

# **Academic Finance as a Career: The Good, The Bad, and the Not-So-Pretty**

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Most undergraduate and masters students in finance (MS and MBA) are preparing for a career in the world of finance. Oftentimes, jobs in finance have titles like financial analyst, credit analyst, and assistant treasurer, with the possibilities of someday becoming a vice president of finance, chief financial officer, treasurer or some other high-ranking position of responsibility. Finance is an important field to study because it deals with the management of money, a subject of central concern to every business, government agency, or nonprofit organization, and indeed every individual. Knowing how the financial world operates, the characteristics of securities, and how investment decisions should be made serves one well for many career paths. The study of finance also helps to prepare a person to manage his or her own money and increase the likelihood of accruing significant wealth over time through solid principles of investing.

Few students consider another finance-related career option: becoming an academic in finance. Most students know little about this career choice. Their experiences with finance academics are typically limited to their familiarity with classes taken from their professors. But there is a lot more to it than this. And it is probably worth learning a little about this career choice.

This essay provides some information on academic finance as a career. It cannot possibly answer all of your questions, but it can give you some general information. Everyone contemplating a career in academic finance must surely know a finance professor. Make a point to talk with this person, and I am sure your questions will be answered.

## **Tenure and Rank**

First let me identify some terminology related to tenure and rank. University faculty members are of two general classifications: tenure track and non-tenure track. Tenure track faculty members either hold or are eligible to receive tenure and are referred to as “tenured” and “non-tenured,” respectively. Tenure is a privilege that provides job security. A tenured faculty member can speak out on controversial issues and take positions that contrast with conventional views without fear of reprisal. Tenure encourages independent thinking and creativity that go against the norm. Tenure is considered to be critical for encouraging the best scholarship and research. A tenured faculty member can be terminated only for a severe breach of university policy or for an ethical or legal violation. Tenure has its downside, however, as it permits faculty members to choose a career of inactivity without much fear of any significant consequences.<sup>1</sup>

A newly hired tenure-track faculty member is typically hired on a year-to-year contract. That person is usually evaluated for tenure in the sixth year. If tenure is denied, the person is normally permitted to remain on the faculty for a seventh year, during which he or she would normally search for a position elsewhere. Tenure-track non-tenured faculty are also reviewed prior

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<sup>1</sup>Inactive and unproductive faculty members would normally be ineligible for further promotions and honors and would likely receive the lowest salary increases. Some universities have instituted a procedure, called *post-tenure review*, in which tenured faculty members can be terminated for long periods of inactivity.

to the sixth year, and in some cases a decision is made to not renew the contract prior to the sixth year.

Tenure-track faculty hold three ranks: assistant professor, associate professor, and professor (sometimes called “full professor”). Assistant professors are almost always non-tenured. Promotion to associate professor is usually granted with tenure. The promotion process takes about six months. A committee of tenured faculty members organizes and oversees the process. Information is gathered on the assistant professor’s productivity, meaning primarily publications. A group of experts outside of the university is asked to evaluate this research and write letters. The committee evaluates the letters and combines this external input with its own assessment of the person’s productivity. It then makes a recommendation, which could go to a department head, a dean, or a higher committee. Although the procedure varies within universities, the dean of the business school is responsible for taking the recommendation forward for approval by a university committee and the provost, president, or chancellor of the university. Final approval is normally granted by the Board of Trustees (sometimes known as the Board of Visitors) of the university. Of course, at any stage of this process, the candidate could be denied promotion. Some limited opportunities for appeal are possible.

Promotion from associate professor to professor requires further productivity and accomplishments and is conducted in a manner similar to that described above for assistant professors. Some tenured associate professors are never promoted to professor. Newly hired but experienced faculty can come in at the rank of associate professor or professor. In some cases they are granted tenure, and in some they are not, in which case they are reviewed for tenure after at least one year.

Some full professors and a few associates hold positions called endowed professorships or endowed chairs. An outside donor provides funds that go into an endowment. State universities typically match the funds donated. Interest off of the endowment is used to supplement the salary of a faculty member, whose position carries a title that includes the name of the donor. Usually there is also an expense account. The distinction between endowed professor and chaired professor is typically just in the amount of money donated, with the latter requiring significantly more money.

