

THE PENNSYLVANIA STATE UNIVERSITY  
SCHREYER HONORS COLLEGE

DEPARTMENT OF FINANCE

Do Trust Account Interest Rates Predict SPAC Outcomes?

ERIN BARRETT  
SPRING 2022

A thesis  
submitted in partial fulfillment  
of the requirements  
for a baccalaureate degree  
in Finance  
with honors in Finance

Reviewed and approved\* by the following:

Stefan Lewellen  
Assistant Professor of Finance  
Thesis Supervisor

Brian Spangler Davis  
Clinical Associate Professor of Finance  
Honors Adviser

\* Electronic approvals are on file.

## **ABSTRACT**

This paper examines the effect of the estimated interest rate of the trust account on the outcome of a special purpose acquisition company (SPAC). This study finds that SPACs with a high estimated interest rate on the trust account have a higher probability of being withdrawn or terminated. This study is the first of its kind to provide statistically significant evidence that there is a positive correlation between interest rates and a failed outcome. These findings contribute to the literature as there are no pre-existing studies focused on the interest rate of the trust account, which is a fundamental part of the SPAC process. The data and results from this study can be utilized and expanded upon in future experiments.

**TABLE OF CONTENTS**

LIST OF FIGURES .....	iii
LIST OF TABLES .....	iv
ACKNOWLEDGEMENTS .....	v
Chapter 1 Introduction .....	1
Chapter 2 Background .....	5
Existing Literature of SPACs.....	5
Contribution to the Literature .....	9
Chapter 3 Hypothesis, Data, and Methodology .....	10
Data Collection .....	11
Regression Analysis.....	17
Chapter 4 Results .....	18
Descriptive Summary Statistics .....	18
Regression Outcomes.....	25
Potential Explanation for Results.....	28
Chapter 5 Conclusion.....	29
BIBLIOGRAPHY.....	32

**LIST OF FIGURES**

Figure 1: SPAC IPO Growth ..... 1

Figure 2: Typical SPAC Life Cycle..... 14

**LIST OF TABLES**

Table 3-1: SPAC Distribution by Year.....	11
Table 3-2: Status ID and Descriptions.....	15
Table 3-3: Variable Descriptions.....	16
Table 4-1: Summary of the Data .....	19
Table 4-2: Distribution of Interest Rates .....	20
Table 4-3: Interest Rate by Year.....	21
Table 4-4: Interest Rate by Status (2017-2020).....	22
Table 4-5: Interest Rate and Outcome by Underwriter.....	24
Table 4-6: Regression Outputs .....	26

## ACKNOWLEDGEMENTS

Dr. Stefan Lewellen,

for your time, expertise, and mentorship throughout this entire process. I am honored to have had the opportunity to work with the “SPACman” himself.

Dr. Brian Davis,

for your assistance and guidance in the development of this thesis. Thank you for all the time and dedication you have given to the honors program.

Ashley, Emma, Paige, Anna, Maddie, Gwen, Kelly, and Caroline,

for your encouragement and constant moral support.

Mom, Dad, Alison, Aileen, Elizabeth, Anthony, and Matthew,

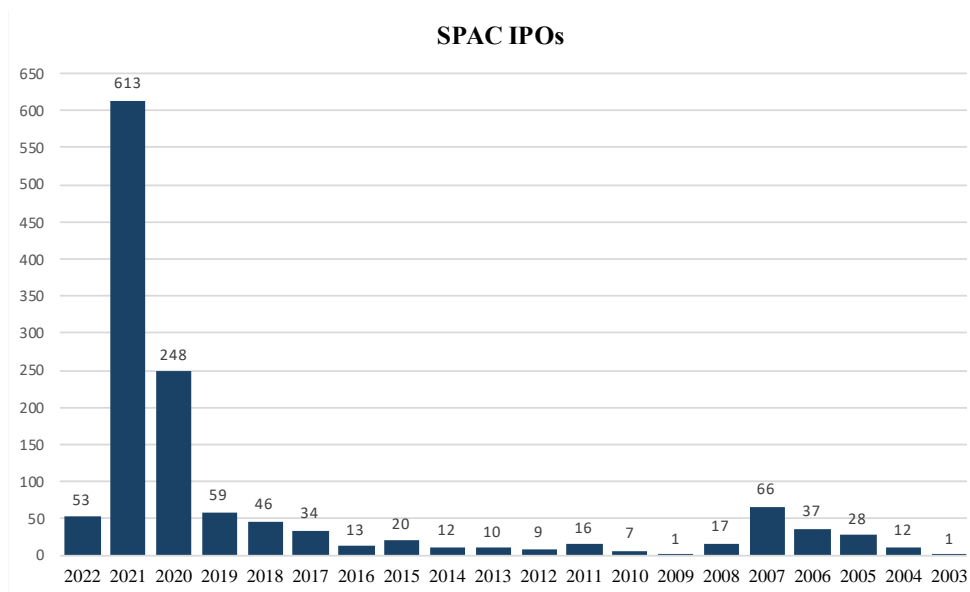
for your unconditional support throughout my academic journey.

## Chapter 1

### Introduction

The SPAC market has made a major comeback in record-high numbers in recent years. After the slowdown from the Covid-19 pandemic in 2019 and 2020, the SPAC market boomed in 2021, launching a record total of 613 SPAC IPOs cumulatively valued at \$162 billion. To put this exponential market growth in perspective, just under 250 SPACs launched in 2020, 59 in 2019, and excluding the financial crisis in 2007, less than 50 SPACs have been launched in any other year prior (“SPAC and US IPO Activity”). Whether the attraction towards SPACs may be the accelerated and more flexible process or the growing legitimacy and reputation of the SPAC itself, banks and investors are flooding towards SPACs as an alternative way to go public. While it is speculated that the SPAC market may struggle to match 2021’s performance this year, there have already been 53 SPAC IPOs in the first three months of 2022.

**Figure 1: SPAC IPO Growth**



A SPAC, also known as a special purpose acquisition company, is a blank check company with no operations or capital and exists for the purpose of raising financing through an IPO with the goal of acquiring a private target, ultimately taking it public. During the IPO process, the SPAC raises capital by issuing units, typically priced at \$10 per unit, which consist of a share of common stock and a warrant or other derivative security. After a SPAC completes its IPO, SPAC managers have a specified duration of time, typically between 18 to 24 months, to find and propose a private target to acquire to the shareholders, have the acquisition approved by investors, and complete the deal. While managers are seeking a target, the net proceeds raised in the IPO are held in a trust account managed by a third-party trustee and invested in a risk-free, interest-earning investment, typically U.S. government bonds. If a SPAC manager finds a suitable target, investors then vote for or against the acquisition. If an investor disapproves of the proposed target and chooses to redeem his shares, his investment will be returned to him within the two-year frame. If investors vote down the SPAC or if it expires and no target is proposed within the two-year timeframe, the funds in the trust account will be liquidated and returned to investors. Because every SPAC investor always has the decision to opt out of the SPAC and be returned his money, investing in a SPAC is comparable to investing in a riskless zero-coupon bond with an option on a future acquisition.

This study contributes to the existing literature by providing evidence that the estimated interest rate of the trust account predicts the outcome of a SPAC. The interest rate of the trust account is an essential feature in the design of a SPAC, yet it is ignored in previous studies. In all the papers that have been published after 2018, there have been no attempts to determine how SPAC managers set interest rates and how they contribute to the outcome of a SPAC.



