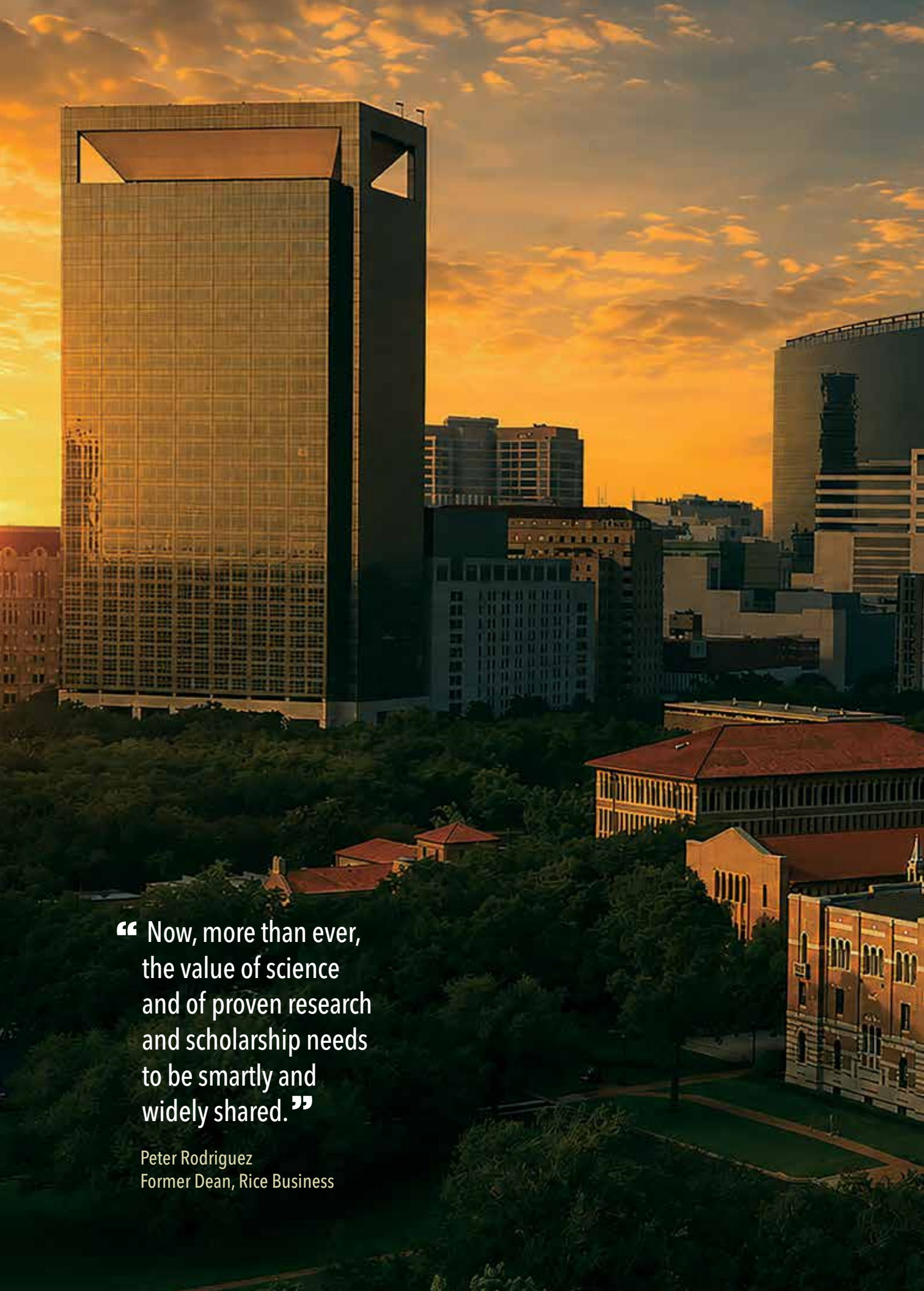


Rice Business Wisdom

The AI Issue

A special anniversary issue of Rice Business' research magazine on how artificial intelligence is reshaping the way we work, decide and lead.

An aerial photograph of the Rice University campus during the 'golden hour' of sunset. The sky is filled with soft, orange and yellow clouds. In the background, a tall, modern glass skyscraper (the Rice Tower) stands prominently. To its right, other modern buildings are visible. In the foreground, the campus is lush with green trees. Several historic brick buildings with red-tiled roofs are scattered throughout the lower half of the image. A baseball field is visible in the bottom right corner.

“ Now, more than ever,
the value of science
and of proven research
and scholarship needs
to be smartly and
widely shared. ”

Peter Rodriguez
Former Dean, Rice Business

A Decade of Rice Business Wisdom

Highlights from our first 10 years

Since 2016, Rice Business Wisdom has translated faculty research into clear, engaging stories for curious readers. Here's a look at a few defining milestones from its first decade.

10 years of research storytelling

500⁺ articles

2020 Owl Have You Know podcast launches

AACSB Innovations That Inspire, 2019

3 Communicator Awards of Excellence

 RICE | BUSINESS WISDOM

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10



C o n t e n t s



Brent Smith, Ph.D.

Senior Associate Dean for Executive Education
and Associate Professor of Management
and Psychology

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Rice Business Wisdom was founded 10 years ago with a conviction that rigorous research should not remain exclusive to seminar halls and academic journals. The work of discovery is too consequential to reach only those already trained to read it. From the beginning, this publication has tried to make the insights of our faculty accessible without being reductive, and engaging without promising easy answers.

A decade in, that mission feels more urgent than ever. The world is drowning in data but starving for wisdom, as they say. We're living through a moment when public trust in universities and evidence-based institutions is under strain. At the same time, information is moving faster than ever, but it's often stripped of context and flattened by speed — a problem intensified by uncritical use of the very technologies this magazine examines in earnest.

Responsible AI is one of Rice University's defining research priorities, for good reason. Few technologies now touch as many dimensions of modern life at once, from education and employment to science and civic life. The questions AI raises are of course technological, but they're also organizational, economic and human. What happens to trust, judgment, creativity and accountability when AI begins to shape the strategies and decisions once made entirely by individuals and teams? How should firms use these tools? Who benefits from them? Who may be harmed by them?

Rice is well positioned to lead in this space because it brings together deep technical expertise with a clear-sighted understanding of AI's social effects. And we at the business school play an essential role in that larger agenda. We want to help leaders understand not only what AI can do, but also what it should and should not be asked to do.

Since its launch in 2016, RBW has published more than 500 articles translating faculty research into clear, useful stories for readers inside and beyond the university. RBW's popularity shows that rigorous research can travel, and when it is communicated with clarity and care, it can reach executives, alumni, students, policymakers and curious readers who may never open an academic journal but still benefit from the knowledge those journals contain.

The need for a clear understanding of the implications of AI will only grow as leaders, policymakers and citizens navigate this developing technology. In the decade ahead, Rice Business faculty will continue to bring insight and rigorous scholarship into conversations where it can make the most difference.



Jeff Fleming, Ph.D.

INTERIM DEAN, RICE BUSINESS

FAYEZ SAROFIM VANGUARD PROFESSOR OF FINANCE



“The need for a clear understanding of the implications of AI will only grow as leaders, policymakers and citizens navigate this developing technology.”



When I first began thinking about what became Rice Business Wisdom, the idea was simple: the intellectual capital of Rice Business should not be one of our best-kept secrets.

Our faculty produce work that deepens our understanding of markets, organizations, leaders, consumers, employees, technology, finance, accounting, entrepreneurship and much more. Our students benefit from that thought leadership every day in the classroom. But many others who care deeply about Rice Business — current and prospective students, alumni, corporate partners, executives, policymakers and friends of the school — have fewer opportunities to see the full breadth and relevance of that scholarship.

As the school's then-deputy dean, I reached out to our marketing and communications team with an early idea for what I called "Jones Wisdom." The name evolved, but the aspiration remained the same: to create a thoughtful, engaging and credible bridge between rigorous academic research and the people who could use those insights to make better decisions.

From the beginning, I did not want Rice Business Wisdom to "water down" research. The goal was not to turn scholarship into slogans. It was to preserve the integrity of the work while making its central insight accessible. That required partnership: faculty willing to share their discoveries, writers able to translate academic language without losing nuance, and a marketing and communications team committed to building something durable.

Ten years later, it is deeply gratifying to see what RBW has become. It has grown far beyond the original idea and is now

central to how Rice Business shares faculty research with the world. It showcases the range of our scholarship and, more importantly, it reflects a core belief about business education: research and teaching are not separate enterprises. The best business school experience, from undergraduate education to the Executive MBA, is shaped by faculty who actively create knowledge, not merely repeat what is already known.

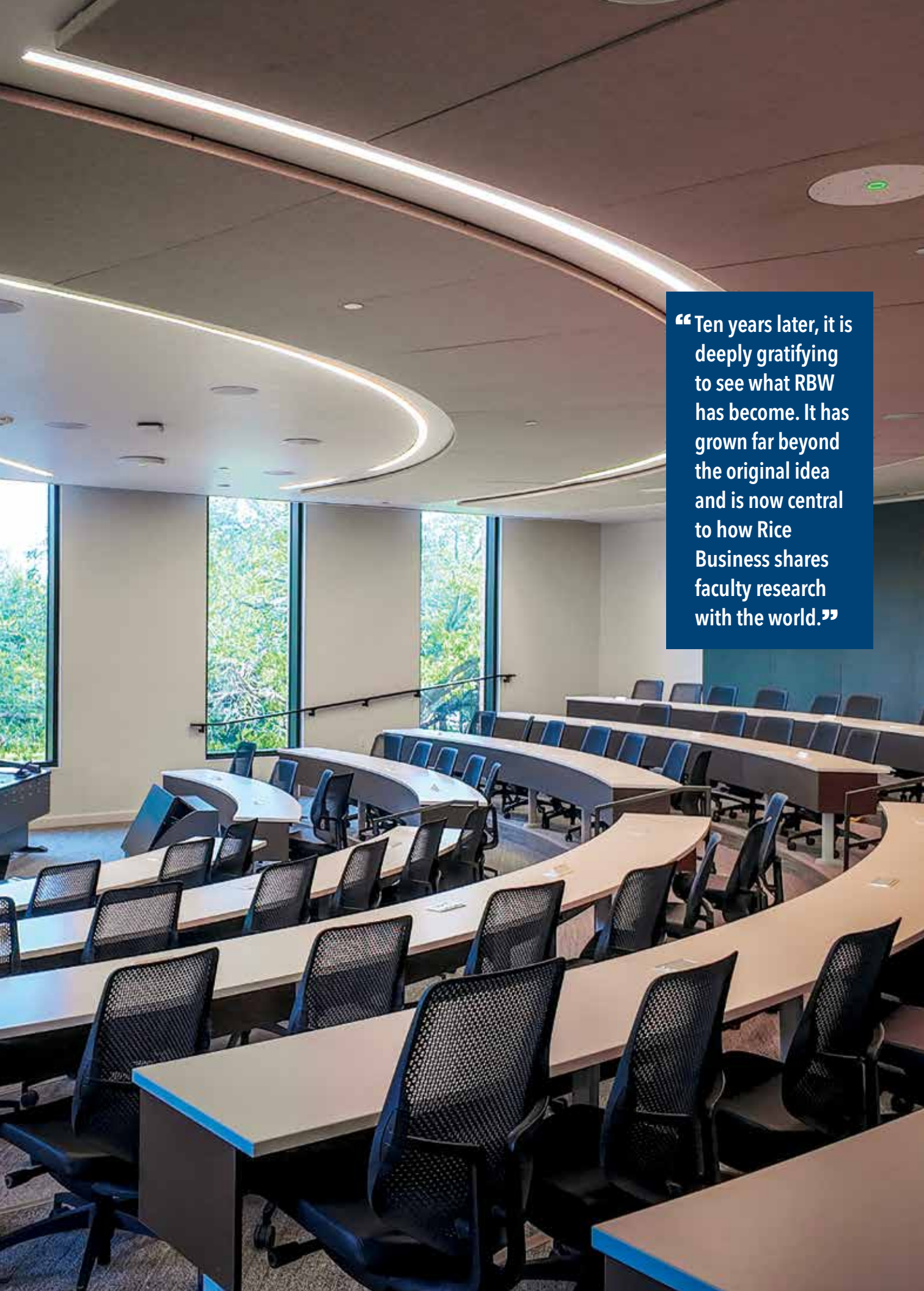
For students, RBW offers a window into the ideas that enrich the classroom experience and helps prepare them to build careers in which their leadership potential can grow, deepen and flourish. For alumni and executives, it provides a continuing connection to the intellectual life of Rice Business, offering research-based frameworks for understanding complex problems, sharpening strategic judgment and leading organizations through change. More broadly, it demonstrates the public value of sustaining serious scholarship and communicating it well. And for faculty, it is a reminder that our work can travel farther when communicated with care.

