

# The Academic Job Market in Finance: An Updated Rookie's Guide

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# The Academic Job Market in Finance: An Updated Rookie's Guide

## Abstract

This paper is an updated guide for newly minted PhDs entering the academic finance job market for the first time. We describe the institutional details of how this labor market works and what rookies need to know to improve their chances of getting the right job. We give advice for application materials, conferences, interviews, and fly-outs. We discuss job offers and what to do if a job seeker does not get one. Our advice complements strategy discussions between students and their advisors and empowers students to ask better questions of their advisors.

## **1. Introduction**

This paper is a much-needed update to Butler and Crack (2005). Since our first draft was circulated student-to-student in the late 1990s, much has changed in the academic market for finance rookies, and much has stayed exactly the same. Over the years, our being on both the supply and the demand side of the market multiple times has influenced our views. Meanwhile, technological improvements have changed how the market works in some respects.

Now, as then, adverse selection is a pivotal market friction that keeps labor supply and labor demand apart. Although the adverse selection problem goes in both directions, the uncertainty about the quality of a rookie with no track record is far greater than the uncertainty about the quality of a well-known potential employer. It is, therefore, the rookie's job to mitigate this information asymmetry.

Why do some rookies shoot themselves in the foot on the job market? Perhaps it is because they are in unfamiliar territory when it comes to the practical aspects of mitigating the information asymmetry. They have not gone on the academic job market before, last year's rookies are not around to pass on the arcane practices of our labor market, and faculty may not have the time or inclination to engage in extended hand-holding.

In this paper, we tell you what to expect, how to improve your opportunity set, and how to avoid some costly errors. As with the prior version (Butler and Crack, 2005), most of our advice revolves around two themes: important institutional details of the labor market for rookies and the importance of mitigating information asymmetries (e.g., Akerlof, 1970). Unlike our prior manuscripts, the tone here is intentionally blunt, so as to give rookies an unvarnished view of the market.

In sections 2 and 3, we describe the process assuming a candidate is applying only to schools that interview at the American Finance Association (AFA) meetings in January. In section 4, we discuss an alternative path via interviews at the Financial Management Association (FMA) meetings in October. Section 5 concludes the paper.

## **2. How it works: The rookie's process start to finish**

You need a solid idea for your job market paper by early April. That gives you time to turn it into a polished and compelling working paper that your dissertation chair loves by November. If you cannot meet this timeline, you should resign yourself to not going on the market for another year. April is also a good time to interrogate the rookies from your school who just finished interviewing.

### *2.1 Job market paper*

Rookies typically use part of their dissertation as their job market paper, and so it is difficult to separate completing the PhD from getting a job. Because the labor market clears only once per year, your timing is very important, and it can mean the difference between a good job and no job.

You decide whether or not to take the plunge and go on the market around November 15 (details below). It stands to reason that whatever you have at that date largely determines your fate. Thus, you need to have a good, complete, polished, interesting paper by then.

Working backward from November 15, you should probably do an in-house brownbag presentation of your job market paper in mid-September so that you have time to incorporate comments. To hit that deadline, you need to have a complete draft that your advisor and committee can read and comment on by late July (to give them time in the no-one-is-around-in-the-summer summer to read it). Continuing backward, you need to have a rough draft and preliminary tables by mid-June, and going further back, you need to have your advisor sign off on your topic, research question, and modeling strategy or identification strategy by late April or early May. That gives you six months, May through October, to put together your job market paper. Depending on your pace, you may need to extend this by starting even earlier. No matter how good you are, however, it is dangerous to try to compress this timeline. The November 15 deadline is essentially immutable (plus or minus a few days). Whatever paper you have by then is going to be assumed by interviewers to be representative of your best work; there are no excuses. Consider a final practice presentation in December to help you fine-tune your presentation and to get you ready for the earliest fly-outs; this may be a time to seek out last-minute help in

presentation skills, if necessary.