Consequently, this study seeks to examine how interest rates are set and how (if at all) they are correlated with SPAC outcomes.

To examine these questions, I create a database of 1028 SPACs that have gone public between 2017 and 2022. I gather data from pre-existing online databases and collect additional information from each SPAC's S-1 form available on sec.gov. I classify each SPAC in the database as failed or not failed based on its status within the SPAC lifecycle. I analyze the available data to gather descriptive summary statistics about the interest rate data and utilize a regression model to examine the correlation between interest rates and SPAC outcomes. To estimate the effect of the interest on the likelihood of a SPAC failure, I estimate a linear probability model using OLS regression.

Once the data is presented, descriptive summary statistics and regression outputs provide the key findings from the study. Summary statistics about the interest rate data provide new, descriptive information about interest rates. Interest rate statistics are provided on a per year, status, and underwriter basis. Overall, the average interest rate is 0.27%, and most interest rates in the data, 90.60% to be exact, are 0.50% or less. Regression outcomes indicate a positive and statistically significant relationship between estimated interest rates and failed outcomes. These findings are new to the literature. I also find that larger SPACs with a large IPO size have a higher chance of succeeding than SPACs with smaller IPOs, which is consistent with previous studies' findings (Cumming et al., 2014).

Why are SPAC outcomes correlated with the interest rate on the trust account? One explanation may be related to investors' motivation to vote against a SPAC with a high estimated interest rate in order to be returned their initial investment in addition to any interest earned on the trust. Another possible reason may be that SPAC managers who estimate above-average

interest rates are inexperienced and are overconfident and thus propose deals that are more likely to fail. This is consistent with the literature on managerial overconfidence in finance (see, e.g., Malmendier and Tate, 2005).

The paper concludes with recommendations on how to expand and build upon the study's findings such as increasing the dataset to include SPACs from all years. New research questions, specifically "how do managers estimate interest rates?" are proposed in the closing section of this paper.

## **Chapter 2**

### **Background**

The existing literature on special purpose acquisition companies uncovers details about various studies and concepts regarding SPACs. Because SPACs have only recently gained such a newfound high level of popularity, there is not an overwhelming amount of literature that exists. Moreover, it is important to note that SPACs have evolved immensely over the past two decades, so findings from studies conducted in the past may not be as relevant and applicable to the modern-day SPAC era. Within the available literature about SPACs, there is little to no information about estimated interest rates. In most existing literature, the author(s) will allude to the process in which IPO net proceeds are placed in a trust account and earn interest at a specified rate until an acquisition target is approved; however, this is the extent of insight provided in the literature on the significance of the estimated interest rate.

### **Existing Literature of SPACs**

From 2003 to 2008, SPACs began to gain popularity in the market, raising a cumulative \$20 billion of issuance over those five years. During this early era of SPACs, many research papers were published about SPACs, a new, innovative method of taking a private company public. After twenty years, SPACs have gained immense credibility from Goldman Sachs, J.P. Morgan, and other notable investment banks. Flash forward to 2020, SPACs have returned to the market in bigger than ever numbers. Gahng, Ritter, and Zhang were some of the first to explore the new era of SPACs and provide an update on the current SPAC market. In “SPACs”, Gahng, et al. examines the return on SPACs from the perspectives of investors, operating companies,

and sponsors. Gathering a sample size of 114 SPACs that had completed a merger with an operating company from January 2012 to September 2020, Gahng, et al's findings indicate that SPAC investors earn a positive 9.3% per year, while post-merger returns are significantly negative. Despite negative returns, Gahng, et al. states that the SPAC market is evolving and gravitating towards a more sustainable equilibrium (Gahng, et al., 2021). Osano and Hori also study the recent rise in SPAC IPOs and seek a reason for the growth of SPACs in recent years. Osano and Hori found that the traditional IPO process is more informationally efficient, but it is a long and expensive process. Despite being less efficient, a merging company would be more likely to choose a SPAC over traditional IPOs in a hotter market (Hori and Osano, 2021).

Published in 2009, Lewellen's paper, "SPACs as an Asset Class", offers insight into the unique properties of the SPAC structure and highlights that the risk of SPAC investment is measured differently in different stages of the SPAC cycle. Written during the first modern SPAC era in 2008, when SPACs funds made up 58% of the IPO market, Lewellen provides information on the appeal of SPACs to shareholders signifying the similarities of SPACs to a riskless zero-coupon investment. Additionally, Lewellen juxtaposes the characteristics of SPACs with those of private equity funds, concluding that SPACs significantly avoid certain biases that are present in private equity (Lewellen, 2009). Similarly, Gryglewicz, Hartman-Glaser, and Mayer evaluate the benefits of PE-IPO financing versus SPAC financing. Traditionally, sponsors relied on venture capital or private equity funds to raise funding for an acquisition; however, SPACs have introduced a new way of raising proceeds. In the study conducted in the paper, "PE for the Public: The Rise of SPACs", key findings showed that SPAC financing was more effective at recognizing good acquisitions from bad ones while PE-IPO financing was proficient

in preventing “fly-by-night operators” who raise funds with no intention of completing an acquisition (Gryglewicz, et al., 2021).

Other studies such as Klausner, et al., “A Sober Look at SPACs”, analyze the structure of SPACs and the high costs that are built into the current design of SPACs. Klausner, et al. discover that of the \$10 per share raised from investors during the IPO stage of the SPAC lifecycle, only \$6.67 holds by the time the SPAC merges with its target. Klausner, et al. find that SPACs are structured in a way that leads to incurred losses for investors who own shares at the time of the merger. The authors reject the claims that a SPAC is a cheaper way to go public than an IPO, finding that a SPAC’s share price drops almost 50% at the time of the merger (Klausner, et al., 2021). Jenkinson and Sousa’s study aligns with these findings as well. In their paper, “Why SPAC Investors Should Listen to the Market”, the outcome of the study indicates that nearly 50% of SPACs lose a significant amount of value once an acquisition is completed. The primary reason that SPACs lose value upon completing an acquisition is because SPAC sponsors prioritize finding a target and completing an acquisition, regardless of if it’s good or bad target (Jenkinson and Sousa, 2021).

Several pieces of literature discuss the motivations of SPAC managers, sponsors, and investors. In “Perverse Incentives of Special Purpose Acquisition Companies, the Poor Man's Private Equity Funds,” Dimitrova, who also describes SPACs as “one-shot private equity deals”, highlights the level of destruction that occurs when SPAC managers’ are motivated and incentivized to pursue a bad acquisition over no acquisition. Dimitrova found that de-SPAC deals that are rushed near the two-year deadline ultimately underperform because managers will choose to pursue any acquisition in order to prevent the liquidation of SPAC investments (Dimitrova, 2016). Similarly, Luo and Sun, authors of “A Dynamic Delegated Investment Model

of SPACs”, investigate the misalignment in incentives between SPAC sponsors and investors. Luo and Sun explore the effect of the timing in which a manager proposes a target company as well as the amount of information and noise that plays into the investor’s decision to approve or deny a target. The authors also investigate if SPAC managers should be permitted to continue to propose targets after the initial target was denied (Luo and Sun, 2021).

