



# STERN PhD Alumni

NEWS FOR ALUMNI OF THE DOCTORAL PROGRAM OF NYU STERN SCHOOL OF BUSINESS

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## WORLD-RENOWNED ECONOMIST: ALUMNI SPOTLIGHT ON HENRY KAUFMAN



For world renowned economist and philanthropist Henry Kaufman (PhD '58, Banking and Finance; BA '48), one of the most influential forces to hit Wall Street in the last century and a cornerstone of the NYU Stern community, reading the markets is "like standing in the middle of the block and trying to estimate what's coming around the corner," he explains. The trick, he believes, is deciding how future patterns will be different from historical ones.

Kaufman, who *BusinessWeek* has called "one of the greatest financial thinkers of our time," is perhaps best known for his gloomy but accurate financial forecasts during the bearish, fearful economic climate of the 1970s and 80s when he was chief economist and senior partner at Salomon Brothers. His dismal predictions about climbing interest rates earned him the respectful nickname "Dr. Doom." Once interest rates soared into the double digits, he became known as the official oracle of Wall Street. "The role of an economist is to say what will be, not what should be," said Kaufman when asked about his historic role in the US financial markets. During his career, he has been particularly concerned about the risk of negative political change that comes with harsh and uncertain times, a lesson he learned both from history and personal experience.

Kaufman grew up in post-WWI Germany, in an economic environment characterized by hyperinflation and a struggling and demoralized German middle class that paved the way for Hitler's rise to power. His family fled his hometown of Wenings after Nazi troops raided their home and anti-Jewish protests flooded the streets. "Economic and financial systems shouldn't go to extremes," cautions Kaufman, "because this can lead to political changes that are detrimental in the long-term." Kaufman's unique experience has given him a distinctive vantage point from which to observe, as well as appreciate, US cultural and economic systems. "The US is built on diversity," he explains. "Our democratic roots run deep, and this is something that most Americans can't appreciate. Only someone who has come from abroad can see such greatness."

The Kaufman name itself has become a thing of

greatness, both because of Henry's success in the financial world and his family's broad and generous philanthropic work. He and his wife of 51 years, Elaine, have donated millions to various arts and cultural causes. In 1998, Kaufman made a major gift to Stern that made possible the renovation and expansion of the School's graduate building, which is now the Henry Kaufman Management Education Center. He also endowed a chair in financial history at Stern, the Henry Kaufman Professor of the History of Financial Institutions and Markets, currently held by economics professor Richard Sylla. Matthew Richardson, a finance professor, holds the Charles Simon Chair in Finance and the Sidney Homer Directorship of the Salomon Center for the Study of Financial Institutions, both endowed by Kaufman. And he recently established the Henry Kaufman Visiting Professorship to provide Stern's first permanent fund to support visiting scholars and practitioners. Past visiting scholars include former Federal Reserve Chairman Paul Volcker and former Finance Minister of Argentina Domingo Cavallo, and one of our current visiting professors is Dr. Ralph Gomory, who, during his career as research director at IBM, oversaw research that went on to garner two Nobel Prizes.

His commitment to Stern and education is strong because of his experience at NYU and his belief in the importance of education and research. "Any good university has to have basic research," says Kaufman. But the trick, he feels, is to find a balance between basic research and good teaching. He believes that the former enhances a university's image worldwide, while the latter attracts and retains outstanding students and local attention.

