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## From Shaq to Serena Williams: An Analysis of Celebrity SPACs

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From Shaq to Serena Williams: An Analysis of Celebrity SPACs

By

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of the Requirements for  
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## **Abstract**

Special Purpose Acquisition Companies (SPACs) surged in popularity in 2020 and 2021. For the first time in U.S. history, more SPAC IPOs occurred in a particular year than traditional IPOs and direct listings. Amidst the increase in SPAC IPOs, an expanding number of celebrities became involved with these investment vehicles. This thesis investigates the trend of celebrity-backed SPACs by examining how celebrity involvement or association with a SPAC may affect the performance of these equities in the market.

This study examines the SPAC period returns, deSPAC period returns, IPO sizes, deal lengths, and PIPE financing amounts of 339 SPAC deals that closed between November 30, 2017, to March 17, 2022. SPAC period returns are annualized and measured as of the date of business combination. The deSPAC period returns are measured at the following intervals: one day, three months, and one year following a business combination. I find that there is not a significant difference in the common share performance between celebrity-backed and non-celebrity-backed SPACs at the 90% confidence level at any of the four intervals analyzed. Moreover, IPO sizes, PIPE financing amounts, and deal length are not found to have a significant effect on SPAC or deSPAC period performance. Given that the celebrity-backing of SPACs is a recent phenomenon, future studies should investigate whether there is a celebrity effect on common share performance past the one-year deSPAC interval.

## **1. Introduction**

Special Purpose Acquisition Companies (SPACs) are an alternative way to take companies public as opposed to the traditional initial public offering (IPO) or direct listing process. A SPAC is a type of blank check company that does not have any actual operations but that merely exists with the purpose of facilitating a business combination with a non-listed company, thus taking the non-listed company public. Given this structure, the life cycle of SPACs is often divided into two periods: the SPAC period and the deSPAC period, with the SPAC period occurring before a business combination and the deSPAC period occurring afterwards. While traditional IPOs typically involve investment bankers and underwriters for funding, SPACs go public with the purpose of raising cash funds to support a possible acquisition of a private company. These cash funds come from sponsors, who comprise the management team for the SPAC and individually contribute to the SPAC fund, and from investors. Proceeds from sponsors are typically used to pay for the IPO underwriting fees and operating costs of a SPAC while proceeds from other investors are generally used to bring a target company public.

Due to regulations, a SPAC goes public without a specific target company in mind, resulting in uncertainty for investors over what they are buying into. Thus, before a SPAC announces a target, investors are betting that the SPAC's sponsor team is competent enough in selecting a viable company to merge with. Until a business merger is consummated or the SPAC is liquidated, all funds contributed to a SPAC, less certain fees and expenses, are kept in an escrow (trust) account. While the proceeds are kept in the trust account, they are restricted and are normally invested in interest-bearing instruments. Each SPAC is generally given around two years to find a private company target to acquire and take public. To successfully merge with a company, a majority of the SPAC's investors must vote for the merger. SPAC investors may elect to redeem

their shares after a merger announcement instead of getting shares in the new public company. In addition, investors may redeem their shares even if they vote in favor of the specified business combination.

Although a SPAC generally has around 24 months to complete a business combination, a SPAC can attempt to extend this deadline if necessary. However, time extensions can be risky and have limits to their effectiveness. For each extension, investors can vote on whether to proceed with the extension while simultaneously redeeming their shares in the SPAC. Even if an extension is successful, there is no guarantee that the SPAC will complete a business combination. If a SPAC fails to merge with a target within the SPAC's specified time frame or during an extension period, the SPAC is liquidated, and the funds held in the trust account are returned to the shareholders. For sponsors, the liquidation of a SPAC results in the loss of the entirety of a sponsor's investments. Despite the risks associated with sponsoring a SPAC, sponsors can stand to do very well off if a merger is consummated. According to Klausner, Ohlrogge, and Ruan (2022), sponsors can obtain around 20% of post-IPO equity whilst contributing a relatively small amount to the SPAC. Since sponsors can receive a large portion of post-IPO equity at little cost, sponsors have an incentive to complete a merger with a company, even if the deal is bad for investors as a whole.

Since 2010, SPACs have generally been priced at \$10 per share at the SPAC IPO and differ in varying ways from SPACs of previous eras. Each share of a SPAC typically includes a portion of a warrant to buy a share of the post-merger company in the future. The number of these warrants offered to SPAC shareholders has gradually been declining in recent years. Moreover, from 2010, the exercise price of warrants has shifted from being at a 15% to 30% discount to the SPAC IPO price to being at a 15% premium to the SPAC IPO price (Gahng, Ritter, and Zhang, 2022). The post-2010 SPAC period has several other noticeable differences in comparison to the SPAC

periods of 1993-1999 and 2000-2009. In their paper, Gahng, Ritter, and Zhang (2022) note that post-2010 SPACs are typically larger than those in previous periods, have less up-front underwriting costs, and generally have a higher percentage of SPAC IPO proceeds that are placed in trust accounts. Furthermore, prior to 2010, SPAC shareholders could not vote in favor of a business combination and also redeem their shares. However, since 2010, these decisions have been allowed to be made separately.

These factors, along with recent macroeconomic trends, may explain why SPACs have drastically increased in popularity over the past several years. Bazerman and Patel (2021) of the Harvard Business Review note that some of the growth in SPAC popularity could be attributed to a recent combination of factors, including: “an excess of available cash, a proliferation of start-ups seeking liquidity or growth capital, and regulatory changes that ha[ve] standardized SPAC products”. Passador (2021) adds that “retail investors approaching not only the equity markets but SPACs too, long-only institutional investors increasing attention”, and a diversifying of sponsors have contributed to the recent spike in SPAC activity. Based on a dossier released by Statista (2022), U.S. SPAC proceeds in 2010 amounted to around \$503 million. Over the course of the 2010s, the popularity of SPACs slowly grew. Then, in 2021, the U.S. SPAC market reached a fever pitch as over \$162 billion worth of proceeds were contributed to SPAC IPOs (Statista, 2022). Alongside the growth in SPAC proceeds, the number of annual SPAC IPOs ballooned from 7 in 2010 to 613 in 2021. Due to this massive growth, for the first time in the U.S. stock market’s history, there were more SPAC IPOs in 2020 and 2021 than traditional IPOs. Figure 1 outlines the shifts in the amount of SPAC IPOs and proceeds from 2017 to the third quarter of 2022.

Given the market’s recent favorable sentiment toward SPACs, it is understandable why some celebrities have started sponsoring and becoming involved with these financial entities.

According to Ramkumar (2021), SPACs have witnessed a “reputational shift”, and “the biggest names in sports, politics, business and entertainment are involved.” In Ramkumar’s article, a host of celebrities are listed as being involved in the SPAC surge. These celebrities include Shaquille O’Neal, Serena Williams, Ciara, Paul Ryan, Colin Kaepernick, and an array of other names. This article and others published over the past several years help illustrate the point that celebrity SPAC activity is not limited to business figures. Aside from this, SPACs have become so mainstream that one individual, Chamath Palihapitiya, has even been dubbed as the “King of SPACs” (CNBC Editor Team, 2021). Based on information provided via SPAC Research, Palihapitiya, a venture capitalist and former executive at Facebook, has been on the sponsor board of at least ten SPACs. It is also worth mentioning that former U.S. President Donald Trump’s media company intends to merge with a SPAC, Digital World Acquisition Company. Although the deal is under SEC investigation, the existence of this proposed business combination speaks to how much SPACs have entered mainstream discussion. In examining Palihapitiya, Trump, and other celebrities’ extensive involvement in SPACs, it is important to consider why celebrities are getting involved with these investment vehicles.