I am proud to have helped start RBW. I am even prouder of what so many others have made it.



K. Ramesh, Ph.D.

HERBERT S. AUTREY PROFESSOR OF ACCOUNTING

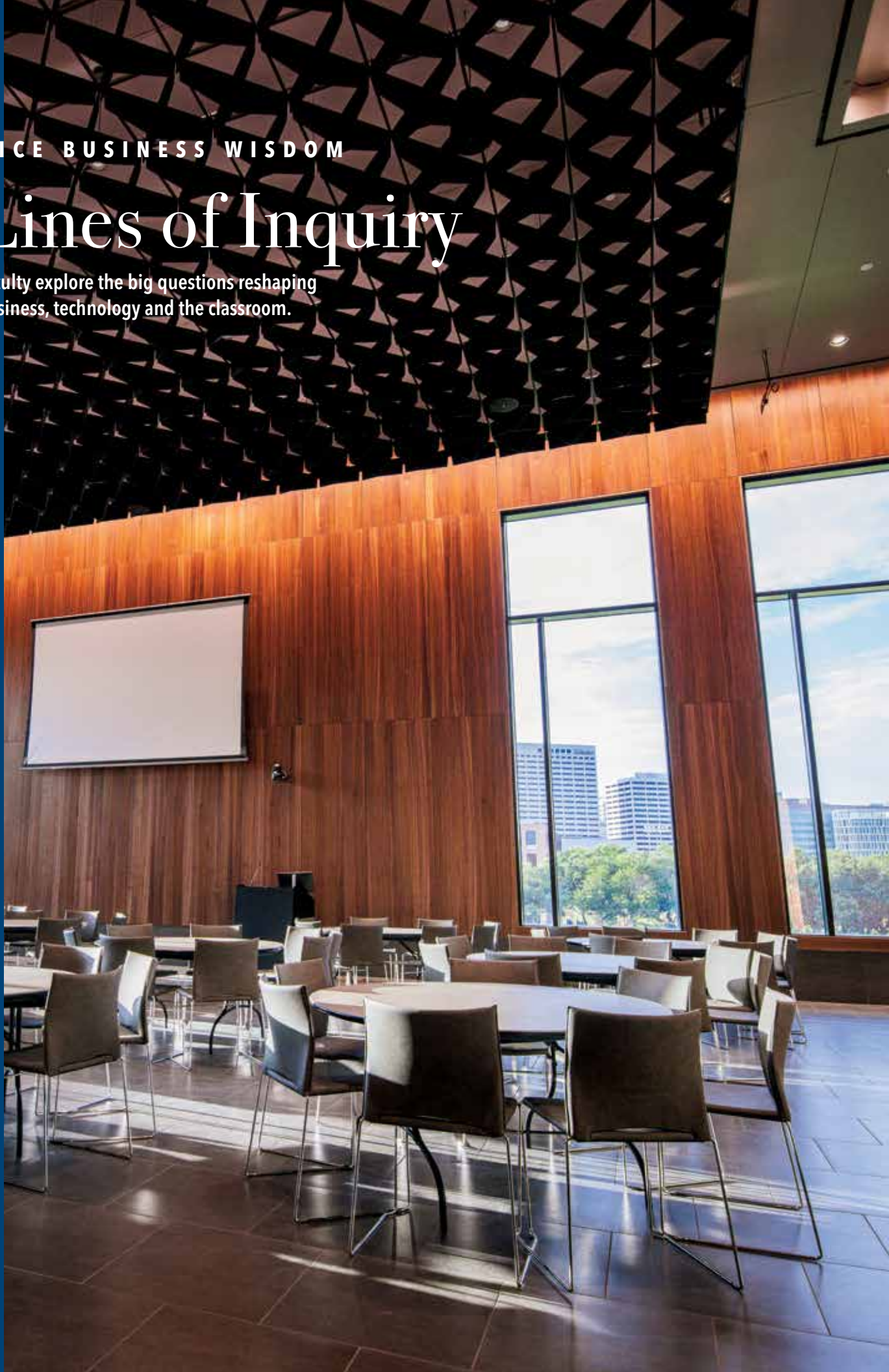
A wide-angle photograph of a modern, curved lecture hall. The room features tiered seating with light-colored wooden desks and black mesh chairs. Large windows on the left side offer a view of green trees. The ceiling is white with recessed lighting and a curved, illuminated light fixture. A blue text box is overlaid on the right side of the image.

“Ten years later, it is deeply gratifying to see what RBW has become. It has grown far beyond the original idea and is now central to how Rice Business shares faculty research with the world.”

RICE BUSINESS WISDOM

Lines of Inquiry

Faculty explore the big questions reshaping business, technology and the classroom.



Does Using AI Change How Colleagues See You?

“There’s a real question of whether the tools you use shape what others assume about your effort.”

That question drives **Mijeong Kwon**’s newest research. When a coworker uses AI for a piece of work, does your opinion of them quietly shift? Do you assume less effort went in, or that they care less about the job than you thought? AI runs through Kwon’s own methods: She uses it to code open-ended participant responses, and she builds it into experiments themselves, designing AI interviewers and confederates that participants interact with directly. In her classroom, students use AI openly and examine what changes when they do. The stakes reach anyone who has finished a draft with ChatGPT and paused before hitting “send.” There’s a real question of whether the tools you use shape what others assume about your effort.

Mijeong Kwon, Ph.D.

Assistant Professor of Management –
Organizational Behavior

Why Do AI-Fluent Outsiders Keep Beating Legacy Brands?

Over the past few years, a new entertainment category emerged in China: dramas told in one-minute vertical episodes. By 2024, 36,400 titles were outgrossing the country's traditional box office. The pioneers were internet-native startups from online literature and mobile gaming, companies built on AI-driven data fluency and operational speed. Their first viewers were newly online audiences in smaller cities, long overlooked by prestige studios. In Harvard Business Review, **Haiyang Li** and his co-authors find a pattern business leaders will recognize: When underserved audiences meet new devices and channels, whole categories appear, and the companies that capture them are usually the ones that know what to do with data.

Haiyang Li, Ph.D.
H. Joe Nelson III Professor of
Management – Strategic Management

“When underserved audiences meet new devices and channels, whole categories appear, and the companies that capture them are usually the ones that know what to do with data.”

Is the Finance Classroom Keeping Up With AI?

In **Kerry Back's** MBA course, students run financial analysis by chatting with an AI model. They tell it to pull data, sort stocks or run regressions, and the model writes and executes the code – no programming background required. Now Back has made that workflow available to anyone. His new app, Academic Studio, bundles Anthropic's Claude Code into a simplified, one-click-install workspace where students can analyze data, build slides and create documents, with no intimidating setup. It mirrors what's happening inside firms, where routine analyses are being automated. "In some ways, the classroom is actually ahead of the curve," Back says.

“In some ways, the classroom is actually ahead of the curve.”

Kerry Back, Ph.D.
J. Howard Creekmore Professor
of Finance and Professor of Economics

Is AI the New “Fad That Forgets People”?

In the 1980s and 1990s, companies poured billions into business process re-engineering and rarely achieved the promised efficiency gains. One of the movement’s own champions later explained why: It was “the fad that forgot people.” Headcount reductions, a natural outcome of re-engineering efforts, damaged the morale and engagement of remaining employees, offsetting the efficiency gains from redesigned work. **Brent Smith**, who advises companies like Phillips 66, MD Anderson Cancer Center and Hess Corporation (now Chevron) on change management, sees echoes of that pattern in AI. Many organizations are training employees on tools and hoping productivity follows – while downsizing based on hypothetical gains erodes engagement. For Smith, AI adoption is less a technology rollout challenge than a change management challenge.

“AI adoption is less a technology rollout challenge than a change management challenge.”

Brent Smith, Ph.D.

Senior Associate Dean for Executive Education and Associate Professor of Management and Psychology

If AI Builds the App, Who's the Designer?

AI can now build entire apps from a single prompt. But knowing whether the result works for users still depends on human judgment. That's the challenge at the center of **Emily Prinsloo's** New Product Development and Management course, where students use tools like Cursor and Vercel to create real apps for a client partner, then learn how to evaluate what the AI produces. During the Spring 2026 course, visiting designer Pat Capulong gave Prinsloo's students a simple test for visual hierarchy: Squint at the screen. If nothing grabs your attention, or if everything does, the design isn't working. Every screen needs a clear visual hierarchy. "AI will help you build faster," Prinsloo says, "but you still have to be the designer."

Emily Prinsloo, Ph.D.
Assistant Professor of Marketing

"AI will help you build faster, but you still have to be the designer."

Can Strategy Survive Gen AI?

When **Vikas Mittal**, **Alessandro Piazza** and their co-authors interviewed 20 CEOs and strategy officers across 11 companies, every single one was already using AI for core strategy tasks – and 90% believed major parts of the chief strategy officer's (CSO) role would soon be replaced by it. The deeper problem: In an analysis of 717 published correlations, legacy strategy planning showed zero or negative correlation with financial outcomes 79% of the time.

Gen AI excels at gathering and summarizing, but it can't tell a CEO which one initiative of the dozens being implemented actually lifts customer value. Mittal and Piazza argue that strategists should let AI absorb that synthesis work and rebuild their role around statistical models linking strategy to customer outcomes. At one manufacturer, just 12 of 87 value drivers produced over 90% of the lift in customer value; focusing on three of them pushed sales 22% above industry peers. In other words, strategy excels – when it becomes a science.



Alessandro Piazza, Ph.D.
Associate Professor of Strategic
Management

“Gen AI excels at gathering and summarizing, but it can’t tell a CEO which one initiative of the dozens being implemented actually lifts customer value.”

Vikas Mittal, Ph.D.
J. Hugh Liedtke Professor
of Marketing

Can AI Lower the Price of Privacy?

Privacy and antidiscrimination requirements can force firms to balance two goals: protecting sensitive customer attributes (e.g., race) and preserving the accuracy of predictive pricing, targeting and recommendation systems. **Piyush Anand**'s research suggests that AI can narrow this trade-off in two ways. First, firms can share a trained generative model rather than raw customer records, allowing others to analyze patterns without direct access to the underlying data. Second, when protected attributes such as race are involved, simply deleting those fields is not enough. Pattern-seeking AI systems can still infer those attributes via information like ZIP code, income and purchasing behavior. Adversarial AI trains one model to predict customer behavior and a second to guess protected-group identity from the first model's output, penalizing the first whenever the second succeeds. What survives is predictive signal that carries less identifying information.

Piyush Anand, Ph.D.
Assistant Professor of Marketing

“Privacy and antidiscrimination requirements can force firms to balance two goals: protecting sensitive customer attributes and preserving the accuracy of predictive pricing, targeting and recommendation systems.”



RICE BUSINESS WISDOM

Big Ideas

Three studies on how AI learns, where it lives
and how it changes the way we solve problems.

What Really Drives Data Center Location Decisions in the U.S.?

A new study shows a divided geography: Some facilities cluster in cities for speed and access, while others move to rural regions in search of scale and lower costs.





"The cloud feels weightless," Pan Fang says, "but it rests on real choices about land, power and proximity."

R Recent power outages and the surge in AI-driven computing have made data center siting decisions more consequential than ever, especially as energy and water constraints tighten. Communities invest public dollars on the promise of jobs and growth, while firms weigh long-term commitments to land, power and connectivity.

Against that evolving backdrop, a critical question comes into focus: Where do data centers get built – and what actually drives those decisions?

A new study by **Tommy Pan Fang** (Rice Business) and Shane Greenstein (Harvard Business School) provides the first large-scale statistical analysis of data center location strategies across the United States. It offers policymakers and firms a clearer starting point for understanding how different types of data centers respond to economic and strategic incentives.

What are the two main data center location strategies?

The study draws on pre-pandemic data from 2018 and 2019, a period of relative geographic stability in supply and demand. This window gives researchers a clean baseline before remote work, AI demand and new infrastructure pressures began reshaping internet traffic patterns.

The findings show that data centers follow a bifurcated geography:

- **Third-party centers** cluster in dense urban markets, where buyers prioritize proximity to customers despite higher land and operating costs.
- **Cloud providers**, by contrast, concentrate massive sites in a small number of lower-density regions, where electricity, land and construction are cheaper and economies of scale are easier to achieve.

Third-party data centers, in other words, follow demand. They locate in urban markets where firms in finance, healthcare and IT value low latency, secure storage and compliance with regulatory standards.

Using county-level data, the researchers modeled how population density, industry mix and operating costs predict where new centers enter. Every U.S. metro with more than 700,000 residents had at least one third-party provider, while many mid-sized cities had none.

This pattern challenges common assumptions. Third-party facilities are more distributed across urban America than prevailing narratives suggest.