Non-tenure track faculty have titles such as instructor, lecturer, and adjunct professor.<sup>2</sup> These faculty members are paid less than tenure-track faculty, typically do more teaching, and because they do not have tenure, they can be easily terminated. Some schools have non-tenure-track professors with PhD’s in exclusively teaching positions. These faculty are often called clinical instructors or teaching fellows.

One other type of professor is the visiting professor. A visiting professor or “visitor” holds a temporary position, usually one year with an occasional opportunity for renewal. A visitor usually holds a PhD and may engage in research. Some professors holding tenure track positions oftentimes take visiting positions to increase the possibility for developing new contacts and to simply enjoy a change of scenery. Visitors who do not hold tenure-track positions elsewhere use the visiting position as temporary employment while they search for a permanent position. Some faculty members may be at a school on sabbatical. Sabbaticals are discussed later.

The remaining material in this document focuses exclusively on tenure-track faculty.

## **What Finance Academics Do**

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<sup>2</sup>Technically an adjunct professor is a person who holds a full-time position outside of the university and teaches part-time. The distinction between adjunct, instructor, and lecturer is not always clear.

Academic work is usually divided into three categories: teaching, research, and service.

### *Teaching*

Naturally finance academics teach courses in finance. The number of courses one teaches depends on several factors. Some schools place considerable emphasis on teaching and little if any emphasis on research. If that is the case, professors at those schools would ordinarily have the highest teaching loads. The typical teaching load at a school with some emphasis on research is probably four classes per year, which reflects an interpretation that the person's time is split about equally between teaching and research, with service picking up a small residual. Some professors and chairholders teach fewer than four classes a year, which is very common in the most prestigious schools. Some professors obtain money from outside sources to support their research and in that case, they often have reduced teaching loads, with the outside money used to fund someone else to teach in their place. The teaching load is one of the negotiable factors in recruiting and retention of faculty.

The number of courses taught does not tell the entire picture with respect to the amount of teaching one does. The number of *distinct* courses taught is referred to as preps, for preparations. One person teaching two sections of the same class is considered to have one prep. Another person teaching a section each of two different courses has two preps. The latter clearly has a heavier teaching load than the former, even though they both teach the same number of classes.

Some professors teach very large sections of a particular class, usually an introductory class.<sup>3</sup> In such cases, the professor often receives some dispensation in the form of a reduced teaching load or additional graduate student assistance (see next paragraph). Additional compensation is not usually earned for teaching a large section.

If a school has a doctoral program, it will usually have a number of doctoral students on assistantships. These students work 10-20 hours a week and are assigned to a professor. Thus, the professor can use a doctoral student for some teaching work, such as grading papers, helping students, or filling in during absences.

If the school has a doctoral program, professors who teach doctoral-level courses might receive reduced teaching loads. These courses, usually in the form of seminars, are very demanding of the professor's time, even though there are seldom more than ten students in the class. The professor is teaching the most advanced material in the field to the brightest and most enthusiastic students. Teaching such a course usually requires a considerable amount of additional preparation time as well as time spent meeting with students in comparison to any other class.

The number of courses, the number of preps, which courses are taught, and even the days and hours on which one teaches are usually negotiated between the professor and the department head or dean. Most schools are relatively flexible about giving the professor the teaching assignments he or she wants. The professor will likely do the best job when teaching under the circumstances with which he or she is most comfortable.

### *Research*

From the perspective of an undergraduate, MS, or MBA student, teaching would seem to be the primary activity of a professor. But in fact, the primary activity of most professors is research.

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<sup>3</sup>These classes are sometimes called mass sections.

Research is the systematic investigation of a theory, idea, or concept for the purpose of learning something not already known. In finance, research is primarily of two general types: theoretical research and empirical research. Theoretical research involves proposing new ideas, which typically involve the application of economics and statistics to explain how individuals, companies, institutions, and markets operate in the financial world. Empirical research involves the analysis of data to test an idea or theory. Empirical research requires not only obtaining the data, but also applying the most appropriate statistical techniques to analyze it.<sup>4</sup> Good finance researchers are extremely careful and follow, as closely as possible, scientific methods to ensure that the conclusions they draw are as strongly supported by the data as possible.

