

KRISTINE WATSON HANKINS

321 Stuzin Hall, Gainesville, Florida 32611
Tel: 352.392.4668

Email: kristine.hankins@cba.ufl.edu
Website: <http://plaza.ufl.edu/watsonke>

EDUCATION

UNIVERSITY OF FLORIDA

Ph.D. in Finance Expected 2006

- Chair: Mark J. Flannery
- Dissertation Area: Financial & Operational Hedging
- Areas of Interest: Corporate Finance, Risk Management, Investments

RUTGERS UNIVERSITY

M.S. in Statistics 2002

- Completed qualifying exams in both theory and applied statistics

UNIVERSITY OF CHICAGO

A.B. in Political Science 1998

- Awarded College and Departmental Honors
- Honors Thesis: The Market for Malian Antiquities - Exportation and Externalities

ACADEMIC EXPERIENCE

UNIVERSITY OF FLORIDA

Research Assistant, M. Nimalendran
Teaching Assistant, Mark Flannery's MBA class, Capital Structure, Risk Management - 2003, 2004
Teaching Assistant, M. Nimalendran's MBA class, Corporate Finance II – 2004

Instructor, Financial Management, Summer 2003 (2 sections)
Teaching Evaluations: 4.5 & 4.9 on a scale from 1 (lowest) to 5 (highest)

UNIVERSITY OF CHICAGO

Research Assistant, Joan Meyers-Levy (Graduate School of Business)
Teaching Assistant, Joan Meyers-Levy's MBA class, Consumer Behavior

BUSINESS EXPERIENCE

MERRILL LYNCH – Private Investment Group

Associate, Private Equity Placement 2001
New York, NY

PRICEWATERHOUSECOOPERS – Financial Advisory Services

Associate, Financial Securities Litigation Consulting 1998 – 2000
New York, NY

AWARDS & GRANTS

AAUW American Dissertation Fellowship (\$20,000), 2005-2006
FMA Doctoral Consortium participant, October 2005
University of Florida Marshall Criser Presidential Fellowship, 2001- 2005
UCLA Doctoral Consortium participant, September 2004
American Finance Association Ph.D. Student Grant, January 2004

WORKING PAPERS

Job Market Paper: **ARE ACQUISITIONS AN OPERATIONAL HEDGE? THE INTERACTION OF FINANCIAL & OPERATIONAL HEDGING**

This paper investigates the substitution of financial and operational hedging choices. Modern risk management can enhance firm value when volatility is costly due to capital market imperfections. Both financial hedging with derivatives and operational hedging can reduce income volatility and, in turn, the potential costs of such volatility. I present a simple model of the tradeoffs between such hedging choices to motivate an empirical investigation into firm behavior. Using a large sample of bank holding companies, I document that acquisitions can provide operational hedging and that this is a substitute for financial hedging. Not only do the majority of acquisitions reduce volatility, the subsequent decrease in financial hedging corresponds to an acquisition's contribution to operational hedging. Those acquisitions that provide the most operational hedging are followed by the largest declines in financial hedging.

FIDUCIARY STANDARDS & INSTITUTIONAL INVESTORS' PREFERENCE FOR DIVIDEND-PAYING STOCKS (With Mark Flannery and M. Nimalendran) *Under Submission*

Many researchers perceive that the "Prudent Man" standard for fiduciary responsibility causes institutional investors to prefer dividend-paying stocks. However, most states revised their fiduciary standards during the 1990s, replacing Prudent Man constraints with the less-stringent Prudent Investor rules for many institutional investors. We find that the introduction of the Prudent Investor standard is followed by an economically and statistically significant reduction in institutional holdings of dividend-paying stocks. If institutional investors should no longer be assumed to have an exogenous preference for dividend-paying stocks, some conclusions about security returns and corporate behavior from the 1990s may need to be re-considered.

WORKS IN PROGRESS

LEVERAGE TARGETS AND THE SPEED OF ADJUSTMENT

HOW COSTLY IS DISTRESS? VOLATILITY MANAGEMENT ACROSS INDUSTRY

OTHER SERVICE

University of Florida Ph.D. Seminar Student Coordinator, Spring 2004
FMA Conference Discussant - 2003, 2002
Prentice Hall Business Publishing – Reviewer

PERSONAL INFORMATION

U.S. Citizen
Interests: wine, cooking, golf, skiing, travel, and music

REFERENCES

Mark J. Flannery (Dissertation Chair), Eminent Scholar of Finance, University of Florida
Tel: (352) 392 - 3184, Email: flannery@ufl.edu
M. Nimalendran, Bank of America Professor of Finance, University of Florida
Tel: (352) 392 - 9526, Email: mahen.nimalendran@cba.ufl.edu
Michael D. Ryngaert, Department Chair & Graham-Buffett Professor of Finance, University of Florida
Tel: (352) 392 - 9765, Email: michael.ryngaert@cba.ufl.edu