



MiQEF, MIT, Columbia University



Xavier GIROUD

How does MiQEF connect to New York University, MIT and Columbia University? Xavier Giroud knows. He is a MiQEF graduate of 2005. Following a subsequent PhD at New York University, he joined MIT as a Ford International Career Development Professor of Finance in 2011 and, since 2017, is the Roger F. Murray Associate Professor in Finance at Columbia University. How can finance help firms grow larger and create more value and more jobs? What are the advantages of economics for a career in finance? What is his most vivid memory of studying MiQEF in St.Gallen?

Your research and teaching is much about corporate finance and corporate governance. How can finance help firms to grow larger and create more jobs?

The purpose of corporate finance is to make sure that promising projects – i.e., projects with positive net present value (NPV) – are funded. As such, it is not just about growing firms; it is about growing firms “the right way.” Having proper governance structures in place is crucial as well to ensure that financial resources are channeled towards the right projects.

Where do you see the field of finance going in the next decade? What are the financial problems that require more research? What are the hot topics for ambitious Master and PhD students?

The financial crisis and the subsequent Great Recession of 2007-2009 have reinforced the need for more finance research. Ultimately, a lot of people lost their jobs because “finance” got out of hand. We clearly need to better understand the financial system, and provide guidance to policymakers based on rigorous academic research. Two other hot topics are FinTech and Sustainable Finance. In particular, with the fast growth of the FinTech industry, more research is needed to understand this phenomenon.



How is a strong training in economics useful for research in finance, and for a career in banks, private sector firms and financial policy institutions?

A strong training in economics is essential. A career in corporate finance requires rigorous training in microeconomics. Similarly, a career in banking and/or financial policy institutions requires sound foundations in macroeconomics. For example, it is hard to think about financial stability without the proper macroeconomic training.

What should be the priorities of a good Master and PhD program in economics and finance? What do typical curricula miss and where should they be modified?

First, a good program needs to successfully convey the “big picture” of economics and finance. Second, the program needs to offer the necessary tools (e.g., econometrics) that allow practitioners and academics to apply this knowledge. The challenge is to strike the right balance between the two.

What are your most vivid experiences and memories of your MiQEF studies in St. Gallen? Did you feel well prepared for your PhD study at New York University?

I have excellent memories of my time in the MiQEF. I was part of the very first MiQEF cohort (the MiQEF started in 2003; back then, the university was transitioning from the lic. oec. HSG into the BA/MA model). There is always some uncertainty in taking a program that is offered for the first time. Yet, I remember that after seeing the curriculum – which had a well balanced mix of economics, finance, and econometrics – I was immediately convinced. In hindsight, I honestly cannot think of a better preparation for a PhD program. The MiQEF had it all... and I would pursue it again!

For more information, please visit www.columbia.edu/~xg2285/ or write to xavier.giroud@gsb.columbia.edu.