There are two reasons that I propose that may explain why celebrities are interested in sponsoring SPACs. First, since many celebrities already hold significant sums of wealth, sponsoring a SPAC may be a useful way for these individuals to reinvest their fortunes with the hopes of acquiring a valuable stake in a newly traded company. Such investments have low correlations with their existing portfolio. According to Feng et al. (2022), SPAC sponsors typically pay around \$25,000 each for a combined stake that is generally equivalent to 25% of a SPAC’s IPO shares, “after accounting for any over-allotment option.” Compared to the millions of dollars contributed by institutional and retail investors, sponsors can obtain a large share of a SPAC for

relatively little cost. If a SPAC completes a business combination and the newly traded company performs well, sponsors can stand to make a handsome profit if they decide to sell their shares. On the other hand, if a business combination is completed and shares perform poorly in relation to the IPO price, sponsors can still have a valuable stake in the company compared to the funds that the sponsors contributed.

Aside from the first reason for celebrity involvement, SPACs may offer a way for celebrities to bring awareness to a specific cause or to provide significant financial support to companies that align with their values. For example, based on a prospectus for Evolv Technologies, celebrity athletes Peyton Manning, Andre Agassi, and Steffi Graf “want America to re-open, and re-open safely” as the United States comes out of the COVID-19 pandemic and fans return to sports venues (U.S. Securities and Exchange Commission, 2021). Within this prospectus, celebrity endorsement is perceived to align with an altruistic desire for public safety and well-being in the post-COVID environment. Aside from this example, as new corporate standards, like environmental, social, and governance standards (ESG), become more widely adopted, celebrity sponsorship of SPACs could be increasingly driven by personal beliefs and ideals. Although there may be other reasons for why celebrities have decided to get involved with these investment vehicles, I perceive that these are two plausible explanations.

Despite the growth of celebrity SPACs, this trend has not been met with glee by all parties. For instance, in March 2021, the U.S. Securities and Exchange Commission (SEC) issued a warning to investors, stating: “It is never a good idea to invest in a SPAC just because someone famous sponsors or invests in it or says it is a good investment.” But should the SEC be concerned? Over the past few years, some research has been done to analyze the role and importance that sponsors and SPAC visibility can have in the SPAC process and SPAC performance. In “Perverse

incentives of special purpose acquisition companies, the ‘poor man’s private equity funds’”, Dimitrova (2017) asserts that if one of a SPAC’s “sponsors is appointed as chairman” of the same SPAC’s newly merged company, the company’s “long-run returns are at least 57 percentage points higher after adjusting for industry movements”. In another paper, titled “SPAC IPOs and Sponsor Network Centrality”, Lin, Lu, Michaely, and Qin (2021) discuss the varying impacts that SPAC sponsors can have on the SPAC process and post-merger returns. They find that there is a “high M&A success rate of high network centrality SPAC sponsors” (Lin et al, 2021). Further, Lin et al. (2021) conclude that “sponsors with a high PE network centrality can outperform those with a low network centrality because they have superior deal sourcing ability”. Lastly, in “Social Media Influence on SPACs”, Zhang (2021) finds that heightened Twitter activity after a SPAC merger announcement is associated with increased trading volumes for the associated SPAC.

With studies like these emphasizing the importance of SPAC sponsorship, internal involvement, and SPAC publicity, it appears to be worth exploring whether celebrity sponsorship can have an impact on SPAC performance. To expand upon the sponsor research that has already been done in the SPAC space, this paper investigates celebrity-sponsored special purpose acquisition companies by examining SPAC common equity returns at four intervals: the date of a business combination, the next trading day following a business combination, three months following a business combination, and one year following a business combination.

Through utilizing an article published by the Wall Street Journal (WSJ) and performing sponsor searches on SPAC Research, a sample of 28 celebrity SPACs that have closed deals are selected for analysis. Then, linear regressions are utilized to compare the buy-and-hold returns of celebrity-backed SPACs against those of 311 non-celebrity SPACs that closed deals during the same period. Overall, I find that there is not a significant difference between the returns of celebrity

SPACs and non-celebrity SPACs for the SPAC nor deSPAC period. However, my overall results appear to be consistent with other research papers. These studies find that SPACs generally generate positive returns for investors during the SPAC period. Subsequently, SPACs generally generate negative returns for investors during the first year following a business combination. Descriptive statistics for the study can be found in Table 1, and the results from the linear regressions can be found in Table 3 of this paper.

The remainder of this paper is divided up into the following sections. Section 2 presents a literature review on relevant SPAC, celebrity endorsement, stock market, and IPO literature and provides my hypotheses. Section 3 discusses the data sources, variable definitions, and summary statistics from my research. Section 4 presents the empirical framework and results of my study. Section 5 provides concluding remarks, discusses the limitations of this study, and explains the possibilities for future research.

## **2. Literature Review and Hypotheses**

### **2.1 SPAC returns**

Since 2010, much research has been done to analyze the common equity performance of special purpose acquisition companies. As these investment vehicles have grown in popularity, the importance of measuring their returns for investors has also grown. Overall, papers written in the post-2010 SPAC environment have indicated that SPACs tend to generate positive returns during the SPAC period. Studies have shown that SPACs generally underperform the overall stock market in the deSPAC period and produce negative returns for investors.

For the SPAC period, Gahng, Ritter, and Zhang (2022) find equally weighted SPAC period annualized returns of 12.0% for SPACs that went public from 2010 through 2018. Further, Lin et

al. (2021) observe annualized buy and hold returns for the SPAC period of 14.12% for SPACs that complete deals. Within the deSPAC period, Chamberlain (2021) analyzes the long-run common equity performance of SPACs that closed deals from 2016 to 2018. She finds that the difference in returns between SPACs and the Nasdaq during this period is statistically significant at the 1% level. Across the 2016 to 2018 period, the Nasdaq composite index grew 51.50% while SPAC common equities declined by 32.60%. Gahng, Ritter, and Zhang (2022) find similar results for the stock performance of companies that complete SPAC deals. In their paper, weighted average one-year deSPAC returns for common shares are found to be -7.3%, an underperformance to the overall market by 20.9%. In an examination of 47 SPACs that completed a business combination between January 2019 and June 2020, Klausner, Ohlrogge, and Ruan (2022) observe mean three-month post-merger SPAC returns of -2.9% for the merger cohort. For this same cohort, the study finds that at the six-month and twelve-month post-merger benchmarks SPACs generate mean returns of -12.3% and -34.9% respectively. However, the study finds that the twenty-four SPACs in the study that had high-quality sponsors performed better at the three-month benchmark, generating mean post-merger returns of 31.5%. Thus, these studies indicate that SPACs, on average, generate positive returns in the SPAC period but generate negative returns for investors in the first year or two following a business combination.

## **2.2 General events and trends impacting the SPAC market**

Although public markets experienced the SPAC frenzy of 2020 and 2021, the market for these investments appears to have slowed down. In 2020, a record-shattering 248 SPACs went public according to SPAC Research. In 2021, that number more than doubled, as 613 SPACs came to market. However, in the first 9 months of 2022, the number of SPAC IPOs declined, with 78

SPACs going public. Despite this decline, the IPO market for SPACs is still above the levels witnessed in 2019, when 59 SPACs went public. The sizable decrease in SPAC IPOs and proceeds between the 2020/2021 SPAC frenzy and the first nine months of 2022 can likely be attributed to a number of factors.

