NYU STERN’S GLUCKSMAN INSTITUTE REWARDS FACULTY FOR BEST RESEARCH PAPERS IN FINANCE

—Prizes Recognize and Promote Excellence in Financial Research —

NEW YORK, NY — NYU Stern School of Business’s Glucksman Institute, one of Stern’s research centers providing grants to support faculty and student research on financial instruments and markets, recently awarded its annual research prizes to four Stern professors. These awards, designed to recognize and promote excellence in financial research, are given to the best research papers that have been submitted to an academic journal.

This year’s first place prize was awarded to Professors Heitor Almeida and Daniel Wolfenzon for their paper entitled, “A Theory of Family Business Groups and Pyramidal Ownership.” The study provides a rationale for the control of a firm through a chain of ownership relations (pyramidal ownership) that departs from the more traditional separation of ownership and control.

NYU Stern Professor Jeffrey Wurgler and a colleague received the second place prize for their paper entitled, “Investor Sentiment and the Cross-Section of Stock Returns.” According to their research, when investor confidence is low, subsequent returns are relatively high on smaller stocks, high-volatility stocks, unprofitable stocks, non-dividend-paying stocks, extreme-growth stocks and distressed stocks. When confidence is high, subsequent returns are lower.
Professor Laura Veldkamp was given honorable mention for her paper entitled “Media Frenzies in Markets for Financial Information.” Her research results show that when the volatility of the asset market increases, news coverage also increases, resulting in higher asset prices and higher cross-market price dispersion.

This year the winning papers were selected by William Silber, Marcus Nadler Professor of Finance and Economics and Director of NYU Stern’s Glucksman Institute; Anthony Saunders, John M. Schiff Professor of Finance and Economics and chairman of the Finance Department; and Robert Whitelaw, professor of finance. “We received numerous entries from Stern professors on innovative and relevant research topics,” said Professor William Silber. “We congratulate our fellow faculty members for working on projects that deal with important issues in the world of finance while upholding the highest standards of scholarship.”

About NYU Stern

New York University Stern School of Business, located in the heart of Greenwich Village, is one of the nation’s premier management education schools and research centers. NYU Stern offers a broad portfolio of academic programs at the graduate and undergraduate levels, all of them informed and enriched by the dynamism, energy and deep resources of the world’s business capital.