

## MEMORANDUM

TO: Avner Wolf, Chair  
Department of Economics and Finance

FROM: Terrence F. Martell

DATE: July 3, 2002

RE: Recruitment Report 2001-2002

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Attached please find a report, which delineates my activities as coordinator of recruiting for the finance area. The report reviews all aspects of the recruiting process, which resulted in the hiring of five new professors of finance for the academic year commencing on September 1, 2002.

If you have any questions or comments on the report, I would be pleased to address them.

cc: Provost David Dannenbring  
Dean Sidney Lirtzman  
Dean John Elliott  
Affirmative Action Officer Carmen Pedrogo

Enc.

## **Recruiting Overview**

The Department of Economics and Finance was authorized to search for six assistant professors of finance. These six positions were not new positions but rather existing positions, which were being temporarily occupied by substitutes or visitors. I am pleased to report that we were able to fill five of the six open lines.

The recruiting process starts in the Summer and extends to the following Spring. In July, the Department advertised the existence of tenure track positions in the Financial Management Association (FMA) Resume Book and recruiting web page. In addition, mailing lists are updated and letters sent to all Ph.D. granting institutions in the United States and Canada. These three actions, FMA Resume Book, FMA web site and mailing ensured that every serious job market candidate in finance knew of our openings.

As a result of these efforts we received a total of 171 finance resumes from 126 different campuses. In addition, we review approximately 150 unsolicited resumes from students graduating with Ph.D.s in Economics.

Early in the Fall, a Recruitment Committee comprised of Professors Bali, Hovakimian, DeLong and Charkorborty was established. These four individuals were responsible for reviewing resumes and job market papers. They were instrumental in developing the pool of candidates that were given one-hour interviews. These initial interviews took place at the American Finance Association meeting in Atlanta and in New York.

Professors Bali and DeLong joined me in Atlanta. Professors Giannikos and Goring (we also did Real Estate interviews in Atlanta) also assisted in this process. We interviewed 30 candidates in 2.5 days in Atlanta.

We interviewed an additional fourteen individuals from local schools (Yale, NYU, Columbia and Rutgers) in New York. For this process, I added Professor John Merrick to the Committee and he participated in all Committee activities from January 8<sup>th</sup> onward. In addition, Professor Goring continued to participate in all Real Estate interviews.

These 44 initial interviews resulted in our inviting 23 individuals for on-campus interviews. The interviews began on January 29, 2002 and ended on March 11, 2002. It was an extraordinary six-week period and the Department is to be commended for not revolting in the face of 23 recruiting seminars. As for myself, one more sushi lunch and I would have developed gills.

The staff of the Weissman Center took responsibility for the coordination of all logistical arrangements including scheduling, expense reimbursement and copying and distributing the job market papers. They are to be commended for their extra efforts in this regard.

As in the past, I gave due consideration to candidates who had some connection to New York as we selected individuals for campus visits. It is my experience that the higher cost of living and unique life style issues associated with NYC are best understood by someone with

prior knowledge of New York. The irony is that the advantages of New York make attracting candidates for campus visits easy. However, when it comes to actually accepting an offer, the high cost and longer commute work against us.

Prior to commencing the recruiting process, the Department, with the agreement of the College administration, targeted a base salary of \$130,000 to \$140,000 plus 22.22% summer support, guaranteed for five years. This compensation package placed us at the top of the Tier 1 finance institutions. Columbia and NYU were offering a base package of \$140,000 while schools like Georgia Tech and University of Pittsburgh were offering \$125,000 - \$135,000 range. The highest offer I am aware of was \$145,000 from Cornell University.

## **I. Recruiting Results**

The attached table “Analysis of On-Campus Invitations Spring 2002” reviews the outcomes of the 23 on-campus invitations we extended to various candidates. All accepted our invitation and 21 interviews actually took place. Those 21 interviews resulted in nine offers being extended. Of the nine offers, five people accepted our offer.

In many regards, this was a breakthrough year for finance recruiting at Zicklin. The quality of the recruits were very high, many already had refereed journal articles, sometimes in the very top journals. We attracted top candidates like Anna Scherbina from Northwestern who ultimately accepted a position at Harvard and Lin Peng from Duke who accepted Baruch’s offer. More importantly, we hired two individuals (Jay Dahya and Rui Yao) who have no specific ties to New York. This is a first in my many years of leading the recruiting effort.

I am please to report that Mr. Jay Dahya (Purdue University), Mr. Rui Yao (University of North Carolina), Ms. Charlotte Hansen (University of Aarhus) and Ms. Lin Peng (Duke University) accepted offers of tenure track assistant professor positions. Mr. Randy Anderson (University of Alabama) accepted a tenure track associate professor position. This is an exceptional group. Four already have refereed journal articles. Three have significant teaching experience including executive education experience. Two come to us having already received teaching awards. I am particularly pleased with the hire of Randy Andersen since I believe he can be both a successful academic and also integrate himself into the New York City real estate community. I am not, as I have done in the past, ranking the candidates. I did not have an absolute first or second choice as I did in earlier years. Having said that, it is generally believed that Ms. Lin Peng is our top hire this year.

Four candidates rejected our offer. Ms. Anna Scherbina accepted a position at Harvard. Even I encouraged her to take that. Ms. Clara Vega accepted an offer from Rochester. Clara told me that the prime reason for her decision was Rochester’s stronger senior faculty. Of the four rejected offers, Ms. Vega was the most serious as her specialization in International Finance is an area where we are seriously under staffed. Mr. Hahn accepted an offer from the University of Washington for less money. My sense is this may have been a decision influenced, in part, by the September 11<sup>th</sup> tragedy. The last rejection came from one of NYU’s top students, Mr. Deepak Agrawal. Deepak would have accepted our offer if he decided to stay in academia. The lure of a

\$225,000 salary sent him to industry (as well as access to a unique data set).

In summary, I think without question this was our most successful recruiting season. We have been working at this for six years and I believe we have finally convinced the market (a.k.a. dissertation committee chairs) that we are serious. We still have major structural problems to address if we are going to build on this success. Nevertheless, it was a very successful effort. Let me end by again thanking Professors Bali, Chakraborty, DeLong, Hovakimian, and Merrick. They took their responsibilities very seriously and consistently put forth the extra effort that led to our success. It was almost fun.