One of these factors appears to be increased scrutiny from government entities and individuals. In March 2022, the U.S. Securities and Exchange Commission (SEC) proposed a variety of new amendments and rules. These suggested policy changes are designed to enhance disclosure requirements for SPACs and protect investors. If these provisions are enacted, the SEC argues that the policy changes would more closely align with financial statement reporting requirements for private operating companies that elect to go public via an initial public offering. Aside from the SEC's involvement, U.S. Senator Elizabeth Warren has taken issue with the rise of SPACs. In May 2022, Sen. Warren announced that she would propose a bill designed to enhance regulations and disclosure requirements for these investment vehicles. Additionally, she released a document titled: "The SPAC Hack: How SPACs Tilt the Playing Field and Enrich Wall Street Insiders". In this presentation, Warren critiques the structure and incentives of SPACs. Given the heightened scrutiny of the SEC and governmental officials like Senator Warren, it is plausible that these developments have had a negative impact on private industry's desire to form SPACs.

Another factor impacting the SPAC market could be economic instability. Since 2020, many of the world's economies have experienced supply chain shortages, historically high rates of inflation, and volatile stock markets. According to Lin et al. (2021), SPACs typically complete business combinations with young and high-growth companies. As a result, investors may be more reluctant to pour funds into these investment vehicles in a period of vast economic uncertainty. However, this assumption could be false. For instance, in the second quarter of 2020, the U.S.

experienced the largest single-quarter drop in GDP on-record in the nation's history. Despite this, in the third quarter of 2020, SPAC issuance remained relatively high in comparison to historical levels. A total of 248 SPACs went public in 2020, compared to 59 SPACs that went public in the expansionary economic environment of 2019. Thus, while economic instability could deter SPAC issuance, the 2020/2021 SPAC frenzy may dispute this notion.

### **2.3 Celebrity effects on stock prices**

The impact of celebrities on stock prices and public company transactions was the subject of much discussion in 2021 and continued into 2022. As mentioned previously, in October 2021, it was announced that a SPAC, Digital World Acquisition Company (DWAC), would merge with Trump Media and Technology Group. As a result, the price of DWAC soared, going from an IPO price of \$10/share in September 2022 to a height of \$175 per share in October 2022. Although Trump was more-so associated with Trump Media and Technology Group instead of DWAC, this event highlighted the impact that a celebrity could have on SPAC performance. Additionally, we can examine stock price volatility regarding the possible acquisition of Twitter by Elon Musk. On April 14, 2022, the billionaire and Tesla executive announced that he would acquire Twitter at a valuation of about \$43 billion. This caused the stock price of Twitter to relatively increase before Musk asserted that the deal was on hold as of May 13, 2022. As a result, the stock price reversed course and began trending downward. After months of debate over whether the deal would go through, Musk completed the acquisition of Twitter in October 2022. Thus, these high-profile cases demonstrate the stock price volatility that can result from celebrity involvement in a public company's affairs.

Aside from these case studies of 2021 and 2022, some research has been done to analyze the impact that celebrities can have on the stock performance of companies. For instance, Huang, Ni, and Yu (2022) find that celebrity endorsements assist in attracting and maintaining investor attention, resulting in increased short-term stock prices and adverse effects on the financial markets in the long-term. Shiva, Arora, and Rishi (2022) note that investors prefer to invest in a technology company that is endorsed by an entertainment celebrity as opposed to by a sports celebrity. Prentice and Zhang (2017) mention that a celebrity endorsement that aligns with the celebrity's profession is associated with better stock returns. On the other hand, some studies have concluded that celebrity endorsements do not have an extensive effect on stock prices or the stock selection decisions of investors. For instance, Ding, Molchanov, and Stork (2010) find that companies that announce celebrity endorsements do not achieve positive abnormal returns. Agrawal and Kamakura (1995) find similar results. Their paper asserts that, on average, the market reacts positively in the 2-day window following a celebrity endorsement. After this time window, the findings suggest that there is not a significant celebrity endorsement effect on stock returns. Overall, previous studies indicate that celebrity endorsements could affect the companies that investors decide to invest in and the stock performance of these companies. However, celebrity endorsements may only have a short-term impact on stock performance.

## **2.4 Hypotheses**

Through my research, I expect to find that celebrity-backed SPACs overperform the general SPAC market during the SPAC period. My reasoning for this is because an investor may decide to initially invest in a SPAC due to the individuals associated with it. The announcement of celebrity sponsorship or backing of a SPAC could generate significant interest among retail investors,

helping to boost the price of those SPAC shares circulating in the market. Large institutional investors may also buy up pre-merger shares of celebrity-backed SPACs in an effort to take advantage of this likely heightened interest in celebrity sponsorship. Therefore, the first hypothesis examined in this study is as follows:

$$\mathbf{H_0: } y_{SPAC_{Celebrity}} \leq y_{SPAC_{Non-Celebrity}}$$

$$\mathbf{H_1: } y_{SPAC_{Celebrity}} > y_{SPAC_{Non-Celebrity}}$$

where  $y_{SPAC}$  represents the annualized SPAC period return as of the business combination date.

For my second hypothesis, I expect to find that celebrity-backed SPACs underperform the general SPAC market during the deSPAC period. This is largely the result of the first hypothesis presented. Once a business combination is completed, the share prices of celebrity SPACs will likely experience large declines in value because of the heightened retail investor interest that occurred in the SPAC period. Generally, I expect enthusiasm for a celebrity's sponsorship of a specific SPAC to fade over time as retail investors become skeptical of the celebrity's ability to pick the best companies to go public. Institutional investors may also begin selling off shares in the newly merged company to minimize possible losses. Thus, the second hypothesis examined in this paper is as follows:

$$\mathbf{H_0: } y_{i_{deSPAC_{Celebrity}}} \geq y_{i_{deSPAC_{Non-Celebrity}}}$$

$$\mathbf{H_1: } y_{i_{deSPAC_{Celebrity}}} < y_{i_{deSPAC_{Non-Celebrity}}}$$

where  $y_{i_{deSPAC}}$  represents the deSPAC common share return generated between the date of business combination and time interval  $i$ .

### **3. Data Sources, Sample Construction, and Summary Statistics**

#### **3.1 Data sources**

I utilize several sources to obtain data for my analyses. First, I collect information from SPAC Research, a commercial SPAC database. In my study, I utilize SPAC Research to gather information regarding SPAC names, respective post-merger company names, ticker symbols, IPO and deal close dates, IPO price data, deal statuses, IPO proceeds, and PIPE financing amounts.

Second, I hand collect historical price data from Yahoo Finance as applicable to each SPAC. On this platform, I hand-collect price data at the business combination date and at certain benchmarks in the deSPAC period. For the deSPAC period, I obtain price data for the date following a business combination and at the 3-month and 1-year intervals from when a business combination occurred. Returns are based upon adjusted close prices instead of close prices. Since adjusted close prices account for certain events, such as stock dividends and stock splits, I perceive this to be a better indicator of the change in value of a SPAC. Due to limitations in the data available on Yahoo Finance, some modifications are employed in the collection of data. First, information available from my thesis director and second reader – Siwen Zhang and Donghang Zhang – are referenced to fill in pricing information gaps for select companies. Second, for missing price data that is not available from my colleagues at the University of South Carolina, Bloomberg is utilized to hand collect pricing data. Upon performing these two methods to obtain missing price data, I have the stock price data necessary to generate common share returns.

