BRUCE JACOBS:

Thank you, Chris and Craig.

In 2014, the Jacobs Levy Center established the Research Paper Prizes. They recognize outstanding scholarship in quantitative financial research by members of the Wharton faculty and their co-authors. Award winners for three Outstanding Papers and one Best Paper are selected from recent submissions to the Center’s working papers series. A $5,000 prize is awarded to each Outstanding Paper, and the Best Paper honor comes with a $10,000 award.

The award winners in previous years have set a very high standard and this year’s honorees are no exception.

Ken will fill us in on the details.

KEN LEVY:

After I have announced all of the 2023 prize winners, we will invite the recipients to step forward and receive their awards.

An Outstanding Paper prize goes to Qianqian Li of Stanford, Edward Watts of Yale, and Christina Zhu of Wharton for “Retail Investors and ESG News.” Their paper finds that retail investors pay attention to news about ESG events and trade on that information primarily when they see it as material to a company’s financial performance.

Another Outstanding Paper prize goes to Lubos Pastor of the University of Chicago, and Rob Stambaugh and Luke Taylor, both of Wharton, for “Green Tilts,” in which they apply a new methodology for measuring ESG investment and find that the total is well below what is commonly reported, even as large institutions are tilting increasingly toward green stocks.

Our next Outstanding Paper prize is awarded to Daniel Garrett of Wharton and Ivan Ivanov of the Federal Reserve Bank of Chicago for “Gas, Guns, and Governments: Financial Costs of Anti-
ESG Policies.” Their paper documents how the state of Texas, in prohibiting municipalities from hiring municipal bond underwriters that support certain ESG policies, could give rise to a substantial cost to the state’s taxpayers.

And it gives us great pleasure to announce the prize for Best Paper is awarded to Ricardo De la O of the University of Southern California, Xiao Han of City University of London, and Sean Myers of Wharton for “The Return of Return Dominance: Decomposing the Cross-Section of Prices.” The authors find that high price-to-earnings stocks are largely characterized by lower future returns rather than by higher future earnings growth, and that mispricing is a more likely explanation than is risk.

We now invite the authors of the winning papers who are here today to join us to accept their awards. Congratulations!