

JOHN E. CORE

Ira A. Lipman Professor of Accounting
The Wharton School
The University of Pennsylvania
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EMPLOYMENT

The Wharton School of the University of Pennsylvania
Ira A. Lipman Professor of Accounting, 2008 to present
Professor of Accounting, 2007 - 2008
Associate Professor of Accounting, 2002 - 2007
Assistant Professor of Accounting, 1996 - 2002

Philabundance (\$32 million Philadelphia food rescue operation and food bank)
Vice Chair and Chair of Human Resources Committee, 2008 to present;
Director, 2007 to present

MIT Sloan School
Assistant Professor of Management, 1995 – 1996

Ernst & Young Actuarial, Benefits, and Compensation Practice,
Senior Manager, 1987 - 1991

PaineWebber Capital Markets (investment banking and corporate finance)
Financial Analyst, 1983 - 1987

EDUCATION

The Wharton School, The University of Pennsylvania
Ph.D., 1995

Yale University
B.A., *summa cum laude*, Phi Beta Kappa, 1983

ACADEMIC PUBLICATIONS¹

Articles published in refereed journals

1. On the Corporate Demand for Directors' and Officers' Insurance

¹ For all of the journals in which I have published, it is the custom to list authors' names in alphabetical order.

- Core, J. *The Journal of Risk and Insurance* 64 (1997): 63-87.
2. Corporate Governance, CEO Compensation, and Firm Performance
Core, J., Holthausen, R. and D. Larcker, *Journal of Financial Economics* 51 (1999): 371-406. *JFE* All Star Paper.
 3. The Effect of Accounting-based Covenants on Equity Valuation
Core, J. and C. Schrand, *Journal of Accounting and Economics* 27 (1999): 1-34.
 4. The Use of Equity Grants to Manage Optimal Equity Incentive Levels
Core, J. and W. Guay, *Journal of Accounting and Economics* 28 (1999): 151-184.
 5. The Directors' and Officers' Insurance Premium: An Outside Assessment of the Effectiveness of Corporate Governance
Core, J., *Journal of Law, Economics, and Organization* 16 (Fall, 2000): 449-477.
 6. Stock Option Plans for Non-Executive Employees
Core, J. and W. Guay, *Journal of Financial Economics* 61 (2001): 253-287. *JFE* All Star Paper.
 7. Performance Consequences of Mandatory Increases in Executive Stock Ownership
Core, J. and D. Larcker, *Journal of Financial Economics* 64 (2002): 317-340.
 8. Estimating the Value of Employee Stock Option Portfolios and Their Sensitivities to Price and Volatility
Core, J. and W. Guay, *Journal of Accounting Research* 40 (2002): 613-630.
 9. The Economic Dilution of Employee Stock Options: Diluted EPS for Valuation and Financial Reporting
J. Core, W. Guay, and S.P. Kothari, *The Accounting Review* 77 (2002): 627-652.
 10. Market Valuations in the New Economy: An Investigation of What Has Changed
Core, J., Guay, W. and A. Van Buskirk, *Journal of Accounting & Economics* 34 (2003): 43-67.
 11. Price vs. Non-Price Performance Measures in Optimal CEO Compensation Contracts
J. Core, W. Guay, and R. Verrecchia, *The Accounting Review* 78 (2003): 957-981.
 12. Does Weak Governance Cause Weak Stock Returns? An Examination of Firm Operating Performance and Investors' Expectations
J. Core, W. Guay and T. Rusticus, *The Journal of Finance* 61 (2006): 655-687.
 13. Stock Market Anomalies: What Can We Learn from Repurchases and Insider Trading?
J. Core, W. Guay, S. Richardson, and R. Verdi, *Review of Accounting Studies* 11 (2006): 49-70.

14. Agency Problems of Excess Endowments in Not-for-profit Firms
J. Core, W. Guay, and R. Verdi, *Journal of Accounting and Economics* 41 (2006): 307-333.
15. The Power of the Pen and Executive Compensation
J. Core, W. Guay, and D. Larcker, *Journal of Financial Economics* 88 (2008) 1-25.
16. Is Accruals Quality a Priced Risk Factor?
J. Core, W. Guay, and R. Verdi *Journal of Accounting and Economics* 46 (2008): 2-22.

