MISSION

WFA-CFAR is a catalyst for enhancing and disseminating cutting-edge finance and accounting research. The center acts as a learning laboratory, facilitating interaction among Olin faculty, Olin students, and business partners to identify real-world business problems and develop practical, effective solutions.

VISION

To be a premier research center that promotes and supports the most innovative finance and accounting research at Olin, and connects students to businesses in order to transform business practice and education.

OBJECTIVES

- Specialized Masters programs in finance (MSF) and accounting (MACC), which provide rigorous curricula and industry-specific knowledge to students through a 10- or 17-month format.

- The Corporate Finance and Investments platform, which realigns our BSBA and MBA curricula to provide students with industry-specific knowledge and experiential learning opportunities, while also ensuring that these students receive a broad business education.

- Sponsored research, which includes company-specific projects as well as research on broader topics, to ensure that Olin faculty remain at the forefront of research excellence.

- Conferences and seminars, which bring together scholars from all over the world to share the latest ideas in finance and accounting.

CONTACT INFORMATION

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Director, Wells Fargo Advisors Center for Finance and Accounting Research;  
Director of Doctoral Programs; 
John E. Simon Professor of Finance  
Olin Business School 
Washington University in St. Louis  
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One Brookings Drive  
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thakor@wustl.edu

If you are interested in receiving a copy of any paper listed in this Annual Report, please email Amber Lutes at alutes@wustl.edu.
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SEE FAR EXECUTIVE SUMMARIES
Welcome to the Wells Fargo Advisors Center for Finance and Accounting Research (WFA-CFAR). WFA-CFAR is dedicated to the dissemination of cutting-edge research in finance and accounting by encouraging Olin Business School faculty and students to work more closely with companies. We do this through the creative design of courses in our degree programs, executive education courses, research white papers, conferences, and connecting students and business through projects that the students do for these companies.

The WFA-CFAR team works closely with our advisory board to make sure our efforts stay focused on meeting the needs of business. Through our Specialized Masters programs—Master of Accounting, Master of Science in Finance, and Global Master of Finance—as well as the research of our faculty, WFA-CFAR will bring the most exciting research being conducted in finance and accounting into the domain of industry practitioners.

Last year we hosted the 13th Annual Corporate Finance Conference (CFC) and the Nick Dopuch Accounting Conference. The center also publishes SEE FAR, a research magazine that features faculty research in a form accessible to practitioners. We would also like to further acknowledge Wells Fargo Advisors for their continued support. As a result of this partnership, I look forward to continued success and new endeavors this academic year.

Anjan Thakor
Director, WFA-CFAR;
Director of Doctoral Programs; and
John E. Simon Professor of Finance;
Olin Business School

“The work done in CFAR plays a key role in the production of new knowledge in and the application of that knowledge in key areas of Accounting and Finance. It provides far-sighted thought leadership that forms an integral part of our mission at Olin Business School to produce and disseminate research that is world-changing and of the highest quality.”

Dean Mark P. Taylor
ADVISORY BOARD MEMBERS

2018–19 WFA-CFAR BOARD MEMBERS

Jim Bullard
Federal Reserve Bank of St. Louis

Marcela Hawn
Centene

Joe Nadreau
Wells Fargo

Spencer Burke
The St. Louis Trust Company

Robert Holmes
Commerce Bank

Rich Ryffel
JP Morgan

Ken Cella
Edward Jones

Rick Holton, Jr.
Fintop Capital

Voin Todorovic
Build-A-Bear Workshop, Inc.

Tom Chulick
St. Louis Regional Chamber

Wes Jones
Sage Capital

Chris Varvares
Macroeconomic Advisers

Rock Foster
Nestlé Purina PetCare

Atul Kamra
SixThirty

Randall Harwood
Graybar

Mark Lewis
LockerDome
“Our WFA-CFAR board is composed of high-caliber corporate partners who challenge us to stretch our minds and create value for both themselves and Olin Business School. We are very appreciative that they have elected to generously give their time and expertise.”

Dorothy Kittner
Assistant Dean and Director
Office of Corporate Relations
Olin Business School

FACULTY BOARD MEMBERS

Tim Solberg
Anjan Thakor

EXECUTIVE IN RESIDENCE

Stuart Zimmerman

PROGRAM MANAGER

Amber Lutes
PLACEMENT
Of the BSBA Class of 2018 seeking employment, 99% had jobs by 90 days post-graduation.