## 2.2 *A professional image*

You are going to need a suit or two for your interviews. Buy one in early fall, so that you have time to get it altered. You are interviewing at business schools, so look as if you mean business—a conservative dark wool suit is the way to go (think “boring investment banker”). Economists take note: the proper attire in business schools may be different from economics departments that are housed outside of business schools. For example, one piece of advice we have seen for economics recruits is that suits are appropriate, but not necessary, and that shoes should not be too shiny. Wrong. We strongly advise finance doctoral students to wear conservative suits, pressed shirts, and shined shoes (for women, a suit with either trousers or skirt is acceptable, and in January the trousers may be the better bet). In an early draft of this paper, we added that “if you are going to wear a sports jacket and suede shoes, then you might as well put a chicken suit over the top of it.” Although that quip was a little extreme, there are interviewers out there who can be just this extreme. Remember that the first impressions you make are assumed to be you at your best.

Even before buying that suit, though, you must keep in mind that the academic finance community is tight-knit and news about you will travel quickly. That off-color Web comic that you write? That dating Web site you belong to where you discuss your very particular likes and dislikes? Your blog? Those *photos* of you? Yes, we found them all when we Googled your name. They were funny, and we forwarded the funniest bits to our friends and colleagues, but what could have possessed you to leave them clearly visible when you were applying for jobs? You were a marginal candidate before we saw them, but after seeing them you fell well below the hurdle.

Note further that there is experimental evidence to suggest that in a job interview, interviewers make their mind up during the first 15 seconds, and maybe even during the first two seconds before you even open your mouth, and that the rest of the interview is just a sham to rationalize the decision already made (Poundstone, 2003, pp. 16–17). Do not give anyone the chance to see a nonprofessional Web page,

make his or her mind up, and, given time constraints, not even interview you.<sup>1</sup> If you must keep a nonprofessional Web page, then make it password protected and accessible only by close friends and relatives.

The image you present via your CV, Web pages, working papers, and references acts as an ambassador for you. This image should be as conservatively well tailored as your suit. You should have a professional Web page that turns up in a Google search of your name. Set it up well before November 15. Here you will post contact information (e-mail, phone), a sensible picture of yourself, an up-to-date CV, an up-to-date version of each of your working papers, an up-to-date version of your job market paper (clearly labeled as such), and maybe some other information about yourself. Keep your Web site updated because once interviewers know about it, it may dominate any other source of information about you.

As you interview, you need to strike a balance between putting your best foot forward and being yourself. If you put forward a (false) impression of being all-business but you are really a free spirit, you might end up in a department that you do not belong in. The culture and expectations of the schools you will interview with may differ markedly both from each other and from the school where you are completing your degree. Schools and candidates both seek a good fit. You do not want to end up in a place where you are going to be unhappy and leave after two years. Short stints on CVs create additional information asymmetries farther down the road.

### *2.3 Your advisor's blessing*

Your advisor's recommendation is a necessary condition for mitigating the information asymmetries inherent in a rookie's short CV and lack of reputation. In early November, sit down with your advisor to discuss if he or she is ready to support your going on the market. This decision will be based largely on the status of your job market paper and other things that affect your market value (particularly, papers other than your job market paper). If your advisor does not support your going on the

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<sup>1</sup> Fry (2000, p.192) even goes so far as to advise that you not make a photograph of yourself available at all before an interview. We think that this is too extreme in our labor market.

market, you have little choice but to wait an entire year, hoping that you have a better paper and CV this time next year.

If your advisor does support your going on the market, the next step is deciding what caliber of school you are a good fit for. Ask your advisor for his or her ruthlessly, gut-wrenchingly honest assessment of where you have a shot at getting a job. You, the applicant, are probably not sufficiently informed or unbiased to figure this out for yourself. Listen to your advisor, as he or she probably knows far better than you what sorts of schools hire what sorts of rookies. You may not like what is coming next, but here is the truth: second-tier candidates do not get first-tier jobs. Yes, there are exceptions, but they are...exceptional (those who have credible “best student in ten years” statements in the recommendation letters).

