Paul Connell

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Academic Appointments

University of Wisconsin Law School, Madison, WI
- Assistant Professor, 2025-present
- *Courses*: Business Organizations II (Spring 2026); Torts (Spring 2026); Topics in Law and Economics (Fall 2026)

Education

Columbia University, New York, NY
- Ph.D., Economics (2025)
- *Dissertation*: Essays in Computational Law and Economics
- *Committee*: W. Bentley MacLeod (Chair), Ian Ayres, Suresh Naidu, Bernard Salanie, Joseph E. Stiglitz

Yale Law School, New Haven, CT
- J.D. (2014)
- *Awards*: Edward D. Robbins Memorial Prize
- *Activities*: Yale Journal on Regulation, Board Member and Online Director

The University of Chicago, Chicago, IL
- B.A., Economics, Russian Literature (2011)
- *Honors*: Phi Beta Kappa, College Honors and Special Honors in the Humanities

Publications

- *AI Deceleration (or Acceleration) by Taxation*, 40 Harvard Journal of Law and Technology (forthcoming 2026) (with Jonathan Choi) [Replication Code]

  Even the chief executives of America's leading AI companies cannot agree on whether their products will substitute for or complement human labor. Yet most policy proposals, from data center bans to bonus depreciation for AI hardware, commit policymakers *ex ante* to just one view of how AI will integrate with workers. By extending a leading macroeconomic model of worker automation, we show that any fixed policy is unacceptably fragile: an AI tax calibrated to a world in which AI on net substitutes for human labor produces large welfare losses in a world in which AI is a net complement, and *vice versa*. We propose an adaptive Pigouvian rule that responds to observed wage dynamics by taxing automation when real wages fall and subsidizing it when they rise. We show that this rule is the unique policy in our comparison set with positive welfare gains in both worlds, and it exhibits other attractive qualities that are emphasized in the policy robustness literature. From a coalition-building perspective, it is the only policy mechanism that both AI decelerationists and accelerationists should commit to *ex ante*. We propose implementing this adaptive rule through a two-pronged reform: (1) equalize the existing capital-labor tax wedge, and (2) enact a national AI-usage sales tax whose rate (which may be negative) is indexed to AI-induced unemployment (or change in real wages) by an independent labor-market body.

- *An Empirical Analysis of CFIUS: Examining Foreign Investment Regulation in the United States*, 39 Yale Journal of International Law 131 (2014) (with Tian Huang)

Submitted Manuscripts

- *Better Court Structure, Better Judgments: Exploring Securities Class Action Litigation with a Diagnostic Model of Judging*
  Journal of Law, Economics, & Organization, revise and resubmit [Replication Code]
  CELS 2025 Theodore Eisenberg Poster Prize (poster version)

  Court structure can influence the quality of judicial decision making, and a combination of term limits and subject-matter specialization in the federal bench could avoid hundreds of millions of dollars in settlements of non-meritorious securities class action litigation matters every year. Using a variety of data related to securities class action lawsuits, I employ a structural model of expert decision making to estimate federal judges' skill in appropriately identifying and dismissing non-meritorious suits. This skill increases with relevant experience and decreases with advanced age. Finally, I model counterfactual scenarios to derive the optimal length of judicial term limits and caseload for specialized subject-matter courts. I estimate that, if enacted concurrently with the Private Securities Litigation Reform Act in 1995, court structure interventions at these optimal levels could have avoided roughly $19.4 billion in non-meritorious settlements and returned over $1.5 billion to shareholders in suits that were erroneously dismissed.

Works in Progress

- *Investor Adverse Selection and Corporate Governance*
  Presented at American Law & Economics Association Meeting 2026
  Presented at 2026 AALS Section on Business Associations, New Voices in Business Law Works in Progress

  If shareholders select into firms for idiosyncratic reasons, such as based on their enthusiasm for the CEO, could the shareholder base itself constitute a source of corporate governance distortion? By embedding the Holmstrom-Milgrom contracting model into a market where investors receive noisy signals about CEO skill, I show that in expectation overly optimistic investors self-select into a firm's shareholder base leading to approval of excessively steep incentive pay packages. This paper presents empirical evidence in support of that theoretical mechanism. First, steeper incentive pay correlates with the types of investors most likely to buy into a company based on internal assessments and vote their shares. Second, a structural estimation based on compensation and performance data from 2000--2025 recovers a mean investor belief error that is positive and statistically significant in a specification that permits either sign or a null result. The implied losses average $1.16 million per firm per year, roughly sixteen percent of aggregate CEO pay. Third, say-on-pay approval, a data source external to the estimation, peaks almost exactly at the model's zero-misperception point and declines as contracts move toward either extreme, consistent with increasingly vociferous objection from less-selected members of the shareholder base as the pivotal shareholder's error grows. An asset pricing test shows that optimistically held firms suffer no return penalty, so the distortion is not a marker for larger hidden governance damages. Counterfactual policy simulations show that while a cap on incentive pay may be modestly welfare-enhancing, improving the quality of investor information is a more promising margin for intervention.