Moreover, Pawliczek, et al.’s paper, “In Signing Blank Checks: The Roles of Reputation and Disclosure in the Face of Limited Information”, find that SPACs that are controlled by experienced managers and widely-known sponsors such as CEOs and celebrities raise more funds than SPACs with managers that lack reputation. When a manager is known to have relevant experience, investors are more likely to rely on the manager’s characteristics and reputation when making investment decisions if there is a lack of information provided (Pawliczek, et al., 2021). Similarly, Banerjee and Szydlowski’s “Harnessing the Overconfidence of the Crowd: A Theory of SPACs” develops a model that accounts for SPAC investors’ confidence level in the investment and how investors can exploit over-confident investors (Banerjee and Szydlowski, 2021).

While there is no existing literature that seeks to explore the significance of the estimated interest rate on the trust account, perhaps the most comparable study is one conducted in 2014. Through a logit regression analysis, Cumming, et al.’s “The Fast-Track IPO—Success Factors for Taking Firms Public with SPACs” seeks to discover any variables that may predict a SPAC’s success. With a sample size of 139 SPACs, the authors compile a list of twenty-four variables that may be significant in predicting a SPAC’s outcome, ultimately finding several statistically significant variables. One substantial finding uncovered the negative relationship between SPAC size and the likelihood of approval (Cumming, et al., 2014). Cumming, et al.’s study shows

similarities to the processes and goals of this thesis; however, three significant distinctions include the existing study's failure to include the interest rate on the trust fund as a variable to be researched, the time period when the study was conducted (2003-2008), and the size of the sample pool, which is significantly smaller than this study. In conclusion, the literature published on SPACs does not provide much insight into the importance of the estimated interest rate. Instead, it offers a better understanding of the structure, process, and behaviors of SPACs.

### **Contribution to the Literature**

The existing literature, in addition to countless other studies, has provided a wide range of information about SPACs. To my knowledge, there aren't any studies that provide any insight into the significance of the interest rate of the trust account. This study contributes to the literature as this is the first study that provides descriptive and statistically significant evidence about estimated interest rates on a SPAC's trust account. Additionally, the database created to conduct the study contains detailed information for more than 1000 SPACs. The data collected for this study may be shared and contribute to studies conducted in the future.

## Chapter 3

### Hypothesis, Data, and Methodology

This chapter provides an overview of the study's hypothesis, the data collection process, the variables included in the dataset, and the methodology used to analyze the data. As previously mentioned, while the existing literature provides an understanding of the fundamental information about special purpose acquisition companies, there is little to no literature that includes information about how interest rates on SPACs are estimated and if interest rates are significant in determining a SPAC's outcomes. A SPAC's estimated interest rate can be found in the S-1 form under filings on sec.gov. Within the S-1 form in a section titled, "Anticipated Expenses and Funding Sources," the estimated interest rate will be provided in a sentence that reads similar to the following: "Assuming an interest rate of X% per year, we estimate the interest earned on the trust account to generate approximately \$X per year." Upon gathering information in the beginning stages of this study, it became clear that the estimated interest rates on the trust account are extremely varied from SPAC to SPAC.

The widespread distribution of interest rates from the data, ranging from .01% to 2.53%, sparked an interest in researching an explanation as to why there is such a high level of inconsistency when estimating the interest rate on IPO proceeds that are invested in a trust account. Given this level of irregularity among interest rates estimates, I hypothesize that the estimated interest rate plays a significant role in predicting a specific outcome of a SPAC. Furthermore, this study seeks to find if there is a relationship between the estimated interest rate and the likelihood of a SPAC to succeed or fail.

To test this hypothesis, data on SPACS that have gone public between the years 2017 and 2022 was required. Data for the variables, SPAC name, IPO size, IPO date, estimated interest



rate, status, trust size, and primary underwriter was collected and compiled into a database before conducting data analysis.

### **Data Collection**

The database created for this study is comprised of 1,028 SPACs that have completed an IPO in the last 6 years. Table 3-1 shows the distribution of SPAC IPOs organized by year. As seen in the table, 2020 and 2021 make up most of the data set with a combined total of 875 SPACs launched in between the two years. To clarify, 26 SPACs within the database do not have an IPO date listed as they were withdrawn from registration prior to completing an IPO; however, these SPACs registered with the SEC Office during the specified timeframe of the study. The distribution of SPACs by year accurately reflects the exponential growth of SPAC IPOs that has been seen in recent years as previously mentioned.

**Table 3-1: SPAC Distribution by Year**

<b>Year</b>	<b># of SPACs</b>
2017	8
2018	35
2019	55
2020	256
2021	619
2022	29
No IPO Date	26

Most of the information in the database is collected from a pre-existing database published on SPACtrack.com. A full list of active SPACs is available for download to the public

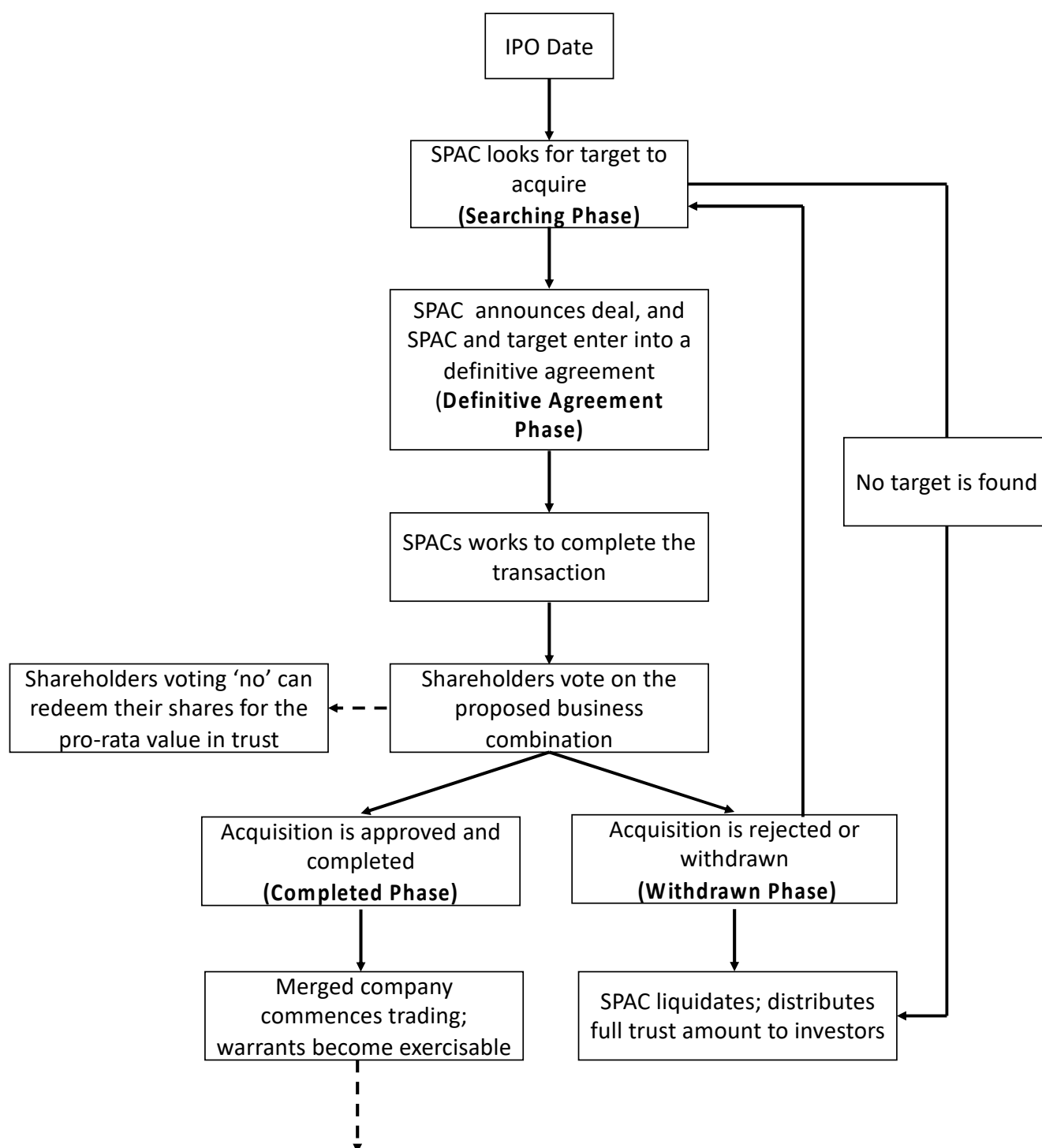
directly from the SPACtrack website; however, a pro-membership is required to access and download the list of De-SPACS (completed SPACs). Data included in this study from SPACtrack includes a comprehensive list of almost 1000 names of SPACs and each individual SPAC's ticker, target company or focus, market cap, IPO date, IPO size, definitive agreement date, underwriters, status, months between IPO and DA date, and PIPE amount.

