Michael J. Gropper

Last Updated: June 2024

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Citizenship: United States

ACADEMIC EMPLOYMENT

University of Colorado, Leeds College of Business, Boulder, CO
Instructor June 2024 – Present

EDUCATION

University of North Carolina, Chapel Hill, NC
Ph.D. in Finance August 2019 – May 2025 (expected)

College of William & Mary, Williamsburg, VA
Bachelors in Business Administration, *summa cum laude* August 2010 – May 2014
Major in Finance, Minor in Mathematics

PROFESSIONAL EMPLOYMENT

Employee Benefit Research Institute, Washington, DC
Research Associate (part time) July 2021 – Present

Berkeley Research Group, Washington, DC
Managing Consultant (last position held) June 2014 – June 2019

ACADEMIC WORK

Forthcoming or published papers

Wealth and Insurance Choices: Evidence from US Households (with Camelia M. Kuhnen), Forthcoming at the **Journal of Finance, Working Paper Link**
Using administrative data for 63,000 individuals across 2,500,000 person-month observations, we find that wealthier individuals have better life insurance coverage, controlling for the value of the asset insured, namely, the consumption needs of dependents. This positive wealth-insurance correlation, which is surprising given the prevailing view that wealth substitutes for insurance, persists after allowing for wealth-related differences in risk or bequest preferences, pricing, background risk, education, employment, or liquidity constraints. Our findings call for further investigation of this wealth-coverage correlation but support theories emphasizing the role of insurance to smooth consumption across time and not just across states of the world.

Working papers

Lawyers Setting the Menu: The Effects of Litigation Risk on Employer-Sponsored Retirement Plans (job market paper), Working Paper Link
American households increasingly rely on employer-sponsored defined contribution plans to save for retirement. I show that litigation risk is an important factor that impacts these plans. Using a new database of over 35,000 plans covering more than $5 trillion in assets, I show that employers respond to increased litigation risk by excluding options from plan menus. Reduced choice decreases employees' retirement wealth by up to 14% for mean-variance optimizing investors. Additional results based on observed choices from over 2 million employees show that reduced choice is associated with 3% lower balances on average.

- Colorado Finance Summit Best PhD Paper (2023)

An Analysis of White Label Funds in Public Pension Plans (with Julie Agnew, Angela Hung, Nicole Montgomery, and Susan Thorp), **Working Paper Link**
This paper examines the prevalence of non-branded ("white label") funds in defined contribution retirement plans. White label funds are generically named funds that include one or more underlying funds. They are often named for the broad asset class the fund invests in. While white label funds are not new, they are increasingly popular options in defined contribution retirement plans. The reasons often cited for adoption of these generically named funds by plan sponsors include menu simplification, lower fund costs, and the potential to offer plan participants more sophisticated and diversified funds that can leverage the expertise of multiple fund managers. On the other hand, some requirements, like customized participant communications and increased fiduciary responsibility, add to administrative costs that can hinder greater white label fund adoption by plan sponsors. In this study, we utilize a new database of individual-level data from public sector defined contribution retirement plans. We aim to investigate the prevalence of white label funds in the public sector and begin to explore whether they are related to different participant investment allocations. This paper provides an enhanced view of how white label funds fit into plan menus. We also add insights into the understudied public sector defined contribution market. We outline several promising avenues for future research based on these preliminary findings.

Conference and seminar presentations († denotes presentations by coauthors)

University of Connecticut School of Law, Insurance Law Center	April 2024
Georgia Tech/Atlanta Federal Reserve Household Finance Conference	March 2024
Midwest Finance Association (MFA)	March 2024
Colorado Finance Summit PhD Session	December 2023
Defined Contribution Institutional Investment Association Academic Forum	November 2023
UNC-Chapel Hill	October 2023
College of William & Mary	September 2023
Financial Intermediation Research Society (FIRS) PhD Session	July 2023
INSEAD†	May 2023
BI Norwegian Business School†	August 2022
NBER Household Finance Summer Institute†	July 2022
ESSEC Paris†	May 2022
Boston College†	April 2022
University of Chicago Booth School of Business†	April 2022