"For industries where speed is everything, being too far from the physical infrastructure

can meaningfully affect performance and risk," Pan Fang says. "Proximity isn't optional for sectors that can't absorb delay."

In critical operations, even slight pauses can have real consequences. For hospital systems, lag can affect performance and risk exposure. And in high-frequency trading, milliseconds can determine whether value is captured or lost in a transaction.

"For industries where speed is everything, being too far from the physical infrastructure can meaningfully affect performance and risk," Pan Fang says. "Proximity isn't optional for sectors that can't absorb delay."

Why does distance matter for cloud data center costs?

For cloud providers, the picture looks very different. Their decisions follow a logic shaped primarily by cost and scale. Because cloud services can be delivered from afar, firms tend to build enormous sites in low-density regions where power is cheap and land is abundant.

These facilities can draw hundreds of megawatts of electricity and operate with far fewer employees than urban centers. "The cloud can serve almost anywhere," Pan Fang says, "so location is a question of cost before geography."

The study finds that cloud infrastructure clusters around network backbones and energy economics, not talent pools. Well-known hubs like Ashburn, Virginia – often called "Data Center Alley" – reflect this logic, having benefited from early network infrastructure that made them natural convergence points for digital traffic.

Local governments often try to lure data centers with tax incentives, betting they will create high-tech jobs. But the study suggests other factors matter more to cloud providers, including construction costs, network connectivity and access to reliable, affordable electricity.

When cloud centers need a local presence, distance can sometimes become a constraint. Providers often address this by working alongside third-party operators. "Third-party centers can complement cloud firms when they need a foothold closer to customers," Pan Fang says.

That hybrid pattern – massive regional hubs complementing strategic colocation – may define the next phase of data center growth.

Looking ahead, shifts in remote work, climate resilience, energy prices and AI-driven computing may reshape where new facilities go. Some workloads may move closer to users, while others may consolidate into large rural hubs. Emerging data-sovereignty rules could also redirect investment beyond the United States.

"The cloud feels weightless," Pan Fang says, "but it rests on real choices about land, power and proximity." ■

KEY TAKEAWAYS:

- Third-party colocation centers are physical facilities in close proximity to firms that use them, while cloud providers operate large data centers from a distance and sell access to virtualized computing resources as on-demand services over the internet.
- Hospitals and financial firms often require urban third-party centers for low latency and regulatory compliance, while batch processing and many AI workloads can operate more efficiently from lower-cost cloud hubs.
- For policymakers trying to attract data centers, access to reliable power, water and high-capacity internet matter more than tax incentives.

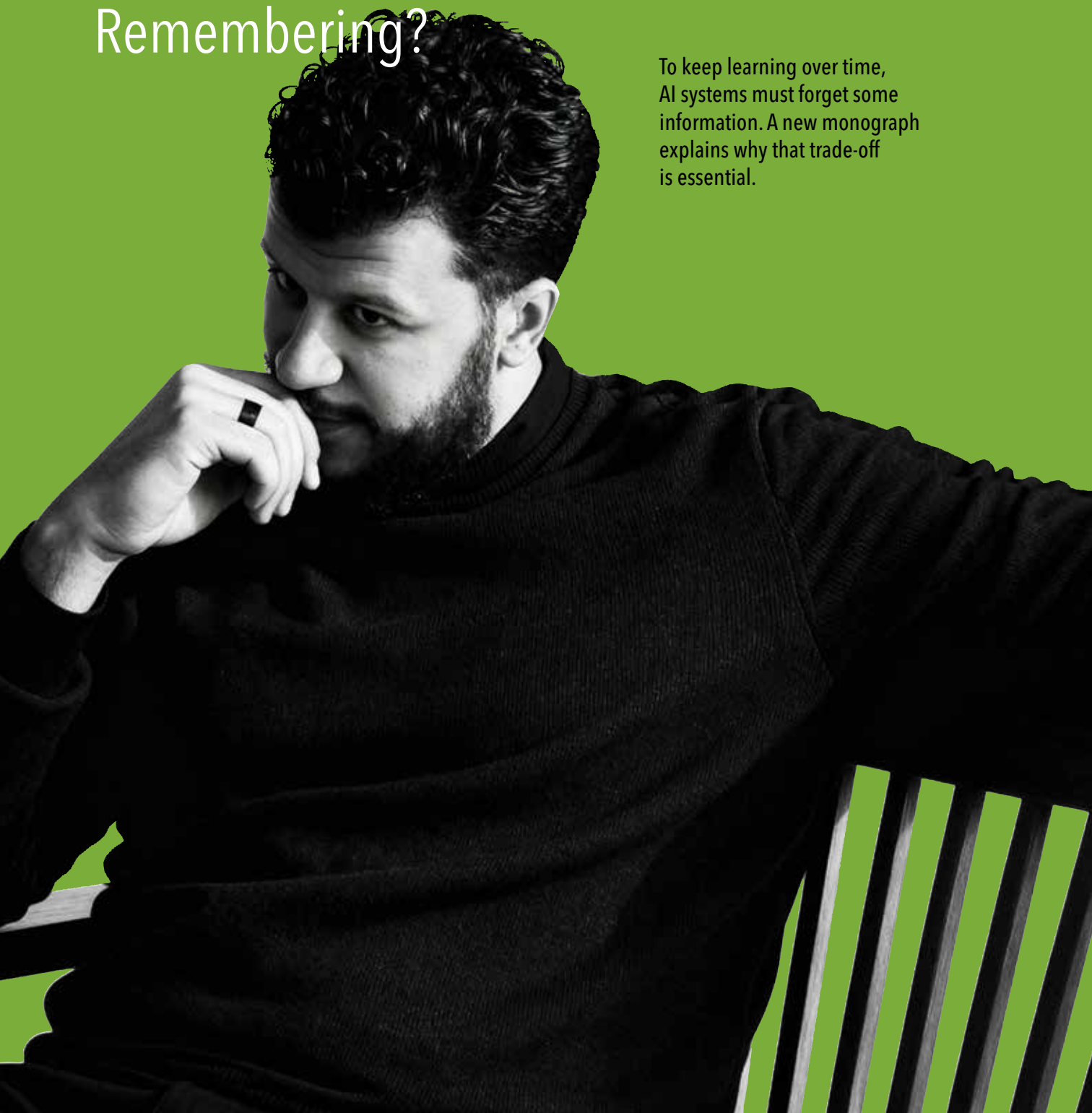
"Where the Cloud Rests: The Economic Geography of Data Centers," Strategy Science (2025).



Tommy Pan Fang, Ph.D.
Assistant Professor of Strategic Management

How Does AI Decide What Is Worth Remembering?

To keep learning over time, AI systems must forget some information. A new monograph explains why that trade-off is essential.



If you try to recall your absolute favorite meal from when you were 7 years old, you might come up blank. If so, that memory lapse isn't a failure of your brain. That particular detail probably just is not useful to your life anymore.

For years, computer scientists have viewed artificial intelligence through a much stricter lens. When an AI system learns new tasks or information, it overwrites some of what it learned before, a phenomenon known as "catastrophic forgetting." Historically, the field has treated that as a flaw and tried to patch it with workarounds like storing large amounts of old data.

But in a new monograph published in *Foundations and Trends in Machine Learning*, **Yueyang Liu** (assistant professor of operations management at Rice Business) and co-authors at Stanford University argue that forgetting is not simply a bug for AI. In real-world settings, these systems face hard constraints on memory and computing power. They cannot, and should not, try to remember everything.

Instead, they should prioritize "durable knowledge."

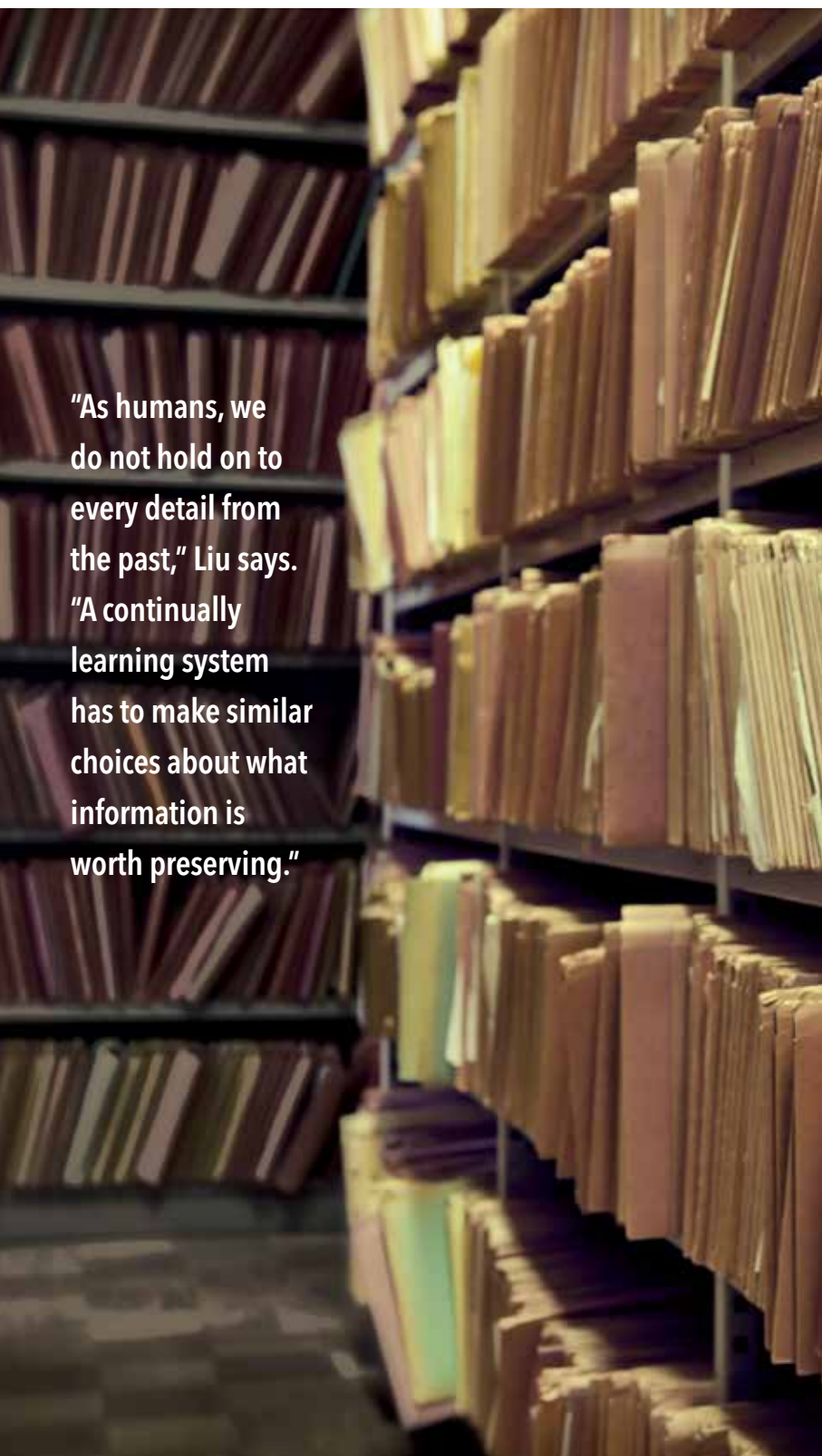
How AI continues to learn about you

By the time a music app user turns 30, it may not matter much who their favorite singer was at 12 – at least not to the AI that is recommending new music to them. What matters more are the patterns in listening that will likely remain relevant going forward.

The researchers call this "durable knowledge" – information that remains useful over time. To preserve room for that knowledge, the system has to discard obsolete or low-value data.

Traditional machine learning often assumes that training eventually ends. In these models, the system learns a stable target – e.g., an image analyzer trained to identify cats in a photo – and once it has achieved this target, training is effectively over. Under that logic, catastrophic forgetting looks like catastrophic failure.

But Liu and her co-authors start from a different premise. The world keeps changing, so AI must keep adapting to stay useful. A recommendation system for music or movies cannot assume your tastes are fixed. If it stops learning about you, it stops being relevant. It has to keep exploring.



"As humans, we do not hold on to every detail from the past," Liu says. "A continually learning system has to make similar choices about what information is worth preserving."

"As humans, we do not hold on to every detail from the past," Liu says. "A continually learning system has to make similar choices about what information is worth preserving."

How constrained AI survives

To test that idea, Liu and her colleagues ran simulations examining how different algorithms perform over time with limited computational resources.

One experiment used a modified version of Permuted MNIST, a common benchmark based on classifying handwritten digits. Here the environment kept changing, forcing the AI to face a stream of shifting tasks rather than focus on a stable assignment.