Most professors are drawn to academia by their interest in research, not teaching. While teaching can be enjoyable and quite stimulating, research involves discovery, finding out something that no one else knew. It is an exciting intellectual and emotional activity. Good researchers are passionate about their work and find that new discoveries by themselves and by others stimulate them to work ever harder. Research is highly competitive, however, as evidenced by the fact that Nobel prizes are often awarded to more than one person for the same discovery.<sup>5</sup>

After conducting the research project, the professor writes up the results in the form of a paper and then attempts to get the paper published in an academic journal, which is a periodical that is usually sponsored by a professional organization or institution. Academic journals are managed by editors, who are experienced and successful researchers who volunteer to take on this responsibility. Articles undergo review by other members of the profession, usually in an anonymous process in which the reviewer (called the “referee”) does not know the identity of the author and the author does not know the identity of the reviewer. Papers are submitted, reviewed, and a decision is made by the editor. Papers are either rejected, accepted, or the author is asked to make revisions and resubmit the paper. Journals are ranked, somewhat informally, in a hierarchy based on perceived quality. Competition is tremendously heavy for limited space in the best journals. The most successful researchers generally are the highest paid faculty members in a department or college.

Except in a few schools that emphasize teaching, research is normally the primary criterion on which assistant professors are evaluated for tenure. Although standards vary, doctoral-granting institutions usually require at least two articles published in top level journals for tenure. Standards tend to correlate with the resources devoted to research. For example, non-tenured faculty could be granted higher salaries, lower teaching loads, and additional graduate assistant help, with the expectation that these resources will lead to greater research productivity.

### *Service*

Academics are also expected to devote some of their time to service. Within a department and college are committees that study such matters as curricula, promotion and tenure, recruiting and hiring, and other policy-related issues. There are also committees in the college and university that require faculty participation. Committee work is not particularly stimulating, but most

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<sup>4</sup>Some research requires the development of theory as well as the conduction of empirical work. Indeed, almost all empirical work is based on some type of theory, which may or may not have been developed by the empirical researcher. But theoretical research is normally much more advanced than simply proposing an idea that could be tested. It usually requires the fairly sophisticated application of economic models that capture the behavior of individuals and companies and lead to predictions about effects that should be observed in practice. Most researchers in finance do empirical work and some do theory as well. Finally, we should add that some research is not strictly theory or empirical work, carrying elements of both.

<sup>5</sup>The Nobel Prizes are awarded in physics, chemistry, medicine, literature, peace, and economics. Finance researchers have won a number of Nobel Prizes in economics.

professors recognize its importance and know that responsible individuals must do the work. Other forms of service include advising students and writing letters of recommendation.

Another form of service is service to the profession, which could take the form of serving on a committee or as an officer for a professional society such as the American Finance Association or Financial Management Association. Professional service is never mandatory. Most people do it out of a sense of wanting to help their profession and realizing that the decisions made by these societies affect all members of the profession. Nonetheless, one can choose to do a lot or not much of this type of service. One of the most common forms of service is journal refereeing. Once an academic becomes known as an expert in a particular area of research, he or she will usually be called upon to referee papers. It is time-consuming and challenging work, but refereeing is necessary work in order to establish standards for publication of research. Being asked to be a referee is a compliment paid by a journal editor. Another common form of service to the profession is writing letters for other schools to evaluate candidates for promotion and/or tenure at those schools. These evaluations involve examining the research of a candidate and commenting on its quality and significance.

### **The Training Required for Finance Academics**

Becoming an academic in finance requires a PhD degree. The standard time required to complete a program is four years beyond the masters. With a masters being one to two years, the total amount of time required in graduate study is about six years. In reality, however, most students seem to require five years in a PhD program. There is generally two years of coursework, after which the student must take a lengthy and comprehensive written exam over the entire field of finance.<sup>6</sup> After successfully passing the exam, the student advances to the dissertation stage, during which the student undertakes an extensive and detailed work of original research.<sup>7</sup> After the dissertation is complete, the student takes a final oral exam involving the defense of the research. While the idea of an oral exam may seem daunting, life as an academic heavily revolves around undertaking and defending one's original research. Moreover, by the time the dissertation is completed, the student has already spent one to three years on the project and has responded to numerous questions from the dissertation advisor, committee members, other faculty, and the faculty of schools at which he or she is interviewing for a job.