ITAM Business School†	March 2022
University of Geneva†	March 2022
CEPR Network on Household Finance†	February 2022
University of Bonn†	January 2022
Emory University Goizueta Business School†	December 2021
Miami Behavioral Finance Conference	December 2021
Baruch College†	November 2021
Johns Hopkins Carey Business School†	November 2021
UNC-Chapel Hill	November 2021
Frankfurt School of Finance & Management†	October 2021
Texas A&M University†	October 2021
University of New South Wales†	October 2021
Bank of Italy†	June 2021
Tinbergen Institute†	June 2021
Quadrant Behavioral Finance Conference†	June 2021
Chinese University of Hong Kong†	May 2021
Nova School of Business and Economics†	April 2021
Vienna Graduate School of Finance†	March 2021

*– Scheduled

Non-peer reviewed articles

A Gender Lens on Public-Sector DC Savings Behaviors. PRRL Research Study, September 2023
In this brief, the public-sector plan participant savings behaviors are analyzed by gender. Specifically, balances, contributions, and asset allocation by participants' gender are studied. One of the key findings is that men have larger account balances relative to women across all age groups. On average, women in their 30s hold $0.69 for every $1 that similarly aged men have in their accounts. These differences are driven in part by two key forces: Men contribute more than women to their retirement accounts, both in terms of dollar contributions and as a percentage of salary. Men take on greater equity risk in their retirement portfolios, having a higher allocation to equity funds relative to women across all age groups.

The State of Public Sector DC Plans: 2021. PRRL Research Study, September 2023
This is the second edition of the State of Public-Sector DC Plans report based on the PRRL Database. The analysis reflects data for 267 plans across 457(b), 401(a), 401(k), and 403(b) DC plans; over 2.5 million state, county, city, and subdivision government employees; and $170 billion in assets as of year-end 2021. This publication serves as an update to the previous edition of the State of Public-Sector DC Plans report, which utilized 2019 data. This report analyzes contributions, loan activity, asset allocation, and account balances as of year-end 2021.

ESG Investment Options in Public DC Plans (with Bridget Bearden)**. EBRI Issue Brief**, no. 552 (Employee Benefit Research Institute, February 24, 2022)**.**
In this Issue Brief, we study the ESG investment decisions of approximately 32,000 participants in public-sector defined contribution retirement plans. We show that using plan-level aggregate values to assess individual participants' ESG investment decisions gives an incomplete picture in assessing participant preferences. While dollar allocations to ESG funds at a plan level may be small (on average, 2.7 percent in our sample), we find an overall ESG adoption rate of 31 percent and an average ESG allocation for ESG-investing participants of

14 percent. In addition, we find differences of ESG adoption relative to gender, age, tenure, and account balance among public retirement plan participants. We show that women are statistically significantly more likely to invest in ESG funds relative to men. Older participants, longer-tenured participants, and those with higher account balances are less likely to invest than their younger and less well-off counterparts. However, despite the general decline in ESG participation rates with age, we document that variation in ESG allocations across participants tends to increase with age. This analysis provides an opportunity to begin a discussion on how plan design and governance impact not only sustainable investing within retirement plans but potentially engagement as well. We would expect these findings to apply to the experience of private-sector workplaces when active choice is present.

Teaching

University of North Carolina
Instructor

- BUSI 408, Corporate Finance — Summer 2022
  - Evaluations: Mean: 5/5, Median: 5/5
  - Recipient of the Latané Outstanding Student Teaching Award

Teaching Assistant

- BUSI 408, Corporate Finance (Prof. Yunzhi Hu) — Spring 2022
- BUSI 602/MBA 775, Strategic Economics (Prof. Yunzhi Hu) — Spring 2021

College of William & Mary
Teaching Assistant

- ECON 308, Econometrics (Prof. Daifeng He) — Spring 2013

Professional Service and Affiliations

Ad hoc referee/reviewer for

- *Journal of* Banking *and Finance, Journal of Risk and Insurance*

Affiliations

- Member of American Finance Association

Conferences

- **Co-organizer** of the: 2023 UNC Kenan-Flagler Finance PhD Alumni Conference
- **Program Committee member** for the: 2022 Eastern Finance Association