The researchers compared three agents: a large memory agent that could retain 1 million past samples, a small memory agent limited to 1,000 samples, and a "reset" agent whose neural network was periodically wiped clean.

The results challenge some of the field's usual assumptions. On tasks that never returned, the small memory agent performed just as well as the large memory agent, showing no lasting benefit to hanging on to one-off data. Even the reset agent could keep up when recurring tasks lasted long enough for it to relearn what it needed.

Most strikingly, when the researchers imposed stricter computing limits, larger-memory systems became less flexible. They suffered a “loss of plasticity,” growing too rigid to absorb new information well.

“If a system tries to preserve everything, it can lose the capacity to adapt,” Liu says. “Under real constraints, selective forgetting is often what keeps learning possible.”

Additional simulations showed something similar in recommendation-like environments. Agents that prioritized long-lasting patterns over fleeting trends earned stronger rewards over time.

How to think about continual learning

The research offers a more unified way to think about continual learning, a field that has often been split into narrower problems like memory retention, fast relearning or computational efficiency. Liu and her co-authors argue that these problems should be analyzed through a unified continual learning framework that maximizes long-term performance under real resource limits.

That disciplinary shift also changes the meaning of catastrophic forgetting. Retaining all past information is not ideal; selectively discarding non-recurring or low-value information may be exactly what helps a system keep learning over a long lifetime.

The framework does not solve every practical challenge. Exact mathematical solutions remain difficult in messy real-world environments, and additional capabilities still require memory and computing power that many systems do not have. But the paper establishes a clearer baseline for future work.

For researchers building lifelong AI, that means the goal may be less like perfect recall and more like good judgment. A smart system does not need to remember every detail from years ago. It does need to keep what still matters and let the rest go. ■

KEY TAKEAWAYS:

- A field-defining framework establishes a baseline for researchers to approach continual learning as a unified problem.
- To build lifelong AI, we must rethink “catastrophic forgetting” as a challenge and start thinking of it as a necessary feature for systems to operate within real-world computational limits.
- With limited capacity freed up by discarding obsolete data, agents must continuously explore their ever-changing environments, prioritizing “durable knowledge” over fleeting trends to maximize long-term success.

“Continual Learning as Computationally Constrained Reinforcement Learning, Foundations and Trends in Machine Learning (2025).



Yueyang Liu, Ph.D.
Assistant Professor of Operations Management

Do LLMs Make You a Better Problem-Solver?

LLMs like ChatGPT enhance creativity and problem-solving in ways that traditional search tools can't match.





Large language models (LLMs) such as ChatGPT generate responses by identifying patterns in training data and predicting likely sequences of words. It's becoming more and more common for people to use them to draft and summarize text, analyze information and support decisions. But whether these tools improve human thinking depends on how they are used.

New research co-authored by **Jaeyeon (Jae) Chung**, the William S. Mackey Jr. Distinguished Assistant Professor at Rice Business, examines one part of that question: creative problem-solving. The study finds that working with an LLM can help people develop more effective solutions to everyday problems than traditional online search tools.

According to the study published in *Nature Human Behaviour* by Chung and Byung Cheol Lee (University of Houston), working with LLMs can enhance our problem-solving abilities, especially with everyday challenges. Whether coming up with gifts for a teenage niece or pondering what to do with an old tennis racket, LLMs have a unique ability to generate creative ideas.

“Creative problem-solving often requires connecting different concepts in a cohesive way,” Chung says. “ChatGPT excels at this because it pulls from a vast range of data, enabling it to generate new combinations of ideas.”

Can LLMs really make us more creative?

Chung and Lee sought to answer a central question: Can LLMs like ChatGPT really help people think more creatively than traditional search engines? To answer this, they conducted five experiments.

Each experiment asked participants to generate ideas for solving challenges, such as how to repurpose household items. Depending on the experiment, participants were divided into one of two or three groups: one that used ChatGPT; one that used conventional web search tools (e.g., Google); and one that used no external tool at all. The resulting ideas were evaluated by both laypeople and business experts based on two critical aspects of creativity: originality and appropriateness (i.e., practicality).

“Chung and Lee sought to answer a central question: Can LLMs like ChatGPT really help people think more creatively than traditional search engines?”

In one standout experiment, participants were asked to come up with an idea for a dining table that doesn’t exist on the market. The ChatGPT group came up with suggestions like a “rotating table,” a “floating table” and even “a table that adjusts its height based on the dining experience.” According to both judges and experts, the ChatGPT group consistently delivered the most creative solutions.

On average, across all experiments, ideas generated with ChatGPT were rated 15% more creative than those produced by traditional methods. This was true even when tasks were specifically designed to require empathy or involved multiple constraints – tasks we typically assume humans might be better at performing.

However, Chung and Lee also found a caveat: While ChatGPT excels at generating ideas that are “incrementally” new – i.e., building on existing concepts – it struggles to produce “radically” new ideas that break from established patterns. “ChatGPT is an incredible



tool for tweaking and improving existing ideas, but when it comes to disruptive innovation, humans still hold the upper hand," Chung notes.

Charting the next steps in AI and creativity

Chung and Lee's paper opens the door to many exciting avenues for future study. For example, researchers could explore whether ChatGPT's creative abilities extend to more complex, high-stakes problem-solving environments. Could generative AI be harnessed to develop groundbreaking solutions in fields like medicine, engineering or social policy?

Understanding the nuances of the collaboration between humans and AI could shape the future of education, work and even (as many people fear) art.

For professionals in creative fields like product design or marketing, the study holds especially significant implications. The ability to rapidly generate fresh ideas can be a game-changer in industries where staying ahead of trends is vital.

For now, take a second before you throw out that old tennis racket. Ask ChatGPT for inspiration – you'll be surprised at how many ideas it comes up with, and how quickly. ■

"ChatGPT is an incredible tool for tweaking and improving existing ideas, but when it comes to disruptive innovation, humans still hold the upper hand."



KEY TAKEAWAYS:

- A recent study finds ChatGPT generated ideas are deemed an average of 15% more creative than those produced by traditional methods.
- ChatGPT enhances "incremental," but not "radical," innovation.
- ChatGPT boosts creativity in tasks normally associated with human traits, like empathy-based challenges.

An Empirical Investigation of the Impact of ChatGPT on Creativity, Nature Human Behaviour (2024).

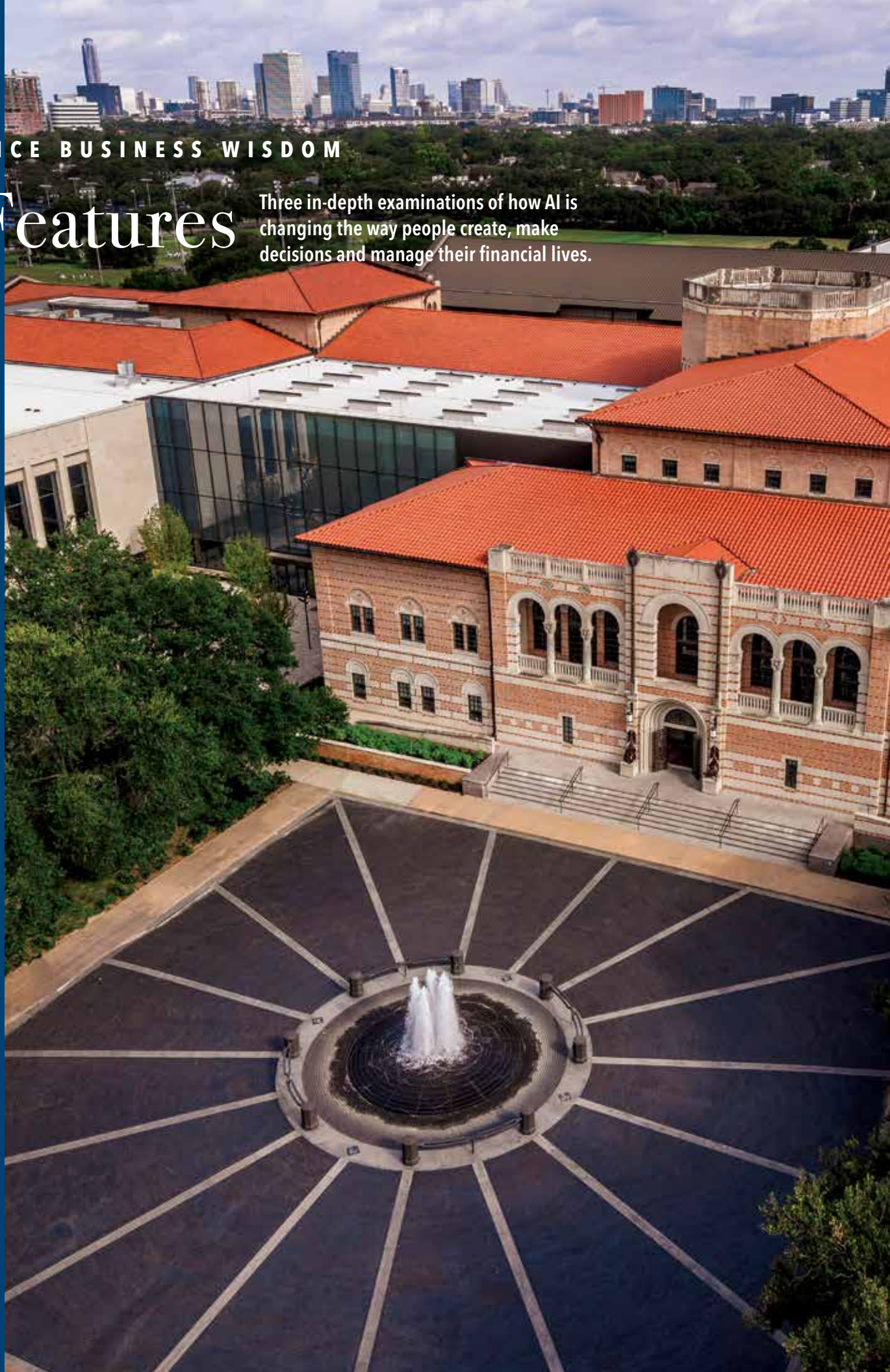


Jaeyeon (Jae) Chung, Ph.D.
William S. Mackey Jr.
Distinguished Assistant Professor

RICE BUSINESS WISDOM

Features

Three in-depth examinations of how AI is changing the way people create, make decisions and manage their financial lives.



The Questions We Aren't Asking About AI

How do we ensure humans benefit from the AI revolution?

For **Jing Zhou**, the answer lies in abandoning our discipline-focused silos and pursuing the problem-focused research that businesses desperately need.

Jing Zhou, Ph.D.

Mary Gibbs Jones Professor of Management and Psychology – Organizational Behavior

Q&A

with Jing Zhou on AI's impact on organizational creativity

RESEARCH AT A GLANCE

Three takeaways from Jing Zhou's systematic research to help us upgrade how we work with generative AI.

You've studied creativity and innovation throughout your career. What keeps you coming back to that area of research?

Creative innovation has always been at the core of successful organizations' competitive advantage. But surprisingly, very few companies have done it consistently well. That puzzle has stayed with me.

My way of working has been to identify a big puzzle and stay with it. When I choose research questions, I try to identify problems that matter. That is the most consequential thing a researcher can do. And being part of a business school, the questions we study should ideally have implications for organizations, employees and society.

To use an imperfect Texas analogy, when I identify a research topic, I try to find a rich oil reserve – a promising research stream that allows me to answer not just one question, but a series of questions rich enough that you can keep working on them for a long time.

When you talk about creativity in organizations, what do you mean?

In daily usage, "creativity" refers mainly to art and other kinds of cultural work. But that is not fully what we mean when we use the term "creativity" in organizational behavior research.

In organizational behavior, we study management, behavior in the workplace and what leaders can do to maximize people's potential. So, for me, creativity is not limited to R&D, marketing or product development. It's also about innovating our processes, services, work methods and business models. Anything we do in business, there is always a newer and better way to do it. That is creativity.

Many business leaders have not embraced creativity in this broader sense. But to be fair, most people have never systematically learned how to be creative. At Rice, we teach creativity from a management perspective, but it's still rare for universities to do this. I designed my course from scratch. I am so proud that this course offers unique benefits to our students; we share with them cutting-edge research findings on how to address one of the most important challenges managers face. If people have never learned how to work effectively through each stage of the creative process – identifying problems, generating and selecting ideas, communicating them, seeking feedback, and refining their work within constraints – then, when AI suddenly becomes available as a tool, it is easy to rely on it without thinking deeply and fail to benefit fully from its use. To use AI constructively, they first need to learn to be creative by understanding and optimizing each stage of the creative process.

Is that what led you to start studying AI and organizational creativity?

People may think AI is all about technology and infrastructure like neural networks, LLMs, GPUs and data centers. But business schools have something important to contribute because AI should also be about augmenting human skills and capabilities, not just technology.