This analysis includes several control variables to account for various differences between SPACs. These controls are created using data available from SPAC Research and from data provided by my thesis director and second reader. The first control variable in my study controls for the size of a SPAC's IPO. The data for this variable was directly collected from SPAC

Research. The second control variable controls for the amount of private investment in public equity (PIPE) financing that a SPAC receives. For SPAC deals that closed between July 29, 2016 and September 30, 2021, my thesis director and second reader investigated public filings to obtain PIPE financing details. PIPE data from their investigation that corresponds to my study is utilized. Because some SPACs in the sample for my first analysis fall outside of the timeframe of my colleagues' research, I utilize SPAC Research to obtain PIPE financing details for any remaining PIPE information needed. Finally, the third control variable controls for the amount of time that it takes for a SPAC to complete a business combination. This is calculated for each SPAC by calculating the length of time between the SPAC IPO and the business combination dates provided by SPAC Research.

Although this study includes control variables, it still suffers from omitted variable bias. Industry-specific stock price fluctuations, redemption ratios, general market sentiment, and real economic conditions are some examples of variables that could affect the results of this study if they were to be employed in the analysis. Future research should include additional variables when measuring the impact of celebrities on special purpose acquisition company performance in the common equity markets.

### **3.2 Sample Construction**

To collect data for my analysis, I begin by obtaining information regarding SPACs that went public since 2015 from SPAC Research. To determine which SPACs in this sample should be considered celebrity SPACs, I reference an article published from the Wall Street Journal titled "The Celebrities From Serena Williams to A-Rod Fueling the SPAC Boom" (Ramkumar, 2021). The article discusses the phenomenon of celebrities becoming involved in special purpose acquisition

companies and provides a lengthy list of SPACs and the celebrities that are associated with each one. By determining celebrity status in this manner, the SPACs that are identified as celebrity SPACs for my analysis are largely the result of editor judgment at the Wall Street Journal. However, aside from the celebrity SPACs mentioned in the Wall Street Journal article, I add other SPACs to the sample that I deem relevant. To do this, I perform a sponsor search in the SPAC Research database of all individuals listed in the Wall Street Journal article. If a SPAC management team on SPAC Research includes an individual listed in the Wall Street Journal article, the corresponding SPAC is added to my analysis if it is not already included.

After reviewing the article and performing the sponsor search, I determine that 66 of the SPACs in the sample, regardless of deal status, can be considered celebrity-backed. A list of the identified celebrity SPACs, their applicable post-merger companies, associated celebrities, and deal statuses can be found in Table 4. Upon determining which celebrity SPACs have closed deals, I limit my comparison study between celebrity SPAC and non-celebrity SPACs to the timeframe in which the identified celebrity SPACs have closed deals. For this paper, the earliest closed celebrity SPAC deal occurred on November 30, 2017 and the most recent one occurred on March 17, 2022. Thus, the analysis in this paper focuses on SPACs that closed deals from November 30, 2017 to March 17, 2022. In total, 339 SPACs that have closed deals are studied. Of these, I identify 28 as being celebrity SPACs, and 311 are not celebrity SPACs. To examine the most prevalent types of celebrities that sponsor SPACs, I separate celebrities into four categories as listed by the Wall Street Journal: Athletes, Singers and Other Pop-Culture Figures, Political Figures, and Business and Finance Figures. In addition, to get an understanding of when the most celebrity-backed SPAC deals occurred, I compile this information as well. Table 2 displays the categorical

make-up of the celebrity-backed SPACs that have closed deals, as well as the number of closed celebrity SPAC deals by year.

There are a few points that may cause contention with the analysis of this paper. First, the word “celebrity” is a subjective term, so one person’s definition of what a celebrity is will be inherently different from another person’s viewpoint of what a celebrity is. Within the field of finance, individuals that could be considered celebrities may differ from the individuals that should be considered celebrities to the broader society. For example, a CEO of a major U.S. bank is likely to have a larger following amongst those who follow financial news in comparison to the general population. Next, there may be SPACs that have celebrity involvement that have been left out of the Wall Street Journal’s article. To help combat possible omission of other celebrity SPACs, I include some SPACs that are not explicitly mentioned in the article, as mentioned previously. Aside from this, SPACs within the data set may have initially had celebrity involvement in them but the involvement ended sometime before a business combination could occur. As a result, my findings may be skewed due to fluctuations that this could have caused to the data. Despite this, the presence and subsequent absence of the celebrity may provide an outlet into the sheer volatility of the SPAC market. Last, some SPACs within the data set may not have initially had celebrity involvement, but a celebrity became involved with the SPAC sometime later in the lifecycle. This could also skew the results. Despite the risks listed above, I believe that this analysis provides a useful outlet into the effect that celebrities can have on the SPAC process and stock price returns.

### **3.3 Summary Statistics**

Table 1 displays the summary statistics for my study. Panel A shows the characteristics of all 339 SPACs included in my analysis. The mean and median annualized SPAC period returns are 34.0%

and 2.2%, respectively. This indicates that the SPAC period returns are skewed. The mean deSPAC period returns at the one-day, three-month, and one-year intervals are found to be 1.3%, -12.5%, and -39.3%, respectively. It is interesting to note that the three-month and one-year median deSPAC returns are lower than the mean returns at these intervals, indicating that the deSPAC returns are also skewed. At the three-month interval, a mean return of -12.5% is found in comparison with a median return of -17.5%. At the one-year interval, a mean return of -39.3% is found in comparison to a median return of -60.1%. The minimum one-day return is -63.9% and the maximum one-day return is 257.6%, indicating the volatility that can occur around a deal close. The average IPO proceeds is \$297.82 million, the average deal length is 464 days, and the average amount of PIPE financing utilized by a SPAC is \$241.481 million. Of the 339 SPACs included in my analysis, 8.3% of them are celebrity-backed.

Panel B displays statistics for the SPACs in my study that are determined as being celebrity-backed. The respective mean and median annualized SPAC period returns are 43.8% and 7.8%, indicating skewness in the returns. The mean deSPAC returns at the one-day, three-month, and one-year intervals for these equities are found to be 5.5%, -16.3%, and -51.9%, respectively. The median returns at these respective intervals are -0.6%, -17.5%, and -60.1%. These returns appear to be less skewed than non-celebrity SPACs. I find an average PIPE amount of \$584.429 million for celebrity SPACs. Additionally, the average deal length is 393 days, and the average amount of IPO proceeds is \$597.107 million. 60.71% of closed celebrity SPAC deals occurred in 2021.

Panel C shows the statistics for non-celebrity SPACs included in my analysis. The respective mean and median annualized SPAC period returns are 33.1% and 2.1%, indicating skewness in these returns. The mean deSPAC period returns for non-celebrity backed SPACs at the one-day, three-month, and one-year interval are 0.09%, -12.1%, and -38.0%, respectively. The

median returns at these respective intervals are -0.08%, -17.5%, and -59.8%. Although there appears to be skewness in the returns, these figures indicate that deSPAC returns become more negative throughout the first year following a business combination. The average IPO proceeds is \$270.875 million, the average PIPE amount is \$210.605, and the average deal length is 470 days.

