

A FEW GOOD FINANCE RESEARCHERS

Son, we live in a world that needs research. And that research has to be done by faculty with databases, networked PCs and lots of expense money for submission fees. Who else is gonna do it? Administrators, deans, department chairs? I don't think so. I have a greater responsibility than you can possibly fathom. You cry about providing a professional education to our students and making the curriculum more relevant, but curse the researchers. You have that luxury. You have the luxury of not knowing what I know: that research, while expensive and time consuming, is what makes a university renown. Being research challenged, while tragic, was probably the result of not paying attention in your graduate seminars. And my existence, while lacking the appropriate respect I deserve and incomprehensible to you, advances the frontiers of knowledge. You ask for the truth; you say you want the truth. Are markets really efficient? Is beta truly dead? You can't handle the truth! Because deep down, in places you don't talk about at parties and faculty soirees, you want me in the office doing that research. You need me there. We use words like diversification, statistical significance and hypothesis development. We use these words as the backbone to a life spent examining capital markets and asset pricing. You use them as a buzzword in an inter-campus memo.

I have neither the time nor the inclination to explain myself to deadwood like yourself who teaches from the articles and books that I write and then questions the manner in which I conduct my studies. I'd prefer you just said thank you and went on your way. Otherwise, I suggest you pick up a keyboard and start writing your own research articles. Either way, I don't give a damn what you think is the correct way to estimate a beta coefficient.

Written by Steve Ferris