

# Finance Job Market Advice

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May 26, 2017

## Abstract

Finance job market advice based on my subjective job market experiences and my years as a tenure-track finance professor. Targets job candidates that attend the AFA and FMA conferences and aim for a research-focused position in R1 U.S. universities.

## Contents

<b>1</b>	<b>General Advice</b>	<b>1</b>
<b>2</b>	<b>During the Ph.D.</b>	<b>2</b>
<b>3</b>	<b>Where/When to Apply</b>	<b>3</b>
<b>4</b>	<b>Before the Interviews</b>	<b>4</b>
<b>5</b>	<b>During the Interviews</b>	<b>5</b>
<b>6</b>	<b>After the Interviews, Before the Fly-outs</b>	<b>7</b>
<b>7</b>	<b>During the Fly-out</b>	<b>7</b>
<b>8</b>	<b>Job Talk</b>	<b>9</b>
<b>9</b>	<b>Getting Offers</b>	<b>9</b>
<b>10</b>	<b>Starting Your New Job</b>	<b>10</b>
<b>11</b>	<b>Conclusion</b>	<b>11</b>
<b>12</b>	<b>Further Readings</b>	<b>12</b>

In the long run, success correlates with quality. Unfortunately, in the short run, selling yourself is like selling tomatoes in the supermarket: a tomato should look perfect from all angles, even if it taste like cardboard and will go bad in a day. Hence, many of my comments will revolve around selling yourself well.

## 1 General Advice

The job market process is long, stressful and extremely tiring. You need the right attitude to survive it. Just remember that in between the anguish and rejections you will have many positive experiences. You will meet with many smart people that will be truly interested in you and your research. You will learn more about the profession than at any other point in time. And your future colleagues will learn that you exist. So, stay positive. It's painful but it's necessary.

The schools are looking for the “complete” academic package. Great letters of recommendation, creative and solid job market paper in a hot sub-field, large pipeline with early publications and R&Rs, great communication skills, many common interests in academia and outside of academia, ability to teach (usually evidenced at interviews/seminar), great network of co-authors (usually approximated by Ph.D. school), and the list goes on... You are unlikely to have the complete package. However, you can work on a balanced profile, and you can anticipate weaknesses and prepare on how to “neutralize” them. For example, I had an Economics Ph.D. from Brown. To address the inevitable questions about my lack of finance background I took finance classes at Harvard. Remember that if you do not sell yourself well,

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<sup>†</sup>I do not claim that I originated all ideas in this document. Some of these have been inevitably sourced from wiser men than me. These are my opinions, they are not necessarily shared by my colleagues or my employers. Use at your own risk.

nobody will.

On a related note, your future colleagues are mainly looking for people that can make the place intellectually stimulating and enjoyable, even a bit fun. Hence, many shortcomings can be overlooked as long as you convince people that you will be adding to those two dimensions.

Being realistic about the potential outcomes will reduce the stress and pressure. Generally, expect something around the median placement of your school or even a notch lower. Most advisers expect a lot more because your placement reflects on them; don't let this get into your head.

There will be times when you'll believe your research is garbage and you should just quit your scam. You need to snap out of it and keep moving. There is no such thing as perfect research. Interviews and seminars are scary but you will get used to them. A supportive spouse or friend can provide perspective.

Lower ranked schools and institutions also have very smart people. Do not underestimate them and do not act superior. A common reason why applicants fail is arrogance. You have no idea where you'll match well and where you will be happy.

Do not underestimate the competitive nature of the market. There are many good students and advisers usually inflate their letters. It is safe to assume that you will place similar to the previous cohorts in your school, usually one or two tiers behind your school (unless you are in a top 5 school).

You are in the running for very well-paid jobs. A "usual" pay package for top 50 fresh Assistant Professor is in the \$260K ballpark (\$215K base pay plus guaranteed  $\frac{2}{9}$ <sup>th</sup> summer support). Hence, you need to invest time and \$ to be competitive. If curious, you can check one year lagged pay from state systems with FOIA disclosure like California (<https://ucannualwage.ucop.edu/wage/>) or Texas (<https://salaries.texastribune.org/>).

Do not underestimate the noise in the matching process. Good luck/bad luck explains a big part of the outcome. Hence, it is your job

to minimize the noise and signal your quality. Your placement will be crucial for your long-term success and often you cannot compensate for it later. Once you are on the job, people will not adjust your record for the amount of teaching, lack of good seminars and productive colleagues, lack of data-sets.

Having said this, the job conference is not the make-it-or-break-it event in your life. You will have other opportunities for a job. You might not have the luxury to be in a hot field.

Geographic constraints are costly. You are most likely looking at 1-2 offers. It is very likely that these are not in your preferred city/region. If you pre-screen aggressively, you are very likely to get zero offers. Remember that your #1 goal is to get offers, you will decide what to do later.

Joint searches are tricky. The two main problems that departments have to wrangle with are availability of multiple positions and reservations about the two-person arrangement. Many schools really have only one position open so creating a second position is too much hassle. Smaller schools will worry that acquiring a couple inevitably will tilt the balance of power because couples will act in unison. Don't be fooled, departments have to decide how to divvy up their limited resources (in terms of who to hire, who to promote, how to allocate and promote PhD students, slush funds for data, summer support, teaching arrangements, etc.). Hence, having blocks of tightly aligned faculty members might create frictions. As a couple, you have to alleviate these problems any way you can. Be humble and accommodating.

## 2 During the Ph.D.

Find an adviser (advisers) that truly supports you and that you can trust. Make sure they have placed people well before. Then trust your adviser. He/she has seen this process many times. Keep your adviser updated, especially if things are not working out the way you expected.

Remember that the adviser can help tremendously in getting you interviews, but has lit-

tle to no impact thereafter. A supportive and well-regarded advisor is a necessary but not sufficient condition for good placement.

Keep a log of your ideas and revisit them periodically to see if you still like them. Once you “like” an idea, research it furiously for a week doing literature reviews, data runs, quick estimations. First, write an ideal abstract and see if it makes sense. Then, write a one-two pages and talk to your advisors/committee members to see what is their reaction. Usually, you have to repeat this many times before you settle on a good idea.

Do not waste time in your third year. Operate as if you are going on the market in four years.

“First and sloppy is better than second and great.” Or in other words, “Novel question/approach/data is better than improving on old research.” You also need to show that you are technical/up-to-speed with the latest methodology, but this is usually handled better after settling on a good idea.

### 3 Where/When to Apply

Students (and their advisers) are usually too optimistic about their job prospects. Hence, it is worth considering (and applying to) any position that you prefer to the prospect of unemployment or visiting/adjunct positions. This means that the bar should be pretty low, unless you have a very good reason to expect otherwise.