Kaufman's experience at NYU Stern launched him into the world of finance and kept him in touch with what was going on in the business community. "I benefited greatly from NYU," explains Kaufman. "The school had a profound influence on my career, particularly the teachers, whom I admired greatly." He was particularly impressed with Marcus Nadler, because of his exceedingly organized and straightforward approach to teaching, his ability to transform highly complex material into understandable terms, and because he had earned a place as a highly regarded advisor and consultant in the markets, which was rare for a professor. *Continued on page 3*

### INSIDE THIS ISSUE

ALUMNI  
SPOTLIGHTS ON  
HENRY KAUFMAN  
& MANJU PURI

PHD ALUMNI  
REUNION

DIRECTOR'S  
LETTER

CLASS NOTES

RESEARCH REVIEW

ALUMNI BALL &  
GLOBAL ALUMNI  
CONFERENCE



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**SAVE THE DATE**  
**PHD ALUMNI REUNION CONFERENCE: MAY 8, 2009**  
Join us for our first School-wide gathering of fellow NYU Stern PhD alumni, faculty, and current PhD students. The conference will take place at Stern's campus and include paper presentations on timely business topics, an update on the School, opportunities to mingle, and more.  
Event details will be posted soon at [www.stern.nyu.edu/phd](http://www.stern.nyu.edu/phd).

# IMPORTANCE OF A PHD PROGRAM TO A B-SCHOOL

## A LETTER FROM THE DIRECTOR



Dear Alumni,

As I begin my second year as director of NYU Stern's PhD program, I want to thank those of you with whom I have crossed paths over the past year for all your kind words and good wishes. And, yes, I am still having fun.

We have just enrolled what looks to be our strongest class ever. Part of this is due to the strength of all our programs. Another factor is that we have been able to increase our stipends to a more competitive level, thanks to the work of Dean Thomas Cooley and former Vice Dean Lee Sproull, as well as the generosity of some of our faculty who have contributed both their own money and money from their research budgets. Indeed, I will be asking you to contribute to our efforts in the near future. The deans fully realize how important the Stern PhD program is to the School as a whole and why it is an important investment for the School. I want to make sure that you do too.

Major universities and the business schools they parent fulfill both research and teaching missions. Obviously, the PhD program structures the teaching of PhD students, but the program also enhances the School's research mission in several ways, some of them not so obvious.

First, successful PhD graduates add luster to the School's reputation. The ability to train and acculturate doctoral students into becoming successful research academics is one dimension of research productivity. Placing our graduates at peer institutions also increases the School's influence in the research community and the academic world.

Second, the School benefits from the research doctoral students produce, both individually and with other faculty. Doctoral students are now publishing more than they ever have; indeed, the pressures of the job market are forcing them to do so. It is not uncommon for doctoral students to start looking for jobs having two, three, or even more significant publications. The Stern School appears prominently in the by-lines of their publications, which further enhances our research reputation. As a recent study by NYU Stern PhD alumna Deb Mitra (now at the University of Florida) and Professor Peter Golder shows, research productivity has a causal connection to MBA program selectivity. So this research has a cascading effect on all aspects of the School.

Finally, the work our doctoral students do and the opportunity to collaborate with them helps attract outstanding faculty to Stern.

The intellectual excitement generated by our doctoral program is an important ingredient to Stern's pursuit of excellence. Close collaboration between the best faculty and the best doctoral students not only enhances the quality and reputation of the NYU Stern doctoral program, but of the entire School as well. As you can see, it is critical that we recruit the best doctoral students. I thank you for your support as we try to do exactly that.

Sincerely,

Joel Steckel

## CLASS NOTES

**Louis M. Spadaro (PhD '55, Economics)** died on May 3rd, 2008, in Syracuse, NY. He was a student of the late Ludwig von Mises, a libertarian, free-market theorist and former visiting professor at NYU. Spadaro taught at Fordham University and, in 1969, became the first dean of its Graduate School of Business, located at Lincoln Center. He had four children, seven grandchildren, and 13 great grandchildren.

**Rita Maldonado-Bear (PhD '69, Finance)** of New York, NY, was a professor of finance at NYU Stern from 1975 to 2005 and has since retired with the title of Professor Emerita of Finance. Nevertheless, she has often been at Stern helping with the School's Capital Campaign, which ended on August 31 with \$180 million, surpassing the \$150 million goal. She has become an avid gardener and says she will always stay in close touch with Stern.

