



## Interdisciplinary research, events and education at the intersection of finance and data science.

The Program for Financial Studies (PFS) at Columbia Business School is a partnership between academia and industry whose goal is to support and promote the School's research in finance, connecting with internal and external stakeholders - students, alumni, advisory board - and the practitioners operating in the financial services industry. The PFS also oversees the Master of Science in Financial Economics (MSFE) degree. To learn more, please visit our websites.

[PFS WEBSITE](#)

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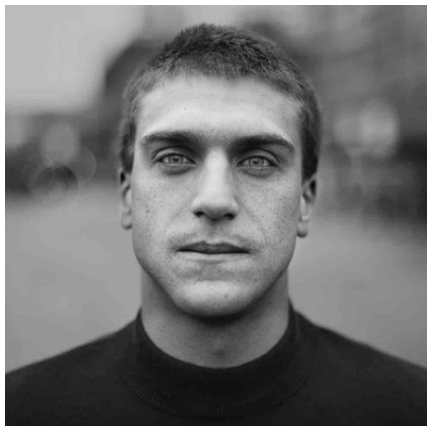


## We wish the MSFE graduates of 2023 all the best!

Jialin Dai | Chenyi (Chloe) Ding | Dexter Dysthe | Carlos Garcia Martinez | Tianqi Hong | Saharsh Jhunjhunwala | Cheng Jiang | Rongfei Jiao | Xinran (Laura) Li | Jiayuan (Steve) Li | Hengxu (Hugh) Lin | Shun (David) Miao | Ram Prasad | Sarah Vrontas | Dayou Xi | Xinyu (Claudia) Xu | Shuyan (Jenna) Xu | Yutong (Angela) Yang | Yingping Yang | Xinzhi (Lulu) Zhang | Yingjia (Erin) Zhang | Xinran (Priscilla) Zhang | Yiran (Rose) Zi

## Featured MS Financial Economics Alumni

Thank you to our esteemed MSFE alumni who participated in industry and career panels at Columbia Business School this spring!



**Hernan Gazze - AQR - MSFE Class of 2014**



**Erick Martinez - Barclays - MSFE Class of 2018**



**Cait Walsh - BofA - MSFE Class of 2020**



**Kevin Guo - MSFE Class of 2021**



**Jiashu Sun - AlphaSimplex - MSFE Class of 2021**



## Faculty Highlights

Our colleague, **Lawrence Glosten, S. Sloan Colt Professor of Banking and Finance**, has been a member of the Columbia Business School faculty since 1989, and he has distinguished himself as a leader, scholar, teacher, and mentor. His articles, books, editorial contributions, and pioneering research have had a profound impact on his field and valuable real-world application.

His service as chair of the Finance and Economics Division and member of the Curriculum and Instruction Committee helped shape curriculum and attract esteemed colleagues, and as the S. Sloan Colt Professor of Banking and International Finance he has taught thousands of students and served in numerous leadership roles, including as Director of Initiative on Financial Markets Regulation for the Financial Studies program and Co-Director of the Program in the Law and Economics of Capital Markets at Columbia Law School and Columbia Business School, leaving an indelible mark on the greater Columbia network.

Columbia Business School, the finance department, and the Program for Financial Studies thank him heartily for his service and friendship, wish him well in his official retirement and in the next phase of his life and career!

## Spring 2023 Events



### Wall Street Voices series

#### State of the Global Markets

Lizann Sonders, Chief Investment Strategist, Schwab; Anna Wong, Chief U.S. Economist, Bloomberg; Zach Pandl, Head of Strats, GS; moderated by Harry Mamaysky, Faculty Director, PFS and MSFE  
[February 27](#)

#### Has Systemic Risk Re-Emerged?

Ellen Zentner, Chief U.S. Economist, MS; Savita Subramanian, Head of Equity and Quant Strategy, BofA; Kelly Ye, Head of Product, Fidelity Digital Assets; moderated by Simona Abis, Assistant Professor, CBS  
[March 23](#)



### No Free Lunch series

Ted talk-style research presentations by CBS faculty:  
[WATCH HERE](#)

[Dominik Supera](#), Assistant Professor of Finance presenting: **Running Out of Time (Deposits): Falling Interest Rates and the Decline of Business lending, Investment and Firm Creation**  
[March 28](#)

[Mark Zurack](#), Senior Lecturer in Discipline in Finance presenting: **Current Events and Controversies in the World of ETFs and ESG Investing, a view from the Boardroom and Classroom**  
[March 28](#)

[Boaz Abramson](#), Assistant Professor of Finance  
presenting: **Evictions and Homelessness in the  
United States**  
[April 13](#)



## MS Financial Economics (MSFE) events

[MSFE welcome back luncheon](#)  
[September](#)