2Novas
AB InBev
Accenture
Adidas
AGC Partners
AlphaSights
Amazon.com, Inc.
Ampush Media
Analysis Group Inc.
Andersen Tax
Asana
Avasent
Bain & Company
Bank of America Merrill Lynch
Barclays
Beam Suntory
Belvedere Trading
BlackRock, Inc.
Bloomberg L.P.
Bloomberg’s
BNP Paribas
Boom Lab
Booz Allen Hamilton Inc.
Boston Consulting Group, The
BounceX
Bridging Digital
Brookside Artist Management
Brown Brothers Harriman
Bully Pulpit Interactive
Cain Brothers
Capgemini
Capital One Financial Corp
Cardinal Health
CBRE
Centerview Partners
Charles Schwab
CiBO Technologies
Cigna Corporation
Citigroup Inc.
CJ Affiliate
Collaborative Solutions
Cornerstone Research
Cowen and Company
Credit Karma
Crowe Horwath
DCS Advisory
Deloitte
DePuy Orthopaedics
Deutsche Bank AG
Dimensional Fund Advisors
Dominium
Dropbox
E15 Group
Edward D. Jones & Co., L.P.
Enfusion
Express Scripts
EY (Ernst & Young)
Facebook
Federal Deposit Insurance Corporation (FDIC)
Financial Technology Partners, LP
Fingerlakes Musical Theatre Festival
First Tennessee Bank
Fitch Ratings
Frontier Airlines
Gap Inc.
Garmin
Goldman Sachs
Google Inc.
Guggenheim Partners
Hallmark
Hartford Investment Management Co. (HIMCO)
HCSS
Houlihan Lokey, Inc.
Houston Trust Company
HSBC Holdings
Hub Group
HubSpot
iHeartMedia
IMC Financial Markets
Ipsos
IRI Jefferies & Co.
Jet.com
Jones Lang LaSalle
JORD
JPMorgan Chase & Co.
Keefe, Bruyette, and Woods
KP Development
KPMG
Kraft Heinz Company
L’Oréa
Lazard
Lazard Middle Market
Lincoln International
LinkedIn
Macy’s
Magnolia Capital
Maryville Consulting Group
Maryville Technologies
Mastercard
McAfee
McCann Worldgroup
McKinsey & Company
MealPal
Mercer
Mercy Health
Microsoft
MidCap Financial
Moelis and Company
Morgan Stanley
Mount Sinai Hospital
Pursuing a career in business today means preparing students for an ever-changing world, reaching into new markets, adopting new technologies, and crossing the boundaries among traditional disciplines. Olin’s BSBA program lays the foundation for students to build successful academic and professional careers. During the first year, a required freshman course features senior faculty members who lead discussions on current and cutting-edge business topics and has the students applying them immediately to their team startup idea. Themes include case analysis, effective communication, team development, and ethical decision making. In addition, the first year focuses on resources and tools students will need to succeed in the workplace.

**APPLIED LEARNING**

Hands-on courses and projects encourage the exploration of career options and help students gain industry and functional expertise, increasing their value to prospective employers. Opportunities include consulting team projects for corporations and nonprofit agencies, participation in managing a portion of the school’s endowment fund, and multiple entrepreneurship experiences ranging from business plan development to working with startups in the St. Louis community.

**KEY TAKEAWAYS**

- Required freshman course taught by senior faculty focuses on current and cutting-edge business topics with themes including case analysis, effective communication, and ethical decision making.
- Hands-on courses and projects encourage the exploration of career options and help students gain industry and functional expertise.
- Business courses in all the major disciplines—with their emphasis on rigorous critical thinking—teach students to approach management problems analytically and strategically.
- Multi-disciplinary approach to education with at least 40% of degree coursework taken in other areas of the university.
MMBA students can pursue a career in finance through many paths. Finance professionals are needed in institutions and firms that provide capital to financial markets. They are also needed within the companies and businesses that use capital. Finance professionals are necessary to mediate between the providers and users of capital. The Corporate Finance and Investments platform is designed to effectively steer MBA students toward corporate finance, private equity or venture capital positions, investment banker–capital markets and trading, and asset or portfolio manager.

**FALL 2018 GUEST SPEAKER LIST**

Richard Ryffel, Olin Business School, Finance Department
Jenny Whitten, Weston Career Center
Al Sears, Dimensional Fund Advisors
Donna Kirtian, J.P. Morgan Chase Bank
Matthew Badler, Twain Financial Partners
David Levy, Exxon Mobil
John Jennings, St. Louis Trust Company
James Hobbs, NISA Investment Advisors, LLC
Scott Wilson, Washington University Investment Management Company
Christopher Vincent, William Blair & Company
Robert Mooney, III, UBS Financial Services
Quinn Kiley & Jim Cunnane, Jr., MLP & Energy Infrastructure
Stephen Sands & Robert Golden, Anheuser Busch/Bain Group
Eric Goettelmann, Midas Hospitality
Jeff Rombach, Stifel Bank
Kurt Kuhn, Kevin Scott & John Crowley,
Wells Fargo Advisors
Chetan Goyal & Shawn Barnes, Edward Jones
Nick Trentmann, Detalus

“My pre-MBA experience in public accounting/auditing helped sharpen my analytical skills, but it was limited to historical financial information for compliance purposes. By pursuing the unique combination of advanced courses and experiential learning opportunities that the MBA Finance and Investments platform offers, I’ve been able to appreciate how efficient financial management can help corporations solve strategic challenges and enhance shareholder value.”