## **4. Empirical Framework and Results**

### **4.1.1 Empirical Framework**

Given the nature of SPACs, prior to a deal announcement, investors are uncertain over what they are buying into. As a result, a heightened importance may be placed on sponsor boards and the individuals associated with a SPAC in order for someone to determine which SPAC to invest in. Some individuals that could make a SPAC stand out amongst its competitors are celebrities. Because celebrities may have enhanced sponsor networks and business connections compared to other sponsors and individuals associated with SPACs, this could drive improved share performance. In another paper, Lin et al. (2021) study the impact of Private Equity (PE) network centrality on various aspects of SPACs and SPAC performance. Their study finds that SPACs with higher PE network centrality generate better long-term stock returns following business combinations than those with lower PE network centrality. Given these results, it will be interesting to see in my study whether celebrity association with SPACs has an impact on the SPAC or deSPAC period performance of these equities.

If investors believe a certain celebrity or group of celebrities involved with a SPAC can help facilitate a deal that will generate abnormally positive returns for shareholders, this could drive fluctuations in the price of the SPAC during both the SPAC and deSPAC period. During the SPAC period, I expect celebrity SPACs to outperform their non-celebrity counterparts

because of retail investors' belief in the ability of celebrities to facilitate abnormally positive deals. After a deal is complete, I expect celebrity-backed SPACs to underperform non-celebrity-backed SPACs. The heightened SPAC period price, combined with subsequent doubts about the ability of celebrities to produce value-generating deals, could likely drive a decline in stock prices and retail investor interest in the deSPAC period. Additionally, institutional investors may begin disposing of shares around the deal close to take advantage of the heightened price while minimizing the risk associated with maintaining a stake in the newly merged company.

My approach to analyze how celebrity-backed SPACs perform in comparison to the overall SPAC market is to conduct a multiple linear regression at four separate intervals. The first interval chosen analyzes the annualized SPAC period return for each SPAC. This interval measures the return generated by a SPAC as of the date of business combination. The other three intervals chosen analyze the deSPAC period returns for each SPAC from the date of business combination. These intervals are as follows: the next trading day that occurs after the close of a business combination, three months after the close of a business combination, and one year after the close of a business combination. The SPAC period return is analyzed to determine whether celebrity SPACs experience an abnormal increase in share price during the SPAC period in comparison to non-celebrity SPACs. Next, the one-day deSPAC interval is selected for analysis because a celebrity SPAC could experience an additional pop in price following a business combination. Around a business combination, investors could have heightened enthusiasm about the celebrity's ability to help generate positive returns for the company's stock. The analysis of the three-month and one-year deSPAC intervals is to align with other papers that have investigated returns in the SPAC market. This will enable me to compare my findings with those of other researchers.

#### 4.1.2 Linear Regression Model for SPAC and deSPAC Returns

For both the SPAC and deSPAC period analyses, I perform a multiple linear regression in Microsoft Excel. Four independent variables are included in my model. The dependent variable in the model is the common share return at interval  $i$ . The resulting statistics from these regressions are shown in Table 3.

To investigate my hypotheses, I begin by obtaining the annualized SPAC period returns of 339 SPACs as of the date of business combination, assuming a buy-and-hold investment strategy. To calculate the annualized SPAC period return, I first obtain the cumulative SPAC period return:

$$\frac{P_{CD} - P_{IPO}}{P_{IPO}} \times 100 = CR_{CD}$$

where  $P_{IPO}$  represents the share price at the IPO date,  $P_{CD}$  is the share price at the business combination date, and  $CR_{CD}$  is the cumulative SPAC period return as of the business combination date.

I then utilize  $CR_{CD}$  to find the annualized SPAC period return for each SPAC, assuming a buy-and-hold investment strategy. To calculate the annualized SPAC period return, the following equation is employed:

$$(1 + CR_{CD})^{\frac{365}{DealLength}} - 1 = AR_{CD}$$

where  $DealLength$  represents the length between the IPO date and the business combination date and  $AR_{CD}$  represents the annualized SPAC period return as of the business combination date.

After calculating the annualized SPAC period returns, I obtain the deSPAC returns of 339 SPACs at three intervals mentioned previously, assuming a buy-and-hold investment strategy.

To calculate the returns for the SPACs in the sample at each of the deSPAC intervals given, the following equation is employed:

$$\frac{P_{ID} - P_{CD}}{P_{CD}} \times 100 = R_{ID}$$

where  $P_{CD}$  is the share price at the business combination date,  $P_{ID}$  is the share price at the specified interval date, and  $R_{ID}$  is the return given as of the specified interval date.

After determining the SPAC and deSPAC period returns, I generate the independent variables for my study. The first is a dummy variable for celebrity status, where a value of 1 indicates celebrity-backing of the SPAC and a value of 0 indicates no celebrity involvement. Because SPAC performance may also be impacted by other factors, I include three other independent variables as controls to capture the potential effects of these components. These independent variables measure IPO proceeds, the amount of PIPE financing, and deal length for each SPAC in the study. After obtaining returns and collecting the values needed for the independent variables, I run the regressions. The equation for the regression model is given as follows:

$$y_i = \alpha + \beta_1 \text{Celebrity Dummy} + \beta_2 \text{IPO Proceeds} + \beta_3 \text{PIPE Amount} \\ + \beta_4 \text{Deal Length} + \varepsilon$$

where  $y_i$  represents the common share return at interval  $i$ .

To interpret the findings of this model, I will determine which values are of significance. To determine statistical significance, I utilize the p-values generated from the model. At the 1%, 5%, and 10% confidence levels, respective p-values of 0.01, 0.05, and 0.10 are compared against the p-values generated in my model. After identifying which variables are significant in the model, I interpret the sign of each coefficient to determine its relationship to the common share

returns. By providing this analysis, I can help investors make more informed decisions when considering investing in the SPAC market.

## **4.2 Empirical Results**

In this section, I present the results of the multiple linear regression model shown in Table 3. For all four panels, the celebrity dummy variable is utilized as the key independent variable. To determine whether there is a significant celebrity effect at any of the four intervals studied, I examine the p-values generated from the regression model. After controlling for IPO size, PIPE financing, and deal length, all four regressions show a statistically insignificant effect from celebrity involvement in a SPAC. Therefore, this study fails to reject the first null hypothesis that celebrity SPACs generate equivalent or lower returns than the general SPAC market in the SPAC period. Moreover, this study fails to reject the second null hypothesis that celebrity SPACs generate equivalent or better returns than the general SPAC market in the deSPAC period.

Within Table 3, Panel A displays the annualized SPAC period returns for 339 SPACs that closed deals. An insignificant celebrity effect on SPAC period performance of -0.056 is found, indicating that celebrity involvement in a SPAC does not push up prices in the period leading up to a business combination. Additionally, IPO proceeds, PIPE amount, and deal length are not found to have a statistically significant effect on SPAC period performance. The r-squared of 0.009 indicates that most of the variation in stock price returns cannot be explained by the variables included in the model. When including all four independent variables in the model, an  $\alpha$  of 0.583 is found. This value is statistically significant at the 10% level. This means that, before considering the effects of other variables, a SPAC is expected to generate a SPAC period return of 58.3%.

Within Table 3, Panel B examines the one-day deSPAC returns for 339 SPACs. This panel shows an insignificant celebrity effect on deSPAC performance on the first day following a business combination of 0.060. This indicates that celebrity involvement with a SPAC does not cause a spike in prices following a business combination. Moreover, IPO proceeds, PIPE amount, and deal length are also found to not have a statistically significant effect on the one-day deSPAC performance. A statistically insignificant  $\alpha$  of 0.016 is found, and the r-squared of 0.006 indicates that most of the variation in the one-day returns is not explained by the independent variables included in the model.