- *Estimating and Correcting for Misclassification Error in Empirical Textual Research*
  (with Jonathan Choi)
  Presented at 2024 Conference on Neural Information Processing Systems (NeurIPS) Workshop on Causality and Large Models (CaLM)
  Presented at 2024 Conference on Empirical Legal Studies

  We present a framework for quantifying the impact of and correcting for misclassification error in empirical research involving textual data. Misclassification error commonly arises when, for example, large language models (LLMs) or human research assistants are tasked with classifying features in text. For statistics calculated with classification estimates, misclassification error may introduce attenuation bias or, if there is an imbalance of false positives and false negatives, directional bias, or both. We present strategies for statistically quantifying misclassification error and for correcting estimations based on mismeasured data. We demonstrate the effectiveness of these techniques with a Monte Carlo simulation as well as with worked examples involving real data. The examples demonstrate the importance of correcting for misclassification error, particularly when using LLMs with imbalances in their confusion matrix.

- *A 'New View' of America's Original Sin: Induced Innovation and Slavery in the Antebellum United States*

  This paper provides evidence that slavery directed technological progress in the antebellum South toward labor-augmenting innovations. To detect the relative trends in each region's investment in technological development, I utilize a natural language processing analysis of U.S. patents granted between the passing of the Patent Act of 1836 and the end of Reconstruction. Contextualizing these results with Atkinson and Stiglitz's "New View" framework for describing directed technological change, the paper then describes how outsized capital gains on "slave capital" played a pivotal role in altering the overall return to investment in labor-augmenting technologies in the South as compared to the North, thus setting the two regions on different trajectories of industrial development.

Private Practice

J.P. Morgan Chase & Co., New York, NY

- Assistant Vice President and Senior Counsel, Equity Derivatives Group, 2018–19
- Assisted with structuring and documentation of equity derivatives transactions; negotiated global master confirmation agreements and trade-specific trade confirmations; advised the equity derivatives trading desk on U.S. securities law matters.

Davis Polk & Wardwell LLP, New York, NY

- Associate, Capital Markets Department, 2014-18
- Acted as issuer's and underwriters' counsel in numerous equity and debt offerings; advised clients as to Delaware corporate law, U.S. securities law and matters of contractual compliance.

Prizes, Fellowships and Awards

- Theodore Eisenberg Poster Prize for "Better Court Structure, Better Judgments," 2025 Conference on Empirical Legal Studies, 2025
- Dissertation Fellowship, Columbia University, 2024-25
- Research Fellow, Columbia University, 2022
- Teaching Fellow, Columbia University, 2020-2021, 2023-2024
- Dean's Fellow, Columbia University, 2019-20
- Edward D. Robbins Memorial Prize for "An Empirical Analysis of CFIUS," Yale Law School, 2014

Presentations

- "Toward a $10,000 Billable Hour? Artificial Intelligence and the Economics of Law Firm Billing," Chicagoland Junior Scholars Conference (scheduled September 2026, Chicago, IL)
- "Investor Adverse Selection and Corporate Governance," Soshnick Colloquium on Law and Economics at Northwestern Prtizker School of law (scheduled September 2026, Chicago, IL)
- "Is the optimism tax worth paying? Investor adverse selection and corporate governance," 36th Annual American Law and Economics Association Meeting (May 2026, Chicago, IL)

- "Computational Law and Economics," University of Wisconsin Law School Board of Visitors Meeting (April 2026, Madison, WI)
- "Deceleration by Taxation," Agentic AI Symposium at Harvard Law School (March 2026, Cambridge, MA)
- "From Policy to Practice: Navigating AI in the Legal Profession," Panelist, University of Detroit Mercy Law Review Symposium at University of Detroit Mercy School of Law (March 2026, Detroit, MI)
- "Better Court Structure, Better Judgments," Berkeley Law, Economics, and Business Workshop (February 2026, Berkeley, CA)
- "Investor Adverse Selection and Corporate Governance," Association of American Law Schools Annual Meeting, Section on Business Associations' New Voices in Business Law (January 2026, New Orleans, LA)
- "AI as an Empirical Tool: Applying LLMs to Real-World Research and Industry Challenges," Presentation to the University of Wisconsin e-Business Consortium, AI Special Interest Group (December 2025, Madison, WI)
- "Better Court Structure, Better Judgments," 2025 Conference on Empirical Legal Studies (October 2025, Washington, DC) [poster, awarded "Best Poster"]
- "A New View of America's Original Sin," Junior Intellectual Property Scholars' Association Summer Workshop (August 2025, Madison, WI)
- "Estimating and Correcting for Misclassification Error in Empirical Textual Research," 2024 Conference on Neural Information Processing Systems (NeurIPS) Workshop on Causality and Large Models (CaLM) (December 2024, Vancouver, BC) [poster]
- "Estimating and Correcting for Misclassification Error in Empirical Textual Research," 2024 Conference on Empirical Legal Studies (November 2024, Atlanta, GA)

Bar Admission

- Admitted to the New York Bar, 2015

Academic Service

- **Outcomes and Assessment Committee**, University of Wisconsin Law School, 2025-26
- **Referee Service:** The Yale Law Journal; The Journal of Legal Studies; The Economic Journal; 2025 ACM Conference on Fairness, Accountability, and Transparency (ACM FAccT 2025)