As noted previously, most PhD students hold assistantships in which they work for a professor assisting him or her in teaching and/or research. These assistantships pay small salaries but usually offer waivers of some or all tuition.<sup>8</sup>

In some fields, particularly the sciences, students are not considered eligible for a tenure track position upon completion of the doctorate. These students then have to find temporary jobs, called post-docs, as researchers at other institutions. While post-docs pay more than graduate assistantship salaries, they pay less than that of assistant professors. Post-doc positions are used to

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<sup>6</sup>A few schools also require an oral exam.

<sup>7</sup>The student writes the dissertation under the supervision of the faculty, led by a dissertation advisor or director and a committee of at least four more professors. The student is responsible for developing a working relationship with a professor and convincing the professor (and the committee members) to agree to oversee the dissertation. The actual idea for the project should come from the student, but it is not uncommon for the dissertation director to give the student the idea or at least some direction that leads to an idea.

<sup>8</sup>Tuition waivers are becoming increasingly common. Although PhD students usually pay university fees, which can be quite large, most students can earn a PhD without paying any tuition.

further train the person and establish some direction for his or her research program. In finance, however, holders of a doctorate are generally eligible for tenure track positions.<sup>9</sup>

I would be remiss if I did say a word or two about the risk of a Ph.D. program. We are, after all, in the business of studying risk and such concepts as risk management. A prospective Ph.D. student should be aware that there are two types of risks he or she will face. One is failure to complete the program, either because the student voluntarily leaves the program or the student is required to leave the program. There are quite a few students who do not complete the program, though I suspect it is probably not more than a fourth. Some students simply find that the Ph.D. program is not what they expected. One of my fellow students told me he had thought it was more of a super-MBA, which it clearly is not. Others just find that it is too grueling. The time requirement and pressure, not only on oneself but also on the family, are sometimes too much to bear. Of course, some students, as much as they want the degree and as hard as they work, will not make it through the program. Sometimes that is just a case of taking on a program that is too hard or one in which the other students in the program are so much better that it is difficult to keep up. In that case, a student may leave or be forced to leave, but other schools may be better fits so leaving a program does not mean never getting the degree. Sometimes there are just personality clashes with faculty or fellow students. It is no disgrace to not finish a Ph.D. program, but it is certainly best to find out early if that's likely to occur. The other risk is not finding a job. This is a huge risk in some fields but far less so in finance, as I will discuss in some detail in the next section.

## **Job Prospects**

Job prospects in finance are generally quite good. Finance is an increasingly popular subject in business schools and requires a growing contingent of professors. Because most holders of bachelors and masters degrees with finance concentrations prefer to work in the financial world, few go on for a doctorate, and shortages of finance faculty are common. As a result, there are numerous job opportunities, not only in academia but also in the business world and government. Finance PhDs frequently work for Wall Street firms and for organizations such as the Federal Reserve, Securities and Exchange Commission, and the World Bank. Finance professors do not often go to work for non-financial corporations. Most PhD programs train their students with the intent of having the student go into academia. Non-academic opportunities for finance PhD students are growing in number, indicating that the skills learned in PhD programs are valuable beyond academia.

The academic finance profession has an extremely well-organized job market. Two conventions, the Financial Management Association meeting in October, and the American Finance Association meeting in January, have job markets where schools and candidates have interviews. Promising candidates are then invited for on-campus interviews, which consist of short meetings with various faculty and a seminar given by the candidate on his or dissertation or some other original piece of research. Job offers usually go out in the winter and early spring, but some jobs are filled in the late spring.