**Richard E. Sorensen (MBA '69, PhD '73, Management)** of Blacksburg, VA, has been dean and professor of business information technology at the Pamplin College of Business at Virginia Polytechnic Institute and State University (Virginia Tech) since July 1982. Earlier, he served nine years as dean of the John A. Walker College of Business at Appalachian State University. He recently served as chair of AACSB International and chairs the nominating and accreditation coordinating committees and board champion for the doctoral education task force. Sorensen is also very active in public service, and has served on state government committees on education, tourism, economic development, and prison overcrowding.

**Joseph E. Keckeissen (PhD '76, Economics)** of Guatemala, is a professor at Francisco Marroquin University in Guatemala. He was the first professor of economics at the university, founded in 1972. Keckeissen is proud that at NYU he was a student of Ludwig Von Mises, a libertarian free-market theorist and former visiting professor at NYU, as well as of great teachers like Herman E. Krooss, Joseph S. Keiper, **Robert Kavesh (BS '49)**, and **Israel M. Kirzner (MBA '55; PhD '57, Economics)**. He appreciates his Stern mentors and is proud of the great advances Stern has made in business education and of having been part of the program.

**James J. Kennelly (MBA '88; PhD '96, Management/OB)**, associate professor of international business at Skidmore College, Saratoga Springs, New York, and **Finbarr Bradley (PhD '89, Finance/IB)** of Dublin, Ireland, will launch their joint book, *Capitalising on Culture, Competing on Difference* (Blackhall Publishing) in Dublin in September. The book examines innovation, learning, and a sense of place in a globalizing Ireland and will be launched by the Taoiseach (Prime Minister) of Ireland, Brian Cowen.

**Gina O'Connor (PhD '91, Marketing)** of Latham, NY, just published the book *Grabbing Lightning: Building a Capability for Breakthrough Innovation* (Jossey Bass, 2008), with three co-authors. She is currently associate professor of marketing at Rensselaer Polytechnic Institute and director of the Executive MBA program.

**Sanjiv Das (PhD '94, Finance)** of Moraga, CA, is now chair of the finance department at Santa Clara University. His wife, **Priya Raghbir (PhD '94, Marketing)**, recently moved back to NYU Stern as full professor of marketing. Their son, Shikhar, recently graduated from high school and is now going to study pre-med at the University of California at San Diego in the School of Biology and Neuroscience.

**David Ahlstrom (PhD '96, Management)** of Hong Kong, China, was recently appointed senior editor of *Asia Pacific Journal of Management*, the official journal of the Asia Academy of Management, an international affiliate of the Academy of Management. He is a full professor at The Chinese University of Hong Kong.

**Ravi (Aron) Narayan K. Arunkundram (PhD '99, Information Systems)** of Santa Monica, CA, won the 2008 Sloan Industry Studies Fellow Award, which is annually given to five researchers of all disciplines. He is assistant professor at the Marshall School of Business, USC, in the information and operations management department.

**Alexander Reisz, (PhD '00, Finance)** of Arlington, VA, co-authored a paper with Stern alumna, **Claudia Perlich (PhD '05, Information Systems)** of Arlington, VA, titled, "A Market-Based Framework for Bankruptcy Prediction," in the *Journal of Financial Stability*.

## RESEARCH REVIEW

Here is a look at some of the recent doctoral research conducted at Stern.



**Jennifer Tosti (PhD '09, Management)**, currently a doctoral student at Stern focusing on organizational behavior, is completing her dissertation: *Who Am I Now? The Structure and Effects of Work-Based Social Identities during Employment Transitions*.

Tosti's dissertation examines how people's professional and organizational identities relate to their attitudes and behaviors during a period of transition in their work lives. Specifically, she is studying the extent to which people who are undergoing a career transition define themselves in terms of their employing organization and their occupation or profession, and how these self-definitions relate to well-being and reemployment success. Her dissertation is based on a longitudinal survey of working adults with a variety of occupational backgrounds. Tosti was able to leverage the strength of Stern's alumni base for her research: more than 1,200 alumni completed surveys that she is currently analyzing.

