

FAQ about the Private Capital Research Institute

What is the purpose of the PCRI?

The PCRI seeks to further the understanding of private capital and its impact through independent academic studies. PCRI's primary goal is to produce and disseminate high quality academic research, based in large part on the comprehensive academic databases of private capital activity that the PCRI is building, in order to inform better investment and policy decisions. .

Why is the PCRI necessary?

Despite the estimated \$3 trillion of private capital assets under management globally, little is understood about the asset class. PCRI research will improve the transparency of economic effects from private capital performance, helping to quell recurring policy arguments and debates regarding the role and value of private capital transactions. The research generated from the PCRI database will replace the many broad, unsupported claims with fact-based analysis of private capital's function in the global economy.

Is the organization US focused only?

The PCRI's database is arguably one of the most comprehensive databases on private capital activity, which includes data on global firms and transactions. Almost 60% of the private equity firms are located outside the US and over 65% of the transactions are non-US based. We are actively soliciting participation of additional non-US firms.

Is the PCRI a lobbying organization or affiliated with any industry trade groups, such as the Private Equity Growth Council?

No. The PCRI aims to provide a greater fact-based understand of private capital's global impact. The PCRI database will serve as the foundation for independent, non-bias analysis of the economic impact of private capital and transactions.

Who funds the PCRI?

The PCRI receives generous financial support from the Kauffman Foundation and various other institutions and foundations.

What kind of support has the PCRI received among academics? Is the PCRI associated only with Harvard Business School?

The PCRI Advisory Committee is comprised of top academic researchers in the field of Private Capital. The members include Ulf Axelson (London School of Economics and Political Science), Francesca Cornelli (London Business School), Steve Kaplan (University of Chicago), David Robinson (Duke Fuqua School of Business), Antoinette Schoar (MIT), and Per Stromberg (Stockholm School of Economics). The PCRI is not affiliated with any single academic institution and welcomes the participation of scholars from universities around the world.

What kind of research has been generated to date?

Current research projects using the PCRI's database include a working paper by Professor Michael Ewens at the California Institute of Technology who is exploring the changing IPO markets of VC investments and their impact on corporate innovation and decision-making. Additionally, Professors Ashwini Agrawal at the Stern School of Business and Professor Josh Lerner of Harvard Business School are pairing the PCRI database with two others to evaluate the impact of private equity on job quality and labor-management relations in the U.S.

What sorts of topics are likely to be researched? Who determines the research agenda?

Research topics are proposed by academics and are then collaboratively agreed upon by a subcommittee of members of the PCRI Academic Advisory Board. The goal of the PCRI is to enhance a community of scholars and sponsor unbiased academic research on the nature and effects of private capital, so likely research topics include observed performance measures of private capital investments, quantitative assessments of fund and deal-level private equity data, and economic trends resulting from private capital investments.

Is the data confidential?

Yes. The PCRI databases are securely stored on the servers at the National Opinion Research Center (NORC) at the University of Chicago. The databases are anonymized and approved researchers can only access the data through special computers that only permit the downloading of analysis results, not raw data.

Does the PCRI sponsor events?

The PCRI hosts events in varying academic settings in order to raise awareness about the PCRI's mission and generate support for our goal. In September, 2013, the PCRI co-hosted an event with The Brookings Institution in Rio de Janeiro which explored the future of private capital in emerging markets and the PCRI's role in these efforts. In February, 2014, the PCRI hosted an event at the Yale Club of NYC to highlight current issues and research about private equity. A conference is currently being planned for fall of 2014 at Stanford University in California, which will explore current issues in the venture capital and growth equity industry.