SPACtrack does not provide information about SPACs that have been withdrawn or terminated, so supplemental manual research is required to include data about withdrawn and terminated SPACs in the database. In this study, 52 additional SPACs with these statuses were added to the database. Researching news sources that report on failed SPAC deals and reading SEC filings that report SPAC withdrawals or terminations were the two primary methods for finding failed SPACs. Once a list of failed SPACs was composed and added to the database, further research was performed to complete each of the fields in the database. The needed information about failed SPACs was gathered from the S-1 form and other filings on each SPAC's individual SEC page. It is important to note that SPACtrack includes SPACs that are in the pre-IPO phase of the SPAC lifecycle in their active SPAC database. For this study, pre-IPO SPACs are removed from the database as they are in too pre-mature of a stage to contribute relevancy to the findings.

After the database from SPACtrack was sorted through and additional data about failed SPACs was added, it became evident that additional data was still needed. Information about each SPAC's estimated interest rate and the value of its trust account was collected from each SPAC's S-1 form on SEC.gov and added to the pre-existing database. Although this is a straightforward task, this process can get quite tedious and time-consuming as there are over 1,000 SPAC S-1 forms to sift through to collect the necessary data.

The last step of data collection was to consolidate the “status” into four categories and add a field called “Previously Terminated or Withdrawn.” The status of the SPAC is determined by the phase the SPAC resides in while in the process of acquiring a target. In this study, each SPAC is classified into one of the following statuses: searching, definitive agreement, completed, or withdrawn. A SPAC in the searching phase is in the earliest stage of the SPAC lifecycle. A SPAC in the “searching phase” has completed its IPO and is in the process of searching for a target to acquire. If a SPAC fails to find a target within the defined timeframe, typically 18 to 24 months, then it will be forced to liquidate the proceeds raised in the IPO and will typically withdraw its registration with the SEC. In most cases, once a SPAC has identified a target company, the SPAC and its target company enter into a material definitive agreement. This agreement is announced in an 8-K report which specifies a deadline that the two companies must merge by or else the agreement will be terminated. After the “definitive agreement phase”, the SPAC will either be completed or withdrawn. The SPAC managers propose the target to the shareholders. If the SPAC is approved by the shareholders’ vote, the SPAC enters into the “completed phase” and acquires the target company. If the SPAC is voted down, the SPAC is in the “withdrawn phase” where proceeds raised in the SPAC IPO are liquidated and returned to investors. In some cases, a SPAC may return to the searching phase and attempt to find a new target before to the SPAC deadline date. These four phases make up the typical lifecycle of a SPAC. Figure 2 provides a visualization of this process below.

**Figure 2: Typical SPAC Life Cycle**



After each SPAC was categorized by status, the field “status ID” was created to numerically categorize the SPACs by status. Status ID simply puts a numerical value to each of the four statuses; SPACs with a “searching” status were assigned a status ID of 1, SPACs with a “definitive agreement” status were assigned a 2, “completed” SPACs were given a 3, and “withdrawn” SPACs were given a 4. Table 3-2 shows the relationship between the status ID and status measure as well as describes each status.

**Table 3-2: Status ID and Descriptions**

Status ID	Status Variable	Description
1	Searching	The SPAC has completed its IPO but is still searching for a potential target to acquire. SPACs that have terminated a previous deal but have not reached the target identification deadline are classified as this outcome.
2	Definitive Agreement	This stage represents a SPAC that has completed its IPO and entered into a definitive agreement with a target, but the deal has not been completed.
3	Completed	The SPAC has completed the deal by acquiring a private target.
4	Withdrawn	The SPAC failed to find a target or has withdrawn its registration statement.

Because this study seeks to find any variables that may have a significant role in determining failed outcomes, an additional variable, the variable “Previously Terminated or Withdrawn,” was created to narrow the focus of the data analysis. This variable ultimately deciphers if a SPAC has failed or succeeded. Depending on if the SPAC is deemed a failure or success, SPACs are either assigned a 0 or 1 for the variable “Previously Terminated or Withdrawn.” If a SPAC has (1) previously entered into a definitive agreement with a target but ultimately terminated the agreement for whatever reason, (2) failed to select a target to acquire, (3) nominated a target but the deal was voted down, or (4) withdrawn its registration from the SEC, then it is considered to have a failed outcome. SPAC deals that are considered failures are assigned a number 1, while SPACs with the status searching, definitive agreement, or completed

are assigned a 0. Data manipulation for this variable is essential and significant in setting up the regression model which is detailed in the next section of this chapter.

A comprehensive list of all the variables included in the database used in this study as well as descriptions for each variable is provided below in Table 3-3.

**Table 3-3: Variable Descriptions**

Variable	Description
Name	Name of SPAC
Status	This variable represents the stage that the SPAC currently resides in within the SPAC process. Each SPAC is classified as searching, definitive agreement, completed, or withdrawn.
Status ID	This variable is the ID associated with the status of a SPAC. See Table 3-2 for additional information.
Target Focus	This variable represents the industry that the SPAC is targeting when searching for a potential acquisition.
Target Company (if Deal Announced)	This variable is the company that the SPAC is planning to acquire. If a SPAC had previously entered into a definitive agreement with a target but terminated the agreement at a later date, the termination date and former target are detailed here.
Previously Terminated or Withdrawn	This variable signifies if a SPAC has previously terminated a deal or is categorized as withdrawn. If a SPAC has previously terminated a definitive agreement with a target or has the status withdrawn, then the SPAC will be assigned a 1 for this variable. All other SPACs are assigned a 0.
Trust Value	This variable represents the dollar amount of the net proceeds raised in the IPO that are placed in a trust account and managed by a third-party trustee.
Estimated Interest Rate	This variable is the estimated interest rate that the net proceeds will earn while invested in the trust account.
IPO Date	This variable represents date the SPAC went public.
IPO Size	This variable represents the dollar amount of the size of the IPO.
Main Underwriter	This variable represents the bank or investment group that is the primary underwriter of the SPAC deal. Many deals may have multiple underwriters.
Definitive Agreement Date	This variable is the date that a SPAC and its target enter into a definitive agreement.
Time Between IPO and DA	This variable represents the duration between the IPO date and the date a SPAC and its target enter into a definitive agreement.
PIPE	This variable is the dollar amount of private investment in public equity (PIPE) that a SPAC has raised.