Schools that are hiring advertise (in roughly the order of importance) on the *Journal of Finance* Web site, on SSRN.com, on the FMA Web site, on the *Job Openings for Economists* Web site, on the *Chronicle of Higher Education* Web site, on HigherEdJobs.com, and on EconJobMarket.org. Get a comprehensive list of all the schools that are hiring, then sit down with your advisor and talk about the appropriateness of each. Agree upon a list of 30 to 50 schools to apply to. Your advisor will make those suggestions for a reason. At this stage, the overall quality and reputation of the school should be the first-order decision criterion. Oyer (2006) makes a compelling case that initial job placements of economics rookies have a dramatic and long-lasting impact on a rookie’s future career path. Once you have offers, you can start allowing secondary factors like geography to influence your decision.

#### *2.4 Letters of recommendation*

There are two things that get you an interview: your job market paper and your letters of recommendation. It is very important that all your recommendation letters arrive on time at the schools you are applying to.

Reference letters are especially important for otherwise marginal candidates. You need to have one letter from your dissertation advisor; this is not negotiable. The other letters are not as critical, but try

to get one letter from the most famous person who will credibly say good things about you, and one letter from the person who knows your work best. Unless a school specifically requests it, you need not have a special teaching reference, especially if your other letter writers mention your teaching capabilities. That said, if you are a good teacher, but your dissertation advisor is not involved in your teaching, make sure your advisor knows how good you are and mentions it in his or her letter.

Your letter writers are busy and will probably write one letter that they will send to every school you apply to. What they write, however, has to apply to every school reading it. They will add hedging comments to be sure that certain schools will see that they are the best fit with you. The more schools you have in an “extended reach” list, the more hedging your letter writers will have to do, largely because they need to maintain their reputation with colleagues at other schools. Take a phrase like “I recommend this candidate to any school, *including those in the top ten*” and replace the italicized part with “including those in the top five” or “except those in the top ten” and the message changes completely. You do not want your letter writers to hedge, do you? No, you do not. Stick to the list you and your advisor agreed on.

### *2.5 Applications (electronic and hard copy)*

As you proceed through the various stages of the job market, your goal at any point should be to get to the next stage in the process with each school. The goal at the application stage is to get an interview at the AFA and FMA meetings with schools on your list.

The applications you send out to schools on your list will have a cover letter, CV, and your job market paper. Each must be flawless in terms of its polish. Ask your advisor to read each at least twice and get his or her unconditional approval before you send them out. Be sure a native English speaker (you, your advisor, or someone else) has read everything. Your cover letter should be one to one and a half pages long on university letterhead. Give a brief introduction, describe your thesis, teaching experience, and research agenda beyond the thesis. Conclude by indicating your interest in the school. Ask your advisor whether and how to include other information, such as items that might derail your



candidacy (e.g., felony convictions).

Enclose your CV and job market paper with the cover letter. Prominently label your job market paper as such, so that potential employers know which paper they can expect you to discuss. Many schools now use electronic applications. These applications might require you to log on to a Web site and upload materials, or there might be an e-mail in-box for your materials. The former can greatly slow down your attempts to automate the application process. It also slows down and frustrates your letter writers, and the longer the list of schools, the more frustrated your letter writers will be. This provides another reason not to apply for 200 jobs. Stick to your list.

Some of your applications may be hard copy; if so, there is no need to be fancy—using expensive paper for your resume will not improve your interview chances (and using fancy, brightly colored, or, heaven forbid, scented paper may very well hurt you). It comes as a surprise to many rookies that it takes several days of solid work to prepare application packets. Just getting the materials polished is work enough, but navigating the variety of Web-based application sites is also time-consuming.

You should be *finishing* your applications by November 15, so that schools will have time to organize and assimilate information from their 250+ applicants before the recruiting meeting that inevitably takes place in the first week after Thanksgiving. Check with your letter writers and gently nudge them to get their letters submitted, so that your application file will be complete when recruiting committees start looking at your file.

Submit your job market paper to the WFA; the deadline is around mid-November.