Some advisers will try to limit the range of your list because your placement (partially) reflects their work and affects their credibility for the following years. If an adviser cannot recommend you to top X schools, you will have to live with this. It most likely means that you will not be a good match there anyway. If your adviser tries to limit the number of non-top schools, try to fight back, especially if have a good reason/strong preference. At the very least, ask “why not” and “what is the back-up plan”.

A good way to figure your most likely placement is to look at the below median placement from your school for the last few years. Avoid the Lake Wobegon effect.

I would strongly advise against skipping the Financial Management Association (FMA) conference, especially if you are from a school outside of the Top 10. As the next figures show, the FMA is a stable market with plenty of tenure track opportunities. See Appendix A for details on the FMA market.

Make sure your chair/committee are on board with going to the FMA.

A few warnings. Most, if not all, top 50 schools skip the FMA market. If they go there, there is a significant chance they will still wait and see what happens on the AFA.

Schools that go exclusively to the FMA market will push you to make early decisions.

Having the option to make early decisions is valuable (as my colleagues in option pricing tell me, behavioral finance probably disagrees).

While the FMA market will be tiring, it will be great prep for the American Finance Association (AFA) market, and it will also tell you how the market sees your profile.

The “main” AFA/ASSA market will be more unbalanced. It is a mix of “better” top 50 schools and lower ranked schools that like to attend the AFA for various reasons (location, extracurricular activities, tap the Econ market).

The top heavy AFA market is extremely cut-throat and might be more volatile. It is very concentrated, with ads coming in September/October and interviews in early January. The dust settles by mid-March. See Appendix A for details on the AFA market.

There is no liquid and active market after the AFA market settles. Visiting positions are usually based on connections. You have to leverage all your advisers’ and friends’ connections and contact directly department heads. There are no guarantees any school will be looking for a visitor because these are usually residual positions.

A few more general observations based on the data in Appendix A: the U.S. tenure-track market is stable; the market has a significant and growing “international” component; senior professor positions and teaching positions are rarely advertised.

## 4 Before the Interviews

The main thing at this stage is to prepare meticulously and stay professional. Expect not to work on research for a while and focus everything on the job search process.

Be ready with a draft of your paper as soon as possible. Show it to as many people as possible. Be paranoid about the abstract and the introduction (that's what everybody reads). Check your spelling, grammar, clarity over and over again. Ask for help from native speakers, English majors and colleagues (professors and grad students). Pay special attention to having well formatted and self-explanatory tables (this the second thing people look at).

Make a professional CV (no horse riding hobbies) and cover letter. Everything you put on your CV is fair game – you will get questions about it. Do not make up fancy research projects that you cannot discuss in details.

A short and basic cover letter is pretty standard. If you have time, you can customize a bit by adding a heading to the recruiting chair/dept chair. You should lengthen it only if you want to communicate some special interest in the school, usually based on the location been good, close to relatives, your spouse will find a job . . . However, this must be customized and somewhat credible. Some schools will actually pay attention to your letter but most will ignore it.

I put extra effort into a clean and professional personal web-page (no weird photos). Many professors were looking at it during the fly-outs.

It is wise to present your job market paper as many times as possible (ideally at least once outside your department). Pay special attention to what people perceive as the weak sides of your analysis. Fix if possible. Think how to answer hard questions. It is always better to know the problems in advance. It is very important to be able to answer tough questions on the go. No work is perfect.

Make as many practice interviews as you can. Interview with your friends. Interview with each of your advisers separately. Hire somebody to interview you. You cannot overdo it.

You do not want to waste the actual interviews.

Work on your elevator pitch: Be able to explain clearly your research/strengths in about 5 minutes. You'll have to do this at the beginning of each interview. Try to be clear and accessible.

Good interviews should feel like a gathering of friends. Hence, observe how professors/speakers interact and try to copy it. You need to fit in culturally. This is especially true for international students. For example, in the U.S. it is not customary to bow at the end of an interview.

People that sound rehearsed are actually not well prepared. You have to figure out what you really want to say and how you want to say it, down to the exact phrases. Once you get comfortable with the message/delivery/phrasing you can improvise and deliver it casually. You also will have a good feel of the flow so interruptions will not knock you out. You have to know the message well enough so that it becomes a part of you and your normal conversational self.

Be ready to discuss specifics about your “in progress” papers, including how you would you derive something (in my case the bias of an estimator).

You will get hard questions, so prepare for hard questions. Here are some questions I found challenging: Where is your field going? If you are to give an advanced Ph.D. class in your field, what papers will you teach (and don't cite papers in your sub-field)? Tell me a couple of the projects that you will work on apart from what you have on your CV. Why would we hire an economist at a business school? Isn't it true that all your papers can be part of one larger paper? What are the policy implications of your paper?

It will be helpful if you are current. Read newspapers (WSJ, The Economist). Also, look at the publications in your field top journals. Another good source of current papers are the seminar schedules at top departments. Being aware of new developments and interesting papers can help a lot in the one-on-one meetings.

Practice voice strength by reading long passages of text out loud. This is especially relevant for non-native speakers that are not used

to speaking in English for long periods.

Schedule 30 min meeting slots and speak with some of the seminar guest speakers about your work and their work. If possible, go to dinner or lunch with them and some department professors. This is a good approximation of the fly-out stage meetings and dinners.

Stay organized, make an Excel spreadsheet with 15 minute periods spanning all possible days for interviewing and constantly update the interviews you schedule.

When scheduling interviews leave at least 15 minutes between interviews (more if hotels are too far apart).

Once you have enough (I'd say a dozen) interviews, try to force schools that are low on your preference list in the day before the two main days or the day after. I pushed a couple of schools and I always got what I wanted. Once schools decide to interview you they will find a way to schedule you. Ideally, you will have a couple of lower priority schools on the day before, and will start with one or two of these schools on the first day. Interviews right after lunch are tricky, you will be sleepy and they will be sleepy. Interviews late in the night are tricky too because everybody is getting tired.

Schedule your favorite schools for the second of the two main days of the conference. You'll be amazed how much calmer and better you will get with experience.

Try to get an e-mail confirming your appointment so that you are sure all the info you got on the phone is correct (I thought I have an interview with school X and the e-mail was from school Y). At the minimum try to get the hotel name and the name under which the reservation is made. Then you can call the room 5 minutes before the interview and get the room number. Disclosure codes also worked fine.

If possible bring somebody (your spouse) for moral, emotional and logistical support. You'll have somebody to find the next interview room in case of confusion, it will be easier to rebound from bad interviews, you will get to eat between the interviews.

Buy strict, formal dressing. For men: single color, dark blue or dark gray business suit (goes

with black socks and good shoes). At least one shirt per day, hotels offer same-day laundry only during weekdays. Make sure that the clothes are reasonably comfortable. For example, you do not want to be choking the whole day because your collar is too small.

Check that your shoes are comfortable. In any case, bring band-aids.

Do not expect to work on anything else between November and February.

