIVERSITY W. P. CAREY SCHOOL OF BUSINESS, HEC PARIS, THE PURDUE UNIVERSITY KRANNERT SCHOOL OF MANAGEMENT, AND THE UNIVERSITY OF NORTH CAROLINA KENAN-FLAGLER BUSINESS SCHOOL.

VOL. 56, NO. 7, NOVEMBER 2021

# JFQA Symposium on the Consequences of the COVID-19 Pandemic for Firms and Capital Markets

Capital martiete	
The COVID-19 Crisis and the Allocation of Capital	2309
Shadow Banking in a Crisis: Evidence from Fintech During COVID-19	2320
Flattening the Illiquidity Curve: Retail Trading During the COVID-19 Lockdown	2356
The COVID-19 Pandemic and Corporate Dividend Policy	2389
Who Supplies PPP Loans (and Does It Matter)? Banks, Relationships, and the COVID Crisis	2411
Buying the Vote? The Economics of Electoral Politics and Small-Business Loans Ran Duchin and John Hackney	2439
Venture Capitalists and COVID-19Paul Gompers, Will Gornall, Steven N. Kaplan, and Ilya A. Strebulaev	2474
Small-Business Survival Capabilities and Fiscal Programs:  Evidence from Oakland	2500
The Role of Corporate Culture in Bad Times: Evidence from the COVID-19 Pandemic	2545
Kai Li, Xing Liu, Feng Mai, and Tengfei Zhang	
Natural Disaster Effects on Popular Sentiment Toward Finance	2584

# MANAGING EDITORS

Hendrik Bessembinder Arizona State University

Jennifer Conrad University of North Carolina

Mara Faccio Purdue University

**HEC Paris** Jarrad Harford Paul Malatesta

Thierry Foucault

University of Washington

## ADVISORY EDITORS

Stephen Brown

Mark Grinblatt

New York University University of California at Los Angeles

### ASSOCIATE EDITORS

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

University of Notre Dame

Ran Duchin Boston College

Vivian Fang University of Minnesota

**Todd Gormley** 

Washington University in St. Louis

Allaudeen Hameed National University of Singapore

Marcin Kacperczyk Imperial College London

Jonathan Karpoff University of Washington

Kai Li

University of British Columbia

Francis Longstaff University of California at Los Angeles

Ronald Masulis University of New South Wales

John McConnell Purdue University

Robert McDonald Northwestern University

R. David McI ean Georgetown University

Darius Palia Rutgers University

Neil Pearson University of Illinois at Urbana-Champaign

George Pennacchi University of Illinois at Urbana-Champaign

Jeffrev Pontiff Boston College

Matthew Ringgenberg University of Utah

Jay Ritter

University of Florida

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, 810C Condon 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, HEC Paris, the Purdue University Krannert School of Management, and the University of North Carolina Kenan-Flagler Business School. 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.



#### JOURNAL OF FINANCIAL AND QUANTITATIVE ANALYSIS

PHONE: (206) 543-4598 FAX: (206) 616-1894 E-MAIL: jfqa@uw.edu

URL: jfqá.org

University of Washington Michael G. Foster School of Business 810C Condon Hall UW Box 353200 Seattle, WA 98195-3200 USA

VOL. 56, NO. 7, NOVEMBER 2021

#### 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/ifga

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). 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

For individuals or institutions interested in a single journal subscription in 2021, 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. Elsewhere in the world, subscription fees are payable in U.K. pounds sterling: journals@cambridge.org

#### 2021 Annual Subscription Fees

Volume 56: February, March, May, June, August, September, November, and December

Category	Access Type	Price
Organizational	Online & Print	\$871/£493
Organizational	Print only	\$887/£478
Organizational	Online only	\$671/£403
Individual	Online & Print	\$156/£87
Individual	Print only	\$132/£70
Individual	Online only	\$111/£63
Student	Print only	\$35/£25

# 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; general enquiries from elsewhere should be addressed to the Cambridge office 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; enquiries regarding Spanish language translation rights (only) should be addressed to the Madrid office 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.