The results of this study will help to shed light on identity's role as a positive resource for those undergoing job transitions, whether planned or unexpected. This research is a particularly timely endeavor, given the prevalence of career change and downsizing in the current economy, and understanding the potential benefits of different identities is important in an age when professionals can expect several work life transitions over the course of their careers. In addition, Tosti's research will contribute to theories of organizational and occupational identification, social identity complexity, and careers in modern organizations by advancing a more complete and nuanced picture of employee identification at work and in occupations.

## HENRY KAUFMAN CONTINUED

in the 1950s. Kaufman sought his advice while considering job offers, and Nadler played a key role in his decision to join Salomon Brothers as an economist in 1958 after working as an economist at the Federal Reserve Bank of New York. During his brilliant 26-year career at Salomon Brothers, Kaufman worked as chief economist, head of research, managing director, senior partner, and vice chair. He left in April of 1988 to start Henry Kaufman & Company, an economic and financial consulting and money management firm.

When not consulting or working as a philanthropist, Kaufman enjoys golf and is pursuing his dream of one day becoming "half as good as Tiger Woods." Both he and his wife, who have three sons and four grandchildren, founded the Elaine Kaufman Cultural Center in New York, which houses a performance hall, community arts center, and school for musically gifted children. Kaufman has served as chair of the Board of Trustees at the Animal Medical Center on East 60th St., which serves as both a hospital and a research and training facility. He also served for more than 20 years as a trustee of the Whitney Museum of American Art. He is now a life trustee of the Jewish Museum as well as a current trustee of the Norton Museum in Florida. At the Institute of International Education, where he is chairman emeritus, his \$10 million donation enables the institute to rescue scholars whose life and work are threatened by repressive political regimes. His most recent book, *On Money and Markets: A Wall Street Memoir*, was published in 2000 to widespread critical acclaim, and his book *Interest Rates, the Markets, and the New Financial World* received the George S. Eccles Prize for excellence in economic writing from the Columbia Business School. Kaufman is an NYU Trustee, and since 2000 has served as chairman emeritus of the NYU Stern Board of Overseers.

## INNOVATIVE EXAMPLE: ALUMNI SPOTLIGHT ON MANJU PURI



Manju Puri (PhD '95, Finance) is a good example of what she teaches. Like the entrepreneurs she currently researches, Puri has often had to invent her own avenues to succeed, innovating in her research and teaching. When she graduated from NYU Stern, she headed to Stanford University as an assistant professor and quickly found herself in the cradle of venture capital, where students flocked to the classes taught by Silicon Valley multi-millionaires. "And then there was me," Puri said. "A tenure track professor with no real experience working with venture capital. I needed to do something different." She designed a web-based venture capital game – an unusual move in academia – that created a simulation of the market place, and she tied it to research. Her ingenuity worked and her courses became among the most popular.

From Stanford she moved in 2003 to Duke University as a tenured associate professor, then professor, and this year was named the J.B. Fuqua Professor of Finance at the Fuqua School. It's one of many prestigious positions she's held. Her résumé is thick with accomplishments, including winning an Alfred P. Sloan Foundation fellowship, receiving National Science Foundation grants, winning best paper awards in the *Journal of Financial Economics*, and serving on editorial boards of top finance journals. She's also a member of the National Bureau of Economic Research and a frequent panelist at several of the Federal Reserve institutions.

Puri started her career as a corporate banking executive with HSBC in London, and then she decided to pursue her longtime dream and follow her father into academia. "In academia, you can dig deep into questions," she said.

Puri's research interests took root while a PhD student at Stern. Her dissertation examined whether commercial banks should be allowed to do investment banking – a topic of great controversy debated by both academics and regulators for decades – and banking has continued to be her primary area of research. More recently, it has led into the emerging areas of venture capital and entrepreneurship. She is focused on banking and venture capital because "these are among the two most critical areas in finance, sitting at the hub of most modern economic activity."