During the interview and the subsequent fly-out, schools in remote locations will worry if you are a large-city person. Schools in large cities will worry that you are the family type and you'll go for a lower cost of living place. These things will be inferred (perhaps wrongly) from your appearance, clothes, educational choices, wearing a ring. This might be unfair but it is how humans operate. Think about how you come across and how to communicate to departments that you will go and live there if you have an offer.

For international students: Some schools explicitly asked if I am on a J visa (requirement to leave the U.S. after graduation) and try to avoid if yes. Some Canadian schools actually preferred if I was a J student (less US options). If you plan to apply outside the US make sure you have a valid passport and visa before the job market. I spent a week waiting for my visa in London during the fly-out season.

## 5 During the Interviews

It gets real. Here is a typical interview suite (sans the tired/bored faculty members):



Do not get unnerved by hard questions, pushy or uninterested interviewers, laptop usage or

people falling asleep, and waking up. The other interviewers will be ashamed. If everyone behaves crazy you do not want to work for them anyway. Stay professional.

Do not be annoyed if the interviewers interrupt often. If they do, use it as an opportunity to turn the interview into an enjoyable discussion of your research and your strengths as a candidate. The best interviews feel more like an informal meeting and less like a rehearsed non-stop recital.

Some schools are very aggressive. Do not assume they are targeting you, it is usually their style. In fact, if you stay positive and polite you will score points.

Do not go into big arguments about your research during the interview. If you do not agree, try to move on. I entered a heated exchange and I did not get a fly-out out of it. However, if pushed about the main premise of your paper and its originality, you absolutely have to (politely) defend your turf.

Do not space out when the interviewers talk, even if it seems that they are blabbering something about how good their school is. They might suddenly ask you a tough question.

Be carefully when you speak about your future work. For example, if you say "I can use structural estimations", it is likely to get the questions like "What do you consider a structural estimation? Give an example?"

When prompted to ask questions, ask things that are not obvious from a casual look at the department web-site. Indeed, it is best to not ask questions but to re-iterate that you are confident the school is a good match because they are very research active, very teaching oriented etc. In particular, never ask your potential employer a question that makes them defensive or puts them in a bad light. You can get your questions answered later when/if you get a fly-out.

Do not read much at the interviews. Sometimes people stand up and move away because they have a problem with their back, or ask you to repeat each sentence because they have a problem hearing.

You will have bad interviews. Try to forget

them immediately. Chances are you will not get the same questions or attitude again.

Always try to smile in meetings. This way you look friendly and inviting. (Corollary: invest a few \$ in teeth whitening strips.) Practice firm handshake and look in the eyes. Be confident when you enter the room. Remember, the interviewers are just a couple of colleagues that are two to ten years ahead of you. Repeat: "I have strong research and I will explain it clearly."

Sit on the edge of the interview chair, slightly leaning forward to show interest.

Drink a lot of water during the day, this will keep your voice up. Restrooms are conveniently located in the lobby of each hotel. You can bring your own water in the interview room. Also, bring sore throat lozenges in case you start losing your voice.

Book your hotel ASAP (usually beginning of September at the AEA/ASSA web-page). Try to be in or close to the main hotel or main interviewing location. In my year, everything was scattered. Try to be in between the big hotels.

It is best to arrive the day before the conference starts (two days before the main interview days). This way you have a day to familiarize with the hotels the day before your interviews. Take a walk between the main hotels, look for restroom location, elevator type (do you need to input the floor), special cards to enter the elevator.

Change rooms if your hotel room has a strong odor (especially tobacco), you don't want to smell like a smoker when you are not.

You want to be sharp for 12 hours/4 days, figure out what works for you. Be careful with coffee and tea. Carry many small snacks and a toothbrush.

You might not get a lot of sleep, hotel doors slamming, general stress. It is important to stay close to your normal routine as much as possible.

## 6 After the Interviews, Before the Fly-outs

Be strategic about your fly-outs. If you have a choice, do not put the most desirable place first. You will get much better later. You will handle one-on-one meetings better and you will better answer the questions during a seminar.

Leave at least a day between the fly-outs. The fly-outs are extremely tiring. Different time zones are a problem.

The people that interviewed you liked you. Your real challenge is to convince the rest of the department that you are a good hire. Be especially careful about the people in other fields that are the department strength. How would they look at your job market paper? Do you have papers or ideas that overlap with their work? Try to anticipate questions coming from their perspective. Modify your presentation to be understandable for them.

You'll be surprised how much power stays with the full professors that have stopped doing research (hint: every associate professor want to become full). Treat full professors with full attention, know about their research (even if dated) and treat each question as a good suggestion.

You need a credit card that can hold a few thousand \$ for buying air tickets and paying at hotels. The reimbursements will come back to you a couple of weeks to a couple of months after the fly-outs.

Expect to be sick: 100 handshakes + 20 crammed flights. I got sick after the interviews. I was sick on my first three fly-outs (or should I call them flu-outs). I went through the stages of fever, loss of voice, to constant coughing. Do not despair, I landed a job at the fly-out where I could barely speak.

Remember that all interviewers are human and they want you to succeed.

Once you get the list of people you are meeting, make sure to research their CVs and publications. Read the introductions to any papers you find interesting. It will be great if you mention them in the one-on-one conversation.

Research the department. Know if they have Ph.D. program, teach MBAs etc. You should be able to answer specific questions like: "Who is the person in our department whose work is closest to yours?"

Think about replies to sensitive questions as your marital status and your list of fly-outs. Generally, they should not ask you about such things. They will, one way or another. Decide if you want to evade the questions or answer and stick to your plan. Keep in mind that it will be very hard to keep your status secret. You'll have to go through up to two dinners, lunch, breakfast, up to two dean talks and a couple of informal elevator talks where you will be talking about yourself. I was not on the market with my spouse. You need to consult other sources for joint searches.

Do not verbalize location preferences unless the place you are flying to has a clear and credible advantage to you. Even this is tricky because news can spread. People will assume that you are perfectly willing to compromise your social life for the sake of your career. Even if this is not the case, it is better to not reveal it at this stage.

## 7 During the Fly-out

At this stage you will meet with all kind of people, some have not done research for a while (some might be even emeritus/retired), PhD students, staff, teaching faculty, undergraduates, deans, vice-deans, and people with no clear titles. Try to connect with people in whatever way possible. Find out what interests them and talk with enthusiasm about it. If you have to meet with them than their opinion matters. Most of the people will be asking themselves if they want to deal with you every day for the next seven years. Give them a reason to think "Yes" or at least "Maybe".

Find if your research interest can complement the school (international focus, cross-disciplinary, etc.) and if "Yes", work it into your interview.

Your second goal is to convince them that you will make it to tenure. This means that your



job market paper is publishable, but you also have enough other work or work-in-progress or workable ideas so that you'll survive.

Your third goal is to convince them that you are a good teacher by having a coherent presentation and answering questions clearly and respectfully while standing your ground.