Invited papers

17. A Review of the Empirical Disclosure Literature: Discussion
Core, J., *Journal of Accounting & Economics* 31 (2001): 441-456.
18. Discussion: Using Fundamental Analysis to Assess Earnings Quality: Evidence from the Center for Financial Research and Analysis
Core, J., *Journal of Accounting, Auditing & Finance* 16 (2001): 297-299.
19. Discussion: Evidence on the Management of Earnings Components
Core, J., *Journal of Accounting, Auditing & Finance* 16 (2001): 324-330.
20. Discussion of The Roles of Performance Measures and Monitoring in Annual Governance Decisions in Entrepreneurial Firms
Core, J., *Journal of Accounting Research* 40 (2002): 519-527.
21. Executive Equity Compensation and Incentives: A Survey
Core, J., W. Guay, and D. Larcker, *Economic Policy Review - Federal Reserve Bank of New York* 9 (2003): 27-50.
22. Is U.S. CEO Compensation Broken?
Core, J., W. Guay, and R. Thomas, *Journal of Applied Corporate Finance* 17 (2005): 97-104.
23. Discussion of An Analysis of the Theories and Explanations Offered for the Mis-pricing of Accruals and Accruals Components
Core, J., *Journal of Accounting Research* 44 (2006): 341-350.

Other articles

24. Is U.S. CEO Compensation Inefficient Pay without Performance? A review of *Pay without Performance: The Unfulfilled Promise of Executive Compensation* by Lucian Bebchuk and Jesse Fried.
Core, J., Guay, W. and R. Thomas, *Michigan Law Review* 103 (2005): 1142-1185.

25. Equity Incentives
J. Core, W. Guay and D. Larcker, in *Top Pay and Performance: International and Strategic Approach*, edited by Shaun Tyson and Frank Bournois (2005), Oxford: Elsevier Butterworth-Heinemann.

WORKING PAPERS

26. Project Selection, Production, Uncertainty, and Incentives
J. Core and J. Qian
27. The Other Side of the Trade-Off: The Impact of Risk on Executive Compensation, A Revised Comment
J. Core and W. Guay
28. When Does Market Value Appropriately Measure Executive Compensation and Incentives?
J. Core and W. Guay
29. The Role of the Business Press as an Information Intermediary
B. Bushee, J. Core, W. Guay, and J. Wee
30. Can differences in US and UK CEO pay be explained by differences in equity incentives?
M. Conyon, J. Core, and W. Guay
31. An Economic and Ethical Approach to Endowing Charity
J. Core and T. Donaldson
32. The Ethics of Charity Quid pro Quos
J. Core and T. Donaldson
33. Are firms under-leveraged? Evidence from improved estimates of marginal tax rates
J. Blouin, J. Core, and W. Guay
34. Asset Pricing in Imperfect Markets
C. Armstrong, J. Core, D. Taylor, R. Verrecchia

Research in Progress

35. A general tool for machine-coding business text
J. Core, F. Li

PROFESSIONAL PUBLICATIONS

36. Compensation Plans Mystify Some: Executive Pay Can Affect Share Value
Core, J., *Pensions & Investments* 18 (April 16, 1990): 29-30.
37. Executive Compensation: Looking to the 1990s
Overton, B. and J. Core, *Pension World* 26 (May 1990): 10-12.
38. The Best Advice on Investing I Know
J. Core, section in book titled, *The Best Investment Advice I Ever Received*, by Liz Claman, to be published by Warner Books.
39. Discussion of Capital Structure and Risk Management
Forum on Higher Education Finance 2008

INVITED CONFERENCE PRESENTATIONS

The Directors' and Officers' Insurance Premium: An Outside Assessment of the Effectiveness of Corporate Governance
Conference on Financial Economics and Accounting, 1996; 1999 Risk Theory Seminar.

Corporate Governance, CEO Compensation, and Firm Performance
New York University Conference on Executive Compensation and Shareholder Value, 1997.

The Use of Equity Grants to Manage Optimal Equity Incentive Levels
1999 American Accounting Association meetings; AAA-BAA 2000 Globalization conference; 2000 American Finance Association meetings.

Estimating the Value of Stock Option Portfolios and Their Sensitivities to Price and Volatility
1999 American Accounting Association meetings; 1999 Management Accounting Conference.

Are Performance Measures Other than Price Important to CEO Incentives?
2000 European Finance Association meetings; 2000 American Accounting Association meetings.

The Economic Dilution of Employee Stock Options: Diluted EPS for Valuation and Financial Reporting
2000 European Finance Association meetings; 2000 American Accounting Association meetings.

Stock Option Plans for Non-Executive Employees
2000 European Finance meetings; 2000 American Accounting Association meetings.

Market Valuations in the New Economy: An Investigation of What Has Changed
2001 *Journal of Accounting & Economics* conference; 2001 European Finance Association meetings.

Option-like Contracts for Project Selection and Production
2001 Management Accounting Conference.

When contracts require risk-averse executives to hold equity: Implications for option valuation and relative performance evaluation
2001 European Finance Association meetings; 2001 Stanford Summer Camp;
2001 American Accounting Association meetings; 2002 Management Accounting Conference.

Do Managers Use the Information in Anomalies to Make Repurchase and Insider Trading Decisions?
2004 European Accounting Association Annual Congress.