Ajay Shah
MBA ‘16

**KEY TAKEAWAYS**

- With the Corporate Finance and Investments Platform, students can laser focus on their chosen career paths.
- Career-focused concentration classes begin during second semester, after which students can identify the applied-learning courses and types of summer internships that will give them targeted, on-the-job experience.
- Nearly two dozen working professionals served as Corporate Finance and Investments platform speakers to impart real-world knowledge and expertise to our students.
Both the Corporate Finance and Quantitative Finance tracks fuse financial tools with a strategic understanding of business decision making. The rigor of Washington University’s Master of Science in Finance (MSF) program attracts applicants with excellent quantitative skills and a broad range of academic experience in finance, economics, engineering, and mathematics. Prior work experience is recommended, though not required, for admission to the program. For students who do not have any prior experience or training in the subjects, the program offers concentrated “foundation” courses in finance and accounting.

**MASTER OF SCIENCE IN FINANCE: CORPORATE FINANCE AND INVESTMENTS (MSFC)**

Students in the Corporate Finance track take a significant amount of coursework alongside finance oriented MBA students, such as data analysis for investments, advanced corporate finance, mergers and acquisitions, and options and futures. Students also gain hands-on industry experience through intensive practicum projects arranged by WFA-CFAR in the fall semester.

**MASTER OF SCIENCE IN FINANCE: WEALTH AND ASSET MANAGEMENT (MSFWAM)**

The Wealth and Asset Management track is designed to prepare students for the growing wealth management industry—advising individuals, institutions, and firms. Coursework focuses on financial markets and portfolio construction, financial scenarios modeling, and the understanding and interpretation of financial plans, market ratios, and investment ratings. Beginning in Fall 2020, this program will gain a STEM-designation, with the additional of analytics and programming courses to prepare students for the increasingly data-driven nature of asset management.

“Olin offers a unique mix of leading research faculty and professors of practice with years of industry experience to bring a rich blend of theory and practice into the classroom.”

Mark Leary
Associate Professor of Finance

**KEY TAKEAWAYS**

- The MSF program integrates cutting-edge finance curriculum with real-world project experience to make students ready to deliver from day one.
- MSFC is a finishing school in finance that trains non-finance majors for careers in finance.
- MSFQ is a more technical program that trains students for careers in quantitative analysis and financial engineering.
- MSFWAM builds the set of skills and knowledge to prepare students for successful careers in wealth and asset management.

**MASTER OF SCIENCE IN FINANCE QUANTITATIVE FINANCE (MSFQ)**

The STEM-designated Quantitative Finance track is specifically designed to provide MSF students with a skill set similar to a financial engineering program while still including coursework in corporate finance, investments, and financial markets. Examples of the highly technical courses in the quantitative track include Advanced Derivative Securities, Mathematical Finance, and Topics in Quantitative Finance.
To meet the demand for financial expertise in our increasingly global markets and develop a singular educational paradigm for high-reaching students, Olin Business School at Washington University in St. Louis has partnered with Lee Kong Chian School of Business at Singapore Management University (SMU), Yonsei University School of Business (YSB) in South Korea, IDC Herzliya – Arison School of Business in Israel, WHU Otto Beisheim School of Management in Germany, and Universitat Pompeu Fabra Barcelona School of Management (UPF) in Spain to offer the Global Master of Finance (GMF) program. Graduates of this unique program receive two degrees: a Master of Science in Finance (MSF) degree from Washington University as well as a Master of Science in Applied Finance (MAF) from Singapore Management University, a Global MBA from Yonsei University, a Certificate in Innovation and Entrepreneurship from IDC Herzliya, a Master in Finance degree from WHU Otto Beisheim School of Management, or a Master of Science in Finance and Banking degree from Universitat Pompeu Fabra.

Program distinctions include cross-continent exposure to a variety of cultures and financial markets, which equip students with the knowledge and skills required to make an impact on businesses globally. Upon completion of the program, students earn either 45 credits for the 14-month Singapore Management University option, 54 credits for the 14-month Yonsei University option, 40 credits for the 11-month IDC option, 25 US credits and 90 ECTS credits for the 22-month WHU option, or 24 US credits and 56-68 ECTS credits for the 20-month UPF option.

Additionally, our program offers students the best of both academic worlds:

- Top-tier education from Olin Business School, a leading US management institution
- World-class instruction from faculty at one of our partner institutions
- Training and job placement services targeted to students’ specific marketplace
- Access to both U.S. and international professional networks
- Immersion courses in New York City and at the Brookings Institution in Washington, DC, that familiarize students with US financial markets, policy making, and financial rules and regulations

“The Global Master of Finance program provides valuable exposure to both US and non-US financial markets through students’ courses at Olin and our international partners. Students also partake in unique immersion courses in both New York and Washington, DC, where they learn first-hand about U.S. financial markets, the regulatory process, and how firms are adapting to the ever-changing global economy.”