People like to speak about themselves and give advice to others. If the conversation is dying, ask about their research. I also asked what their best advice for young faculty is. Alternatively, ask how tenure works, this shows you want to tenure there.

Avoid relentless name-dropping or constant reference to your great alma mater. Honesty and some self-deprecating humor can be a plus. However, do not reveal bad information about anybody.

You generally want to know what is the teaching load and what are the tenure expectations and tenure reality in the department. You also want to know if seniors talk with each other and if the department is divided into groups (a bad situation for juniors). Be careful with sensitive questions. Usually, junior faculty is a better source of info, most of the info will come naturally out of the conversation so do not push them. Keep in mind that they might misrepresent the departmental situation. Don't worry, if you talk to ten people, and then talk to your advisers, and then ask people at other schools, chances are, you will learn the major flaws in a department.

You will meet deans. They are usually not in your field and will talk about the school goals. Be interested and courteous, and you will not fail. My question here was: "How committed is the graduate school to the finance program?" and "What do you consider a good candidate for tenure?" (you want to see if their expectations are reasonable, plus you show interest). An even safer question will be along the lines of "Where do you see the school heading in the next ten years?". Keep in mind that some deans can veto your application if you say crazy things (like "I do not care about MBA teaching." or "I plan to work remotely/take long vacations.") Deans also might have a say in the offer priority line and/or the financial/teaching

parameters of the offer.

Try to get along with the department chair. He/she has a lot of soft power over who gets an offer and when.

Try to get along with the juniors and get out drinking with them if possible. They will be the most honest and forthcoming source of departmental dysfunction. Just don't push them. Most of this can be found from your adviser ex-post.

Drink tons of water on the day before and during the fly-out, this will keep your voice up.

Do not be embarrassed to ask to go to the restroom or ask for water/tea/coffee. This is normal and will give you a small break. They want to help you.

During the dinner, do not drink alcohol if you are not 100% sure you can handle it. If the interviewers order wine, get a glass but just sip without drinking. If you start drinking they will always fill your glass.

At dinner you usually will not speak about work. Here you have to show your social skills. Good chit-chat is OK, but ideally you will be able to engage them. Speak about your/their hobbies, what you/they do for fun, general academic gossip. It will be great if you find any common interest (be it fantasy football or knitting). Be interested in life at their department/town. Do not say anything negative about your adviser/department. Do not reveal your insecurities, childhood problems etc.

Do not order things that are hard to chew. Not being able to talk is very embarrassing because people have come to talk with you. And you will end up swallowing stuff because you need to eat in order to keep going (especially after breakfast and lunch).

Stay organized with your documents/wallet. Designate a special place to keep them, be careful where you put stuff in the hotel room. Be careful to keep receipts in a special place or you will lose them. It is hard to keep track of small things so plan ahead.

Avoid junk food at airports. Be careful with three-course meals at fancy restaurants. (My highs \$50 fillet minion and \$120 wine bottle.) I



gained 10 pounds and I've kept them ever since. Generally stay positive and engaged. Flyouts are hard, even after you have done ten of them. However, each fly-out is a 50-50 chance at a great job.

## 8 Job Talk

This is your time to shine. While waiting for people to gather, reduce the stress by chatting with a faculty member you know. Do not rush into starting before everything is set up correctly.

You want to show enthusiasm about your research. Be energetic and engaged. If you are not enthusiastic, why would anybody be enthusiastic about it?

Should you start with a joke? Making jokes is great, but a bad joke can be costly, especially during the seminar. Do not improvise if you are not good at it. Prepare some jokes, especially at the beginning to break the ice. Try before using. My opening joke: "Thank you for inviting me! I am VERY excited to present at X. In fact, I believe I am way too excited." Call it lame, but it worked.

Time yourself for a sixty-minute presentation. You will always get more questions than you expect. If you are ahead of time you can always talk more about your research. Put a few extra slides after the conclusion just in case.

I always practice the first three slides (five minutes) of a talk. I also make sure I know well all slides and how they tie together. It is also great to at least once talk through all slides because this usually irons out unanticipated roadblocks. However, memorizing and scripting everything is a bad idea.

Remember that you know more than the public about the subject matter so you should not over-worry.

Your seminar is also a testament to your teaching skills. If you cannot clearly explain your own research, then you cannot explain others research. Be clear, simplify your slides, do not use unnecessary lingo.

Be extremely careful to fully discuss all ques-

tions (you don't know if this idiot is the research dean). Don't be defensive. Agree with reasonable comments but do not concede to all comments. It is OK to be firm, but you need to also show some respect. Be ready to say that you are not familiar with certain literature or that you do not know the answer. Acknowledge that this is a good comment and you will think about it (taking a note). Do not bullshit. People are smart enough to call your bluffs and you might as well head for the airport.

At the beginning of the presentation pick two professors at both ends of the room. Look at each of them every minute or two. Change them as you go. You want to avoid the empty stare into the ceiling.

Try not to fidget, take an open stance, do not play with anything in your hands. Practice presenting in front of a mirror. Videotape yourself. Both practices are painful but great for spotting problems.

Expect rude comments: "I am not going to ask the same question twice." "I am sure you have a huge mistake even if I cannot point it out right now." If you can handle these you get extra points. The audience is initially on your side.

Your goal is not to "finish" your talk on time. Your goal is to communicate effectively and interact as much as possible. Hence, do not rush into anything and welcome any questions you get.

## 9 Getting Offers

Before you get an offer, you have no offer! Talk is cheap. Without offers, you have very little leverage. If approached with a request for update, indicate strongly that you are very interested. It is also good to double check all written communications with your adviser(s).

Your chances of getting an offer are higher if you tell a school that they are your first choice or that you will accept if they make you an offer. I would not overuse.

If you do not have an offer in writing that is signed by the college dean (and the university provost) you do not have an offer. I have seen

offers fall through (rare but possible).

If you get an offer, no rash decisions. At this point all the power swings back to you. Do not accept any offers on the phone or during the fly-out – just indicate that you are really excited but you need to see it in writing. Ask for a formal offer letter with details or at least an e-mail that states the offer details.

Once you get an offer from your first choice you are done. If the offer is not your first choice, confer with your advisers about your strategy. They are better equipped to check your options.

Generally, wait until the end of your deadlines even if nothing seems to happen. Things can change fast and schools that made offers to other candidates might be suddenly interested in you.

Be careful when you are canceling scheduled fly-outs. Offer to visit and present later. Be very considerate and professional when turning down offers. Do it over the phone. This is a repeat game.

Treat all the schools that make you an offer with the utmost respect. Inform them quick whenever your situation changes. You are very likely to bump into these people later or even apply again to their school a few years later.

In your decision, make sure to research what happened with the past juniors in the places you consider, how patient are the schools if you don't publish, how patient are the places if your teaching is sub-par. In this quest, you have to ask your committee members, but also rely on reputation and hearsay.