## Regression Analysis

This study utilizes a linear probability model (LPM) using OLS to estimate the effect of interest rates on failures. A linear probability model seeks to find explanatory variables that may predict the outcome of the dependent variable. Simply put, this model finds the probability of a specific outcome of the dependent variable given the explanatory variables in the equation. In this analysis, the dependent variable is “Previously Terminated or Failed,” and the explanatory variables are interest rate, IPO size, trust size, and PIPE. In a linear probability model, the dependent variable values are either 0 or 1. This is the case in this study as the two outcomes for the variable “Previously Terminated or Failed” are 1 for failed SPACs or 0 for SPACs that have not failed. In the regressions, IPO year and underwriter fixed effects are added. This is the primary reason why the analysis utilizes a linear probability model using an OLS regression instead of a logit or probit as those models do not allow for the addition of fixed effects.

In total, I estimated five regressions to test the probability of predicting the outcome variable by the independent variables in each equation. The outcome variable, “Previously Terminated or Failed,” remained the dependent variable in all five regressions. In regression 1, the interest rate is the only independent variable, and IPO year is added for fixed effects. Regression 2 added a primary underwriter fixed effect to regression 1. A second independent variable, IPO size, was added in regression 3 in addition to the existing variables and fixed effects from regression 2. In regression 4, another variable, trust size, was added to the regression equation. Lastly, a fourth variable, PIPE, was included in the regression model. Outputs from the regression model are detailed in the following chapter.

## **Chapter 4**

### **Results**

This chapter details the findings from the data and the regression analysis. Because there is very little information available about estimated interest rates on a SPAC's trust account, the first section of this chapter provides descriptive summary statistics about various aspects of the data collected for this study. While these findings are not the primary focus of the study, they provide newfound insight into interest rate estimates. After the summary statistics are shown, the outcomes from the regression analysis are provided and explained. Finally, the section of this chapter provides possible explanations for these outcomes.

#### **Descriptive Summary Statistics**

The summary statistics from the data reveal interesting characteristics about the variables included in the study. Table 4-1 displays a summarized overview of the numerical variables from the database. To summarize some of the findings from the table, the average interest rate among the 1028 SPACs is 0.27%, the median interest rate is 0.10%, the minimum interest rate in the data set is 0.01%, and the maximum value is 2.53%. The statistics for IPO size and trust value are extremely similar because they are highly correlated. When a SPAC completes its IPO, all but a small fraction of proceeds raised in the IPO are invested into a trust account. More details about the correlation between IPO size and trust value are provided in the following section of this paper.



**Table 4-1: Summary of the Data**

Variable	Mean	Median	St. Dev.	Min	Max
Interest Rate	0.27%	0.10%	0.41%	0.01%	2.53%
IPO Size	\$ 274,513,085	\$ 239,700,000	\$ 218,836,919	\$ 40,000,000	\$ 4,000,000,000
Trust Value	\$ 265,567,768	\$ 234,610,068	\$ 201,606,839	\$ 1,794,621	\$ 3,850,000,000
Market Cap	\$ 623,634,659	\$ 277,725,000	\$ 1,929,251,327	\$ 19,832,962	\$ 45,176,308,971
Commons Price	\$ 8.96	\$ 9.75	\$ 4.08	\$ 0.20	\$ 85.24

Given that the primary focus of this study concentrates on the significance of the estimated interest rate on the trust account, the following tables in this section provide descriptive information about interest rates as they relate to other variables such as year and SPAC status. Due to the wide range of interest rates collected from the data, a distribution table provides a visual depiction of the most estimated interest rates among SPACs. As seen in Table 4-2, nearly two-thirds (65.36%) of all SPACs have an estimated interest rate of 0.10% or less. Moreover, almost 80% of all estimated interest rates in the data are less than or equal to 0.20%, and 90.60% of all interest rates are 0.50% or less. While most of the interest rates in the data hover around the overall interest rate average of 0.27%, there are still a significant number of SPACs that estimate interest rates much higher than the overall data average. For example, 68 SPACs within the data have an estimated interest rate between 1.00% and 1.50%. Table 4-2 provides a distribution of estimated interest rates from the data and reveals a skewness towards the lower end of the distribution.

**Table 4-2: Distribution of Interest Rates**

Rate	Count of SPACs	Cumulative Distribution
0.01%	21	2.30%
0.02%	34	6.01%
0.03%	16	7.76%
0.04%	4	8.20%
0.05%	12	9.51%
0.06%	9	10.49%
0.07%	17	12.35%
0.08%	18	14.32%
0.09%	9	15.30%
0.10%	458	65.36%
0.12%	1	65.46%
0.14%	1	65.57%
0.15%	9	66.56%
0.16%	3	66.89%
0.17%	6	67.54%
0.20%	103	78.80%
0.25%	9	79.78%
0.30%	11	80.98%
0.50%	88	90.60%
0.80%	4	91.04%
1.00%	19	93.11%
1.25%	1	93.22%
1.30%	1	93.33%
1.40%	16	95.08%
1.50%	31	98.47%
1.55%	1	98.58%
2.00%	8	99.45%
2.20%	1	99.56%
2.26%	2	99.78%
2.30%	1	99.89%
2.53%	1	100.00%

In addition to observing the distribution of the interest rates, looking at the statistics about the interest rates by year also provides insightful information about the estimated interest rate on the trust account. Table 4-3 displays the mean, median, standard deviation, minimum, and

maximum interest rates on a yearly basis. The table also shows how SPAC interest rates compare to yields on treasury rates. As previously mentioned, this study focuses on SPACs that have gone public between 2017 and 2022, so there is no data regarding interest rates for the years out of the range of the study. An interesting discovery when looking at the data is the varied average interest rate of each year. Prior to 2020, the average estimated interest rate is much higher than the averages of the three most recent years. One caveat to this finding is that only a small number of SPACs in the database were launched prior to 2020. Looking back on Table 3-1, there are only 98 SPACs in the database that were launched in 2017-2019. The summary statistics from the years 2020 and 2021 more accurately reflect the overall data average as they make up the majority of the database. Another finding relates to the minimum and maximum interest rates in each year. Each year, the minimum interest rate falls between 0.01% and 0.50%. Excluding 2022, the maximum interest rate estimate is higher than 1.5% in every year. The similarities in these measures show that there is not a specific year, where interest rates were significantly lower or higher, that is skewing the data. In comparison to the one-year treasury averages, the average interest rates on SPACs change relative to the yield on treasuries.

