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About a Career in Academia

What is a professor’s job like? What type of person tends to do well in this career, and what type of person doesn’t do well? What are the advantages and disadvantages of this career?

OK, here is a short, and probably somewhat parochial or biased, response to this very important question.

Being a professor is a pretty good job, but being a business school professor is much better than being a professor in another discipline.

Let’s start with some good news: finance professors are pretty well paid. Starting 12-month salaries for our recent University of Florida graduates have been in the range of $150,000 to $230,000, which is 2 to 4 times as much as assistant professors get paid in disciplines outside of business schools, with the exception of medical schools.

A successful academic must be good at a lot of different things: original thinking, writing, public speaking, math, and programming. It also helps to be good at politics, though that isn't as critical as it is in many other jobs. You'll need to be able to connect ideas on your own; to think on your own. If you feel uncomfortable without lots of external directions, then being an academic is probably not a good idea. You also need to be a naturally intellectually curious person. You need to be smart, and a bit of a “nerd”. If you haven’t been getting very high grades, you will probably not be successful in your coursework. You will be competing against a lot of smart, hard-working people.

There is a lot of pressure on you until you get tenure--5 years of being a Ph.D. student, followed by 5 or 6 more years as an assistant professor. So that's 10 or 11 years of high pressure, 60-hour workweeks. Of course, every week isn't 60 hours, but some are 80 hours. Research projects take a long time (between 2 and 5 years), and then can fall apart at any time (the results change when you do something slightly differently, or someone else publishes your idea first). Teaching takes time and effort, but there is little obvious external reward for doing a good job (although there are substantial penalties for doing a bad job). A successful research career involves at least some luck, especially at the beginning. If your first few papers get published quickly, that's great. But the acceptance rate is only around 10% at the top journals, so for every 10 papers you submit, only one will get published. Those are tough odds.\(^1\)

To a great extent, you’re in business for yourself and nobody tells you how much to work each day. There are short term duties (teaching) and long-term goals (published papers). If you let short term success override your long-term efforts, you won't make it. Procrastination is deadly. You also cannot be a perfectionist. Nobody ever tells you when to stop working on a paper and send it in to a journal. If you are a perfectionist, you won't be able to recognize when a paper is good enough to get published. This is very bad. You'll need to be a hard worker, but also a smart worker. You need to be able to figure out where to put your effort so that you can publish enough to get tenure and promotion.

\(^1\) These are unconditional probabilities. Over the last fifteen years, a much higher fraction of University of Florida graduates have published one or more dissertation papers in the top journals.
Advantages of the career: you meet some really smart and interesting people, you get to choose who you work with (co-authors), you basically are your own boss, and you have a pretty flexible schedule so you can work when you want (it can be a good job for having a family).

Disadvantages: (1) with the skill set you have, you could make a lot more money on Wall Street or in consulting--in other words, you will not get rich from your academic salary alone; (2) doing top quality research is hard--there is not a formula for how to do it, and luck is an important component; (3) you spend a lot of your teaching time thinking about and dealing with the worst 10% of your students; (4) thinking up an idea is pretty fun, but executing the idea can be excruciating--working on a paper that has been rejected four times and has been around for four years is not fun at all; and (5) your papers will sometimes get rejected either for wrong or really stupid reasons--that's frustrating.

Even if you are not planning on a career teaching in a business school, it may be a good place to start. Consulting firms, money management firms (including hedge funds), investment banks, and government agencies all are willing to pay more for people who are experienced. They have found that people who are good teachers are usually good at making client presentations, and that people who do successful academic research also tend to be good at coming up with strategies for making money or writing good consulting reports.