Panel C displays the results of the regression for the three-month deSPAC returns of 339 SPACs. Like Panel B, this panel finds a statistically insignificant effect for each of the four independent variables included in the model. Although a celebrity effect of -0.078 is found, this value is statistically insignificant. Furthermore, based on the r-squared of 0.005, the independent variables included in this model do not explain much of the variation in the three-month deSPAC returns. These results show that all four independent variables likely do not have an influence on the common share deSPAC returns of SPACs. However, the  $\alpha$  of -0.145 at this interval is statistically significant at the 1% level. This means that the expected return at the three-month benchmark, before considering other variables, is -14.5%. Thus, I infer that SPACs are expected to generate negative returns by the three-month interval following a business combination.

In Panel D, I present my regression of one-year common share deSPAC returns. Due to the date range for my study, fewer closed deals are examined in this regression. This results in a sample size of 268 SPACs. Similar to the findings of Panels A, B and C, a statistically insignificant celebrity effect is found. While the celebrity effect of -0.152 is not statistically significant, it is interesting that this value decreases over time when comparing it with Panels B

and C. Aside from examining the celebrity effect, IPO proceeds, PIPE financing, and deal length are also found to be statistically insignificant over time. Each of these is found to have a statistically insignificant effect of 0.000 on deSPAC common share performance. The r-squared is found to be 0.006, so most of the variation in common share returns at the one-year interval cannot be explained by the independent variables included in the regression. Like Panel C, Panel D shows a statistically significant  $\alpha$  at the 1% level. The  $\alpha$  of -0.457 indicates that SPACs are expected to generate returns of -45.7% for the first year following a business combination before considering other factors.

Although the independent variables included in my study explain a small percentage of the variation in common share performance, the  $\alpha$  values found for the SPAC period, three-month deSPAC, and one-year deSPAC intervals provide for interesting discussion. Regardless of celebrity status, my study finds that SPACs are expected to generate positive returns in the SPAC period. This finding is consistent with other studies. Gahng, Ritter, and Zhang (2022) and Lin et al. (2021) observe positive annualized buy-and-hold returns for the SPAC period. Next, my study finds that SPACs are expected to generate negative returns during the first year following a deal close. On the date following a business combination, a non-statistically significant constant of positive 1.6% is found. However, for the three-month interval following a business combination, I find an  $\alpha$  of -0.145 which is statistically significant at the 1% level. For the one-year interval after a deal close, I find an  $\alpha$  of -0.457 that is statistically significant at the 1% level. This indicates that, at least during the first year of trading, it is expected for the share prices of deSPAC companies to decline over time. These findings appear to be consistent with those found in other papers. Klausner, Ohlrogge, and Ruan (2022) find mean negative returns for SPACs at the three-month and one-year intervals to be -2.9% and -12.3%, respectively. Moreover, Gahng,

Ritter, and Zhang (2022) find the average one-year equally weighted deSPAC period common share returns to be -7.3%. In a study of 71 firms, Dimitrova (2017) observes the mean return at the one-year deSPAC interval to be -41.0%. Given the findings of this paper and of others, investors should consider the risks associated with implementing a buy-and-hold strategy for a SPAC, whether it is backed by a celebrity or not.

Given the observations found at each of the three intervals studied, future research surrounding the topic of celebrity SPACs should include more independent variables to discover what factors affect the common share performance of SPACs that have closed deals. For instance, Gahng, Ritter, and Zhang (2022) find that increased redemption ratios and deals that occur closer to a SPAC's business combination deadline predict lower deSPAC period returns. Dimitrova (2017) finds that long-run SPAC returns are 57 percentage points higher when a SPAC sponsor is appointed as a chairman of the merged company. Finally, Lin et al. (2021) highlight the importance of a SPAC's PE/Venture Capital (VC) network to its performance in the market. The inclusion of factors such as these in a future study may help better explain what can drive common share performance amongst SPACs.

## **5. Conclusions**

This paper examines the influence of celebrity involvement on SPAC common share performance. SPAC period returns are analyzed, along with deSPAC period returns in the year following a business combination. My results fail to reject the null hypothesis that celebrity SPACs generate equivalent or lower returns than the general SPAC market in the SPAC period. Further, the results of my study fail to reject the null hypothesis that celebrity SPACs generate similar or greater deSPAC returns than non-celebrity SPACs. These results seem consistent with

papers such as Ding, Molchanov, and Stork (2010) and Agrawal and Kamakura (1995), which find that celebrity involvements do not result in abnormally positive returns for investors. While Lin et al. (2021) determine that PE/VC network centrality can be crucial to a SPAC's returns, this study indicates that celebrity fame might not contribute to a SPAC's performance. Although this study illustrates that celebrity SPACs do not perform significantly differently than the general SPAC market, it raises the question as to how important the credibility and expertise of individuals associated with a SPAC are to retail and institutional investors. Additionally, while not the central focus of this study, I find that IPO sizes, PIPE financing amounts, and deal length do not appear to have a significant effect on a SPAC's performance. However, my results indicate that the returns of SPACs within the first year following a business combination are generally negative for shareholders that follow a buy-and-hold investment strategy. Therefore, before investing in a SPAC, investors should ascertain some level of confidence over a sponsor team's ability to select a viable and value-generating target company to merge with.

Within my study, only 6 out of 28 of the celebrity SPACs studied have at least one celebrity that is not considered a business or finance celebrity. As the SPAC market continues to evolve, it will be interesting to see whether closed celebrity SPAC deals further diversify beyond the ubiquitousness of the business and finance celebrity category. Given recent macroeconomic developments and the possible tightening of SEC regulations on SPACs, it may be more difficult in the near-term for more celebrities to get involved with these investment vehicles. Despite these headwinds, if SPACs continue to be in the mainstream of financial discussion, celebrity involvement with these equities may become more commonplace and diverse.

Although this study utilizes multiple control variables to alleviate endogeneity concerns, the independent variables included in this study do not explain a large percentage of the

deviation in the common share returns. Future studies should identify a wider variety of factors that may influence common share returns. Moreover, given the relative infancy of celebrity involvement in the SPAC market, future studies should include a larger sample of celebrity-backed SPACs to obtain a more accurate picture of how celebrities can impact stock performance. Some examples of future research in this area could involve studying whether celebrity involvement with a SPAC has a larger effect on common share performance than celebrity involvement with a company that went public via a traditional IPO or direct listing. Future studies could also examine whether there is a celebrity involvement effect beyond the one-year interval following a business combination for a SPAC.

Despite the limitations presented, findings in other pieces of literature appear to be consistent with the results of this study. Although celebrity-backed SPACs do not underperform the general SPAC market in the long-run, it does not appear that they overperform the market either. Thus, when deciding whether to invest in a SPAC that is backed by a celebrity, it may be worth considering whether the investment is worth the hype.

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**Table 1: Summary Statistics**

This table shows the summary statistics for the variables used in my analysis. The sample includes 339 closed SPAC deals that occurred between November 30, 2017 and March 17, 2022. Since some SPACs in the analysis have not been in the deSPAC phase for a year or more, the sample size for the 1-year deSPAC return variable includes 268 SPAC deals. IPO proceeds, IPO dates, deal closing dates, and PIPE amounts are collected from SPAC Research. Stock prices are hand-collected from Yahoo Finance and Bloomberg. Certain pieces of stock price and PIPE amount data are provided by two colleagues at the Darla Moore School of Business. For the Celebrity variable, a value of 0 indicates that a SPAC is not backed by a celebrity while a value of 1 indicates celebrity involvement with a SPAC.