**Table 4-3: Interest Rate by Year**

Year	1 Year Treasury					
	Average	Mean	Median	St. Dev.	Min	Max
2017	1.19%	0.61%	0.50%	0.56%	0.10%	1.55%
2018	2.33%	1.16%	1.00%	0.39%	0.50%	2.00%
2019	2.05%	1.53%	1.45%	0.42%	0.50%	2.53%
2020	0.37%	0.35%	0.20%	0.40%	0.01%	2.00%
2021	0.10%	0.14%	0.10%	0.18%	0.01%	2.26%
2022	0.97%	0.05%	0.03%	0.04%	0.01%	0.10%

The interest rate data was also categorized by status. Table 4-4 shows the distribution of SPACs in each status and how the interest rates of SPACs in each status compare to the statistics

of the entire dataset. Because it takes time for deals to complete or fail, SPACs launched in 2021 and 2022 are excluded from this table as there hasn't been enough time to complete deals yet. Compared to an overall mean of 0.50%, the average interest rate for SPACs with searching and definitive agreement status was below the data average. Completed and previously terminated or withdrawn SPACs both report averages equal to or higher than .50%. SPACs in the completed status group have the highest average interest rate among the other statuses, while SPACs in the searching phase appear to have the lowest average interest rate. Once again, the minimum and maximum interest are primarily consistent among the five groups.

**Table 4-4: Interest Rate by Status (2017-2020)**

Outcome	Count	Estimated Interest Rate				
		Mean	Median	St. Dev.	Min	Max
All SPACs	311	0.50%	0.20%	0.59%	0.01%	2.53%
Searching	62	0.22%	0.10%	0.17%	0.08%	0.50%
Definitive Agreement	29	0.33%	0.10%	0.43%	0.07%	1.50%
Completed	158	0.67%	0.50%	0.65%	0.01%	2.53%
Previously Terminated or Withdrawn	13	0.50%	0.50%	0.45%	0.10%	1.50%

Lastly, interest rate data was organized by the underwriters to examine if there is a correlation between high or low-interest rates and specific underwriters. Table 4-5 provides a list of every underwriter that was included in the dataset ranked by descending number of SPAC deals. Once again, the average interest rate per underwriter do not greatly deviate from the overall average. Nomura is the underwriter with the highest average of .68%, while US Tiger Securities has the lowest with an average interest rate of .05%. The underwriter with the most SPACs is Citigroup, which also has the greatest success rate of 32 completed deals for every 1

withdrawn. The first five underwriters listed in the table make up 50% of the SPACs in the database. More information about the underwriters in the database is provided in Table 4-5.

Table 4-5: Interest Rate and Outcome by Underwriter

Main Underwriter	Average Interest Rate	SPACS in Each Phase				Total
		Searching	DA	Completed	Withdrawn	
Citigroup	0.24%	82	11	32	1	126
Credit Suisse	0.30%	53	12	30	9	104
Cantor Fitzgerald & Co.	0.30%	52	12	28	2	94
Goldman Sachs & Co. LLC	0.29%	34	4	24	4	66
Jefferies	0.38%	29	3	21	1	54
Deutsche Bank	0.46%	21	4	27	0	52
EarlyBirdCapital	0.37%	25	3	18	0	46
Chardan	0.22%	17	10	13	1	41
UBS Investment Bank	0.14%	20	6	11	0	37
Morgan Stanley & Co. LLC	0.23%	23	4	9	0	36
BofA Securities	0.11%	25	2	3	3	33
Barclays	0.15%	18	3	7	0	28
Maxim Group LLC	0.21%	15	7	4	1	27
BTIG	0.36%	14	4	6	0	24
B. Riley Securities	0.43%	11	1	10	1	23
Cowen	0.25%	11	3	9	0	23
J.P. Morgan	0.28%	15	4	3	1	23
EF Hutton	0.07%	17	1	0	0	18
I-Bankers Securities, Inc.	0.14%	7	4	4	0	15
Stifel	0.15%	11	1	2	0	14
Kingswood Capital Markets	0.34%	9	3	0	0	12
Wells Fargo Securities	0.17%	7	3	2	0	12
Ladenburg Thalmann	0.28%	4	3	3	1	11
Oppenheimer & Co.	0.11%	9	0	2	0	11
Mizuho Securities	0.11%	6	0	1	1	8
Nomura	0.68%	4	1	3	0	8
RBC Capital Markets	0.13%	7	1	0	0	8
A.G.P.	0.10%	7	0	0	0	7
Evercore ISI	0.32%	7	0	0	0	7
Raymond James	0.10%	5	1	1	0	7
Roth Capital Partners	0.10%	4	1	2	0	7
Guggenheim Securities	0.08%	4	0	0	1	5
Imperial Capital	0.43%	4	0	1	0	5
BMO Capital Markets	0.45%	3	0	1	0	4
LifeSci Capital	N/A	0	0	2	0	2
ThinkEquity	0.08%	2	0	0	0	2
Tiger Brokers	0.05%	2	0	0	0	2
Canaccord Genuity	0.10%	0	0	1	0	1
Craig-Hallum Capital Group	0.10%	1	0	0	0	1
Drexel Hamilton	0.50%	1	0	0	0	1
JMP Securities	0.10%	1	0	0	0	1
JonesTrading	0.10%	0	0	1	0	1
Needham & Company	0.10%	1	0	0	0	1
Network 1 Financial Securities	N/A	1	0	0	0	1
Northland Capital Markets	0.10%	0	1	0	0	1
Piper Sandler	0.10%	0	0	1	0	1
Seaport Global Securities	0.10%	1	0	0	0	1
SVB Leerink	N/A	0	0	1	0	1
US Tiger Securities	0.05%	0	1	0	0	1

Overall, these patterns suggest that there is considerable variation in the trust account interest rate across SPACs, and while this variation can be partially explained by variables such as the SPAC's issuance year or lead underwriter, such variables do not explain all of the variation in interest rates across SPACs.

### **Regression Outcomes**

I next use a linear probability model to more formally examine whether trust account interest rates are correlated with SPACs' ultimate outcomes. In these tests, a SPAC is considered to have a failed outcome if it (1) terminates a definitive agreement, (2) fails to find a target acquiree, (3) proposes a target to shareholders but is voted down, or (4) withdraws its registration from the SEC. The dataset for these regressions is limited to SPACs that either completed a transaction or failed (using the definition above). SPACs that are searching for a target or that have signed a definitive agreement but have not completed an acquisition are excluded from my regressions, as these SPACs' eventual outcomes are still unknown.

The purpose of using a linear probability regression model is to understand whether certain SPAC characteristics – and in particular, the interest rate on the SPAC trust account – are correlated with whether the SPAC completes an acquisition or fails. In all, five regressions were run, which are labeled Regression 1 through Regression 5. The output from the linear probability model is shown below in Table 4-6.