## 2.6 Interview calls

In late November and through mid-December, schools start calling to set up interviews. You need to have your schedule handy, so that you can book times that do not conflict with your other obligations. Most interviews will take place on the two full days of the conference, but some will take place on the last half-day, and a few might take place in the afternoon on the day before the conference. Most interviews will be 30 or 60 minutes (a bit less to accommodate time to switch between interviews) and will start on

the hour or half-hour. Find out the hotel, the start time, the length of the interview, and the school's best guess of who you will be interviewing with. Ask if the interviewer would like to have your cell phone number in case he or she needs to reach you. Many schools may send you text updates if anything changes about your interview. Have an idea of the geographical placement of the conference hotels, so that you can estimate travel time between hotels. Arrive a day early if possible, to allow time to practice walking your planned route. Try to schedule breaks, so that you are not completely exhausted.

Do not book too many conference interviews: more than 20 will push you to the edge of logistical capacity. The marginal benefit of additional conference interviews starts to decrease after about 12. If you are a strong enough candidate to get that many interviews, you will probably also get a good yield on fly-outs, and also a good yield on offers coming from fly-outs. Thus, even if you could schedule 30 interviews, you probably do not want or need that many.

Upon scheduling an interview, research the school so that you can ask the interviewer sensible questions. Keep in mind that your first job is pivotal (Oyer, 2006), so it is expected that you will have genuine questions or concerns. Genuine questions are not ones you could have answered easily using Google or by asking your advisor. For example, "How many people are you interviewing at the meetings? How many are you looking to hire? Does the business school have any new initiatives under way? Does the business school face any significant hurdles in the next five years? Does Nobel Prize-winning Professor X spend much time on campus any more?"

As the calls start to wind down, set up times with your advisor and others to do mock interviews. Try to do a mock interview with a group, because you rarely interview one-on-one. Including someone from outside financial economics could help, because you often have to interview with people unfamiliar with your subfield. Prepare your presentation: one-line, one-minute, and 30-minute versions of your description of your job market paper. Focus on why your topic is important and interesting, and why anyone should care. Also, get a good haircut one week before the meetings.

## *2.7 Conferences*

As an example of information asymmetry, note that potential employers almost never say anything in a conference interview that could not have been forecast fully in advance. Rookies, however, frequently make alarming comments or behave strangely in conference interviews. You are less likely to be nervous, and to make some blunder, if you are well informed and know what to expect.

It is useful to book a hotel room in the main hotel for convenience, but you can probably get away with booking in a cheaper hotel nearby. In this case, plan to spend your evenings hanging out in the lobby bar of the main hotel. You might run into someone you just interviewed with, or someone you will interview with later.

Arrive at the conference site early in the afternoon before the presentations begin. If you do not already know where your interview rooms will be, e-mail your next day's interview schools and ask them to e-mail you back with the location. Include in that e-mail your cell phone number in case they need to call or text you, but your phone must not ring during an interview. Throughout the conference, have extra copies of your CV and your job market paper ready to hand out in case someone needs a copy.

In every interview, you will be asked to describe your job market paper, your other work, and what you plan to work on after the dissertation. You will not get questions about how many golf balls can fit in a city bus or how many McDonald's restaurants are in the state of Texas. You will get some very detailed and specific questions about your paper; you may also get some seemingly absurd questions. Not everyone will have had a chance to read your paper due to time constraints, missed flights, last-minute changes in interviewer schedules, etc. You will have a chance to ask questions of your interviewers.

You will often be asked what other schools you are interviewing with. The reason for this is twofold: schools aggregate candidates' answers to get a sense for the overall labor demand in the market and to determine if you are appropriately "gettable." For example, if while interviewing with Rice University, you state your other interviews are with Stanford, Chicago, the Massachusetts Institute of Technology, Harvard Business School, Columbia, and Northwestern, Rice will probably think that it does

not have much of a chance of being able to hire you.

Take notes during and immediately after interviews. Note the name of everyone in the room and what they said (teaching load, which courses you can expect to teach, graduate programs, data sets, computing support, tenure clock, seminar series, funding for going to meetings). All the interviews will start to run together by the end of the conference; notes will help you keep things straight. Send brief thank-you notes within a couple days of the meetings to each person with whom you interviewed. Hard copy notes are overkill; a brief e-mail will definitely suffice.