Salaries for tenure track positions at schools with research expectations in the early years of this decade were typically in the range of \$100,000 to \$140,000 for nine months of teaching. There is, however, a considerable range and much higher salaries are paid by prestigious schools for the best Ph.D. graduates of their peer institutions. Additional funds are often offered for the first

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<sup>9</sup>In some respects, the fifth year in a PhD program that is commonly taken by finance students is similar to a post-doc.

several years in the form of grants, which are paid in the form of supplemental salary during the summer.<sup>10</sup>

## Career Development Opportunities

Academia offers excellent opportunities for an exciting career. One of the great benefits of academic life is the travel. In the corporate world, travel is usually mandatory. You go when, where, and as often as the company wants you to. In the academic world, travel is usually optional. There are numerous academic conferences in interesting locations in the U. S. and internationally. You choose which ones you want to attend. Funding can be an issue, but most schools do provide some funding for travel. Conversely, a person who does not like to travel can choose to travel little or none at all. It should be noted, however, that travel does not mean simply vacationing. Conference participation is important in meeting other academics with similar interests which can sometimes lead to sharing ideas and working together on projects. Conferences also are a great way to get your research out to the rest of the world. A typical academic conference involves researchers making brief (15-20 minutes) presentations summarizing their papers. Another expert, called a discussant, has been identified in advance to read and evaluate the paper and give a short review. This process is sometimes followed by a few minutes of discussion with the audience, which consists of other researchers.

As noted above, many academics take occasional visiting positions, which affords an opportunity to retain your current position, while working and drawing a salary from another school. The change of scenery can be invigorating. Also, visiting positions can sometimes be arranged at very prestigious schools, affording an opportunity to, at least temporarily, be on the faculty of a more renowned university. These leaves of absence are also sometimes used to work in industry or in government.

Most universities offer professors the opportunity to take a paid leave of absence. The usual arrangement is one semester off of teaching and other duties at full salary in exchange for a promise to engage in scholarly activity, which is typically research. These opportunities are sometimes called *sabbaticals*, which comes from a Latin word related to the number seven. In a few schools, these leaves were automatic granted every seven years, but that is somewhat rare. Leaves are negotiated between faculty member and school.

In the sciences, research is expensive and there are many sources of funds to support one's research. Faculty members are evaluated, not only on their ability to conduct good research, but to acquire the funds to support their research. Research in finance is far less expensive and external funding is limited. The costs of finance research, such as research assistant salaries and computer files containing stock prices and financial statements, are normally provided by a department. Some professors search for and occasionally find outside sources of funding, which provides additional benefits, such as a reduction in teaching and more money for travel. Generally, however, there is no pressure to find outside funding, because so little is available to support finance research.

Most departments that have doctoral programs invite academics from other schools to visit for a day or two and make a presentation of a research paper. These presentations are called seminars, are often held on Fridays, and afford an excellent opportunity to meet with other academics who are oftentimes quite distinguished scholars.

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<sup>10</sup>A typical summer stipend is often 2/9 of the annual salary. The basis for this ratio is that the academic year is nine months, and the summer is considered two months.

For schools with doctoral programs, a finance academic can nearly always work with and supervise graduate students. These students are usually very talented and motivated. Teaching at a school with a doctoral program is a great attraction and affords many benefits.

Some academics choose to become editors of journals. An editor receives submitted manuscripts, selects referees, sends out the papers for review, receives and evaluates the referees' reviews, makes decisions on whether to publish the papers, and supervises the production of the journal. The work of an editor is very demanding. Because of limited space, an editor must reject the majority of papers and ultimately deal with frustrated authors.

Some professors write books. Textbooks, especially in subjects that are taken by a large number of students such as introductory corporate finance and investments, can be very successful and profitable, but most textbooks offer a fairly low return on the amount of time spent. Textbook writing is valuable for increasing one's name recognition. In contrast to the difficulty of getting published in high quality journals, almost anyone who wants to write a textbook can find a publisher. Some professors write books for a professional audience, where the purpose is almost exclusively to establish a reputation in the financial world as an expert. Some professors write very short books, called monographs, which are usually less than 100 pages.

The recognition a professor establishes can lead to opportunities for consulting, where businesses and other organizations pay a professor to work on a particular project. A very common form of consulting is expert witness testimony in lawsuits. Finance professors are frequently called upon to evaluate the financial aspects of an arrangement or transaction that is in dispute. Some professors teach in training programs for businesses and organizations. These programs can be done independently or in conjunction with training programs offered by the university. Consulting and training programs offer opportunities to significantly increase one's income.