**Todd Gormley**
Associate Professor of Finance
Olin’s Master of Accounting (MACC) program was designed with two goals in mind: first, to provide students from a wide range of backgrounds the opportunity to complete relevant coursework necessary to become eligible to sit for the CPA exam; second, to develop skills that will foster career success, regardless of whether a student pursues a career in public accounting or if their career path takes a different trajectory. In addition to traditional accounting coursework in financial reporting, assurance, and taxation, students may take elective coursework in other business disciplines, such as finance and supply chain management, or even in other schools on campus, such as the School of Law.

A distinctive feature of Olin’s MACC curriculum is our capstone course, Accounting Policy and Research. Students acquire a big-picture understanding of accounting trends and regulatory issues, along with the critical-thinking skills to evaluate and debate them. Students review a number of academic studies and learn research methodologies that are also applicable in nonacademic settings. Employers consistently emphasize the importance of communication skills and experience, and the MACC program helps cultivate these through the WFA-CFAR Mentorship Program, experiential learning opportunities, and student organizations such as Beta Alpha Psi.

VITA PROGRAM
Nearly 50 Olin students contributed more than 500 hours during the spring semester to the Volunteer Income Tax Assistance (VITA) program, preparing tax returns for local, low-income individuals. Through Olin’s network of corporate business partners and campus resources, students have many opportunities to turn what they learn in the classroom into real-world, practical experience.

BETA ALPHA PSI
Every semester, Beta Alpha Psi hosts a large number of speakers and professional events covering a wide variety of topics in the areas of accounting and broader business applications. Topics include tax code challenges, business ethics, diversity in the workplace, non-profit accounting, and corporate accounting.

“In 2014, 325 GECC volunteers prepared nearly 8,000 federal tax returns for low- and moderate-income families in the St. Louis region as part of the VITA program. Those families received more than $9.5 million in federal refunds, a return on investment of more than $70 for each dollar spent.”

Russ Signorino
Gateway EITC Community Coalition (GECC)
DOCTORIAL PROGRAMS

DOCTOR OF BUSINESS ADMINISTRATION
The Olin Doctor of Business Administration (DBA) degree program is a 72-credit-hour doctoral degree designed for individuals with a serious interest in research who want to pursue graduate study on a part-time or full-time basis. A doctor in business administration is an advanced graduate degree that extends beyond the fundamental foundation of a master’s degree to develop the necessary skills to conduct applied research. The DBA differs from a master’s degree and a PhD in a number of ways, including the scope of study, the approach to research, and, essentially, the definitive outcome.

The Olin DBA offers a collaborative atmosphere centered on pursuing industry-relevant applied research. The program crosses traditional boundaries and provides opportunities, under the guidance of Washington University faculty, for structured coursework along with focused, independent scholarly reading and research on important issues relating to business. A practitioner’s doctoral degree, it is designed to meet the needs of the researching professional, rather than the professional researcher. While a PhD is intended for those who wish to pursue research careers in academia, the DBA is extended graduate study for those who wish to pursue careers in corporations, consulting firms, or government agencies that can benefit from advanced research skills in analyzing business problems. The research capabilities developed in the DBA program offer more immediate real-world applicability than typical research pursued in the PhD program.

DBA IN FINANCE STUDENTS
Muna Alsheikh
David Baines
Kijun Bin
Juan Pablo Espinosa
Andrew Fish
James Horn
Hailong Hu
Jiaqin Hu
Shu Li
Xuan Li
Danielle McPherson
Whan Kyu Shin
Pornteera Tungtrakul
Aadhaar Verma
Liyang Wang
Peng Wang
Christal Zhu

“I am certain that obtaining a DBA in Finance from Olin will take my career to the next level. The level of learning I have experienced and will continue to experience at Olin will allow me to fulfill all short-term and long-term goals in the area of finance and corporate strategy, and approach them with more acuity and confidence.”

Danielle McPherson
DBA ’15

DOCTOR OF PHILOSOPHY
Olin currently offers Doctor of Philosophy (PhD) degrees in accounting, business economics, finance, marketing, operations and manufacturing management, organizational behavior, and strategy. Olin PhD students make up a diverse
and interesting group. They come from many different parts of the world with widely different backgrounds.

Some have enrolled directly from undergraduate programs; others hold advanced degrees or have worked for several years. Some are new to business, coming from academic majors ranging from engineering to biology. This diversity enhances the learning experience for all.

FINANCE PHD
Olin’s PhD program in finance emphasizes rigorous analytical training and prepares students to pursue careers in research and teaching at leading academic institutions across the globe. Our students have a strong quantitative background; most typically they have undergraduate training in economics, mathematics, engineering, or other quantitative disciplines.

Our research-active faculty members are easily accessible to students. Collaboration is encouraged early in the program. Faculty and student joint research results in coauthored papers published in important journals. Much of the research is based on economic models to address problems such as the allocation of capital, risk, and rewards in the economy.