### *2.8 Fly-outs*

Once you get a conference interview with a school, your goal is to get the school to invite you to campus. Campus fly-out invitations may come as early as before you even leave the meetings (rare), or in the week or two following the meetings. You need to be ready to drop everything and travel. Fly-out invitations are concentrated in mid- to late January, but can easily come as late as early to mid-February. Although it is very rare, fly-out invitations can also come as late as March, or even April. Do not count on it, however, because most schools wrap up their hiring before the end of February. Let someone (e.g., the staff person organizing your itinerary) know before your visit if you have dietary restrictions or other special needs, but do not be surprised or kick up a fuss if they are not catered to.

When you travel, use carry-on luggage only, lest you lose your suit to poor baggage handling (or, as one of the authors once did, his overcoat and suit en route to an always-below-freezing mountain-bound university in the dead of winter). Be sure to have access to your presentation remotely (on a Web site, on Dropbox, etc.) and on a physical thumb drive. Have a PDF copy as a backup because PowerPoint presentations look different on different systems (usually messing up your key equations or graphics). You need not bring your own computer to hook up, and it is probably more trouble than it is worth to try. Be sure you have enough credit card borrowing capacity to float expenses for multiple campus visits. Although schools will reimburse you for all your reasonable travel expenses, those reimbursements might take weeks or even months.

When you schedule your visit, be sure to ask how long your talk will be, as the standard length at some places is longer than at others. You will have a full day of half-hour office meetings and a seminar presentation. Use your office meetings to ask important questions of multiple faculty members, so as to get independent answers. Ask questions that allow you to get a sense of the overall culture and environment; this will help you know whether you would like to receive an offer or not.

The meals are an important part of the interview. The interviewers want to know whether you fit into their small social circle. Be yourself, but do not let your guard down; it is still an interview, even after your second glass of wine.

### *2.9 What to do with offers*

Once you get a campus visit, your goal is to get a job offer. Once you get an offer, you are almost, but not quite, done. Rookies have very little bargaining power unless they have a competing offer that weakly dominates. You should give the school with the weaker offer the opportunity to match. The best you can really hope for is a small bump in salary or in research budget. Most other major contract terms, like teaching load, just are not very negotiable for a rookie. Offers are also useful, of course, in that you can use one to buy you time until you get another.

Some investment banks routinely make analyst offers to our undergraduate students where the offer has no “fuse.” At the dinner after the interview they say, “Here is your offer; what is your answer, yes or no? No, you may not use your phone. Either shake my hand or get out.” Although not as bad as that, some schools do make offers that have very short fuses. We think this is poor form, because it essentially is an exploitation of a candidate’s risk aversion (and if a school exploits you during the hiring process, imagine what being employed there will be like). During the peak of the offers season (late January through mid-February), offers with a one-week fuse are standard. Reasonable schools will probably allow a candidate a short (two- or three-day) extension if he or she needs it.

When a school offers to make you an offer, politely ask for it in writing. Although it is rare, we know of schools that have reneged on verbal offers. Although it is nice to hear “We are going to make

you an offer,” that statement is not an offer (Domowitz, 1984). Ask for it in writing—e-mail is sufficient.<sup>2</sup>

If you have more than one offer, ask your advisor for guidance in deciding which school is best for you. The final decision is yours, but your advisor probably knows more about the schools from which you have offers than you do. He or she may have a better idea than you about whether your research and teaching match the schools in question. Do watch out, however, for advisors trying to live vicariously through you. Do not let them choose the school that is best for *them*.

If you accept an offer, your decision is final; you must not renege and accept a more attractive offer if such an offer subsequently comes along. If you renege, your name is immediately passed to everyone who is known by the people at the school you reneged on (essentially everyone in the small world of finance academia will know within a week or two). The story will follow you for years to come and may affect future employment opportunities.

### *2.10 Nobody loves me!*

You thought you would have three offers by now. Everybody you know has at least one offer, but you have none. What should you do? Stay calm. The job market is a lumpy process where not quite round pegs are forced into not quite square holes. Some offered positions will be left unfilled, and some job candidates' wishes will be left unfulfilled. A second market clearing then takes place. Some schools enter (or re-enter) the market after the first clearing. Unfilled jobs and visiting positions can surface as late as May or June. Be patient and persistent. Ask faculty in your program for advice; re-contact schools that interviewed you and get your name back in front of them. They might have assumed you got a job if you did not contact them again. If they have unfilled positions, you might suddenly look very attractive to them (especially if you have finished your thesis).