	Panel A: All SPACs							
	N	Mean	SD	Min	25%	Median	75%	Max
IPO proceeds	339	297.820	227.800	39	173	253	345	2,070
PIPE amount	339	241.481	378.676	0	50	150	275	4,040
Deal length	339	464.000	0.330	144	293	378	603	1,307
SPAC period return	339	0.340	0.114	-0.452	-0.062	0.022	0.187	36.494
1-day deSPAC return	339	0.013	0.206	-0.639	-0.056	-0.006	0.048	2.576
3-mnth deSPAC return	339	-0.125	0.445	-0.890	-0.355	-0.175	0.017	3.537
1-year deSPAC return	268	-0.393	0.630	-0.997	-0.778	-0.601	-0.187	3.188
Celebrity Dummy	339	0.083	0.276	0				1

	Panel B: Celebrity SPACs							
	N	Mean	SD	Min	25%	Median	75%	Max
IPO proceeds	28	597.107	422.219	195	299	492	776	2,070
PIPE amount	28	584.429	736.052	0	123	275	784	2,600
Deal length	28	392.679	187.642	202	240	327	521	903
SPAC period return	28	0.438	0.177	-0.186	-0.024	0.078	0.514	4.406
1-day deSPAC return	28	0.055	0.173	-0.115	-0.009	0.012	0.075	0.860
3-mnth deSPAC return	28	-0.163	0.283	-0.703	-0.329	-0.170	-0.022	0.490
1-year deSPAC return	24	-0.519	0.440	-0.997	-0.804	-0.623	-0.296	0.687

	Panel C: Non-Celebrity SPACs							
	N	Mean	SD	Min	25%	Median	75%	Max
IPO proceeds	311	270.875	179.540	39	155	250	345	1,725
PIPE amount	311	210.605	312.380	0	48	142	250	4,040
Deal length	311	469.862	233.274	144	301	383	621	1,307
SPAC period return	311	0.331	0.124	-0.452	-0.067	0.021	0.177	36.494
1-day deSPAC return	311	0.009	0.208	-0.639	-0.056	-0.008	0.045	2.576
3-mnth deSPAC return	311	-0.121	0.457	-0.890	-0.357	-0.175	0.025	3.537
1-year deSPAC return	244	-0.380	0.645	-0.997	-0.765	-0.598	-0.168	3.188

## Table 2: Celebrity SPAC Profile

This table displays the categorical make-up of closed celebrity SPAC deals that are included in the sample and the number of celebrity SPACs that closed deals by year. It is important to note that some celebrity SPACs fall into more than one category, explaining why the total number of associated SPACs by category in Panel A is greater than the number of celebrity SPACs in the sample. The period of closed deals examined for 2022 ends on March 17, 2022, which helps explain some of the decline in closed celebrity SPACs from 2021 to 2022.

Panel A: Categorical Make-Up of Closed Deals	
Type of Celebrity SPAC	# of Associated SPACs
Athletes	3
Singers and Other Pop-Culture Figures	2
Political Figures	1
Business and Finance Figures	25

Panel B: Closed Celebrity SPACs by Year	
Year	# of SPACs
2017	1
2018	1
2019	3
2020	4
2021	17
2022	2

**Table 3: SPAC and deSPAC Period Performance**

This table presents the regression results that estimate the effect of celebrity-backing on SPAC performance. These regressions are performed in Microsoft Excel. Panel A presents the annualized SPAC period returns while Panels B through D display the deSPAC period returns. All returns assume a buy-and-hold investment strategy. The independent variables utilized are a dummy variable for celebrity status, the amount of IPO proceeds for a SPAC, the amount of PIPE financing utilized by a SPAC, and the amount of time it took for a SPAC to complete a business combination. For the celebrity dummy variable, a value of 0 indicates that the SPAC is not celebrity-backed while a value of 1 indicates celebrity-backing. Heteroskedasticity-robust standard errors are reported in parentheses. \*\*\*, \*\*, and \* denote statistical significance at the 1%, 5% and 10% levels, respectively.

Panel A: Annualized SPAC period returns				
	(1)	(2)	(3)	(4)
Dependent Variable:	SPAC period return	SPAC period return	SPAC period return	SPAC period return
Celebrity Dummy	0.107 (0.416)	-0.052 (0.453)	-0.050 (0.454)	-0.056 (0.453)
IPO Proceeds		0.000 (0.001)	0.001 (0.001)	0.000 (0.001)
PIPE Amount			0.000 (0.000)	0.000 (0.000)
Deal Length				-0.001 (0.001)
Constant	0.331*** (0.120)	0.199 (0.191)	0.196 (0.192)	0.583* (0.327)
Obs	339	339	339	339
R-Squared	0.000	0.003	0.003	0.009
Panel B: One-day deSPAC returns				
	(1)	(2)	(3)	(4)
Dependent Variable:	1-day return	1-day return	1-day return	1-day return
Celebrity Dummy	0.046 (0.041)	0.060 (0.044)	0.060 (0.044)	0.060 (0.044)
IPO Proceeds		0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
PIPE Amount			0.000 (0.000)	0.000 (0.000)
Deal Length				0.000 (0.000)
Constant	0.009 (0.012)	0.021 (0.019)	0.021 (0.019)	0.016 (0.032)
Obs	339	339	339	339
R-Squared	0.004	0.006	0.006	0.006

Panel C: Three-month deSPAC returns				
	(1)	(2)	(3)	(4)
Dependent Variable:	3-month return	3-month return	3-month return	3-month return
Celebrity Dummy	-0.041 (0.088)	-0.081 (0.096)	-0.078 (0.096)	-0.078 (0.096)
IPO Proceeds		0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
PIPE Amount			0.000 (0.000)	0.000 (0.000)
Deal Length				0.000 (0.000)
Constant	-0.121** (0.025)	-0.154*** (0.040)	-0.157*** (0.041)	-0.145*** (0.069)
Obs	339	339	339	339
R-Squared	0.001	0.004	0.005	0.005

Panel D: One-year deSPAC returns				
	(1)	(2)	(3)	(4)
Dependent Variable:	1-year return	1-year return	1-year return	1-year return
Celebrity Dummy	-0.138 (0.135)	-0.153 (0.149)	-0.156 (0.150)	-0.152 (0.150)
IPO Proceeds		0.000 (0.000)	0.000 (0.000)	0.000 (0.000)
PIPE Amount			0.000 (0.000)	0.000 (0.000)
Deal Length				0.000 (0.000)
Constant	-0.380*** (0.040)	-0.391*** (0.061)	-0.390*** (0.062)	-0.457*** (0.108)
Obs	268	268	268	268
R-Squared	0.004	0.004	0.004	0.006

## Table 4: Celebrity SPACs and Statuses

This table includes a list of celebrities and their associated SPACs considered for analysis in my study as of March 17, 2022. To begin, this list is created by reviewing a Wall Street Journal article, titled “The Celebrities From Serena Williams to A-Rod Fueling the SPAC Boom”, for celebrities and their associated SPACs. I then perform a sponsor search in SPAC Research based upon the celebrities mentioned in the Wall Street Journal article. After reviewing each SPAC’s respective deal status as of March 17, 2022, only the closed deals are analyzed to obtain returns for my analyses.