What's best about being an academic, she said, is that she can bring that research into the classroom. "There's a nice synergy between research and teaching," Puri said. She has twice been a finalist for the Daimler-Chrysler Award for Teaching Excellence for her *Raising Capital: Financial Instruments, Institutions and Strategy* course that she developed from scratch and frequently updates. "I know the research produced even in working paper form, and that's great for my students as it's about five to seven years ahead of the textbooks," she said.

Although she has become an expert in the subject, she is not tempted to raise capital for a venture of her own. "It's enough to train generations to think about it and create the knowledge," she said. And with her rising status she's found she can do bigger research projects. "When you get tenure, you can push further because you don't have to worry about the urgency to publish," she said. "You can do high impact projects with longer time horizons."

Thus far, Puri has provided insight into the behaviors of financial institutions like banks and venture capitalists. In the future, she sees herself using her expertise to meaningfully impact real-world problems, such as developing capital market solutions to poverty with micro loans and social lending, or fostering entrepreneurship in the developing world. She is looking forward to making more contributions by working with institutions, industry and foundations.

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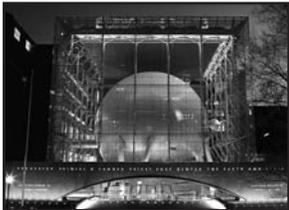
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## JOIN US FOR THE EIGHTH ANNUAL NYU STERN ALUMNI BALL



Come celebrate the holiday season with fellow alumni on Saturday, December 6, 2008, from 8:00 PM to Midnight at the **Rose Center for Earth and Space at the American Museum of Natural History**. Reminisce, mix, and mingle with friends old and new during a night filled with music, dancing, a buffet, and cocktails.

Guests will enjoy a private viewing of the Big Bang Theater, Heilbrunn Cosmic Pathway, Gottesman Hall of Planet Earth, and the Cullman Hall of the Universe.

Visit the Alumni Ball website at [www.stern.nyu.edu/alumniball2008](http://www.stern.nyu.edu/alumniball2008) for additional information and to register.

## LINKEDIN PROVIDES ALUMNI WITH MORE OPPORTUNITIES TO RECONNECT

The Office of Alumni Relations & Development has established a new way to take advantage of the strength of the Stern community. **LinkedIn**, an online professional networking site, can help you identify and leverage professional opportunities with fellow members of the global alumni community. The network, which currently has more than 4,100 alumni subscribed, allows you to network professionally as well as post or view online job postings with other members of the Stern community.

To join, visit LinkedIn at [www.linkedin.com](http://www.linkedin.com) and search for the NYU Stern group.

Please note that the NYU Stern LinkedIn group operates independently of SWAP. The two systems do not transfer data or share information. To keep your contact information up-to-date with the School, activate your e-mail forwarding for life, take advantage of exclusive career resources, and learn about upcoming alumni events, please visit SWAP at [www.alumnionline.stern.nyu.edu](http://www.alumnionline.stern.nyu.edu).

Take advantage of the opportunity to collaborate and expand your network - join the NYU Stern Alumni LinkedIn Network, today!

## SAVE THE DATE

### BARCELONA 2009: GLOBAL ALUMNI CONFERENCE

For nearly a decade, the Global Alumni Conference has been an important tradition and international forum for the NYU Stern community. Based on the most recent overwhelming success of New York 2008: Alumni Business Conference and Florence 2007: Global Alumni Conference, we are pleased to announce Barcelona 2009: Global Alumni Conference.

NYU Stern alumni, faculty, and administrators will gather in Barcelona from June 11 to 13, 2009, to engage in a multifaceted discourse on timely geopolitical and economic themes affecting the business world now and in the future. NYU Stern's conference will provide a forum for business leaders, policy makers, and eminent scholars to openly discuss the role of business in the global community against the backdrop of our Mediterranean host city.

Visit the Conference website at [www.stern.nyu.edu/barcelona2009](http://www.stern.nyu.edu/barcelona2009) for full details.