

Aihuan Zhang

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EDUCATION

Louisiana State University, Baton Rouge, LA, USA

Doctor of Philosophy in Finance

May 2026 (Expected)

RESEARCH INTEREST

Venture Capital, Corporate Finance, Banking, Fintech

WORKING PAPERS

Political Sorting and Information Frictions in Venture Capital (Solo)

Job Market Paper

Abstract: I study whether partisan separation between investor and startup locations creates frictions in venture capital matching. Using a deal-anchored opportunity-set design and county-level presidential vote shares to measure political distance, I find that a one-standard-deviation increase in political distance lowers the probability of forming an investment match by 0.75 percentage points—roughly 8% of the baseline rate. Systematic mechanism tests reveal that political distance operates through soft information frictions: the penalty amplifies where qualitative assessments matter most—first-round investments, young startups, and unfamiliar geographies—and attenuates where information infrastructure is stronger, such as VC hubs and during the 2020–2023 pandemic period. There is little support for alternative explanations tied to political risk and narrative misalignment. Conditional on funding, higher-political-distance deals exhibit better outcomes, consistent with tighter screening. These findings document a hidden cost of political polarization that operates through information networks, with implications for spatial inequality in access to entrepreneurial capital.

Brand Equity and Debt Diversification (with David C. Mauer, and Miaomiao Yu)

R&R Financial Management

Presentations: FMA 2024, SFA 2024, University of Alabama, Louisiana State University

Abstract: The optimal number of debt types in firms' debt structures is determined by a tradeoff between the costs of coordination failure and the benefits of reducing holdup problems. Brand equity affects this tradeoff by signaling larger and more stable future cash flows and greater awareness of firms' products and services. We argue that these characteristics may allow for greater debt diversity by decreasing expected costs of coordination failure while enhancing the benefits of reduced holdup problems. Using trademarks to construct brand equity measures, we find that more valuable brand equity positively predicts debt diversity. Natural experiments and IV analysis help establish causality. Cross-sectional analysis shows that the brand equity and debt diversity relationship is stronger when firms face more intense product market competition and information asymmetry.

The Role of Financial Investors in FinTech Equity Financing (Solo)

Abstract: This study examines whether financial institution-backed venture capital (FI-VC) enhances FinTech startups' ability to raise subsequent equity financing. Using global data on 2,891 FinTech startups from 2010–2024, I employ discrete-time logit models to estimate the probability of securing new equity rounds. FinTech startups backed by FI-VC exhibit 50% higher odds of raising subsequent financing ($p < 0.001$). Survival analysis confirms FI-VC-backed startups are 33% more likely to secure financing at any point in time. The effect is stronger for later-stage investments and varied by COVID-19 timing. Results suggest financial institution backing serves as a quality signal, reducing information asymmetries for future investors.

WORKING IN PROGRESS

Industry Similarity and Venture Capital Geographic Allocation

Political Proximity and Bank Lending Specialization

AWARDS AND RECOGNITIONS

Keith And Evie Katz Superior Graduate Student Scholarship, Louisiana State University	<i>Spring 2026</i>
Keith And Evie Katz Superior Graduate Student Scholarship, Louisiana State University	<i>Fall 2025</i>
Lynne and Kit Marye Superior Graduate Scholarship in Finance, Louisiana State University	<i>Spring 2025</i>
College Teaching Award 2024-2025, E. J. Ourso College of Business, Louisiana State University	<i>Fall 2024</i>
Communication across the Curriculum (CxC) Recognition, Louisiana State University	<i>Fall 2024</i>
<i>– Recognized by students for exceptional communication and creating a welcoming, supportive learning environment</i>	
Graduate Student Association Travel Award 2024-2025, Louisiana State University	<i>Fall 2024</i>
Kevin Kelty Super Graduate Scholarship, Louisiana State University	<i>Fall 2023</i>

TEACHING EXPERIENCE

Instructor, Department of Finance, Louisiana State University

FIN 3716 – Principles of Finance (Undergraduates)

- Spring 2025
Enrollment: 245 Students
Evaluation: 3.7/4.0 (Department Average: 3.3; College Average: 3.5)
- Fall 2024 – **College Teaching Award 2024-2025**
Enrollment: 255 Students
Evaluation: 3.1/4.0 (Department Average: 3.1; College Average: 3.5)

PRESENTATIONS AND DISCUSSIONS

2026 Southwestern Finance Association (SWFA) Annual Meeting (Present & Discuss)

2025 Louisiana State University Seminar

2024 Louisiana State University Seminar, Southern Finance Association (SFA) Annual Meeting (Present)

2023 Louisiana State University Seminar

2022 Louisiana State University Seminar, Financial Management Association Annual Meeting (Discuss)