Some academics choose to become administrators. There are normally many opportunities to go into academic administration in the form of department head, assistant or associate dean, or dean. Opportunities also exist to go into administration elsewhere in the university. The typical administrator is a tenured full professor but some tenured associates go into administration.

## **The Downside**

*Warning: I am going to be quite candid in this section.*

Probably one of the biggest complaints from finance academics is salary compression. While entry level salaries are usually quite high, year-to-year raises are usually relatively small, especially in state-controlled systems, where politicians have been known to balance state budgets by cutting funding to higher education. As a result of the slow rate of growth of one's salary, experienced faculty often find their salaries lagging behind those of new faculty. This is true even for very productive senior faculty. Universities seem willing and able to pay the necessary rate to hire new faculty, but salary adjustments to retain faculty are more difficult to obtain.<sup>11</sup>

Another disadvantage of academic life is that non-academics often believe that academics are paid full-time salaries for what amounts to part-time work. This perception, of course, arises because most academics teach only a few classes each week and have holiday breaks and summers free of teaching. Non-academics do not recognize the other activities academics engage in and how hard many academics work.

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<sup>11</sup>In all fairness to universities, it should be noted that, as in any labor market, salaries are paid that are sufficient to hire and retain the necessary personnel. The hiring market is much more competitive than the retention market. There is considerably more resistance to a faculty member leaving than there is to one merely deciding to come. Therefore, fewer inducements are needed to retain than to acquire. This point is true in the real world as well.



Nonetheless, there are plenty of tenured faculty members who provide fodder for those arguments. There are some tenured professors who do almost nothing but teach their classes. They are rarely available for students and colleagues, do not write papers, attend conferences, and participate in departmental seminars. They either rarely serve on committees or do such a poor job that no one wants them on a committee if the committee is particularly important.

But academic life involves much more than just teaching and to those who want to be intellectually stimulated, you can hardly find a better career. Those who criticize academics for having an apparently easy life should also recognize that teaching is equivalent to being forced to stand up in front of a group of reasonably intelligent people and give quality presentations several times a week. Given the average person's aversion to, if not fear of, public speaking, considerably more respect for the work of academics would seem to be in order, though not likely forthcoming.<sup>12</sup>

For the most part, academia is a well-respected profession. Non-academics normally think that professors are extremely intelligent and are experts in their field. But there are some who view professors as disorganized egg-heads, living in a make-believe world.<sup>13</sup> Our language even uses the idiom "it's academic" to refer to something that does not really matter on a practical level. It is up to the professor to make sure that he or she does not lose touch with reality. And whether they do or do not lose touch with reality, academics can live comfortably in their environment in spite of criticism from outside.

Another common problem observed in academia is that it is a profession in which the younger and less experienced you are, the more you are valued. Likewise, the older and more experienced you are, the less you are valued. This characteristic of academia occurs because of tenure. Young, inexperienced, untenured faculty members can be terminated if they do not produce. They are paid largely for what it is hoped they will produce in the future. Older faculty members are usually viewed as having passed their prime. They are paid for what they *have* produced, not what they *will* produce. Consequently, they are viewed as expensive and not expected to contribute much to the research mission of the department.

In the real world, it is virtually the opposite. Age and experience are highly valued qualities, as they should be. Someone who has performed well over a long career is likely to continue to perform well. An unproven youngster may do well or may do poorly. In the real world, hiring decisions need to be right a lot more often than wrong. Bad academic hiring decisions have few ill consequences.

Perhaps one of the reasons academia is like this is the obsession with publishing. In schools that place a lot of emphasis on getting articles into top level journals, a scholar is a lot like a field goal kicker in football. A field goal kicker is in the game for only a small fraction of the entire game. The kicker's job is to kick the ball through the uprights. Either he does or he does not. His reputation is completely determined by his success ratio. And, most importantly, he is only as good as his last successful kick. A scholar is much the same. Most schools reward you largely for your success in publishing in journals with high standards. As soon as you get such an article published, your clock starts ticking again. If there is a long period between such articles, you are

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<sup>12</sup>Academia is not the only career that gives this impression. Some members of the clergy conduct religious services only once or twice a week but spend extensive amounts of time doing related work that is not apparent to most people.