**Table 4-6: Regression Outputs**

Variable	Regression 1	Regression 2	Regression 3	Regression 4	Regression 5
(1) Interest Rate	2.208035 (1.233897)	3.373054*** (0.6807533)	3.412035*** (0.7150901)	4.451922** (1.238627)	4.204429** (1.295057)
(2) IPO Size			-0.0139225 (.0321813)	-0.0837959** (0.0214123)	-0.0781188* (0.0260073)
(3) Trust Size				0.0888591 (.0627864)	0.0524082 (0.0383738)
(4) PIPE					-0.0125037 (0.0350453)
<i>Fixed Effects</i>	IPO Year	IPO Year, Primary Underwriter	IPO Year, Primary Underwriter	IPO Year, Primary Underwriter	IPO Year, Primary Underwriter
<i>Clustering</i>	IPO Year	IPO Year	IPO Year	IPO Year	IPO Year
<i>Observations</i>	250	231	231	230	191
<i>R-Squared</i>	0.0565	0.1598	0.1604	0.173	0.1007

Robust standard errors in parentheses

\*\*\* p<0.01, \*\* p< 0.05, \* p <0.1

Regression 1 includes year fixed effects, while Regressions 2-5 contain year and underwriter fixed effects. In each specification excluding Regression 1, the interest rate on the trust account has a positive and statistically significant coefficient (Row 1). In regression 1, a possible concern could be that some underwriters might tend to systematically insert higher or lower interest rates into their clients' S-1 forms, and these underwriters might also have consistently good or bad deals. By adding fixed effects for underwriters in regressions 2-5, this concern is reduced as the relationship is estimated *within* the deals underwritten by each underwriter. In effect, this regression compares two deals that are both underwritten by the same underwriter, and that are launched in the same year, but that have different stated trust account



interest rates. Hence, any factors that might systematically affect SPACs launched by certain underwriters or SPACs launched in certain years are absorbed by the year and underwriter fixed effects. Regressions (2)-(5) show that, even with the inclusion of these fixed effects, there is a positive and large correlation between the stated interest rate on the trust account and failure outcomes.

A relationship between IPO size and outcome is tested in regressions 3, 4, and 5. Outputs in regressions 4 and 5 show a significant and negative relationship between IPO size and failure probability (row 2). The finding that IPO size and outcome are negatively correlated aligns with Cumming, et al's findings from their 2014 study. However, this relationship between IPO size and failed outcomes is not the focus of this thesis as this relationship is most likely attributed to multicollinearity between the IPO size and trust size variables. Multicollinearity is a statistical phenomenon when two variables in a regression equation are essentially colinear. When a SPAC raises proceeds during its IPO, all but a few million dollars of the proceeds (IPO size) are then placed into a trust account (trust value). Because the IPO size and trust value are almost the same amounts, they are extremely correlated with a correlation value of .9496.

Lastly, Table 4-6 shows that trust size (row 3) has a positive but insignificant relationship with failed outcomes. Again, this finding is dismissed due to multicollinearities. Similarly, the (log) size of any PIPEs associated with the deal (row 4) does not seem to have any significant relationship with SPAC outcomes.

Recall that a regression is essentially an equation that predicts outputs given inputs: that is,  $y = \text{Beta} * x$ . Given that the standard deviation of interest rates is 0.41%, this means that increasing interest rates by one standard deviation leads to a  $0.41\% * 3.373 = 1.38\%$  increase in the probability of the deal failing. In the sample corresponding with Regression 2, the

probability of a deal failing is 5.46%. Thus, raising the probability by 1.38% corresponds to a 25% increase in the probability of failure. That is, a one standard deviation increase in interest rates raises failure probabilities by 25%, which is a pretty large magnitude.

Collectively, the findings in Table 4-6 show that SPACs' trust account interest rates are negatively correlated with their outcomes. To my knowledge, this finding is new to the literature on SPACs. In addition, Table 4-6 reinforces the value of using a linear probability model, as Table 4-4 shows that *completed* SPACs have a higher unconditional mean interest rate than failed SPACs. This suggests that trust account interest rates are highly correlated across underwriters or IPO years and validates my choice of including underwriter and year fixed effects in my primary specifications.

### **Potential Explanation for Results**

The outputs from the linear probability model suggest that SPACs with higher interest rates have a higher probability of having a failed outcome. One potential explanation for this relationship is that SPAC investors may be more inclined to vote no on a target if the SPAC proceeds have earned a significant amount of interest while in the trust account. If the investors vote against the proposed deal, the proceeds raised in the IPO and interest earned on the trust account must be liquidated. Another explanation for these findings may relate to the overconfidence and inexperience of SPAC managers who simply estimate higher than average interest rates on the SPACs. These and other explanations for my findings can potentially be investigated in future studies.

## **Chapter 5**

### **Conclusion**

In conclusion, this study seeks to find an answer to the research question, “do interest rates on a SPAC’s trust account predict the outcome of the SPAC?” The study expected to find that interest rates are a valid variable to consider when predicting SPAC outcomes. Findings from the study support this hypothesis and show that there is a positive and statistically significant correlation between interest rates and the likelihood for a SPAC to have a failed outcome. The goal of this paper is to provide information about estimated interest rates on the trust account of a SPAC, a fundamental component of a SPAC that has never been researched before. Summary statistics provide an overview of the descriptive features of interest rates, such as how they compare when grouped by year, status, and underwriters. Furthermore, outputs from the regression analysis provide evidence of a relationship between interest rates and failed outcomes.

The data used in the analysis was collected primarily from existing online SPAC databases; however, subsequent data about each SPAC’s estimated interest rate and trust value were found in each SPAC’s S-1 form and added to the dataset. In total, the completed dataset comprised of 1028 SPACs that were launched between 2017 and present day. Information including IPO date, IPO size, trust account, interest rate, status, and several other variables were collected for each SPAC and added to the database. An additional variable was added to the dataset to differentiate SPACs that have had deals that were previously terminated or withdrawn

from SPACs that have not. Failed SPACs were assigned a 1 for this variable, while all other SPACs were assigned a 0.

The data was inputted into a statistical software program, STATA, where five regressions were computed. A linear probability model estimating an OLS regression was utilized to discover which independent variables produce a high probability of a failed outcome. In each regression, the dependent variable, “previously terminated or failed,” remained consistent throughout. Additional explanatory variables, IPO size, trust account, and PIPE, and fixed effects for IPO year and underwriters were added into the equation throughout regressions 2-5.

Results from the regression indicate that when fixed effects are added for IPO year and underwriters, there is a correlation between high interest rates and failed outcomes. Additionally, outputs in regressions 4 and 5 indicate that larger SPACs are less likely to fail; however, this finding may be attributed to multicollinearity due to the high correlation between IPO size and trust value. Possible explanations for the relationship between trust account interest rates and SPAC outcomes include a lack of support from SPAC investors who prefer to be returned their initial investment with incurred interest or the overconfidence of SPAC managers who overestimate the interest rate on the trust account. The results from the study contribute to the existing SPAC literature by showing that there is significant variation in trust account interest rates and that trust account interest rates are negatively correlated with SPACs’ ultimate success in completing an acquisition.

The data and findings from the study may be utilized and built upon in future experiments. One possible improvement for future studies would be to include data on SPACs from all years instead of limiting the sample size to SPACs from recent years. Expanding the range and sample size of the data allows for a more accurate representation of SPACs from all

eras. As more SPAC IPOs launch each day, new data can also be added to the database to conduct a study with a larger sample size. The findings from the study introduce a new research question about the process by which SPAC managers estimate interest rates. As the SPAC market continues to expand, more data and information will become available for additional experiments, ultimately leading to more knowledge about special purpose acquisition companies as a whole.