I like to talk with people. I talk with managers a lot, often with no specific purpose other than learning and understanding their challenges. I just like to learn something, and you always learn something. I also like to talk with people who are far away from my immediate social network, because if you only talk with people who are close to you, you gradually start to think alike. You lose new information. Over and over again, they mention the challenges of promoting creativity and innovation in organizations. So, how to enhance creativity is front and center in my research program.

University of Cambridge had a program that invites prominent scholars to serve as visiting research fellows. I was honored to be invited. They basically said, whenever you have time, come talk with our faculty and see what happens. So I went there, and that is where we started to develop this big idea of doing research on AI and creativity. This was before the public release of ChatGPT.

At that time, in organizational behavior, I did not know anyone who was doing AI research.

We realized AI was a technological advancement, but it was much bigger than technology. It could already do many things humans can do, and do them better and faster. As AI continues to evolve, it may be able to reason, think and do many more things than earlier technologies. That is clearly something we have never had in human history.

Can you say more about what you mean by that? That AI is about more than advancements in tech?

A lot of people talk about automation versus augmentation. The automation argument asks, "Which jobs is AI going to replace?" But for me, the question is how AI can augment human capabilities to create something positive, whether that is economic well-being, organizational success or individual fulfillment.

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RESEARCH TAKEAWAY:

To achieve lasting creativity with AI, employees must practice "metacognitive" habits in real time.

In a field experiment of 250 tech consultants, generative AI only enhanced creativity when users applied metacognition as they worked – planning tasks, tracking progress and adjusting tactics. "It's like a coach or supervisor sitting on top of your cognition," Zhou says, "telling you when to switch tactics or take a break."

The findings suggest that to truly benefit from AI, organizations must invest in metacognitive skills training for their employees, not just deploy the latest tech.



RESEARCH TAKEAWAY:**Employees achieve lasting creative gains when they actively codevelop ideas with AI.**

In a study of participants generating creative solutions over 10 consecutive rounds, users who relied on generative AI simply as an idea machine quickly saw their creativity plateau. "The creativity bottleneck has moved from generating ideas to developing them," Zhou says, "the slower work of questioning, refining and reshaping ideas after they arrive."

To sustain creative gains, study participants had to engage in "idea codevelopment," a process of actively exchanging critical feedback, testing practical constraints and reshaping a single idea with the AI.



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In other words, we need to shape how humans can benefit from AI. That matters because otherwise you are going to have greater economic disparity. You are going to have people who really benefit from AI and people who are left behind. Those are real concerns. AI has considerable promise, and it is exciting, but it also has safety issues and a lot of potential risks.

As researchers, and as universities, we need to help shape how we develop and use AI for human flourishing. That is the ultimate thing. That is why I love organizational behavior research. It's about how to achieve a state of human flourishing and thriving.

When you talk with managers, what questions are they asking about AI, and what questions should they be asking?

The good news is that managers have moved past the question of whether they should use AI. They are already asking

where AI can create value, and how to hire talent that is good with AI. Those are all good questions.

But the questions they have not asked are even more important. How can AI help form a strategy for competitive advantage? How do we use AI responsibly beyond data privacy and security? How do we facilitate augmentation and human-AI collaboration? And what is the purpose of using AI beyond economic gains? As I mentioned earlier, human flourishing should be part of the equation.

Hence, they need to ask how to reskill employees in a continuous way. AI is developing very fast. It is not going to be enough to say, "Let's train everybody on how to use AI," and then be done with it. Organizations need to reimagine their training strategy so people can keep up with the pace of AI development.

In the medical field, healthcare professionals have to engage in continuous learning. New scientific discoveries and new treatment options come out, and they need to keep up. The same thing is true for the other industries in the AI era.

Organizations also need to ask which workflows or tasks should be restructured to facilitate augmented learning and co-creation. They need to think about culture, too. If employees wonder, "Am I next to be replaced?" – if you're going to

use AI to do what your workers do – then why would they give you 100%? If leaders don't manage that culture, there will be mistrust. People will not be motivated.

And finally, top management needs to ask about its own AI literacy. Just because you are already in the C-suite does not mean you know everything. The organizations that succeed over long periods of time have leaders who have a healthy dose of humility and engage in continuous learning.

What role should universities and business schools play in shaping the future of AI?

I think universities need to do more to promote problem-focused research rather than discipline-focused research. For business school researchers, it may be organizational behavior or information systems or marketing or operations. But managers and employees do not compartmentalize problems that way. They have a problem. They have to integrate. In real organizations, everything is interconnected.

That is also where universities and organizations can collaborate. If we say a management intervention works, we

should have data that demonstrates causality. Field experiments are important because you study real employees doing their real jobs in real organizations. But to do that, companies have to open up and collaborate with researchers. Doing so benefits managers. It benefits researchers. It benefits science.

Business schools also have to teach in a way that helps people use this knowledge. We can help them figure out what they need and provide it in an efficient way, whether it's through degree or nondegree programs.

Researchers need to lead on the many questions around AI. Ultimately, the question that matters is how we can help shape how it is developed and used for human flourishing. ■

RESEARCH TAKEAWAY:

Teams get more creative value from AI when leaders design workflows that make people question and refine its outputs.

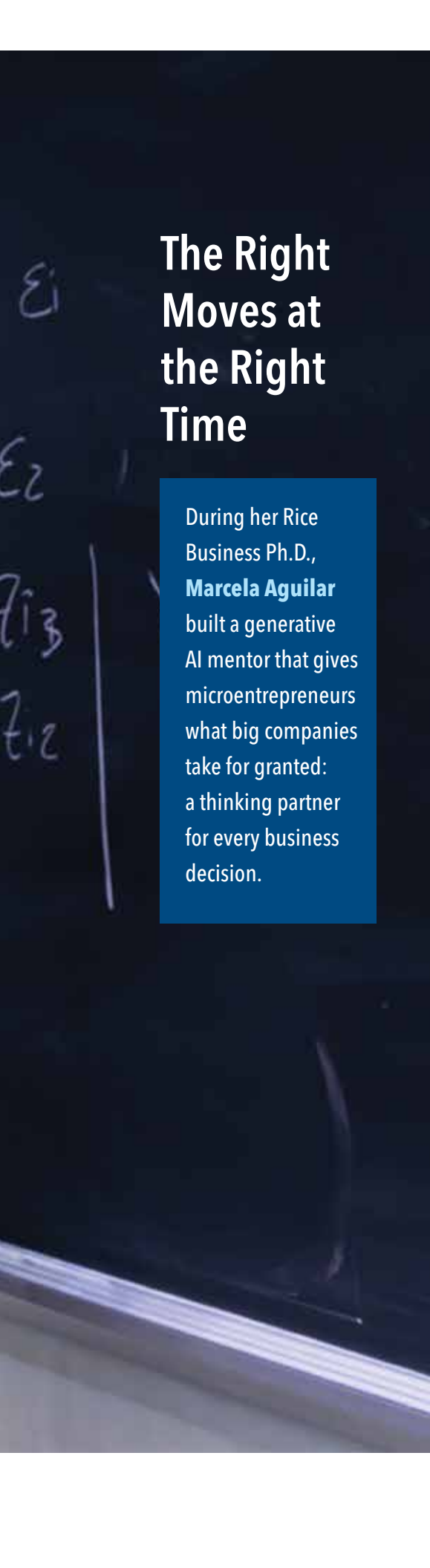
AI-supported creativity depends on how work is structured around the tool. Leaders can help by building processes that require employees to test assumptions, compare alternatives and refine ideas across multiple rounds. "AI works best when it becomes part of the thinking process, not a shortcut around it," Zhou says.

That means AI adoption cannot stop at access, training or prompt tips. To turn AI into a source of creative advantage, organizations need workflows that keep employees actively driving the tool, rather than letting the tool drive the work.





Marcela Aguilar (Accounting Ph.D. '26)
Assistant Professor of Accounting
and James S. Kemper Faculty Scholar
at the University of Chicago Booth
School of Business



The Right Moves at the Right Time

During her Rice Business Ph.D., **Marcela Aguilar** built a generative AI mentor that gives microentrepreneurs what big companies take for granted: a thinking partner for every business decision.

There's a farmer in Honduras who can't sleep. He has newborn piglets, and he's trying to decide when the best time to sell them would be. A week? A month? A year? The animals will grow in size and value over time, of course. But they need to be fed and cared for, and the risk of unforeseen complications will rise. A buyer may offer less than he expects. The pigs may get sick. He lies awake with the dilemma: How long should he wait? How much uncertainty can he afford?

For microentrepreneurs like this farmer, every decision is a question of making the right move at the right time. He may never have used words like liquidity, margins, cash flow or risk tolerance, but he's weighing all of them. He knows his animals, his buyers, his costs. And he reads them the same way all business owners do, with a restricted view of the future and under the everyday pressures of making a living.

What he doesn't have is something larger businesses take for granted – someone to help him strategize. He doesn't need to be coached on raising livestock or connecting with buyers. He needs someone to think through the timing with him, weigh his assumptions and surface any concerns he might have missed.

Marcela Aguilar (Ph.D. '26) is testing whether that someone could be an AI chatbot. As part of her doctoral research in accounting at Rice Business, she built Mia (short for mentora con inteligencia artificial), a generative AI mentor that operates through WhatsApp, a platform already familiar to microentrepreneurs across Latin America. The goal: to make business guidance more accessible to people on their farms or in their shops, or wherever they're deciding the next move.

The Professor's Gambit

Long before accounting gave Aguilar a field of study, chess gave her a way to think.

She started playing at 13 – late by competitive standards – as a student in El Salvador who struggled with math. She quickly became obsessed with the game, sitting at the board after school “like from 2 p.m. to 8 p.m. every day,” she says.

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“Chess helps you with logic, with considering options,” Aguilar says. “You’re always thinking: What else? What’s an alternative way to solve this? You have to be ready for the next move, to plan ahead. I think every school should teach chess.”

173 business owners sent Mia more than 30,000 text messages, some 3,000 voice notes and 1,500 images over the month the program ran.



On weekends she played tournaments where a single game could stretch to five hours. By 18, she had become El Salvador's national chess champion.

As she got better at chess, she got better at math. And math, she points out, is the base of economics, of econometrics – of everything that she would build in the years to come. “Chess helps you with logic, with considering options,” Aguilar says. “You’re always thinking: What else? What’s an alternative way to solve this? You have to be ready for the next move, to plan ahead. I think every school should teach chess.”

That analytical habit of mind – being able to hold several futures at once, weighing what each choice sets in motion – carried her from economics to public policy as a Chevening Scholar at the University of York, into the vast world of Central America’s microenterprises, and eventually to a Ph.D. at Rice.

Years ago, while working at the International Labour Organization (ILO), Aguilar partnered with the chambers of commerce across Central America to understand the region’s informal economy – the ecosystem of tiny, often family-run retailers, manufacturers, street vendors, farmers and service providers that operate outside government records. The scale of that world is easy to underestimate. According to a 2025 report from the International Finance Corporation, micro, small and medium enterprises (MSMEs) make up roughly 90% of all businesses worldwide, employing more than 70% of workers and generating half of global GDP. Aguilar’s job was to help such businesses grow and become more productive, to the point where formalizing with the government could become a beneficial option, opening pathways to credit and further growth. She had no immediate plans to pursue a Ph.D., much less one in accounting.

But then her friend Daniela De la Parra (Ph.D. ’21) – herself a former chess champion in Mexico – put Aguilar in touch with K. Ramesh, Rice Business’ Herbert S. Autrey Professor of Accounting and a 2026 recipient of the school’s Ph.D. Student Mentoring Award. At the time, Professor Ramesh was directing De la Parra’s dissertation.

(She’s now an assistant professor of accounting at the University of North Carolina at Chapel Hill’s Kenan-Flagler Business School.)

Ramesh and Aguilar connected over Zoom. The conversation stretched to 45 minutes, Ramesh generating idea after idea about the questions accounting research could help Aguilar ask of informal economies around the world: How do entrepreneurs who have never seen a financial statement understand their costs, margins and profits? Why do so many run entirely on cash flow? It occurred to Aguilar that she had been engaging in accounting research all along. By the end of the call, Ramesh was urging her to apply to Rice’s Ph.D. program, with only days until the deadline. His energy and enthusiasm for her interests helped her decide. It was the only doctoral program she applied to.

Developing the Pieces

A strong research Ph.D. program is less about learning to answer hard questions than to discover new ones. The right question will reveal what a field has been missing and open new territory that other scholars can then explore. “We’re developing scholars who can identify a rich research question,” Ramesh says, “and who can position themselves to study it and understand the dozens of steps that it will take to do so. When that works, the whole field inherits new questions to pursue. And over time, the findings make their way into organizations and society.”