ACCOUNTING PHD
Olin’s PhD program in accounting focuses on infusing students with a broad base of knowledge as well as the research skills necessary to enjoy a robust career as a university educator and researcher. Training is rigorous, as competition for faculty positions at top research universities is intense. Students study issues in two areas: the role of financial information in facilitating the operations of capital markets and assistance for managers planning and controlling the way institutions operate. WFA-CFAR provides accounting doctoral students with the opportunity to work on groundbreaking research for Center members’ company-specific challenges and projects.

PHD CANDIDATES IN FINANCE
Swaminathan Balasubramaniam
Yakshup Chopra
John Dooley
Lina Han
Jonathan Hsu
Manish Jha
Rodrigo Moser
Vasudha Nukala
Avantica Pal
Landon Ross
Tatiana Vdovina
Kingsley Wabara
Chung Ming Jimmy Wu
Leifu Zhang

PHD CANDIDATES IN ACCOUNTING
Chihoon Cho
Sichong Roger Han
Yanrong Jia
Gang Ernest Pan
Hangmeng Ivy Wang
Yifang Xie-On Market
Xin Sheryl Zhang

“Olin’s PhD program combines the rigorous curriculum of a top-ranked university with the individual attention made possible by our limited enrollment. The program provides a strong background in basic disciplines and research methodologies, giving you the tools you will need to pursue a productive and engaging academic career.”

Anjan Thakor, Director
WFA-CFAR FINANCE CONSULTING PROJECTS

INSIGHTFUL ANALYSIS OF YOUR FIRM’S BUSINESS CHALLENGES

Olin Business School’s WFA-CFAR Finance and Accounting Consulting program combines the fresh analytical perspective of students in Olin’s top-ranked Master of Finance programs with the expertise of Washington University’s distinguished finance and accounting research faculty. Students, faculty, and companies collaborate and use a variety of analytic tools to analyze complex and dynamic challenges unique to your organization. A typical project takes approximately 10 to 15 weeks and culminates with a formal presentation, written summary, and often a model or white paper that the client firm retains as its own intellectual property.

15 WEEKS OF ANALYSIS BENEFIT YOUR ORGANIZATION:

- A team of five to seven graduate students will provide a fresh perspective and a sophisticated analysis of your business problem.
- Each team is supervised by a member of our PhD research faculty, providing the expertise and experience of some of the nation’s finest finance scholars.
- Each project also includes a separate client liaison faculty member who assists the consulting team with scoping the project and ensures that the team maintains a high level of client service, communicates effectively, and meets all project deadlines.
- You are able to assess potential talent for your organization by working directly with your consulting team, rather than relying solely on interviews and secondhand recommendations.

FINANCE CONSULTING CASE STUDIES

- **Private equity allocation model**: A university with significant endowment assets asked the WFA-CFAR team to develop a bottomup allocation model for its private markets portfolio.
- **Home equity loan default study**: A major national mortgage originator with a large home equity line of credit portfolio sought WFA-CFAR’s help to model HELOC defaults and identify the determinants of defaults.
- **Portfolio rebalancing optimization study**: A national wealth advisory firm asked WFA-CFAR to recommend rebalancing strategies for multi-asset class portfolios and analyze how mutual fund and exchange-traded advisory programs optimize rebalancing strategies.
- **Forward-looking equity returns projection study**: A large national insurance company sought to produce a report containing equity forecasts for internal use and external distribution to clients.

For more information or to initiate a project, contact Tim Solberg at solbergtg@wustl.edu.
The Wealth and Asset Management Conference, August 21 & 22, 2018, convened researchers and practitioners who share the common goal of better understanding the capital markets. The conference will feature emerging research from leading universities, discussed by industry experts, with the goals of providing researchers timely, real-world insights and facilitating market participant access to actionable research that can drive superior client outcomes.

SESSION 1: “PLANNING IN A LOW RETURN ENVIRONMENT”
Presenter: Michael Finke, The American College

SESSION 2: “BEHAVIORAL FINANCE LITERATURE REVIEW”
Presenter: Ohad Kadan, Professor of Finance & Associate Dean for Global Degree Programs

SESSION 3: PANEL SESSION, “ELDER INVESTING AND ALZHEIMER’S CAUSE MARKETING”
Discussants: John Beuerlein, Edward Jones; Andy Hunt, Edward Jones; and Lonnie Schicker, University of Minnesota

SESSION 4: “LEARNING FROM OPTION PRICES”
Presenter: Ohad Kadan, Professor of Finance & Associate Dean for Global Degree Programs

Discussants: Mark Leary, Olin Business School; Rob Endicott, Bryan Cave; Julie Stackhouse, Federal Reserve Bank of St. Louis; and Charles Stucke, Lepercq de Neuflize Asset Management

SESSION 6: “A TALE OF TWO PREMIUMS – THE ROLE OF HEDGERS AND SPECULATORS IN COMMODITY FUTURES MARKETS”
Presenter: Geert Rouwenhorst, Yale School of Management