Celebrities	Celebrity SPAC	Post-Merger Company (if applicable)	Status
Shaquille O’Neal	Forest Road Acquisition	Beachbody	Closed
Serena Williams	Jaws Spitfire Acq	Velo3D	Closed
Peyton Manning, Andre Agassi, Steffi Graf, Joe Torre, Theo Epstein	NewHold	Evolv Technology	Closed
Jay-Z	Subversive Capital Acq*	TPCO Holding Corp.	Closed
Joanna Coles, Jon Ledecy	Northern Star	BARK	Closed
Peter Thiel	Bridgetown 2	PropertyGuru	Closed
Richard Branson	VG Acq	23andMe	Closed
Richard Branson, Chamath Palihapitiya	Social Capital	Virgin Galactic	Closed
Daniel Och, Kevin Systrom, Steve Ells	Ajax I	Cazoo	Closed
Michael Klein	Churchill Capital	Clarivate	Closed
Michael Klein	Churchill III	MultiPlan	Closed
Michael Klein	Churchill II	Skillsoft	Closed
Michael Klein	Churchill IV	Lucid Motors	Closed
Chamath Palihapitiya	Social Capital II	Opendoor	Closed
Chamath Palihapitiya	Social Capital III	Clover Health	Closed
Chamath Palihapitiya	Social Capital V	SoFi	Closed
Tilman Fertitta	Landcadia III	The Hillman Group	Closed
Tilman Fertitta	Landcadia I	Waitr	Closed
Tilman Fertitta	Landcadia II	Golden Nugget Online Gaming	Closed
Vivek Ranadivé	BowX Acquisition	WeWork	Closed
Tom Ricketts	Marquee Raine Acq	Enjoy Technology	Closed
Bill Foley	Foley Trasimene Acq	Alight Solutions	Closed
Bill Foley	Foley Trasimene II	Paysafe	Closed
Bill Foley	Trebia Acq	System1	Closed
Jon Ledecy	Pivotal Acq	KLDiscovery	Closed
Jon Ledecy	Pivotal II	XL Fleet	Closed
Ron Burkle	Yucaipa Acquisition	SIGNA Sports United	Closed
John Delaney	Revolution Acceleration	Berkshire Grey	Closed
Bill Foley	CF Corp	FGL	Closed
Stephen Curry	Dune Acquisition		Live-Deal
Ciara, Peter Gruber	Bright Lights Acq		Live-Deal
Gary Cohn	Cohn Robbins		Live-Deal

Danny Meyer	USHG Acq	Live-Deal
Chamath Palihapitiya	Social Capital Suvretta I	Live-Deal
Chamath Palihapitiya	Social Capital Suvretta III	Live-Deal
Shaquille O'Neal	Forest Road II	Pre-Deal
Alex Rodriguez	Slam Corp.	Pre-Deal
Colin Kaepernick	Mission Advancement	Pre-Deal
Patrick Mahomes, Justin Verlander, Naomi Osaka, Saul "Canelo" Alvarez, Robert Lewandowski	Disruptive Acq Corp I	Pre-Deal
Joanna Coles, Jon Ledecy	Northern Star II	Pre-Deal
Paul Ryan	Executive Network	Pre-Deal
Wilbur Ross, Larry Kudlow	Ross Acquisition II	Pre-Deal
Lloyd Austin	Pine Island Acq	Pre-Deal
Peter Thiel	Bridgetown	Pre-Deal
Bill Ackman, Michael Ovitz	Pershing Square Tontine	Pre-Deal
Sam Zell	Equity Distribution Acq	Pre-Deal
Michael Klein	Churchill Capital V	Pre-Deal
Michael Klein	Churchill VI	Pre-Deal
Michael Klein	Churchill VII	Pre-Deal
Billy Beane	RedBall Acquisition	Pre-Deal
Chamath Palihapitiya	Social Capital IV	Pre-Deal
Chamath Palihapitiya	Social Capital VI	Pre-Deal
Tilman Fertitta	Landcadia IV	Pre-Deal
Chamath Palihapitiya	Social Capital Suvretta II	Pre-Deal
Chamath Palihapitiya	Social Capital Suvretta IV	Pre-Deal
Bill Foley	Austerlitz Acquisition II	Pre-Deal
Bill Foley	Austerlitz Acquisition I	Pre-Deal
Joanna Coles, Jon Ledecy	Northern Star III	Pre-Deal
Joanna Coles, Jon Ledecy	Northern Star IV	Pre-Deal
Jon Ledecy	Pivotal Investment III	Pre-Deal
Terry Pegula	East Resources Acquisition	Pre-Deal
Michael Klein	AltC Acq Corp.	Pre-Deal
Theo Epstein	Arctos NorthStar Acq	Pre-Deal
Roger Staubach, Sammy Hagar	Victory Acquisition	Pre-Deal
John Delaney	Revolution Acceleration II	Pre-IPO
Vivek Ranadivé	B Capital Technology Corp	Pre-IPO

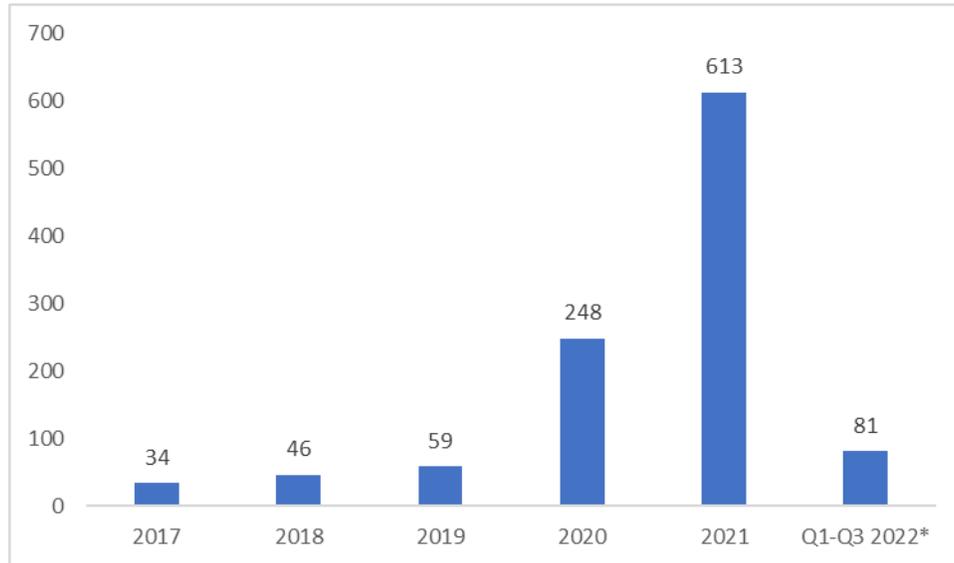
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\*Note: Subversive Capital Acq is excluded from my analysis due to inabilities to collect information regarding the SPAC from SPAC Research.

## Figure 1: SPAC IPO Issuance and Proceeds

This figure displays the number of U.S. SPACs that went public in 2017 through 2021, along with the first three quarters of 2022. In addition, the respective total yearly SPAC IPO proceeds are shown. Data provided from SPAC Research is used to create the graphs shown.

**Panel A: U.S. SPAC IPO Issuance by Year**



**Panel B: U.S. SPAC IPO Proceeds by Year (\$ Billions)**