Aguilar’s experience shows how that works in practice. She began with a question broad enough to hold an entire career: What role does accounting play in the informal economy? (It’s also the title of a paper forthcoming in the *Journal of Accounting and Economics* she’s co-authored with Ramesh and Gary Lind, Ph.D. ’19.) And inside that question she found a sharper one: Could an AI mentor put practical business knowledge in the hands of the world’s smallest enterprises?

To answer this, she would need to accumulate tools outside the standard accounting curriculum. “The main challenge is the lack of data – and

that's the exciting part as well," Aguilar says. "These businesses are informal; the government has no record of them. If you want to understand them, you have to go to the field and collect the data yourself."

Field experiments, which randomize real people into groups in real-world settings so that outcomes can be traced to causes, remain uncommon in accounting research, and rarer still in developing economies. So Aguilar built her training to match. On top of the Rice accounting program's core in econometrics, statistics and causal analysis, she supplemented with courses in mathematics, statistics and economics. And when what she needed wasn't at Rice, Ramesh pointed her outward to a field-experiment summer school at Michigan State University and to another led in part by John List, the University of Chicago economist widely regarded as the most influential field experimentalist working today. Along the way, she connected with other accounting scholars who are running field experiments around the world.

From there, it took nearly two years to turn Aguilar's question into a working experiment: a memorandum of understanding between Rice and the ILO; university research approvals; a preregistered analysis plan filed before the first results came in; and near-daily calls with the local chamber of commerce. Only then could the real work begin of finding out what happens when microenterprise owners start chatting with a trained gen AI mentor.

A Strategy for Scale

Aguilar's experiment with her WhatsApp LLM Mia unfolded in Tegucigalpa, Honduras, the country's capital and largest city. Local microentrepreneurs – mostly women, many around age 50 and more than half with less than a secondary education – were randomly assigned to one of three groups. Randomizing the groups meant they looked alike, on average, in terms of education, experience, business category, etc. "It's something really simple, but it changes everything," Aguilar says. "Then you can talk about causality, not just correlation."

All three groups were given the same ILO business curriculum. What varied was the teacher. Group 1 met with a human trainer in a classroom, the way the local chamber of commerce had taught for years. Group 2 got a version of Aguilar's Mia that taught the same ILO material in a traditional way of siloing topics: a unit on marketing, another on accounting, etc. Group 3 got a version of Mia that treated accounting as the language of business – a thread that integrates into every decision microentrepreneurs make about pricing, suppliers, discounts, timing and beyond.

Participants could send questions to Mia as voice notes and photos, and Mia could answer with voice notes back. "A lot of people said it felt like a friend," Aguilar says. "Someone they could just talk to easily." With in-person trainings, she notes, social pressure can keep people from asking questions. Someone who never finished primary school might sit next to someone with a master's degree, and in that context might hesitate to ask questions out of fear of seeming uneducated. But with Mia, every question gets a judgment-free answer.

The study allowed Aguilar to test two comparisons at once: AI-based versus human-led training; and accounting woven into business decisions versus taught as a stand-alone subject. (The experiment did not measure changes in sales or profits, outcomes that can be difficult to measure over such a limited period.)

The entrepreneurs took to Mia quickly. According to Chicago Booth Review, which reported on Aguilar's research in April 2026, 173 business owners sent Mia more than 30,000 text messages, some 3,000 voice notes and 1,500 images over the month the program ran – asking questions about pricing, inventory, customers and costs at whatever hour they arose.

The first finding? Microentrepreneurs who trained with Mia performed about as well as those taught by a human trainer at roughly 3% of the cost. While it's true that chatbots cannot

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While it's true that chatbots cannot replicate the virtues of in-person training – relationship building, organic storytelling, lesson sharing – AI training holds its quality at scale in a way that armies of human trainers cannot.

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Like other generative AI tools, Mia is meant to support human judgment, not replace it. “At the end of the day, it has to be the entrepreneur making the decisions.”

replicate the virtues of in-person training – relationship building, organic storytelling, lesson sharing – AI training holds its quality at scale in a way that armies of human trainers cannot. According to a 2020 report by the World Bank Group, governments and NGOs spend more than \$1 billion annually training 4 million to 5 million potential and existing entrepreneurs in developing countries.

The second finding mattered even more to Aguilar. Most entrepreneurs don’t come looking to learn accounting, Aguilar notes. They want marketing and sales. But Group 3, which used the version of Mia that integrated accounting into every decision, outperformed both other groups. These entrepreneurs generated 78% more conversations combining financial reasoning with other areas of their businesses, such as marketing and strategy. They also were significantly more likely to articulate concrete, growth-oriented plans. “It’s like when we’re in school and someone is teaching us math, and we don’t know how to apply it,” she says. “But if you teach mathematics for making decisions, in your specific context – how many piglets you have multiplied by how much feed you’ll need over such and such a period – you transfer that knowledge from the classroom to the real world.”

The results have outlived the study. Aguilar says about 30% of the participating businesses have since begun to formalize by registering with the government – a first step toward bank credit, legal protection and growth. And the chamber of commerce in Tegucigalpa, convinced by what it saw, kept Mia on as a regular service for its microentrepreneurs.

In the academic world, Aguilar’s studies have also gained notice. This past year, she had the rare distinction of having research presented and discussed at the two most prestigious accounting conferences in the same academic year – the Ray Ball Journal of Accounting Research Conference and the Journal of Accounting and Economics Conference. In 2025, Aguilar and Ramesh also hosted the first conference on the role of accounting in microenterprises, where Aguilar presented

her findings on Mia. It was attended by leading scholars from the U.S. and across the globe.

Making the Next Move

Aguilar is already working toward another experimental deployment of Mia in both Honduras and Costa Rica, testing a hybrid model in which human mentors work alongside the AI. “In the ideal world, you have both working together,” she says. “You have training in a classroom but can ask questions at any moment to the AI. That way you’re not missing out on much-needed human interaction but getting the accessibility of the LLM.”

She’s clear-eyed about the risks of the technology, especially AI hallucinations and the danger of microbusiness owners trusting the machine too completely. Like other generative AI tools, Mia is meant to support human judgment, not replace it. “At the end of the day, it has to be the entrepreneur making the decisions,” she says.

But Aguilar also sees why accounting researchers cannot stand aside. AI is not only changing the kinds of questions researchers can ask, but also transforming the evidence they can use to answer them. Her experiment produced thousands of recorded conversations, creating a real-time archive of how microentrepreneurs think, worry and learn. It gives the kind of insight no survey ever fully could.

One thing AI has not changed is the reason Aguilar is doing the work she does. “Since I started economics at 18, I always wanted to help make a positive change,” she says. “There are so many things we can do to improve quality of life for people.” For her, that has meant bringing accounting as the language of business closer to the people who could use it to think through what comes next for themselves and their microenterprises.

This fall, Aguilar happens to be taking her own major next step. Having graduated from Rice, she’s making a move from Houston to Chicago to join the tenure-track faculty at the second-oldest business school in the United States – the University of Chicago Booth School of Business – as an assistant professor of accounting. ■



AI at the Kitchen Table

Financial technology is increasingly making the decisions households once made on their own.

New Rice Business research tests three of these tools and finds that better automation does not reliably produce better outcomes.

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Increasingly, machine learning, algorithms and fintech are shaping decisions that families once worked through on the back of envelopes at the kitchen table.

In his 2006 American Finance Association presidential address, “Household Finance,” Harvard economist John Y. Campbell partly positioned the field this way: “By analogy with corporate finance, household finance asks how households use financial instruments to attain their objectives.”

In the last 20 years, the financial instruments being used to help households attain their objectives have evolved drastically. Budgeting apps now decide what gets noticed. Automated systems raise red flags. Chatbots are becoming the go-to source for financial advice. And increasingly, machine learning, algorithms and fintech are shaping decisions that families once worked through on the back of envelopes at the kitchen table. One of the most urgent tasks for household finance researchers is to test those new instruments at scale, and to gauge how well the machines that shape more and more of our financial lives are actually working.

The studies that follow examine this new terrain in three corners of household finance: investing, mortgage lending and credit-card debt. Each takes a single technical intervention and measures what changes

when it reaches real people. And each turns up a version of the distance between what technology appears to do and what people experience.

What happens when you ask LLMs to pick your stocks?

Ask five of the most powerful AI models to invest your money and beat the stock market, and they mostly agree on one move: buy Nvidia. A lot of Nvidia.

That’s what **Bruce Carlin**, the George R. Brown Professor of Finance, found when he set out to study how AI handles an ordinary person’s money. For nearly a year, the Rice Business professor and two colleagues at Michigan State University and the University of California, Berkeley asked the leading large language models (LLMs) the same question almost every morning – what should I buy to beat the market? – and tracked every answer as it played out in real time.

For most of the last century, having a portfolio built for you meant hiring someone to do it – a broker, an adviser, a manager with a license and a fee. But

today the same request costs nothing and takes seconds. You ask, and the LLM answers: here's what to buy, here's how much, here's why. Now that nearly everyone has a free financial adviser in their pocket, the real question is whether it's any good. That's what Carlin and his co-authors of a new National Bureau of Economic Research working paper, "AI Managed Household Portfolios: A Preliminary Report," wanted to find out.

Putting the same demand to every system they tested – ChatGPT 5.0 and 5.2, Claude Sonnet 4.5, Gemini 2.5 Flash and Grok 4.1 Fast – Carlin and his co-authors made the LLMs show their work. Each pick had to come with a reason and a source. Why this company? And what were the models reading to get there? The answers to those questions became the real research data.

It turned out the logic for LLM recommendations had less to do with a firm's actual figures and more with their media mentions. The companies that made the cut drew nearly 10 times the news coverage of the average public company. What the AI recommended, ultimately, was whatever was being talked about most online.

The cost of that news-chasing is that you get a narrow portfolio with a handful of headline names, mostly crowded into the same corner of the market. Semiconductors alone made up around 40% of the AI-managed holdings – enough that a single bad year for chipmakers could drag down the whole account. Banks, meanwhile – the backbone of most retirement accounts – barely appeared. Gemini, at one point, treated four or five stocks as a finished portfolio, a job most advisers would spread across dozens of names. "For the household investor, the protection that matters most – diversification, the spreading of risk – is the very thing LLMs left out," Carlin says.

On paper, the AI advice looked like a winner. The portfolios beat the S&P 500, the one thing they had been asked to do. But when Carlin applied a harder test, measuring each pick against other stocks of the same size, growth and recent momentum, the edge all but vanished. The LLMs hadn't picked smarter stocks, only riskier ones. The gains came from taking a concentrated risk that happened to pay

off in a rising market but would be considered reckless in a falling one.

Carlin is careful to call the findings preliminary. The data are still coming in. But his early read is sobering. "The risk isn't that the AI gives obviously bad advice," he says. "It's that the advice arrives instantly, costs nothing and sounds reasonable, which is exactly what makes an ordinary investor likely to act on it."

As more of the money decisions families used to work out together get handed to chatbots – what to buy, what to borrow, how to save for retirement – the same questions will increasingly follow from one budgeting conversation to the next: Does AI actually give good financial advice? Or does it only sound that way?

Has automated underwriting kept its promises?

Three decades after automated underwriting systems (AUS) began reshaping the mortgage market, **Stephanie Johnson** and **David Zhang** are asking whether the technology has delivered on its original promises. Both assistant professors of finance at Rice Business, they study AUS at a moment when the tools are now integral to the basic machinery of mortgage origination, used to evaluate millions of borrowers and determine who can buy a home and for how much.

Writing in an October 1994 article titled "Mortgages in Minutes," Peter Maselli, then vice president of automated underwriting at Freddie Mac, captured the promises of a new era: "Artificial intelligence is the key to automating the underwriting process." With AI and machine learning, he wrote, mortgage decisions could become faster, more consistent and less dependent on the judgment and potential biases of individual underwriters.

For lenders and real estate agents in the 1990s, the new technology had strong appeal. Human underwriting was slow, not to mention inconsistent and susceptible to prejudice. Promising greater efficiency, accuracy and consistency, Fannie Mae and Freddie Mac helped push the technology into the mainstream, and today roughly two-thirds of new American mortgages are underwritten by a small handful of programs.

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The question, then, is not simply whether AI and machine learning can make better lending decisions – it’s what kind of borrower those systems are built to see.”

That long history gives Johnson and Zhang the data to test how well AUS has lived up to its billing. In separate studies, they find a mixed record: efficiency gains have been marginal; accuracy has improved in some important ways; and fairness remains the hardest promise to assess.

• **Efficiency:** Johnson’s research finds that adoption of AUS trimmed only about four days from the average processing window, with larger reductions for those that were denied than for those approved. Four days is not nothing, but it’s also not the revolution the industry was selling.