SESSION 7: PANEL SESSION, “CORPORATE CULTURE AND ITS IMPACT OF SHAREHOLDER VALUE”
David Eidelman, Eidelman Virant Capital; Tom Eidelman, Eidelman Virant Capital; Blake Emerson, J.P. Morgan; Ashley Hardin, Olin Business School; and Mark Leeker, Harbour Group

SESSION 8: “CREATING MORE EFFICIENT PORTFOLIOS AND REDUCING THE RISK OF BLACK SWANS”
Presenter: Larry Swedroe, Buckingham Strategic Wealth

SESSION 9: “STRATEGIC ASSET ALLOCATION IN MULTI-FACTOR WORLD”
Presenter: Erkko Etula, Goldman Sachs

SESSION 10: VENTURE CAPITAL UPDATE with John True, Cultivation Capital

SESSION 11: PANEL SESSION, “TECHNOLOGY AND THE FUTURE OF EMPLOYMENT IN FINANCIAL SERVICES”
Discussants: Cliff Holekamp, Olin Business School & Cultivation Capital; Peter Esparrago, FinLocker; Rasheed Hammouda, Bridge Financial Technology; David Karandish, Jane.ai; Dean Pichee, BizLibrary; and Doug Wilber, Gremlin School

SESSION 12: KEYNOTE SPEAKER: Santiago Jaramillo, Emplify:
“The future of employee retention, workplace environment, and how jobs will be different”
CORPORATE FINANCE CONFERENCE

Each autumn, the finance faculty at Olin Business School host a conference during which industry guests and academics gather to discuss and debate issues related to corporate finance. Below find the agenda for the 14th Annual Corporate Finance Conference, held November 16–17, 2018.

SESSION 1: SHADOW BANKS AND CREDIT SUPPLY SHOCKS
Session Chair: MANJU PURI, DUKE UNIVERSITY

“The Capitalization of Consumer Financing into Durable Goods Prices”
by Bronson Argyle (Brigham University), Taylor Nadauld (Brigham University), Christopher Palmer (MIT), and Ryan Pratt (Brigham University)
Discussant: Marco Di Maggio (Harvard Business School)

“The Rise of Shadow Banking: Evidence from Capital Regulation”
by Rustom Irani (Gies College of Business at University of Illinois at Urbana-Champaign), Rajkamal Iyer (Imperial College London), Ralf Meisenzahl (Board of Governors of the Federal Reserve System), and Jose-Luis Peydro (ICREA-Universitat Pompeu Fabra)
Discussant: Sreedhar Bharath (W.P. Carey School of Business, Arizona State University)

SESSION 2: SECURITY DESIGN AND EQUITY OFFERINGS
Session Chair: DENIS GROMB, HEC

“Seasoned Equity Offerings and Dilution”
by Mike Burkart (London School of Economics) and Hongda Zhong (London School of Economics)
Discussant: Ben Herbert (Graduate School of Business, Stanford University)

“Robust Security Design”
by Seokwoo Lee (George Mason University) and Uday Rajan (Stephen Ross School of Business, University of Michigan)
Discussant: David Dicks (Baylor University)

Special Panel Session Discussion on The Role of Institutional Investors in Corporate Governance
Wei Jang (Columbia Business School) and Laura Starks (McCombs School of Business, University of Texas at Austin)

SESSION 3: INSTITUTIONAL INVESTORS AND GOVERNANCE
Session Chair: LAURA STARKS, MCCOMBS SCHOOL OF BUSINESS

“Internalizing Governance Externalities: The Role of Institutional Ownership”
By Jie Je (University of Georgia), Jiekun Huang (University of Illinois at Urbana-Champaign), and Shan Zhao (Grenoble Ecole de Management)
Discussant: Jarrad Hartford (Foster School of Business, University of Washington)
“Institutional Investors and Corporate Governance: The Incentive to Increase Value”
by Jonathan Lewellen (Tuck School of Business, Dartmouth College) and Katharina Lewellen (Tuck School of Business, Dartmouth College)
Discussant: Jules van Binsbergen (Wharton School, University of Pennsylvania)

SHORT PRESENTATION OF EARLY IDEAS

SESSION 4: CEOS AND DIRECTORS
Session Chair: SCOTT YONKER, CORNELL UNIVERSITY

“The Origins and Real Effects of the Gender Gap: Evidence from CEOs’ Formative Years”
By Ran Duchin (University of Washington), Mike Simutin (University of Toronto), and Denis Sosyura (Arizona State University)
Discussant: Geoffrey Tate (Robert H. Smith School of Business, University of Maryland)

“Selecting Directors Using Machine Learning”
By Michael Weisbach (Ohio State University), Isil Erel (Ohio State University), Lea Stern (Foster School of Business), and Chenhao Tan (University of Colorado Boulder)
Discussant: Daniel Ferreira (London School of Economics)