<sup>13</sup>The image of an academic is all too-often personified by the noted professor Albert Einstein. Perhaps one of the most brilliant human beings of all time, Einstein gave the (highly accurate) impression of a man who could barely function at a practical level. Because Einstein is so familiar to the general public, he has left an indelible mark on society's image of professors. Just as there are very few professors as brilliant as Einstein, there are very few that eccentric. Some individuals would say that professors as a whole are people out of touch with reality who could not function in the "real world," which is why they chose academia. There are those who believe that academics, being associated with high intelligence, have large egos. But I suspect the majority of academics are just like people in other professions. They have families, they work, and they have plenty of non-academic interests as well. And while large egos are common in academia, professors hardly have a monopoly on this personal trait.

like the field goal kicker whose last successful kick was, well, awhile back. It is virtually impossible to pursue a career in which you diversify into a variety of challenges without greatly jeopardizing your chances of changing jobs. The higher up you go and the most ticks on the clock, which will occur unless you devote virtually all of your time to publishing in top journals, the fewer jobs there are.

The truly talented in academia will often find themselves bored. Their salaries will lag greatly behind their worth in the real world. Disillusionment and monotony can easily set in. Teaching the same courses year in and year out can get tiresome. But I suspect the academics who become bored are normally those who would probably be bored with any job. Academic life allows so many opportunities to acquire new knowledge, to revise and improve courses and develop new ones, to conduct research in new and fascinating topics, and to travel and engage in other stimulating intellectual activities. Boredom is common but will happen only if the person lets it happen.

Finally I must add that one other disadvantage of academia is something I find amusing. Hence, I might view it as an advantage. Academics are frequently an extremely whiny group of people. They will chronically complain and get their feelings hurt over the most insignificant issues.<sup>14</sup> The faculty coalesce into groups called faculty senates and spend much of their time complaining about administrators. There is a humorous saying that goes, “In academia, the politics are so vicious because the stakes are so low.” I am not sure they stakes are that low. Certain the monetary rewards are few, but these rewards can be large to the individual.

I find their complaints amusing. Many academics would have a hard time functioning in the real world, where tenure is nonexistent, there is a dress code, and freedom of speech is not a license to say *anything* you want. The entertainment value of working in this environment is not to be underestimated and the amusement of observing such childish behavior over the most trivial things is not to be unappreciated.

## **A Few Final Words**

The road to an academic career is long and demanding but what waits at the end can be worth it. Academic life in general is a great career. Working conditions could not be better. You have tremendous flexibility in your time. Though you do need to be in your academic office enough hours in a week that people can meet with you, you can work at home a great deal. As long as you get your classes taught, your grades turned in, and your committee work done responsibly, you can do your remaining work, which will mostly be research, according to whatever hours, days, weeks, or months you desire. This flexibility means that it is a great job for a family-oriented person, because you can oftentimes be available for your children during the day, such as for events at their school. You have the freedom to work on whatever topics in your field interest you. Academic life in finance is probably even greater. Job prospects are excellent, and entry-level salaries are good. The field is exciting, dynamic, and extremely practical. Opportunities for growth as an expert in your subject are never-ending.

While in some disciplines, there are people who invest considerable amounts of time and money to obtain a doctorate from a prestigious university only to find few jobs available, finance

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<sup>14</sup>Admittedly I know of no studies on this. I make this statement based on personal observation and I regularly read *The Chronicle of Higher Education*, a newspaper that focuses on higher education. A few issues of the *Chronicle* will have surely convinced you that academia is a breeding ground for whininess from people who do not realize how good they have it. If you do not agree with me, I suspect you are one of the whiners.

academics are generally a very satisfied group. I say this from only personal observation. While there is whining and complaining, virtually no one that I know regrets this career choice.

### **Some Web Resources**

<http://www.financeprofessor.com/>

<http://financialrounds.blogspot.com/>

<http://fisher.osu.edu/fin/findir/>

<http://fisher.osu.edu/fin/journal/jofsites.htm>

<http://www.bus.lsu.edu/academics/finance/faculty/dchance/MiscProf/ACFin.htm>