Does Weak Governance Cause Weak Stock Returns? An Examination of Firm Operating Performance and Investors' Expectations
2004 National Bureau of Economic Research Corporate Governance section; 2004 American Accounting Association meetings; 2005 Maryland Finance Symposium.

Agency Problems of Excess Endowments in Not-for-profit Firms
2004 Federal Reserve Bank of New York Not-for-profit Conference; 2005 American Accounting Association meetings.

How High Is US CEO Pay? A Comparison with UK CEO Pay
2005 National Bureau of Economic Research Corporate Governance section; 2005 NYU Summer Camp; 2006 Utah Winter Conference; 2006 American Accounting Association meetings.

An Economic and Ethical Approach to Endowing Charity
2006 Stanford Summer Camp.

The Role of the Business Press as an Information Intermediary
2006 American Accounting Association meetings.

Are firms under-leveraged? Evidence from improved estimates of marginal tax rates
2008 University of North Carolina Tax Conference
2008 Financial Research Association conference

INVITED CONFERENCE DISCUSSIONS

1997 American Accounting Association Annual Meeting
1997 Management Accounting Conference
1998 Western Finance Association Annual Meeting

1999 Management Accounting Conference
2000 Management Accounting Conference
2000 *Journal of Accounting & Economics* Conference
2000 *Journal of Accounting, Auditing, & Finance* Conference
2001 American Accounting Association Annual Meeting
2002 Vanderbilt Law School Conference on Contemporary Issues in Corporate Law
2002 Columbia Law School Conference on Corporate Law and Governance
2002 American Accounting Association Annual Meeting
2003 Western Finance Association Annual Meeting
2003 American Accounting Association Annual Meeting
2003 University of Pennsylvania Law School Institute for Law and Economics Corporate
Finance Roundtable
2004 Vanderbilt Law School Conference on Executive Compensation
2004 Federal Reserve Bank of New York Not-for-profit Conference
2005 University of North Carolina Tax Conference
2006 National Bureau of Economic Research Corporate Governance section
2007 University of Delaware Backdating Conference
2007 Forum for the Future of Higher Education
2008 National Bureau of Economic Research Corporate Law and Investor Protection
section
2008 University of Pennsylvania Law School Institute for Law and Economics Corporate
Finance Roundtable

OTHER INVITED CONFERENCE PRESENTATIONS

An Overview of Latent Variables Methods
Presented at the American Taxation Association Mid-Year Meeting, 1998.

Corporate Governance, CEO Pay, and Accounting Information
Invited presentation and panel discussion at the AAA-BAA 2000 Globalization
conference.

Empirical Research in Managerial Accounting
Presented at the 2002 Management Accounting Doctoral Consortium.

Does U.S. CEO Pay Need to be Fixed?
Invited presentation and panel discussion at the 2003 National Forum on Corporate
Finance

Panel discussion at the 2006 Emory Accounting Foundations Conference.

New SEC Requirements Describe Pay, not Incentives
Invited presentation and panel discussion at the 2006 Stanford Rock Center
Conference on New SEC Pay Disclosure Requirements.

OTHER INVITED CONFERENCE PARTICIPATION

Journal of Accounting & Economics Conference 1995, 1998, 2000, 2001, 2002, 2004- 2008

Journal of Accounting Research Conference 2000-2008

Stanford Summer Camp 2001, 2006

National Bureau of Economic Research Corporate Governance section (2004-2007); Corporate Law and Investor Protection (2008), Corporate Finance section (2005-2008); Taxation section (2006)

Duke/UNC Fall Conference 2006

Session Chair, Corporate Contracts/Corporate Governance, 2006 Conference on Financial Economics and Accounting

INVITED SEMINAR PRESENTATIONS

- 1996 Columbia University
- 1997 University of Chicago, Temple University
- 1998 University of Georgia, University of Rochester
- 1999 Duke University, Michigan State University, George Washington University, MIT Sloan School, University of Michigan, University of Wisconsin
- 2000 University of Oklahoma, Baruch College, Columbia University, Northwestern University, Penn State University
- 2001 Berkeley Accounting Research Talks, New York University, University of Montreal, Spring, University of North Carolina, University of Texas at Dallas Compensation Conference, Stanford Summer Camp, University of Bristol (U.K.)
- 2003 Vanderbilt Law School, Georgia State University, University of Waterloo, University of Washington, Columbia University, Yale University
- 2004 University of Oregon, Washington University, Emory University
- 2005 University of Rochester, University of Pittsburgh, Stanford University
- 2006 University of Toronto, University of Michigan, Penn State University
- 2007 University of Wisconsin, MIT Sloan School, University of Chicago, Georgia State University

2008 University of California, Los Angeles, Harvard University, Cornell University

PROFESSIONAL SERVICE

Editor *The Accounting Review* (June 2005 to June 2008)