SESSION 5: VENTURE CAPITAL AND PRIVATE EQUITY
Session Chair: AMIYATOSH PURNANANDAM, UNIVERSITY OF MICHIGAN

“The Deregulation of the Private Equity Markets and the Decline in IPOs”
By Michael Ewens (California Institute of Technology) and Joan Farre-Mensa (University of Illinois at Chicago)
Discussant: Matthew Gustafson (Smeal College of Business, Penn State)

“Are New Venture Competitions Useful?”
by Sabrina Howell (Leonard Stern School of Management, New York University)
Discussant: Ayako Yasuda (Graduate School of Management, UC-Davis)

“The Effect of Credit Ratings on Disclosure: Evidence from the Recalibration of Moody’s Municipal Ratings”
Presented by Delphine Samuels, MIT
Discussion led by Greg Waymire, Emory University

“Earning or Cash Flows: Which is a Better Predictor of Future Cash Flows”
Presented by Suresh Nallareddy, Duke University
Discussion led by Steve Penman, Columbia University

“Asset Pricing Implications of Strategic Trading and Activism”
Presented by Ivan Marinovic, Stanford University
Discussion led by Chandra Kanodia, University of Minnesota

“Beyond Performance: When Potential Matters to Employee Career Outcomes”
Presented by Carolyn Deller, University of Pennsylvania
Discussion led by Katherine Schipper, Duke University

“Selective Disclosure Contracts”
Presented by Jordan Schoenfeld, Georgetown University
Discussion led by Wayne Landsman, University of North Carolina

“The Revolving Door Between the PCAOB and Large Audit Firms”
Presented by Jordan Schoenfeld, Georgetown University
Discussion led by Wayne Landsman, University of North Carolina
Financial scholars from within and outside the Olin community take part in this recurring seminar series. Topics covered include the housing debt crisis, asset pricing, liquidity risk, and retail short selling. Participating speakers come to the event from respected institutions, including Georgia State, MIT, New York University, University of California, Stanford University, University of Chicago, and Notre Dame. Below find a list of Finance Seminars hosted at Olin Business School during the 2018–19 academic year.

09/06/18
Carolin Pflueger, University of British Columbia
“A Measure of Risk Appetite for the Macroeconomy”

09/07/18
Mao Ye, University of Illinois at Urbana-Champaign
“Who Supplies Liquidity, and When?”

09/14/18
Kelly Shue, Yale University
“Can the Market Multiply and Divide? Non-Proportional Thinking in Financial Markets”

09/21/18
Cary Frydmann, University of Southern California
“Efficient Coding and Risky Choice”

09/28/18
Alp Simsek, Massachusetts Institute of Technology
“A Risk Model of Demand Recessions and Macropreditional”

10/05/18
Francesca Cornelli, London Business School
“Do Short Selling Constraints Matter?”

10/12/18
Philip Strahan, Boston College
“Stress Tests and Small Business Lending”

10/19/18
Alexi Savov, New York University
“Liquidity Creation as Volatility Risk”

10/26/18
Kent Daniel, Columbia University
“The Cross-Section of Risk and Return”

11/02/18
Joseph Engelberg, UC San Diego, Radu School of Management
“Are Cross-Sectional Predictors Good Market-Level Predictors?”

11/30/18
Amit Seru, Stanford Graduate School of Business
“The Limits of Shadow Banks”

12/07/18
Jonathan Parker, Massachusetts Institute of Technology
“Belief Disagreement and Portfolio Choice”

1/18/19
Zhi Da, Notre Dame
“Leverage Networks and Market Contagion”

02/01/19
Vikas Agarwal, Georgia State
“Violence and Investor Behavior: Evidence from Terrorist Attacks”

02/08/19
Marcin Kacperczyk, Imperial College London
“The Private Production of Safe Assets”
03/01/19
Alexander Chinco, University of Illinois
“The Madness of Crowds and the Likelihood of Bubbles”

03/22/19
Yueran Ma, University of Chicago-Booth
“Anatomy of Corporate Borrowing Constraints”

03/29/19
Stavros Panageas, UCLA
“Finance in a Time of Disruptive Growth”

04/05/19
Andres Liberman, NYU
“The Equilibrium Effects of Information Deletion: Evidence from Consumer Credit Markets”

04/19/19
Laura Veldkamp, Columbia
“Long Run Growth of Financial Data Technology”

04/26/19
Hengjie Ai, University of Minnesota
“Identifying Preference for Early Resolution from Asset Prices”

2017–18 ACCOUNTING SEMINARS

This recurring series brings the latest academic accounting thinking and theories to Olin. The series allows the field’s premier academics to examine topics such as bank transparency, private equity, fair value accounting, and trade credit policy. Upcoming and past speakers include faculty from Columbia Business School, New York University, Boston University, Rice University, MIT, University of Chicago, and London Business School. Below find a list of Accounting Seminars hosted at Olin Business School during the 2018–19 academic year.