## BIBLIOGRAPHY

1. Banerjee, Snehal and Szydlowski, Martin, “Harnessing the Overconfidence of the Crowd: A Theory of SPACs” (September 24, 2021), <https://ssrn.com/abstract=3930346>
2. Cumming, Douglas, et al. “The Fast Track IPO – Success Factors for Taking Firms Public with SPACs.” *Journal of Banking & Finance*, North-Holland, (July 9, 2014). [www.sciencedirect.com/science/article/pii/S0378426614002489](http://www.sciencedirect.com/science/article/pii/S0378426614002489).
3. Dambra, Michael and Even-Tov, Omri and George, Kimberlyn, “Should SPAC Forecasts be Sacked?” (January 24, 2022), <https://ssrn.com/abstract=3933037>
4. Dimitrova, Lora, “Perverse Incentives of Special Purpose Acquisition Companies, the ‘Poor Man's Private Equity Funds’” (February 2017) *Journal of Accounting and Economics*, Volume 63, Issue 1. <https://www.sciencedirect.com/science/article/pii/S0165410116300660>
5. Gahng, Minmo and Ritter, Jay R. and Zhang, Donghang, “SPACs” (January 29, 2021), <https://ssrn.com/abstract=3775847>
6. Gryglewicz, Sebastian and Hartman-Glaser, Barney and Mayer, Simon, PE for the Public: The Rise of SPACs (February 23, 2021). <https://ssrn.com/abstract=3947368>
7. Hori, Keiichi and Osano, Hiroshi, “A Theory of SPACs” (October 5, 2021), <https://ssrn.com/abstract=3938241>
8. Jenkinson, Tim and Miguel Rocha de Sousa. “Why SPAC Investors Should Listen to the Market.” *Journal of Applied Finance* (February 2009), <https://www.semanticscholar.org/paper/Why-SPAC-Investors-Should-Listen-to-the-Market-Jenkinson-Sousa/86b4ff9651fe10123fff0446b1791761eaa0551d>
9. Johnson, Daniel, et al. “De-SPAC Screener.” SPAC Track, CommonFi, Inc., (February 24, 2022), [spactrack.io/despacs/](https://spactrack.io/despacs/).
10. Klausner, Michael D. and Ohlrogge, Michael and Ruan, Emily, “A Sober Look at SPACs” (December 20, 2021). *Yale Journal on Regulation*, 2022, Volume 39, Issue 1., Stanford Law and Economics Olin Working Paper No. 559, *NYU Law and Economics Research Paper No. 20-48*, *European Corporate Governance Institute – Finance Working Paper No. 746/2021*, <https://ssrn.com/abstract=3720919>

11. Lewellen, Stefan, “SPACs as an Asset Class” (March 24, 2009), <https://ssrn.com/abstract=1284999>  
  
Luo, Dan and Sun, Jian, “A Dynamic Delegated Investment Model of SPACs” (September 23, 2021), <https://ssrn.com/abstract=3929762>
12. Malmendier, Ulrike and Geoffrey Tate. “CEO Overconfidence and Corporate Investment.” *Journal of Finance* (2005), Volume 60, Issue 6, pages 2661-2700.
13. Pawliczek, Andrea, et al. “Signing blank checks: The roles of reputation and disclosure in the face of limited information” (September 29, 2021), <https://ssrn.com/abstract=3933259>
14. “SPAC and US IPO Activity.” SPAC Analytics, [www.spacanalytics.com/](http://www.spacanalytics.com/).

## ACADEMIC VITA

# ERIN BARRETT

erinbarrett00@gmail.com

---

### EDUCATION

**The Pennsylvania State University**  
*Schreyer Honors College*  
*Smeal College of Business | B.S. in Finance*  
**Scranton High School**  
*Valedictorian of the Class of 2018 (Class Rank: 1/411)*

**University Park, PA**  
*Class of 2022*  
**Scranton, PA**

---

### PROFESSIONAL EXPERIENCE

#### **PricewaterhouseCoopers (PwC)**

*M&A Management Consulting Intern*

**New York, NY**

*Jun 2021 – Present*

- Aligned within the Delivering Deal Value practice and engaged with the Divestiture Management Office in governing pre-close divestiture work for a professional services client
- Increased efficiency through the construction of a fully automated operational status reporting dashboard, providing dynamic visualizations and consolidated information to workstream leaders in 3 ongoing divestitures

#### **Admiral Management, LLC**

*Property Management Intern*

**Scranton, PA**

*May 2019 – Aug 2019, May 2020 – Aug 2020*

- Improved management operations by integrating 3 property management systems into one cohesive processing software in order to allow for better organization and communication with company's 500 tenants, while simplifying billing operations for both the tenant and property managers
- Conducted research of tenant demographics for residential property management and forecasted development opportunities within a downtown commercial real estate market by collecting tax assessment data for 600 investment prospects

---

### LEADERSHIP EXPERIENCE

#### **Nittany Lion Consulting Group**

*Executive Board | Former Vice President of Learning and Development*

**University Park, PA**

*May 2020 – Dec 2020*

- Spearheaded the collaboration between university administration and a student task force to develop the curriculum of a University-recognized academic consulting course, providing Penn State students with the opportunity to work with clients on real-world business problems while earning 3 academic credits
- Developed and led weekly class sessions within the 15-week pilot course consisting of 40 students, implementing course objectives of enhancing students' professional development and skills needed to succeed within the consulting field through structured weekly project status updates, alumni panels, and professional speakers

*Executive Board | Former Director of Internal Development*

*May 2019 – May 2020*

- Organized and facilitated biweekly meetings for members by presenting project updates, technical workshops, and bringing professional speakers in to speak about industry trends including data visualization in consulting and team management
- Planned and coordinated a virtual interview day for 20 candidates to assess prospective members' organizational fit, business acumen, and critical thinking skills ultimately resulting in the admittance of 5 new members into the organization

#### **Phi Chi Theta Professional Business Fraternity**

*Former Corporate Relations Chair*

**University Park, PA**

*Sep 2018 – Present*

- Collaborated with a team of 2 individuals to strengthen professionalism within the chapter and organize career development events, while enhancing self-professional development and interviewing skills by conducting 100 mock interviews
- Organized Professional Mentorship Program for upperclassmen to engage with and inspire the newest pledge class

---

### VOLUNTEER EXPERIENCE

#### **Empower Orphans**

*Executive Board | Director of International Relations*

**University Park, PA**

*Aug 2018 – Present*

- Planned and attended a service trip to an orphanage in Entebbe, Uganda and spent 2 intensive weeks as a volunteer organizing recreational and educational activities to foster a relationship with each child
- Served as a positive resource for young students attending a local youth center through homework assistance and weekly visits
- Contacted and fostered relationships with prospective partners to assist the organization in its fundraising efforts

#### **Friends of the Poor**

*Student Volunteer*

**Scranton, PA**

*Nov 2017 – Present*

- Participated in weekly emergency drive-through food giveaways in response to the COVID-19 crisis, serving over 2,000 families
- Established deep relationships with underprivileged children involved in a summer program by acting as mentor for organization

---

### HONORS & INTERESTS

**Honors & Awards:** Schreyer Honors Scholar, NEIU Scholar of the Year, The Times Tribune Scholastic Superstar, Dean's List (7/7), PwC Case Competition (2<sup>nd</sup> Place), Heavner International Case Competition (2<sup>nd</sup> Place Division)

**Interests:** Basketball, Cornhole, Fashion, *Hamilton*, *Harry Potter*, Photography, Podcasts, Traveling, Water-skiing