Be skeptical of sales pitches that “we are improving quickly” and “things are changing from next year”. Ambitious deans and department heads are changing over time; nine out of ten schools planning a leap forward stay where they are or even regress. It is usually a good idea to go for the more stable places with longer track of consistent research output and junior mentoring.

Once you accept an offer your tenure clock starts and the balance of power shifts. Even before you accept, you should not make unreasonable demands as people remember these things.

Once you accept an offer, talk with people at your new department to see what is their “graduation” policy. You might be able to postpone your graduation by a year and start as a lecturer. This way you will not start your tenure clock and depending on your new department's policy lose 10% of your wage (a fair trade-off). Still, it is best to check with the new department to see their attitude towards such a move, because you do not want to start on the wrong foot.

Make sure you know how your pay works. Can you get summer support upfront? What is the retirement matching? What is the insurance cost/childcare options?

If you have multiple offers, try to negotiate higher base pay or longer guaranteed summer support. Remember that the department does not mind you getting paid more, as long as it is reasonable and does not stall the whole process.

Before you ask for other things, be aware what comes from the department resources (like teaching less, more expensive computers) and what will come from the college budget (like longer/upfront summer support, additional research budget). Be very hesitant to ask for resources that are taken away from the department. You are likely to get them at the cost of crossing people on your tenure committee.

## 10 Starting Your New Job

Be a “good colleague”. Go to lunch if there is a lunch group and you will learn a lot. Be polite and chit-chat in the corridors. Ask for advice and then listen carefully: (a) it might be useful, and (b) it flatters the advice-givers. Generally, try to be “low maintenance” in your interactions with senior professors and the staff. Every tenure case is marginal.

Be around, even on weekends. Because in the beginning departments cannot measure output, they usually go by input. If you are not around, people will assume that you are not working hard enough (even if you spend 18 hours a day working at home/Starbucks).

See if somebody wants to be your go-to resource (a.k.a. “mentor”). Our profession is not

that different from others where soft knowledge plays a crucial role. In a few years, you will know the basics and the run rounds, but the trick is to know them earlier.

Hurry up with submissions. Things always take twice the time you expect. Having a perfect Job Market Paper and polishing it with all suggestions is usually not the best strategy. Perfect is the enemy of done. My senior co-authors ask the question “Will this N-th thing really make a referee reject the paper if it is not fixed or it will be just folded into the R&R request?” If the answer is No, and it will take more than a week to execute, you’re better off moving on. However, professional presentation and smooth writing should not be overlooked.

Be very strategic about co-authorship. Ideally, you want to work with other juniors that can share the workload and/or seniors that will be good at refining ideas, writing great introductions, promoting and presenting the paper. However, you need people with drive and urgency. If somebody is taking their time and stalling at all stages, try to avoid.

You need to balance the amount of work and be wary of burnout. I decided to not work at least one day per week and to avoid all-nighters. Sport and getting out from time-to-time helps a lot.

See what data-sets you get in the new place. Then download all data-sets from your host institution that you will use in the next couple of years (but be careful with the licenses).

You need to keep teaching under control. Look for practical measures for delivering good teaching without being completely engulfed in it. Some ideas are to borrow slides and exams, talk to people that have taught it, make material more practical, balance time demand for student office meetings. I also like to solve a lot of problems in class and then re-use most of it on exams. This way your class will be interactive, applied, even a bit fun, and your exams will be related to the material. Remember that teaching is similar to presenting your JMP: it is a show & you get better while doing it.

Resist the idea of making your teaching “perfect”, and work on it incessantly in the off-time

between teaching semesters. Usually, you need to show progress over time, this is achievable by small tweaks to take out any rough edges and smoother delivery.

The most common teaching problem is having “attitude” and/or showing any superiority. You will not change the teaching culture of the new place. Teaching undergrads is completely different from the harsh graduate studies you have been exposed to. Do not act superior at any point. Instead, be friendly and highlight any practical/professional experience you have. If you have none, that’s still fine: 95% of people started there. Employ tricks like talking to students before the class starts – this shows that you are friendly and at their level. Or make your own teaching evaluations mid-semester to show that you want feedback.

Do not overestimate your ability to move to another place in the short run. The market has put you in a (probably inefficient) slot. Moving requires a lot of top journal hits in short amount of times, something that does not happen often. Hence, try to fit in your new department.

Do not overestimate your ability to move to another place in the long run. Senior moves are complicated transactions.

At the end of the day, your new job is just a job. You are not that special (even though the department implied it while hiring you), and you are not owed anything for choosing the place. If you make the department a bit more productive and fun then everyone will like you. If you have “me first” attitude you will struggle. Remember that every tenure case is marginal, so saw the goodwill in your first few years.

## 11 Conclusion

The biggest takeaway – treat this process professionally, and remember that you are dealing with similarly intelligent people that have been through the process. They will understand small failures but will judge you ruthlessly if you take shortcuts or have superiority complex.

While the process seems stressful, even impossible at times, it is quite manageable. Lever-

aging your strengths by listening to advice and staying on course will be priceless.

Remember that people are not out there to get you. I want every candidate we interview to succeed. People root for the underdogs. Advisers really want to place you well. Unfortunately, we cannot be all winners. And we are all losers according to the appropriate measure.

Make sure to diversify by not putting everything in this process. Even if you end up professionally great, you will still have missed 83.7%

of the fun in life.