Working with a colleague at the Dallas Fed, Johnson found that the real change following AUS implementation was in the lending standards. Freddie Mac’s system introduced statistically derived rules that relaxed traditional limits on how much a household could borrow against its income, allowing borrowers to qualify for larger loans on the same paycheck.

Over time, that extra borrowing capacity spread across millions of households, helping drive up both home prices and household debt.

• **Accuracy:** The most ambitious promise of AUS was that a machine could judge a borrower’s risk more reliably than a human – lending to those who would repay and turn away those who would not. It’s also the promise the evidence most clearly supports.

For years there was no way to test it because the riskiest borrowers stayed in the hands of human underwriters. But a 2016 Federal Housing Administration (FHA) policy changed that, letting algorithms approve loans to applicants with low credit scores and high debt.

In a forthcoming *Journal of Finance* article, Zhang and his co-authors, including Rice Business alumna Hanyi Livia Yi (Ph.D. ’21), treat this policy change as a natural experiment. They found that the machines judged well. Lending to these borrowers surged, more than doubling in the most affected group, while the share who fell behind on their payments barely changed. “The algorithms approved people that underwriters had been turning away, and delinquency rates did not rise,” Zhang says. “The AUS lent more freely than humans had, without making worse lending decisions.”

• **Fairness:** The most consequential promise of AUS technology, and the hardest to keep, was that a race-blind formula would widen the door for borrowers that a biased system had shut out.

The same 2016 policy that improved accuracy offered Zhang a direct test on the question of inequity. The FHA serves a disproportionately Black and lower-income population, exactly the groups the automation was supposed to help.

Zhang and his co-authors found the credit expansion reached non-Black borrowers at about 7.3% – but it was essentially zero for Black borrowers. The gap held even after matching borrowers by income and credit score, so it was not simply a question of income in disguise. “The algorithm never sees race,” Zhang says, “but it rewards a clean, documented financial history, and that’s exactly what disadvantaged borrowers are least likely to have.”

Taken together, these findings complicate the founding promises of automated underwriting. AUS did not make mortgage lending dramatically faster, but it did change who could borrow, how much they could borrow and how well lenders could predict repayment. It also shows why fairness is the hardest part to automate. A race-blind system can remove some forms of individual discretion, but it cannot erase the unequal financial histories already present in the data.

The question, then, is not simply whether AI and machine learning can make better lending decisions – it’s what kind of borrower those systems are built to see.

Can a nudge help people get out of credit-card debt?

According to Chicago Booth Review, credit-card balances in the U.S. topped \$1 trillion in 2023, much of it carried by people who pay only the monthly minimum at interest rates north of 20%. For years, behavioral economists thought they had an inexpensive way to help consumers reduce their debt: a “nudge” to hide the minimum-payment option. The thinking – based on the psychology theory of anchoring whereby the salience of seemingly irrelevant numbers can distort choices – was that hiding the minimum payment

number would encourage borrowers to pay their debt more quickly.

Two recent big experiments by **Benedict Guttman-Kenney** undermine this idea. Guttman-Kenney, an assistant professor of finance at Rice Business, has tested the nudge at a scale most behavioral research never reaches: a British trial of more than 40,000 credit card holders, and a second study of nearly 7,000 cardholders in the United States. Both turned on the same kind of intervention fintech apps deploy constantly to shape how households handle their money.

Paying only the minimum required amount on a credit card keeps a balance alive for years, each month's interest compounding on the last. In Britain, the one in five cardholders enrolled in minimum-only autopay generate nearly half of all the interest and fees the industry collects. And three-quarters of those in long-term, persistent debt pay this way. These are the households the British trial was built to rescue.

In the British trial, the nudge meant removing the "pay the minimum" option from the autopay menu that new cardholders saw at sign-up. By every immediate measure, it worked. Enrollment in minimum-only autopay fell from 37% to under 10%, and the share of borrowers paying exactly the minimum dropped by 23%. Yet six months later, their credit-card debt had not moved – neither had their spending, payments or borrowing costs.

The reason, Guttman-Kenney found, was that minimum payments were not simply a psychological anchor pulling borrowers toward a lower number. For many cardholders, minimum payments were close to the limit of what cardholders could afford. Half had no readily available cash or had been overdrawn at some point in the three months before applying for the card.

A second experiment, run with Arro, a U.S. fintech credit card lender, sharpened the point. Among nearly 7,000 borrowers, most with below-prime credit scores, Guttman-Kenney tested two versions of the intervention: one that hid the minimum

payment and another that added a button to pay half the balance. Neither changed how much people paid. That result ran against earlier online experiments, where hiding the minimum payment pushed people to say they would pay about 12 percentage points more. But those were hypothetical choices. Put the same design into a real app, attached to real money, and the effect disappeared.

Together, Guttman-Kenney's two studies suggest that the minimum payment was doing something more practical than behavioral theory had assumed. Rather than pulling borrowers toward a lower number, cash-strapped households used it as a benchmark they could work toward.

Like the studies on AI-managed portfolios and automated underwriting, the credit-card nudge research tests whether a financial technology improves the outcome it was built to address – not just whether it works as designed. The difference is that here, the technology worked exactly as designed. It changed behavior on contact. Even so, debt, spending and borrowing costs didn't move. Of the three studies, it's the clearest proof that technologies can perform as designed and still not improve a household's finances.

The limits of smarter systems

Taken together, the findings raise a central question: Can the financial instruments shaping household decisions help families attain their objectives, given the money, time, risk and documentation available to them? It's not an easy standard to design for. A model can only optimize what it can see, after all, and what it sees is often a thin proxy for how families actually live.

The next challenge is to identify where those proxies break down, which households they misrepresent and how to account for their limits.

As more and more decisions move from the kitchen table to the user interface, designers and researchers will need to build and test financial technologies against household conditions that are often difficult to observe and slow to change. ■



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Stephanie Johnson, Ph.D.
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David Zhang, Ph.D.
Assistant Professor of Finance



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RICE BUSINESS WISDOM

Class Notes

Updates from Rice Business Ph.D. alumni
and their work around the world.



A doctoral program runs on a strange bargain: We spend five or six years getting to know our students better than almost anyone — and then success means sending them away to other schools. We measure ourselves by how completely they no longer need us. So you'll forgive my delight in these pages, where, for the first time, the graduates of the Rice Business Ph.D. program have written home to tell us what they've been up to.

We are still a small and relatively young program. A handful of students enter each cohort, and only several dozen have graduated since our inaugural cohort in 2009. But look at the return addresses on these notes: Columbia, Carnegie Mellon, Boston College, Rochester, Wisconsin, Pittsburgh, Miami, Michigan State and Virginia. This year's grads are off to places like Chicago, Northwestern and Texas A&M.

The details hold smaller satisfactions, too. You'll find tenure announcements, research prizes and teaching recognition. You'll find a recent publication in a top finance journal written entirely by graduates of this program — students who left Rice in different years and found their way back to each other as co-authors. For a program that is still early in its development, our graduates are already making a significant mark on their field.

And in an issue devoted to artificial intelligence, what strikes me the most is that many of our alumni are doing research on technologies that did not exist when they were sitting in seminar rooms at McNair Hall. LLMs reading legal disclosures, AI helping decide how investment portfolios are built, firms turning to automation when their labor practices make headlines — we could not have taught them any of it, because none of it had been invented yet. And that, I'd argue, is precisely the point of doctoral training. We teach Ph.D. students how to ask questions about the future.

To our Ph.D. alumni: We are proud of you beyond reason, and we hope you'll keep writing home.

Warmly,



James Weston, Ph.D.

DEPUTY DEAN OF ACADEMIC AFFAIRS

HARMON WHITTINGTON PROFESSOR OF FINANCE

CLASS OF 2014**Alexander Chaudhry**

(Marketing) is associate dean and associate professor of business analytics at Southern Utah University's Dixie L. Leavitt School of Business, where his research applies machine learning, causal inference, and natural-language, speech and video analytics to large-scale behavioral data on consumer engagement, social influence, pricing and advertising. His 2025 Journal of Interactive Marketing paper, "Community Gifting and Recipients' Engagement with Peers and Influencers: Evidence from Natural Experiments on Twitch," was selected as an AMA Research Insight. As associate dean, he authored the Leavitt School's Quality Education strategic initiative on AI preparedness and designed ANLY 6510, a project-based graduate course on generative AI systems.

CLASS OF 2016**Elizabeth (Lizzy) Berger**

(Finance) is an assistant professor of finance at the Bauer College of Business at the University of Houston, where she studies banking, economic growth and corporate finance. Recent work includes "Half Banked: The Economic Impact of Cash Management in the Marijuana Industry," in the Journal of Finance.

Edwin Hu (Finance) is an associate professor of law at the University of Virginia School of Law, where his work brings empirical analysis to corporate and securities law, market structure and financial regulation. His current AI-related project uses

large language models to study private placement memoranda, examining how disclosure and risk language varies across issuers in exempt offerings. Recent work includes "Regulatory Leakage Among Financial Advisors: Evidence from FINRA Regulation of 'Bad' Brokers" in the Journal of Financial Economics (2025). He received the John L. Weinberg/IRRCI Research Paper Award in 2025 and co-authored an amicus brief of securities-law scholars and former senior SEC officials before the U.S. Supreme Court.

Wei Shi (Strategy) is a professor of management and Cesarano Faculty Scholar at Miami Herbert Business School, University of Miami, where he studies how shareholders influence firms' strategic decisions – work he is now distilling into a book on shareholder strategy, currently under contract. His recent research speaks directly to the AI moment: A study in Information Systems Research finds that media exposure of labor issues creates reputational pressure that pushes firms to invest in AI – primarily to automate high-skilled work rather than augment it, ultimately reducing future labor use.

Alberto Mokak Teguia (Finance) is an assistant professor of finance at the University of British Columbia's Sauder School of Business. His research brings understudied features of markets and human psychology – the market power of large institutional investors, the way investors revise their beliefs, the design of trading protocols

– into otherwise standard asset pricing models, and traces the consequences for liquidity, prices and welfare. His paper "Granularity in Asset Markets" was conditionally accepted at the Journal of Finance this year. He is an elected member of the Finance Theory Group. He credits his time at Rice, and Kerry Back's mentorship in particular, with shaping his path. His most recent milestone, he notes, is a personal one: He and his family welcomed twins in 2024.

Yang Wang (Marketing) is a principal economist at Amazon Ads Economics, promoted to that rank in 2025 after joining the company in 2022 following six years in academia (Temple 2019–2022, UTEP 2016–2019). His industry work sits close to the AI moment: He studies the economics of sales – territory assignment, segmentation, compensation, incrementality measurement – and is building AI-enabled digital twins to estimate B2B customer preferences. His academic research on how agency mergers reshape ad creative styles continues alongside the industry work. Recent publications include studies in Marketing Science (2022), Production and Operations Management (2023), the Journal of Interactive Marketing (2025) and Strategic Management Journal (2025).

Morad Zekhnini (Finance) is an assistant professor of finance at Michigan State University's Eli Broad College of Business, where his research examines networks in finance. His paper "Publication Effect: Accelerating Anomalies"

was recently accepted at the Journal of Financial Economics.

CLASS OF 2017**Jonathan Bonham** (Accounting)

is an assistant professor of accounting at the University of Illinois Chicago. His research examines agency theory, executive compensation, corporate governance and contracting theory – much of it rooted in projects that began during his doctoral work at Rice.

Ioannis Spyridopoulos

(Finance) was promoted this spring to associate professor of finance, with tenure, at American University's Kogod School of Business in Washington, D.C. His research sits at the intersection of empirical banking, capital markets and financial networks, examining how lending relationships and market intermediation affect households, firms and the broader economy. Lately he has turned to AI: A grant from the Kroner and Koenigsberger Center for Financial Research at UC San Diego supports his project on AI-augmented strategic asset allocation using macro-financial narratives. Recent publications include studies in the Journal of Financial and Quantitative Analysis and Management Science.

Daniel Zyung (Strategy)

is an associate professor of management and leadership at the University of Houston's Bauer College of Business. His research examines CEOs from nearly every angle – their cognitive styles and firms' AI adoption, boomerang CEOs and organizational

turnarounds, and how boards respond when CEOs breach stakeholder rights, the subject of his solo-authored 2025 study in *Organization Science*. Another 2025 paper in the *Journal of Management* examines competition and constituents' polarization online. In May, he appeared as a panelist at a Bauer symposium on AI, "Being Human in the Age of AI: Thriving in the Modern Workplace."

CLASS OF 2018

Colby D. Green (Strategy) became MBA director at Southern Utah University's Dixie L. Leavitt School of Business on July 1, moving over from his role as associate dean; he is also an associate professor of strategic management. He is helping launch a new AI emphasis in SUU's MBA program, where he will teach a new course, *Strategy & Innovation with AI*. Outside the classroom, he co-founded *backincharge.com* with his wife, board-certified child psychologist Dr. Kat Green, to expand access to evidence-based psychological care for children and teens.

