Share Buybacks as a Means for Increasing Ownership Stake

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Share repurchases have become the primary mechanism through which companies return cash to investors, alongside dividends. Academic literature offers several explanations for this practice, including signaling undervaluation, addressing the free cash flow agency problem, tax considerations, and behavioral factors. This paper introduces an additional motive: the use of repurchases to preserve or increase insider ownership in firms that grant stock to employees and managers. While stock grants dilute existing shareholders, repurchases enable insiders to restore or even enhance control without committing personal funds. A numerical model and an empirical case from a NASDAQ-listed firm demonstrate how repurchases function not only as a means of value distribution, but also as a strategic tool for maintaining and strengthening ownership and control.

Commercialization of Scientific Research – Overview and Recommendations for Action

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Over the past several decades, American corporations have gradually withdrawn from conducting scientific research, relying instead on knowledge generated by universities and startups. Recent evidence, however, indicates that venture capital investment is concentrated in software and digital products, while largely neglecting deep-tech sectors. If both incumbents and VC-backed startups retreat from science, will more scientific discoveries with practical potential remain "trapped in the ivory tower"? These concerns are heightened by the difficulties universities face in commercializing academic knowledge, as well as recent threats to federal funding for U.S. higher education. The purpose of this article is to provide an up-to-date overview of this issue by critically reviewing the literature, identifying barriers and opportunities, and proposing courses of action for academic institutions and policymakers.