

CONNOR KASTEN

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EDUCATION

Ph.D. in Finance, University of Tennessee, *Expected: May 2023*
B.B.A in Finance and Economics, Georgia Southern University, December 2015

RESEARCH INTERESTS

Investments, Intermediation, Investment and Retirement Policy, Employee Benefits, Retail Investors,
Behavioral Finance

WORKING PAPERS

Avoiding Conflict: How Regulating Broker Conflicts of Interest Affects Mutual Funds

- How do regulatory efforts to alleviate broker conflicts of interest affect the mutual fund industry and investor outcomes? I address this question by studying a recent Department of Labor (DOL) intervention limiting the types of compensation brokers could receive from individual retirement plans (IRAs). I find that this regulation had immediate effects on investment flows and fund offerings. Monthly flows to mutual funds with conflicted broker compensation arrangements decreased relative to those without such arrangements, and the flow-performance sensitivity of these funds became less convex. Moreover, investment companies transitioned away from offering investments with conflicted broker compensation and became less active. At the same time, I find no changes in funds' risk-adjusted performance, and on a value-weighted basis, funds managed under broker compensation arrangements perform similarly to those managed without these arrangements. Thus, while my results suggest that conflicts of interest drive fund flows and that mitigation efforts may alter capital allocation, improvements to overall investor welfare are limited.
- 2022 (Upcoming): Financial Management Association Annual Meeting - *Investments Best Paper Award Semi-finalist*

No Such Thing as a Free Trade? Retail Execution Costs, Zero Commissions, and Payment for Order Flow with Eric Kelley and Samuel Adams

- Despite agency conflicts inherent to the retail order routing process, we find no evidence that retail traders' effective spreads meaningfully increased relative to benchmarks around the large-scale elimination of commissions in 2019. Moreover, these traders' costs substantially declined during the subsequent Covid shutdowns. Further tests attribute these results to the uninformed nature of retail orders. Our findings support the brokerage industry's claim that dropping commissions helped retail investors and should ease regulators' concerns to the contrary. Nevertheless, we show that current reporting standards for execution quality overstate retail investors' economic savings, and we suggest policy changes to improve transparency.
- 2022 (Upcoming): Financial Management Association Annual Meeting - *Market Microstructure Best Paper Award Semi-finalist*

When Retirement Providers Engage in Corporate Loans

- I test whether retirement plan providers extend preferential loan terms to firms where they have an existing retirement plan relationship. I find that loans from affiliated retirement plan providers (i.e., relationship loans) have lower spreads than non-relationship loans. Additionally, relationship loans are larger, exhibit longer maturities, and when they involve multiple lending entities (i.e., syndicates), relationship lenders hold a larger fraction of the loan. The favorable terms within this banking relationship are most likely explained by the ability of retirement

*Conference canceled due to COVID-19.

plan relationships to alleviate information asymmetries in the corporate loan market rather than a quid pro quo arrangement.

- 2020: Eastern Finance Association Annual Meeting* - *Distinguished Student Paper Award*
- 2021: Financial Management Association Annual Meeting

OTHER
CONFERENCE
PARTICIPATION

Attendee

- 2019: American Finance Association Annual Meeting, University of Tennessee “Smokey” Mountain Conference
- 2020: American Finance Association Annual Meeting
- 2021: Financial Management Association Annual Meeting
- 2022: University of Tennessee “Smokey” Mountain Conference, Financial Management Association Annual Meeting (*upcoming*)

Discussant

- 2020: Eastern Finance Association Annual Meeting*
- 2021: Financial Management Association Annual Meeting

Paper Reviewer

- 2021: Southern Finance Association Annual Meeting

TEACHING
EXPERIENCE

Instructor

- Financial Statement Analysis (FINC 420), Summer 2021 (eval: 4.90/5.00), Spring 2022 (eval: 4.98/5.00)
Outstanding Doctoral Student Teacher Award
- Survey of Financial Management (FINC 301), Summer 2022 (eval: 4.77/5.00)

Teaching Assistant

- Financial Statement Analysis (FINC 420)
- Financial Management (FINC 306)
- Investments (FINC 425)
- Masters/Honors: Investments and Portfolio Management (FINC 427/525)
- Masters/Honors: Advanced Financial Management (FINC 457/555)

HONORS, AWARDS,
AND FELLOWSHIPS

- University of Tennessee Chancellor’s Fellowship, 2018-Present
- Haslam College of Business Outstanding Doctoral Student Teacher Award Winner, 2022
- Haslam College of Business Outstanding Doctoral Student Researcher Award Finalist, 2021
- American Finance Association PhD Student Travel Grant Recipient, 2020

SERVICE
ACTIVITIES

Haslam College of Business Doctoral Student Association

- President, 2020-2021
- Vice President, 2019-2020

Knox Area Rescue Ministries

- High Impact Frontline Volunteer, Homeless Men’s Dorm, 2020-Present

*Conference canceled due to COVID-19.

PROFESSIONAL
EXPERIENCE

Ashlyn Cathey Photography Co.

Co-owner and Financial Manager, Knoxville (TN), 2017-Present

- Assists in the financial reporting of my wife's lifestyle, engagement, and wedding photography business that serves clients across the nation.

Edward D. Jones Co., L.P.

Financial Advisor, Buford (GA), 2016-2017

- Responsible for assisting retail clients in planning and managing retirement accounts, saving for college education, planning their estate, and protecting their assets with insurance. Obtained Series 7, Series 66, Health and Sickness Insurance, and Variable Products Insurance licenses.

Aldi, Inc.

District Manager, Jefferson (GA), 2015-2016

- Assisted in the management of districts with three to four stores to ensure operational performance, proper inventory procedures, and staff development.