Erik Mayer (Finance) is an assistant professor of finance and the John and Anne Oros Term Professor at University of Wisconsin-Madison's Wisconsin School of Business, where his research spans household finance, financial intermediation and the intersection of finance and labor economics. His recent work studies how financial institutions shape economic mobility and opportunity in the U.S., often in collaboration with Rice colleagues. Publications include "Racial Disparities in the

Auto Loan Market," with Rice professors Alex Butler and James Weston, in *Review of Financial Studies* (2023); "The Impact of Minority Representation at Mortgage Lenders" in the *Journal of Finance* (2025); and "Government Litigation Risk and the Decline in Low-Income Mortgage Lending," with fellow Rice Ph.D. alumni Billy Xu ('23) and Lawrence Zhao ('23), in the *Journal of Financial Economics*.

CLASS OF 2019

Justin Balthrop (Finance) is an assistant professor of finance at the University of Nebraska-Lincoln, where his research focuses on sports betting. His paper "Gambling Away Stability: Sports Betting's Impact on Vulnerable Households" is forthcoming in the *Journal of Financial Economics*, and he holds a grant from Arnold Ventures.

Conor Callahan (Strategy) is an assistant professor at the University of Illinois Chicago's Managerial Studies department. His work sits at the intersection of strategic leadership and the social evaluations of organizations, and includes three projects with Rice faculty currently under review at top management journals. He was recently invited to present at the Strategic Leadership Idea Development Event (SLIDE), where his research drew on generative AI to explore how AI deepfakes may shape stakeholder views of organizations.

Rafael Copat (Accounting) is an assistant professor at

the University of Texas at Dallas' Naveen Jindal School of Management. He studies corporate governance, with an emphasis on proxy advisers, shareholder voting, executive compensation and boards of directors. His study "Racial Diversity Exposure and Firm Responses Following the Murder of George Floyd" – co-authored with K. Ramesh, among others at Rice Business – appeared in the *Journal of Accounting Research* in 2023.

Toby Li (Strategy) is an assistant professor of strategy at Texas A&M University's Mays Business School, where his research examines interorganizational governance – how firms structure contracts, incentives, monitoring and relational safeguards with suppliers and partners – and the unintended consequences those arrangements can produce, from environmental accidents to investment hazards and capability erosion. Much of his empirical work is set in the oil and gas drilling industry. His recent publications include a paper on resource idling and capability erosion in the *Academy of Management Journal*, and a second AMJ paper on how the pursuit of speed contributes to environmental accidents, now in press, which received a Best Paper Award from the Academy of Management.

Gary Lind (Accounting) received tenure in May at the University of Pittsburgh, where he is an associate professor of accounting. His research connects accounting and macroeconomics, with recent publications in *Contemporary*

Accounting Research (2025), the *Journal of Accounting Research* (2026) and the *Journal of Accounting and Economics* (2026), the latter co-written with K. Ramesh and Marcela Aguilar ('26).

CLASS OF 2020

Jonathan Bitting (Finance) is an assistant professor of finance at Appalachian State University's Walker College of Business, in the department of finance, banking and insurance. His research focuses on agency issues, incentives, product markets and governance; he recently published "CEO Short-Term Incentives and the Agency Cost of Debt" in *Contemporary Accounting Research* (2025). This year brought a double distinction at Walker: first place in the Dean's Club Research Prize and the Sywassink Award for Excellence in Teaching.

Zhuo (Emma) Chen (Strategy) is an assistant professor of strategy and entrepreneurship at the China Europe International Business School (CEIBS). Her research examines technology innovation and entrepreneurship – including corporate venture capital, mergers and acquisitions, entrepreneurial finance, patent strategy and the strategic implications of artificial intelligence – with particular attention to how firms make innovation and investment decisions under uncertainty. Since joining CEIBS, she has published two papers in the *Strategic Management Journal* and presented at leading conferences, including the Academy of Management, Strategic Management Society and Strategy Science. She serves

on the editorial review board of the Journal of Management.

Michael Dong (Finance) is an assistant professor of finance in Missouri State University's Department of Finance, Economics, and Risk Management, and a Federal Reserve Bank of St. Louis research fellow. His research spans litigation finance, financial markets, corporate finance, family office investments, and AI and big data, including a recent published paper on ChatGPT in finance and accounting.

Emmanuel Yimfor (Finance) is an assistant professor of finance at Columbia Business School, where he studies entrepreneurial finance, venture capital and private equity with a focus on discrimination and access in capital markets. Two recent papers are squarely on AI, including "Funding Black High-Growth Startups" in the Journal of Finance (2026), which uses image- and name-processing algorithms to determine that of the founders seeking VC funding represented in the researchers' PitchBook sample, only 3.47% were Black. This year he took home the Yihong Xia Best Paper Award at the China International Conference in Finance and the Bradford-Osborne Research Award at the University of Washington Foster School of Business.

Rustam Zufarov (Accounting) is an assistant professor in the department of accounting at the University of Illinois Chicago College of Business Administration. His research examines innovation, government procurement and

corporate financing, and he is a recent recipient of the prestigious American Accounting Association (AAA) Competitive Manuscript Award.

CLASS OF 2021

Daniela De la Parra (Accounting) is an assistant professor of accounting at the University of North Carolina at Chapel Hill's Kenan-Flagler Business School, where her research examines corporate disclosure and accounting information. Her most recent paper was conditionally accepted at the Journal of Accounting and Economics this year.

Yessenia Tellez (Finance) is an assistant professor of finance at Virginia Tech's Pamplin College of Business, where her research focuses on household finance, banking, corporate finance and financial intermediation – studying how financial institutions and local economic conditions shape household outcomes and firm behavior, using large administrative and proprietary datasets. Her paper "Consumption Smoothing via Product Markets" is forthcoming in the Review of Corporate Finance Studies.

Hanyi Livia Yi (Finance) is an assistant professor of finance in the Seidner Department of Finance at Boston College Carroll School of Management, where she studies public finance, entrepreneurship and household finance. Her paper "Algorithmic Underwriting in High Risk Mortgage Markets," co-authored with Rice Business professor David Zhang, is forthcoming in the Journal of Finance. Earlier work has appeared in the Journal

of Financial Economics – on deputizing financial institutions to fight elder abuse (2023) and on the gig economy and new business formation (2022) – among other outlets. A two-time winner of the Carroll School's Teaching Stars Award (2023, 2025), she also took home the best paper award at the 2024 Fintech & Financial Institutions Research Conference.

CLASS OF 2022

Tae-hoon Im (Marketing) is an assistant professor of marketing at California State University, Northridge's David Nazarian College of Business and Economics, where his research focuses on AI and sustainable marketing. He recently received a Research, Scholarship and Creative Activity Award from CSUN's Division of Academic Affairs and was elected a faculty senator.

Yajing Li (Strategy) is an assistant professor in the management department at Lehigh University's College of Business, where she studies entrepreneurship and innovation. Her study of independent directors on venture boards, co-authored with Sam Garg, appeared in the Journal of Business Venturing in 2025, and she is co-principal investigator on a UoM-CUHK joint research seed fund grant.

CLASS OF 2023

Syed Kazempour (Finance) is an assistant professor of finance at Louisiana State University's E.J. Ourso College of Business. His research studies how information is produced, communicated and processed to form prices in financial markets; he uses various

forms of AI – machine learning, textual analysis and large language models – to analyze financial data, most prominently social media. His work is published or forthcoming in the Journal of Finance and Journal of Financial Economics.

Jenny (Yoon Jung) Kwon (Strategy) joined Temple University's Fox School of Business as an assistant professor of management in July 2026. Her research examines innovation, corporate venture capital, incumbent-venture ties, the market for technology and the energy industry. A recent paper of hers is forthcoming in the Academy of Management Journal.

Xiao Liu (Accounting) is an assistant professor of accounting at Southern Methodist University's Cox School of Business, where she studies banking, financial reporting, and the real effects of accounting standards and financial regulation. Recent work has extended into bank lending and loan loss provisioning, and she is currently examining how generative AI has affected the readability of corporate financial disclosures.

Billy Xu (Finance) is an assistant professor of finance at University of Rochester's Simon Business School, working on consumer finance, mortgage lending and regulation. He recently placed two papers in the Journal of Financial Economics: "Government Litigation Risk and the Decline in Low-Income Mortgage Lending" and "Defunding Controversial

Industries: Can Targeted Rationing Choke Firms?"

Lawrence Zhao (Finance) is an assistant professor of finance at Texas Tech University's Rawls College of Business, with research interests in empirical corporate finance, household finance and financial intermediation. His most recent paper, "Government Litigation Risk and the Decline in Low-Income Mortgage Lending," was published in the *Journal of Financial Economics*.

Yiying Zhu (Strategy) is an assistant professor of management at Montclair State University's Feliciano School of Business, where she studies innovation, entrepreneurship, sustainability and social impact. Recent publications include "How Social Movements Catalyze Firm Innovation" in *Organization Science* (2025) and "Gender and Social Entrepreneurship Fundraising: A Mission Drift Perspective" in *Organizational Behavior and Human Decision Processes* (2025).

CLASS OF 2024

Patrick Blonien (Finance) is an assistant professor of finance at Carnegie Mellon University's Tepper School of Business. His research explores market microstructure and market design – especially how trading mechanisms, trading hours, fragmentation and liquidity provision shape price discovery and allocative efficiency.

Sung Hun (Brian) Chung (Strategy) is an assistant professor of management

at Texas A&M University's Mays Business School, where his research focuses on strategic leadership, corporate governance, corporate activism, corporate scandal, and how firms and executives respond to social and institutional pressures. His article "Threading the Needle of Corporate Activism: How Firms Frame Their Stances on Polarizing Social Issues" was published in the *Academy of Management Journal* in 2025.

Geoffrey Pears (Accounting) is an assistant professor (lecturer) at University of Utah's Eccles School of Business, where his research examines discrimination in mortgage lending, the enforcement of laws and corporate commitments to DEI.

CLASS OF 2025

Zijun Liu (Accounting) is a visiting assistant professor of accounting at Texas Christian University's Neeley School of Business, where his research examines managerial overconfidence in decision-making, financial reporting, voluntary disclosure, corporate governance and debt contracting. In January 2027 he will join the University of New South Wales' School of Accounting, Auditing and Taxation as a lecturer in accounting.

Jose Torres (Accounting) is an assistant professor of accounting at INCAE Business School, teaching across the MBA, Executive MBA and executive education programs. His research focuses on banking and financial reporting – particularly how bank stakeholders acquire and

use information – by examining the active monitoring role of depositors, information acquisition through regulatory disclosures, and how banks fold private forward-looking information into loan loss provisions under CECL.

David Nathaniel Wilson (Accounting) worked at Rice for a year as an instructor of accounting and acting director of the Rice Business Finance Center. This fall he begins as an assistant professor of instruction at Northwestern University's Harvey Kapnick Center for Business Institutions. His research explores how information affects intraday trading dynamics, with a focus on institutional investors, market intermediation and market quality.

Anthony Zdrojewski (Finance) is an assistant professor of finance at Texas Christian University's Neeley School of Business. In 2025 he received the Brattle Group Ph.D. Candidate Award for Outstanding Research at the WFA conference for his job market paper, which he also presented at the Lone Star Finance Conference and the Dallas Federal Reserve.

CLASS OF 2026

Marcela Aguilar (Accounting) has joined the University of Chicago Booth School of Business as an assistant professor of accounting and James S. Kemper Faculty Scholar. Her paper "What Role Does Accounting Play in the Informal Economy?" co-authored with K. Ramesh and Gary Lind ('19), is forthcoming in the

Journal of Accounting and Economics.

William Gonzalez (Accounting) has accepted a position as assistant professor in the James Benjamin Department of Accounting at Texas A&M University's Mays Business School, beginning fall 2026. His research focuses on financial reporting, disclosure regulation and accounting standard setting.

Alexander Ober (Finance) was recently hired by Northwestern University's Kellogg School of Management as a Donald P. Jacobs Scholar and assistant professor of finance. His research spans asset pricing, market microstructure and applications of AI to financial problems.

Xi Wang (Strategy) is an assistant professor of strategic management at the University of Texas at El Paso, where her research focuses on technology and innovation, platforms and ecosystems, and entrepreneurship. Her recent work is published in *Academy of Management Proceedings* and was presented at the 2026 Academy of Management Annual Meeting in Philadelphia.

Yifan Zhang (Finance) joins the University of Missouri's Trulaske College of Business this fall as an assistant professor of finance, where he will teach international finance. His research focuses on market microstructure, asset pricing and empirical finance, with recent work on intraday return dynamics, market liquidity and investor expectations.







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