09/14/18
Brian Akins, Rice University
“The Salience of Creditors’ Interests and CEO Compensation”

10/26/18
Mark Maffett, University of Chicago
“Securities Regulation, Household Equity Ownership, and Trust in the Stock Market”

11/30/18
Luo Zuo, Cornell
“Do Investors Adjust Their Ratio Analysis...”

12/07/18
John Campbell, University of Georgia
“Do Investor Relations Matter the Most?”

12/14/18
Francois Brochet, Boston University
“Where do Investor Relations Matter the Most?”
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How do statutory minimum wages affect employment? This is a heavily debated policy question that evokes strong emotional responses from both sides of the political divide. It is kept front and center by the numerous increases to the minimum wage implemented by states and cities. Just in the past two years, many cities, including Los Angeles, New York, San Francisco, Seattle and Washington D.C. increased the statutory minimum wage to $15 either immediately or over a period of time. In our very own backyard, the city of St. Louis increased the minimum wage to $10 in 2014, but was forced to roll back by a law passed by the state of Missouri in 2017. Each of these changes was preceded by a vigorous debate both for and against the change. The debates were usually dominated by views formed by an individual’s political leanings rather than by hard evidence. While those on the left of the political spectrum argue that a higher minimum wage is an effective anti-poverty tool and will provide people a living wage, limit the number of hours they need to work to make ends meet, and help fight the growing inequality, those on the right of the political spectrum argue that a higher minimum wage will deter job creation and turn away businesses. Our paper is an attempt to infuse some hard evidence into this debate.
Credit Enforcement and Price Hedging: Warehouses as a Financial Innovation
Janis Skrastins, Washington University in St. Louis

This paper documents a financial innovation, mitigating credit and hedging frictions through warehouse ownership. A large agribusiness lender in Brazil constructs grain warehouses to permit a new credit contract, repayable in grain. This contract provides price insurance and possesses stronger credit enforcement rights. For identification, I use runner-up locations of warehouses as a control group. The improved contracting increases debt capacity and lowers borrowing costs. The effects are stronger when price insurance is important, for municipalities with weaker courts, and for financially-constrained borrowers. The evidence is consistent with both insurance and enforcement channels and highlights a company’s intervention in solving market frictions.

Bank Loan Supply Responses to Federal Reserve Emergency Liquidity Facilities
Allen N. Berger, University of South Carolina
Lamont Black, DePaul University in Chicago
Christa H. S. Bouwman, Texas A&M University
Jennifer Dlugosz, Washington University in St. Louis

Ten years after the failure of Lehman Brothers, the debate around the government’s response to the financial crisis lives on. A common critique is that the government provided too much assistance to Wall Street and not enough to Main Street. Recently published research, awarded the Journal of Financial Intermediation’s annual Best Paper prize, by Professor Jennifer Dlugosz and co-authors Allen Berger, Lamont Black, and Christa Bouwman, provides new evidence on how Federal Reserve programs that provided liquidity to banks bolstered the flow of credit to firms and households during the recent financial crisis.
People and Purpose: Imbuing an Organization with Higher Purpose

Anjan V. Thakor, Olin Business School, Washington University in St. Louis
Robert E. Quinn, Ross School of Business, University of Michigan

In a recent article in *The Harvard Business Review*, co-authored by Robert Quinn, titled “Creating a Purpose Driven Organization,” we pointed out that managers undermine their own effectiveness because they fail to see the important role that an authentic organizational higher purpose can play in shaping their organizations. Our fundamental objective in that article, and in a forthcoming book, *The Economics of Higher Purpose*, is to help managers challenge conventional assumptions, and become leaders with the ability to co-create positive, purpose-driven organizations.

The Influence of Loan Officers on Debt Contract Design and Performance

Robert Bushman, University of North Carolina-Chapel Hill
Janet Gao, Indiana University
Xiumin Martin, Washington University in St. Louis
Joseph Pacelli, Indiana University

Syndicated loans represent a primary source of corporate external financing, and the quality of the lending practices in syndicated lending varies across banks. What determines this quality and why does it differ across banks? This is the question we study empirically. Many believe that the quality of a bank’s lending practices depends on both its organizational and human capital. One important component of a bank’s human capital is embodied in the loan officers who directly interface with borrowers, and who collect, process and transmit information to support lending decisions and ex-post monitoring borrowers. In particular, loan officers might differ across many dimensions that can generate effects that are independent of bank and borrower characteristics. Such individual differences include talent, values, honesty, background and experience, social networks and susceptibility to behavioral biases. Then the question is whether loan officers imprint their styles, biases or other personal characteristics on loan deals they underwrite. Our study provides large-sample evidence on the relative influence of loan officers and bank organizations over the design of syndicated loan contracts, and we also explore specific contractual channels through which loan officers’ influence operates to impact loan performance.

To obtain copies of the papers featured here, please email Amber Lutes at alutes@wustl.edu.
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