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<sup>2</sup>In the US, verbal offers are just as legally binding as written offers, but if the potential employer reneges it is easier to convince a judge if you have it in writing. That said, in the end it does not really matter because you do not want to be “the rookie that sued.”

### **3. How it works: The employer's process start-to-finish**

The job market is an exciting and anxiety-producing time for rookies on the market, probably the single most important event in their life at the time because these several months are crucial in forging their career path for the next 20 years. For the recruiters, though, it is one more service requirement that happens at an otherwise busy time of year. In short, your getting a job is not a top priority for the recruiters interviewing you, and maybe not even for your busy advisor, who, quite frankly, might not even know how to spell your last name (yes, it certainly happens).

#### *3.1 Rookies all look alike.*

There is tremendous uncertainty about how a rookie will fare once he or she has a job. So much uncertainty, in fact, that it is quite difficult to determine with any precision whether one rookie is better than another. You all look alike. Okay, that is not completely true. There are some meaningful differences, and they come down to three things: (1) your job market paper, (2) publications or revision requests on your CV, and (3) fit. You can control (1) and, to an extent, (2).

#### *3.2 Rookies are unrealistic about where they will end up.*

Now some guidance on why you should stick to your list of schools to apply to, or how to restrain yourself from sending out applications to schools that are far better than your ability to place.

Suppose we post an ad for an assistant professor position and get 200–300 applications. How much time will we spend on each? Ten minutes? If so, that is about 40 hours of reading applications per recruiter, not even counting the four- or five-hour meeting we collectively hold to decide whom to interview at the meetings. We all have our own research agendas to maintain, and the recruiting season picks up at a busy time of the semester for teaching.

The recruiting committee has to get the stack of 200–300 packets down to a stack of, say, 80–100 to take seriously. One time-efficient way to screen is to look at your degree-granting institution, your advisor, and whether you have papers that are accepted/revisions/interesting. That takes ten seconds to put you in either the “maybe” or the “no” pile. About 90% of the applicants from schools that are

significantly less research oriented than us are destined for that “no” pile. The other 10% have an advisor we trust or have a publication or revision in a journal we respect. Of course, just because you make it to the “maybe” pile does not mean you will get an interview; it just means we will move you to the “let’s spend ten minutes on each folder in this pile” pile. Of the 10% that improbably got into the “maybe” pile, one in five will get a call. Every application you send to a no-chance-in-hell-will-they-take-me-seriously school exacerbates this problem. Stick to the list that your advisor says is reasonable for your currently demonstrable skill set. If you turn out to be really good, you can move up later in your career.

### *3.3 Some rookies come across as robots.*

Some of us on the labor-demand side want to hear your presentation (the one-line, one-minute, or 30-minute versions of your description of your job market paper). We will let you talk for 20 minutes essentially uninterrupted about your job market paper, and then we will ask you where and when you think you will submit it, pat you on the back, and ask if you have any questions for us. But the rest of us want to get you off your rehearsed script, so that we can tell what you understand about your paper, as opposed to what you have memorized at your advisor’s behest. You need to know your research deeply, so that when we get you off your script, you can talk about your paper like a real human being. We want to talk *with* you rather than having you talk *at* us.

Some rookies cannot seem to do this. When bumped off script they get flustered, nervous, or anxious. They try as hard as they can to get back to their comfortable script and then continue talking like a finance robot. Other things being equal, most places prefer to hire real humans rather than finance robots. You should practice your presentation, not memorize it.