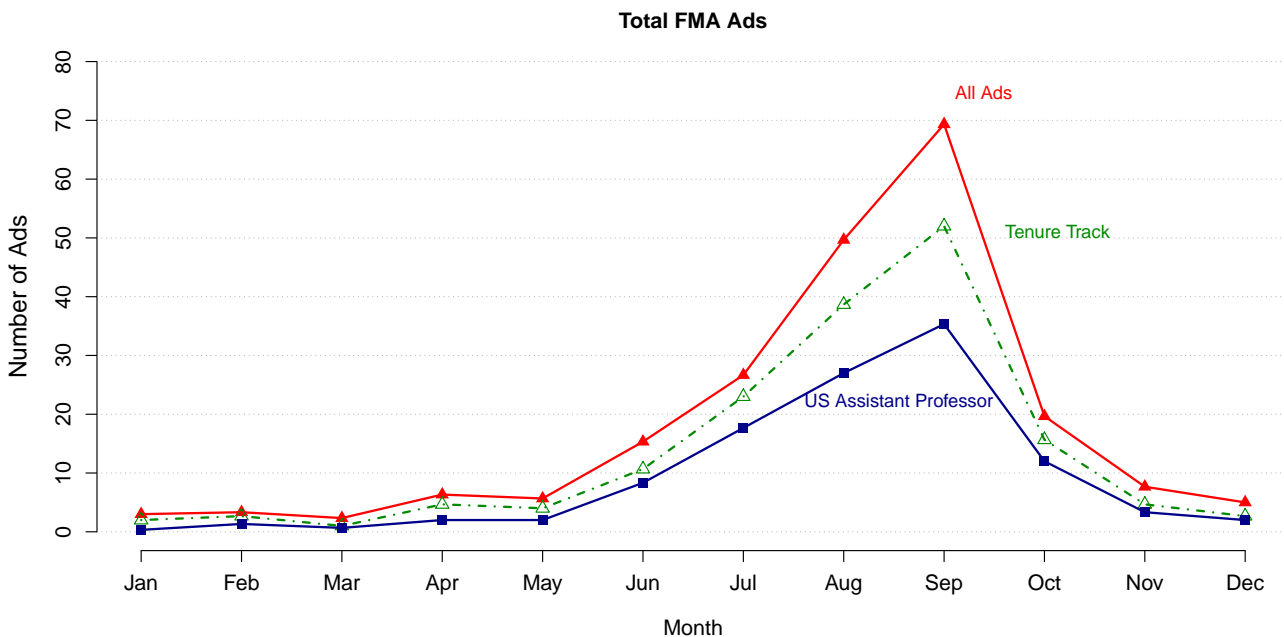
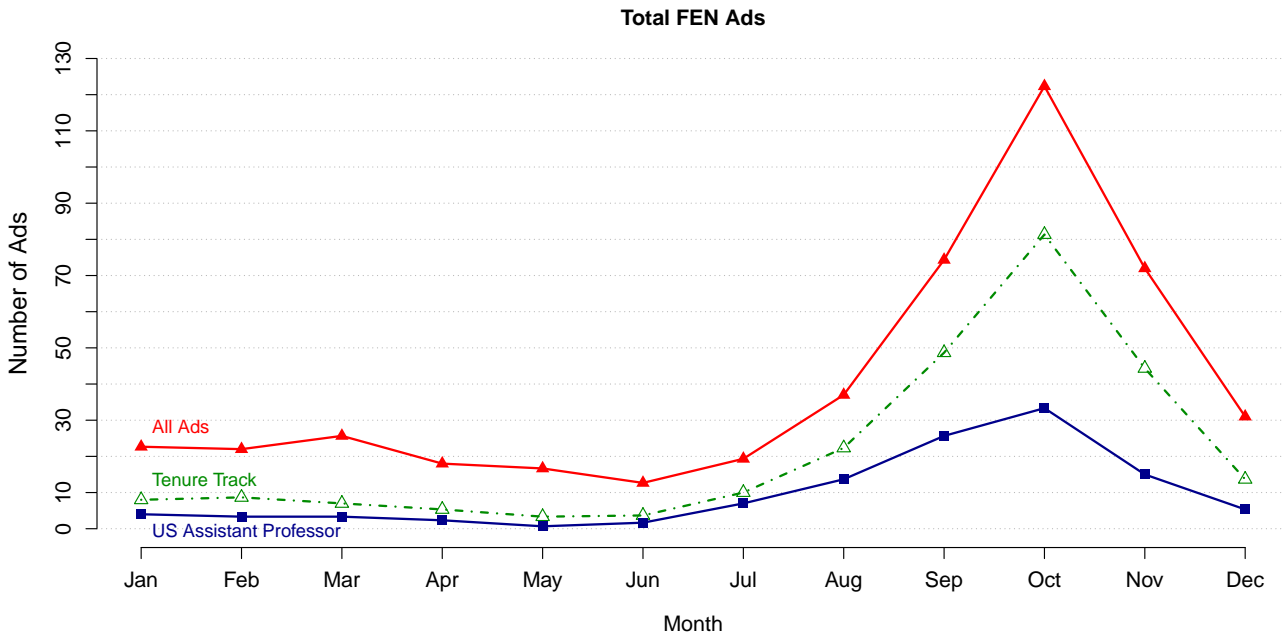
## 12 Further Readings

Alexander W. Butler and Timothy Falcon Crack, 2012, The Academic Job Market in Finance: An Updated Rookie's Guide, [Available at SSRN](#)

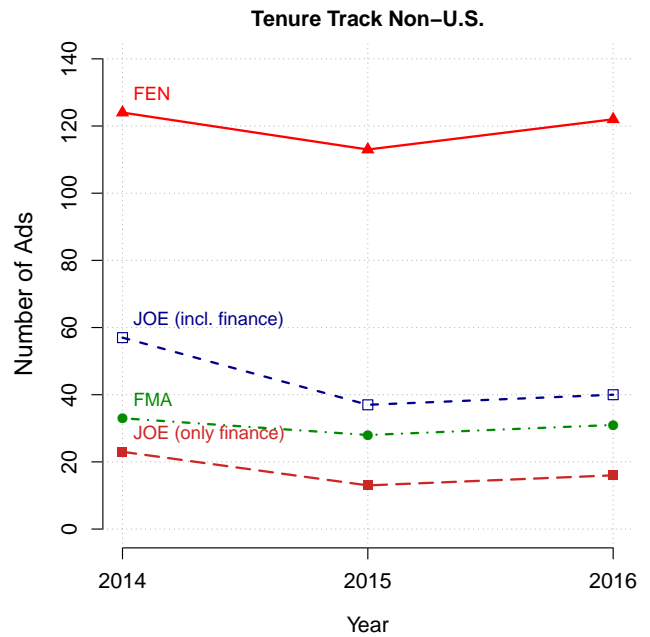
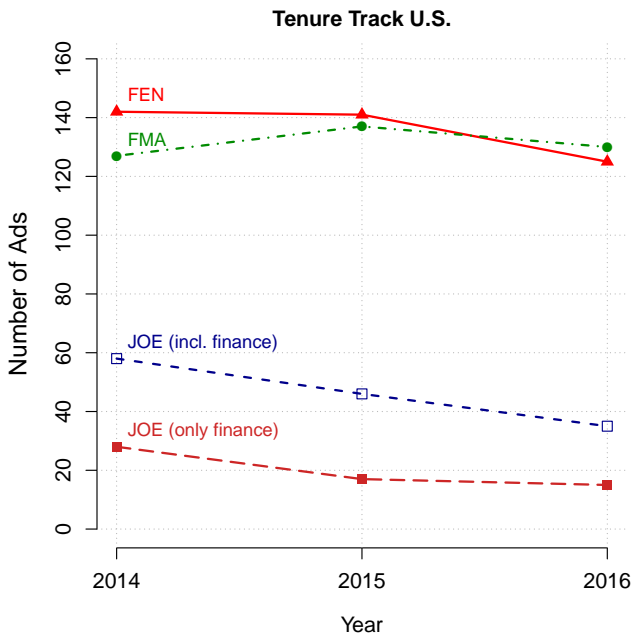
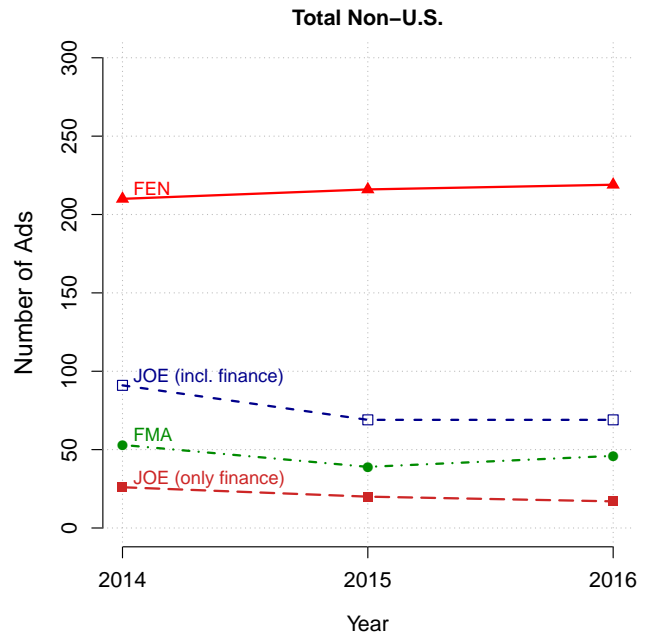
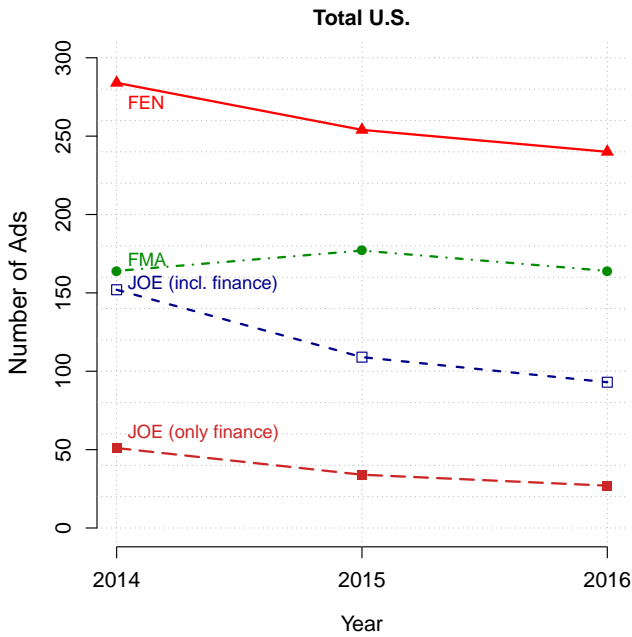
John Cawley, 2016, A Guide and Advice for Economists on the U.S. Junior Academic Job Market: 2016-2017 Edition, [Available at AEA](#)