Co-editor: 2004 *Journal of Management Accounting Research* Forum on Equity Incentives

Associate editor: *Journal of Accounting & Economics*

Editorial board: *Journal of Accounting Research*
Journal of Management Accounting Research (2002 to 2006)

Ad hoc reviewer: *The Accounting Review, American Accounting Association Conference, American Economic Review, Contemporary Accounting Research, The Economic Journal, Economic Review, Financial Management, German Economic Review, Journal of Accounting, Auditing & Finance, Journal of Banking & Finance, Journal of Business, Journal of Finance, Journal of Financial & Quantitative Analysis, Journal of Financial Economics, Journal of Financial Intermediation, Journal of Financial Research, Journal of Law, Economics, and Organization, Journal of Political Economy, Journal of Financial Research, Journal of Risk & Insurance, Management Accounting Conference, Management Science, MIT Press, National Science Foundation, Review of Accounting Studies, Review of Financial Studies*

American Accounting Association
Practice Advisory Committee, 2000-2001

Committee to select *Journal of Management Accounting Research* editor,
2006

UNIVERSITY SERVICE

Dissertation committee chair, Jeffrey Ng, accounting department
(placement: MIT Sloan).

Dissertation committee chair, Tjomme Rusticus, accounting department
(placement: Northwestern).

Dissertation committee member, Rodrigo Verdi, accounting department
(placement: MIT Sloan).

Dissertation committee member, Lerong He, management department
(placement: University of Niagara).

Dissertation committee chair, Andrew Van Buskirk, accounting department
(placement: University of Chicago).
Dissertation committee member, Rudiger Fahlenbrach, finance department
(placement: Ohio State University).
Dissertation committee chair, Gus DeFranco, accounting department (placement:
University of Toronto).
Dissertation committee member, Farshad Mashayekhi, finance department
(placement: industry).
Dissertation committee member, Mina Pizzini, accounting department (placement:
University of Texas at Dallas).
Dissertation committee member, Xiaoting Zhu, finance department (placement:
industry).
Dissertation committee member, David Hess, management department (placement:
University of Michigan).
Dissertation committee member, Jun Qian, economics department (placement:
Boston College).
Dissertation committee member, Eitan Goldman, finance department (placement:
University of North Carolina).

Summer paper advisor, Jeffrey Ng, accounting department, 2005.
Summer paper advisor, Jeffrey Ng, accounting department, 2004.
Summer paper advisor, Rodrigo Verdi, accounting department, 2004.
Summer paper advisor, Zili Zhuang, accounting department, 2004.
Summer paper advisor, Rodrigo Verdi, accounting department, 2003.
Summer paper advisor, Tjomme Rusticus, accounting department, 2002.
Summer paper advisor, Gus De Franco, accounting department, 2000.
Summer paper advisor, Andrew Van Buskirk, accounting department, 2000.

Accounting Department Recruiting Coordinator, 2005-
Accounting Workshop Coordinator, 2001-2005
Undergraduate Accounting Advisor, 1999-2005
Accounting Department Computing Committee, 2000-2003.

Accounting Department Quinquennial Review committee, 2005-2006.
Real Estate Department Quinquennial Review committee, 2002-2003.
Wharton Undergraduate Core Curriculum committee, 2003 – 2004.
Wharton Undergraduate Executive committee, 1999-2001.
Wharton Undergraduate Curriculum committee, 1998-1999; 2004-2005.
Committee for Dean's Award for Academic Excellence, 1999, 2000.
Discussion leader, Penn Reading Program, 1997-2008.
Moderator, Panel on Stock Options, 2002 Wharton MBA Finance Conference.
Moderator, 2003 Wharton MBA Consumer Finance / Retail Banking Industry Speak
Panel.
Speaker, “Does US CEO Pay Need to be Fixed?” 2004 Wharton Undergraduate
Consulting Club.

Institute for Law and Economics, Associate Faculty, 2004-

HONORS

David Hauck Award for Excellence in Teaching (Undergraduate Division) 2005.

Financial Executive Research Foundation, Inc. selection as the *Accounting Review* article of the year 2002: “The Economic Dilution of Employee Stock Options: Diluted EPS for Valuation and Financial Reporting.”

Second prize at the 2001 Journal of Accounting and Economics Conference for the paper “Market Valuations in the New Economy: An Investigation of What Has Changed”

Benjamin Meaker Visiting Scholar at Bristol University (U.K.), October 2001.

Selected participant, 2001 World-at-Work Compensation Camp

Selected for membership, Risk Theory Society, 1999

Wharton International Committee research grant, 1998-1999

Selected participant, American Accounting Association New Faculty Consortium, 1996

Ernst & Young Doctoral Fellowship, 1994-1995

Selected participant, American Accounting Association Doctoral Consortium, 1993

Phi Beta Kappa, 1983