### *3.4 Some recruiters ask uncomfortable questions.*

Many schools ask questions that may appear discriminatory:<sup>3</sup> “Are you married? Do you have children? What does your spouse do?” It is possible that recruiters try to discriminate by asking these

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<sup>3</sup> Job interview questions that probe areas where discrimination is illegal are often considered ill-advised, even though the questions themselves may not technically be illegal (DOL, 2012).



questions, but other explanations are much more likely. Faculty recruiters do not get formal training from the human resources department, and may just be trying to make small talk. Recruiters are also trying to figure out what information about their school or town you would find most useful, for example, if the elementary schools are exemplary, if there are lots or few opportunities for spousal careers, etc. When a school asks “Is there anything else we can tell you?” that might be an excellent time to volunteer information that the school cannot (or at least should not) ask you directly, so that you can learn what you need to know.

#### **4. How it works: Additional perspective**

##### *4.1 Alternative paths: FMA*

Many candidates will find it useful to go on the FMA market. The structure is the same as the AFA market, but the meetings are in October (send your packets by the first weekend in September and start your job market paper two and a half months earlier) and the average caliber of schools interviewing at FMA is lower than that at AFA. Teaching-oriented schools all interview at FMA. High-powered research schools all interview at AFA. Some research-oriented schools, high-powered or otherwise, interview at both FMA and AFA.

The strategic challenge of FMA is that many of the good schools that interview there have fly-outs and make offers that expire before Christmas. This strategy means that some schools will try to lock up a rookie they like before the candidate interviews at AFA, possibly with better schools. Your advisor can help you decide whether to take a pre-emptive offer or pass it up to go to the AFA market.

##### *4.2 Other sources of information*

Unlike when we wrote the last version of this paper several years ago, there are now some Web-based message boards for sharing rumors about the economics and finance job market. Unfortunately, the signal-to-noise ratio is nearly zero, and what little signal there is may be quite biased. Our advice is to get information from your advisor, not anonymous expletive-wielding job market candidates who know no

more than you do and who benefit from dishing out potentially libelous misinformation on Internet message boards.

#### *4.3 Advice for the transitioning rookie*

You are eager to get to your new job, away from your dismal doctoral student conditions. Not so fast. First, we implore you to finish your dissertation before you leave for your new institution, even if that means staying on through the end of the summer. It will take ten times as long to finish if you have left, and you will be out of sight, out of mind to your advisor. Finish. Then move.

Take a house-hunting trip, even if you plan to rent. You can learn a bit about the area and maybe get started on some of your required paperwork for employment. Hire a professional moving company, but do not let them move anything of real monetary or sentimental value. You may be able to save money by mailing your books and journals to yourself at the book rate, but the postal service is less accountable for loss than your moving company. One author once received the box he sent, but it was filled with novels written in a foreign language rather than the *Journal of Finance* back issues it was supposed to hold.

The new computer that you ordered will not be ready. The IT department at your new school does not know you and you are not physically there, so they will not prioritize your needs. They will swear your computer will be ready upon your arrival, but it will not be. Prepare yourself for this inevitability by transferring all your important files to an external hard drive, a laptop you can bring with you and work from, or Dropbox or similar cloud storage.

Make sure you have a transitional e-mail address in case your old institution cancels your account before your new e-mail address is ready, and your new e-mail address will not be ready because you have not finished all the paperwork at your new institution yet. Good luck with that.

#### *4.4 Advice for the assistant professor*

You got a job, and you are wondering what to do now. It is simple: publish good papers in good journals. This insight is not unique to us; it is also the first piece of advice Greg Mankiw gives on his blog

for assistant professors:<sup>4</sup> “Your focus should be on getting papers published in refereed journals. Everything else is secondary.” That is all.

## **5. Conclusion**

As a rookie, you may be green, but you do not want to be mistaken for a lemon. You must mitigate information asymmetries to improve your chances. A strong recommendation letter from your advisor can go a long way in this regard, and so before you are on the market you should try hard to give your advisor the confidence to write a very strong letter. The reputation of your letter writers matters because your letter writers certify your quality as a candidate. As with other markets, transparency is important, so be sure to accurately and credibly convey to recruiters relevant information about yourself. Finally, given that the market clears only once a year, it is essential that you have a polished job market paper ready by November 15.

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<sup>4</sup> <http://gregmankiw.blogspot.com/2007/02/advice-for-new-junior-faculty.html>

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