## A The Demand for Finance PhDs

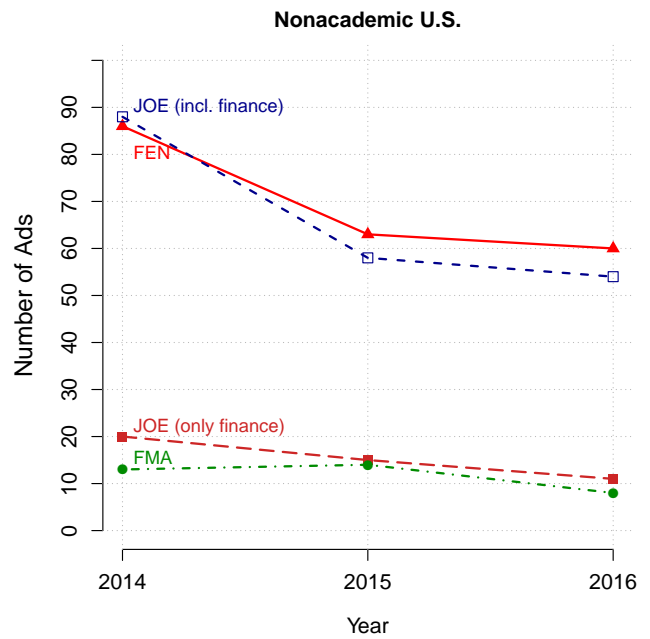
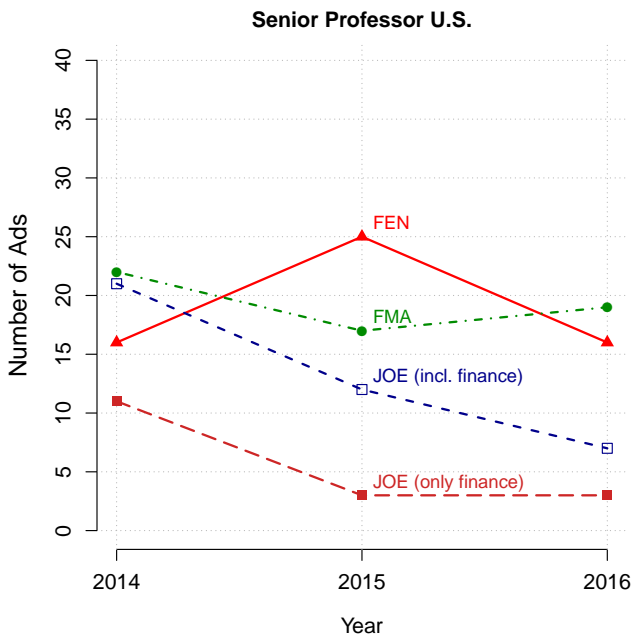
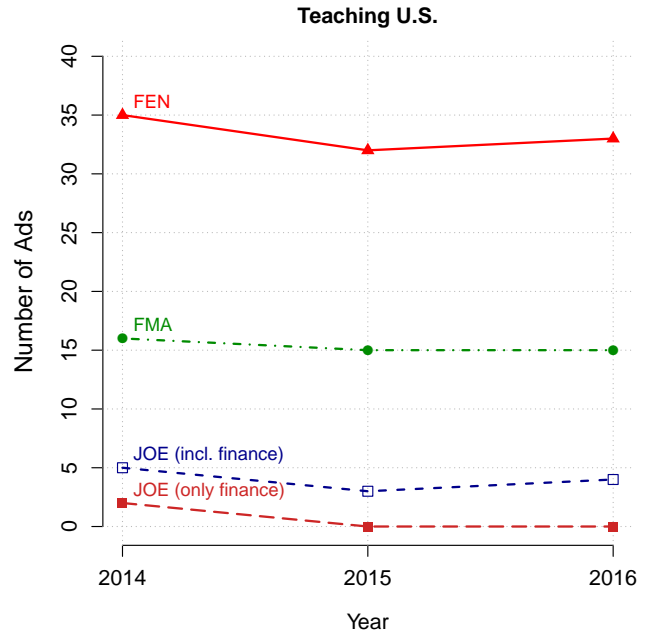
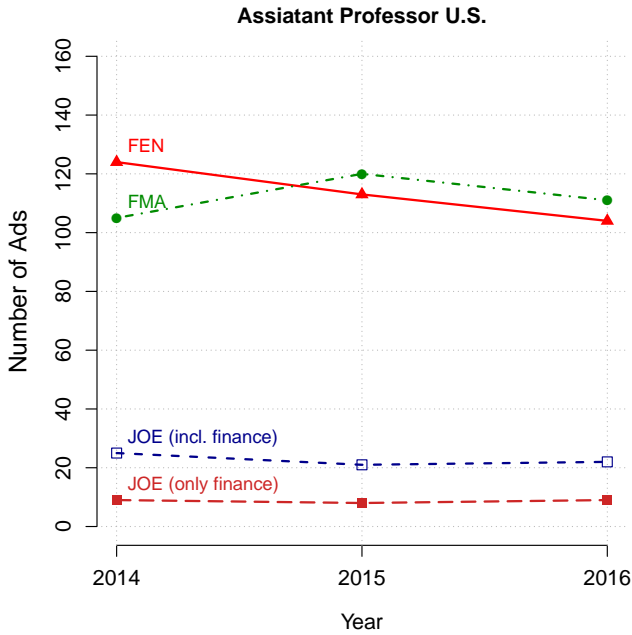
This appendix presents data from advertisements in FEN (Financial Economics Network’s Job Openings at SSRN), FMA (Financial Management Association), and JOE (Job Openings for Economists supported by American Economic Association). Each observation is a separate ad from an employer (an add can advertise multiple positions and might not result in hiring). The plots on this page give the average monthly ads for the last three calendar years with data based on the FEN and FMA data. Tenure track is defined as positions that have job description “Assistant Professor”, “Associate Professor”, “Full Professor”, “Faculty Position”, or “Open Rank”.