[Effective Communication seminar](#), Vyju Manian, CMC  
and Melina Denebeim '12, Co-Director, MSFE and PFS  
[various dates](#)

[MSFE Alumni panel](#) featuring Erick Martinez, Barclays;  
Hernan Gazze, AQR and Cait Walsh, BofA  
[April 4](#)

[MSFE Alumni small-group discussions](#) featuring  
Kevin Guo, Morgan Stanley and Jiashu Sun,  
AlphaSimplex  
[April 13](#)



[News & Finance Conference, 7th Annual](#)  
Friday, May 11  
8:45am - 1:00pm EST  
Virtual, [Conference details](#)  
**How do News and Markets Interact?**

Organized by Columbia Business School's Program for Financial Studies, with its faculty leadership Paul Glasserman, Harry Mamaysky, and Paul Tetlock around their current research, this major conference brings together an expert group of interdisciplinary leaders from across academia, finance, government, and the media to explore new frontiers in the study of the dissemination of news and its economic influence on markets.

## Latest Finance and Business Research



### Machine-Learning the Skill of Mutual Fund Managers

**Stijn Van Nieuwerburgh, Earle W. Kazis and Benjamin Schore Professor of Real Estate and Professor of Finance**

Using machine learning, fund characteristics can consistently differentiate high from low-performing mutual funds, as well as identify funds with net-of-fees abnormal returns. Fund momentum and fund flow are the most important predictors of future risk-adjusted fund performance, while characteristics of the stocks that funds hold are not predictive. Returns of predictive long-short portfolios are higher following a period of high sentiment or a good state of the macro-economy. Our estimation with neural networks enables us to uncover novel and substantial interaction effects between sentiment and both fund flow and fund momentum.

[Read more](#)





## Formalizing the Informal: Adopting a Formal Culture-fit Measurement System in the Employee Selection Process

**Wei Cai, Assistant Professor of Accounting**

Many organizations rely on formal management control systems that align employee values with organizational values (i.e., culture-fit) to shape organizational culture. This paper examines the employee performance consequences of adopting a formal culture-fit measurement system in employee selection. We find that employees selected with the system perform significantly better than those without the system. However, the performance consequences of adopting the culture-fit measurement system exhibit significant variation depending on (1) alignment of existing local culture and organizational values, and (2) noise in the measurement of culture-fit due to applicants' gaming behavior. Taken together, this study implies that the adoption of a formal culture-fit measurement system can potentially alleviate difficulties in instilling organizational values and highlights the conditions under which such a system can be more effective in facilitating the diffusion of organizational culture.

[Read more](#)



## Evictions and Homelessness in the United States

**Boaz Abramson, Assistant Professor of Finance**

What are the implications of rental market policies that address evictions and homelessness? Policies that make it harder to evict delinquent tenants, for example by providing tax-funded legal counsel in eviction cases ("Right-to-Counsel") or by instating eviction moratoria, protect renters from eviction in bad times. However, higher default costs to landlords lead to higher equilibrium rents and lower housing supply, implying homelessness might increase. The research shows that "Right-to-Counsel" drives up rents so much that homelessness increases by 15% and welfare is dampened. Since defaults on rent are driven by persistent income shocks, making it harder to evict tends to extend the eviction process but doesn't prevent evictions. In contrast, rental assistance lowers tenants' default risk and as a result reduces homelessness by 45% and evictions by 75%. It increases welfare despite its costs to taxpayers.

[Read more](#)



## Strategic Bank Liability Structure Under Capital Requirements

**M. Suresh Sundaresan, Chase Manhattan Bank Foundation Professor of Financial Institutions**

Banks strategically choose and dynamically restructure deposits and nondeposit debt in response to the minimum requirements on total capital and tangible equity. We derive the optimal strategic liability structure and show that it minimizes the protection for deposits conditional on capital requirements. Although, given any liability structure, regulators can set capital requirements high enough to remove the incentive for risk substitution, the strategic response to the capital requirements always preserves this incentive. Banks reduce leverage but increase the proportion of nondeposit debt if regulations raise the capital requirements.

[Read more](#)

## M.S. Financial Economics degree program

The Master of Science in Financial Economics (MSFE) is a highly selective 2-year STEM eligible master's degree program offered by the Finance Division of Columbia Business School. The program provides academically distinguished and industry-oriented students the opportunity to obtain a rigorous, quantitative, graduate-level finance acumen. MSFE students take a carefully constructed curriculum of PhD and MBA courses. To learn more or apply, click below to access the website.

[CLICK HERE](#) for directions on posting an internship or full-time position for MSFE students in VMock.

Employer login: <https://www.vmock.com/employer-login>

For recruiting and company presentations tailored to the MSFE students, please contact Vyju Manian, Career Management Center: [vvm8@gsb.columbia.edu](mailto:vvm8@gsb.columbia.edu)

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