Writing

2017 AFA PhD Panel

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Motivation

- ## We write for a living but

  - Rarely taught how to write,

  - Relatively little effort invested in writing

  - Writing well is difficult

- ## Big challenge in review process is communication

  - Reviewers complain about exposition

  - Authors complain about referees (and editors)

  - Problem often with writing

Outline & Goals

- Provide some general principles to consider when writing

  - Based on my experiences

- Goals:

  1. Get you to recognize importance of writing

     - Invest in this skill, and devote more time to it in research

  2. Provide different perspective on feedback

     - Problems often rest in authors' inability to clearly communicate

Five Questions Your Paper Should Answer Clearly and Concisely

1. What *Economic* question are you asking?

- Good examples are explicit

    - "How do firms choose debt levels, and why do firms or even whole industries sometimes change how much debt they have?" (Shleifer and Vishny, 1992)

    - "Do Firms Rebalance Their Capital Structures?" (Leary and Roberts, 2005)

- or obvious

    - "Our goal in this analysis is to empirically examine the competing explanations for the subprime mortgage expansion and the subsequent default crisis." (Mian and Sufi, 2009)

    - "…we study how the government should optimally determine the maturity structure of its debt." (Greenwood, Hanson, and Stein, 2015)

2. Why is the question important?

- ## Sometimes immediately apparent

  - Price formation process is central understanding financial markets and economic outcomes including (e.g., consumption, investment)

  - Financial policy is an important consideration for all firms and has significant implications for the real economy.

- ## Sometimes requires explicit motivation

  - "The sharp rise in U.S. mortgage default rates has led to the most severe financial crisis since the Great Depression. A salient feature of the mortgage default crisis is that it is concentrated in subprime ZIP codes throughout the entire country." (Mian and Sufi, 2009)

  - If you can't motivate *quickly* and *clearly*, there's a problem

3. What are your primary findings & results?

- Highlight your *key* finding(s)

  - "I find that bank-dependent firms borrow from well capitalized banks, while firms with access to the bond market borrow from banks with less capital." (Schwert 2016)

  - "After solving for the contract as an optimal mechanism, we demonstrate that it can be implemented by a combination of equity, long- term debt, and a line of credit." (DeMarzo and Fishman, 2007)

  - "Risky assets represent 40% of firms' financial portfolios, or 6% of total book assets." (Duchin et al, 2016)

4. What is your answer to the question?

- I.e., What is the economic message of your paper?

  - "Our findings suggest that existing securitization practices did adversely affect the screening incentives of lenders" (Keys et al., 2010)

- Not the same thing as your findings

  - "The portfolio that is more likely to be securitized defaults by around 10-25% more than a similar risk profile group with a lower probability of securitization." (Keys et al., 2010)

  - *Interpret* your findings.

    - What do they imply for our understanding of economics?

    - Do they confirm (challenge) theory? Previous findings/inferences?

5. What is new? (What do we learn?)

- Whatever is new better lead to an improvement in our economic understanding

  - Repeating studies on different datasets

  - Better identification strategies

  - Different results

- Literature review

  - Don't summarize other papers

  - Highlight differences and relative contribution

  - Existing work is for context and motivation

  - Don't hide or underplay references!

Questions 1. through 5.

- These questions are difficult to answer

  - Struggling to answer is ok

- Introduction should answer these questions clearly and concisely

  - Abstract should come close – definitely 3 & 4

- Some more targeted suggestions…

More Specific Suggestions

Read and write

- Read papers with an eye on exposition – structure and style

- Read outside of your area

  - Empirical corporate – labor, development

  - Structural – I/O

- Write and rewrite a lot

Write as you speak (sort of)

- Think how you would explain your point to someone sitting across from you

    - Distill explanation to its essence,

    - Correct grammar and punctuation,

    - Write it

- If you can't explain clearly, you're either wrong or don't understand well enough

    - Understand first, write second

Do not assume

- ## We assume too much of our readers

  - ### Difficult to replicate most papers not because of errors but because of incomplete descriptions

    - #### Body vs. appendix

- ## Err on the side of inclusion

  - ### Avoid repetition

  - ### Learn from experience

More scientific, less cavalier

- Aim for precision and unbiasedness in your writing

  - Loose, casual statements and opinion are inappropriate

- Recognize the limitations of your study

  - "We identify the causal effect of X on Y" or "We solve the endogeneity problem"…no you don't

    - "We take a number of steps to mitigate the scope for alternative interpretations of our evidence."

- Write with confidence, not arrogance

Get to the point as quickly as possible

- Reign in the intro

  - Hard to justify more than a few pages, 5 at the most.

  - No warm-up

  - No lit reviews

- Get to the model (data, results) asap!

  - Not writing a mystery…

Resources and closing

- Amazon hyperlinks

  - Strunk and White: The Elements of Style

  - Zinsser: On Writing Well

- John Cochrane

  - http://faculty.chicagobooth.edu/john.cochrane/teaching/writing/

- Good luck and enjoy!