

JOHN E. CORE

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EDUCATION

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

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

EMPLOYMENT

The Wharton School of the University of Pennsylvania
Associate Professor of Accounting, 2002 - present
Assistant Professor of Accounting, 1996 - 2002

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

ACADEMIC PUBLICATIONS¹

Articles published in refereed journals

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

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

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.
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.

Invited papers

15. A Review of the Empirical Disclosure Literature: Discussion
Core, J., *Journal of Accounting & Economics* 31 (2001): 441-456.
16. 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.
17. Discussion: Evidence on the Management of Earnings Components
Core, J., *Journal of Accounting, Auditing & Finance* 16 (2001): 324-330.
18. 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.
19. 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.
20. Is U.S. CEO Compensation Broken?
Core, J., W. Guay, and R. Thomas, *Journal of Applied Corporate Finance* 17 (2005): 97-104.
21. 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

22. 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.
23. 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

24. The Power of the Pen and Executive Compensation
J. Core, W. Guay, and D. Larcker
25. Is Accruals Quality a Priced Risk Factor?
J. Core, W. Guay, and M. Conyon

26. How High Is US CEO Pay? A Comparison with UK CEO Pay
J. Core, W. Guay, and M. Conyon
27. An Economic and Ethical Approach to Endowing Charity
J. Core and T. Donaldson
28. The Role of the Business Press as an Information Intermediary
B. Bushee, J. Core, W. Guay, and J. Wee
29. The Other Side of the Trade-Off: The Impact of Risk on Executive Compensation, A Revised Comment
J. Core and W. Guay
30. Project Selection, Production, Uncertainty, and Incentives
J. Core and J. Qian
31. When Does Market Value Appropriately Measure Executive Compensation and Incentives?
J. Core and W. Guay

Research in Progress

32. Stock Options, Growth Opportunities, Tax Policy, and Debt Policy
J. Blouin, J. Core, and W. Guay
33. Using Natural Language Processors to Quantify Non-Numeric Disclosure
J. Core, D. Larcker and M. McNichols

PROFESSIONAL PUBLICATIONS

34. Compensation Plans Mystify Some: Executive Pay Can Affect Share Value
Core, J., *Pensions & Investments* 18 (April 16, 1990): 29-30.
35. Executive Compensation: Looking to the 1990s
Overton, B. and J. Core, *Pension World* 26 (May 1990): 10-12.
36. 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.

INVITED CONFERENCE PRESENTATIONS

The Directors' and Officers' Insurance Premium: An Outside Assessment of the Effectiveness of Corporate Governance

Presented at the Conference on Financial Economics and Accounting, 1996.
Presented at the 1999 Risk Theory Seminar.

Corporate Governance, CEO Compensation, and Firm Performance

Presented at the New York University Conference on Executive Compensation and Shareholder Value, 1997.

The Use of Equity Grants to Manage Optimal Equity Incentive Levels

Presented at the 1999 American Accounting Association meetings.
Presented at the AAA-BAA 2000 Globalization conference.
Presented at the 2000 American Finance Association meetings.

Estimating the Value of Stock Option Portfolios and Their Sensitivities to Price and Volatility

Presented at the 1999 American Accounting Association meetings.
Presented at the 1999 Management Accounting Conference.

Are Performance Measures Other than Price Important to CEO Incentives?

Presented at the 2000 European Finance Association meetings.
Presented at the 2000 American Accounting Association meetings.

The Economic Dilution of Employee Stock Options: Diluted EPS for Valuation and Financial Reporting

Presented at the 2000 European Finance Association meetings.
Presented at the 2000 American Accounting Association meetings.

Stock Option Plans for Non-Executive Employees

Presented at the 2000 European Finance meetings.
Presented at the 2000 American Accounting Association meetings.

Market Valuations in the New Economy: An Investigation of What Has Changed

Presented at the 2001 *Journal of Accounting & Economics* conference.
Presented at 2001 European Finance Association meetings.

Option-like Contracts for Project Selection and Production

Presented at the 2001 Management Accounting Conference.

When contracts require risk-averse executives to hold equity: Implications for option valuation and relative performance evaluation

Presented at the 2001 European Finance Association meetings.
Presented at the 2001 American Accounting Association meetings.
Presented at the 2002 Management Accounting Conference.

Do Managers Use the Information in Anomalies to Make Repurchase and Insider Trading Decisions?

Presented at the 2004 European Accounting Association Annual Congress.

Does Weak Governance Cause Weak Stock Returns? An Examination of Firm Operating Performance and Investors' Expectations

Presented at the 2004 National Bureau of Economic Research Corporate Governance section.

Presented at the 2004 American Accounting Association meetings.

Presented at the 2005 Maryland Finance Symposium.

Agency Problems of Excess Endowments in Not-for-profit Firms

Presented at the 2004 Federal Reserve Bank of New York Not-for-profit Conference

Presented at the 2005 American Accounting Association meetings.

How High Is US CEO Pay? A Comparison with UK CEO Pay

Presented at the 2005 National Bureau of Economic Research Corporate Governance section.

Presented at the 2005 NYU Summer Camp.

Presented at the 2006 Utah Winter Conference.

Presented at the 2006 American Accounting Association meetings.

An Economic and Ethical Approach to Endowing Charity

Presented at the 2006 Stanford Summer Camp.

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

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, 2005, 2006

Journal of Accounting Research Conference 2000-2006

National Bureau of Economic Research Corporate Governance section 2004-2006

Duke/UNC Fall Conference 2006

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

INVITED SEMINAR PRESENTATIONS

Columbia University, Fall 1996

University of Chicago, Fall 1997

Temple University, Fall 1997

University of Georgia, Fall 1998

University of Rochester, Fall 1998

Duke University, Spring 1999

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

PROFESSIONAL SERVICE

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

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

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 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 (still in school).
- 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, Ruediger 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, 1997-2005.

Moderator, Panel on Stock Options, 2002 Wharton MBA Finance Conference.

Moderator, 2003 Wharton MBA Consumer Finance / Retail Banking IndustrySpeak 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