**Total U.S. and International Ads each year.** Years here are defined as the period around the active September-November market. Tenure track is defined as positions that have job description “Assitant Professor”, “Associate Professor”, “Full Professor”, “Faculty Position”, or “Open Rank”.



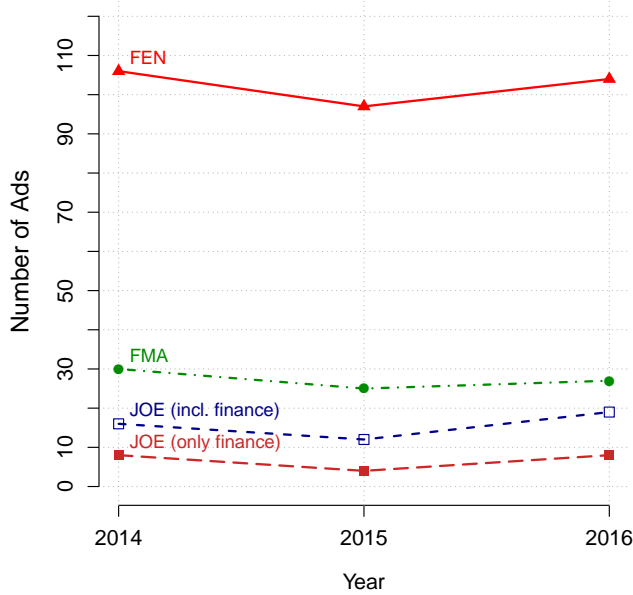
**Further classification of U.S. Ads each year.** Years here are defined as the period around the active September-November market. Assistant Professor is defined as positions that have job descriptions including “Assistant Professor”, “Faculty Position”, or “Open Rank”. Senior Positions are positions that ask specifically for “Associate professor” or “Full Professor”. Teaching positions mention “Lecturer”, “Instructor”, “Clinical”, “Adjunct”, or “Visiting”. Nonacademic positions are employers that are not “University”, “School”, or “College”. Those include both private employers and government/central bank employers.



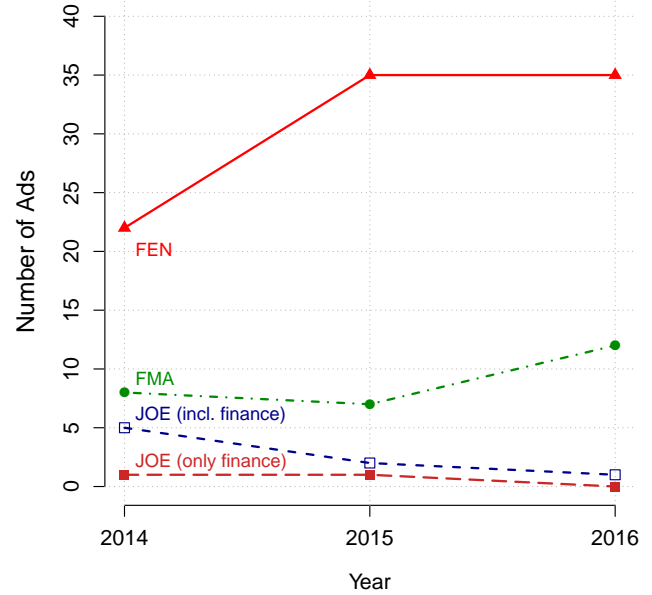


**Further classification of Non-U.S. Ads each year.** Years here are defined as the period around the active September-November market. Assistant Professor is defined as positions that have job descriptions including “Assistant Professor”, “Faculty Position”, or “Open Rank”. Senior Positions are positions that ask specifically for “Associate professor” or “Full Professor”. Teaching positions mention “Lecturer”, “Instructor”, “Clinical”, “Adjunct”, or “Visiting”. Nonacademic positions are employers that are not “University”, “School”, or “College”. Those include both private employers and government/central bank employers.

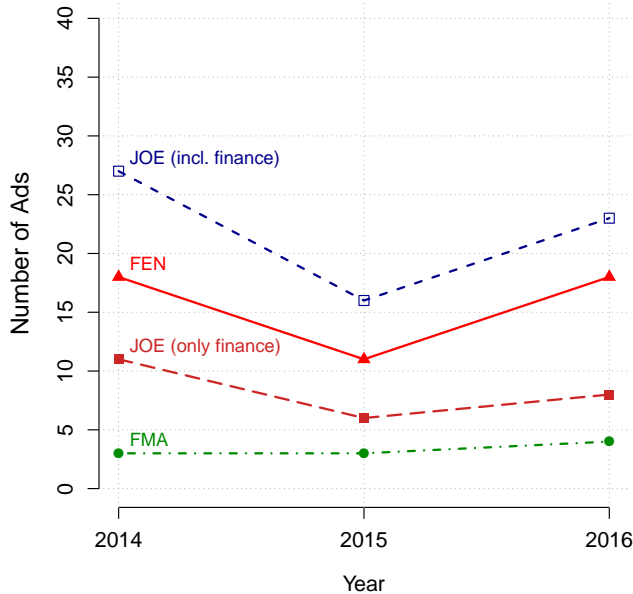
**Assistant Professor Non-U.S.**



**Teaching Non-U.S.**



**Senior Professor Non-U.S.**



**Nonacademic Non-U.S.**

