

## THOMAS J. GJERDE

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### Education:

- Ph.D.** Economics, Purdue University; Krannert Graduate School of Management, West Lafayette, IN. 1996  
**M.A.** Economics, Minnesota State University-Mankato, Mankato, MN.  
**B.A.** Economics, Buena Vista University, Storm Lake, IA.

### Experience:

- Visiting Assistant Professor:** (2007-present) Teaching MBA courses in *Corporate Finance* and *Principles of Economics* and undergraduate courses in *Corporate Finance* and *International Economics*.
- Continuing Lecturer, Finance:** (1999-2007) Taught *International Finance*, *Financial Management*, and *Investments Management* according to departmental needs within the School of Management at Purdue University. Course coordinator for *Financial Management*.
- Visiting Assistant Professor, Economics:** (1997-1998) Taught *International Trade*, *Principles of Economics* and *Principles of Macroeconomics* within the School of Management at Purdue University.
- Graduate Program Director, School of Management:** (1996-1997) Responsibilities included evaluating and admitting new students, awarding financial support, advising, scheduling, recruiting, outreach, policy making and other activities within the Harriman School for Management and Policy at the State University of New York at Stony Brook, SUNY-SB.
- Visiting Assistant Professor, School of Management:** (1996-1997) Responsibilities included advising undergraduate business majors and serving on various committees. Taught undergraduate courses in *Policy and Strategy*, *Management Science*, *Business Ethics* and *Investments Management* in the Harriman School, (SUNY-SB).
- Visiting Assistant Professor, Economics:** (1995-1996) Taught a two semester field sequence in *Advanced Labor Economics* in the Ph.D. program in Economics at SUNY-SB. Served as major thesis advisor to Ph.D. student.
- Graduate Instructor:** (1991-1995) Taught *Principles of Economics* at Purdue University.
- Student Relations Coordinator, College of Business:** (Winter 1991) Served as Student Relations Coordinator at University of Minnesota, Mankato State while acting coordinator was on sabbatical. Responsible for academic advisement of current students and meeting prospective students. Interacted with department heads within the College of Business. Also served as an **Academic Advisor** (1989-1991) under the Student Relations Coordinator. Reference: Larry Herke, Student Relations Coordinator (507) 389-2963.
- Account Representative:** (1983-1988) Employed by Western Merchandisers', Inc. Sales and service of books, music and video products to Wal-Mart and Target department stores. Reference: Tony Girard, Executive Vice President (806) 376-6251.

## Research

*Naked Short-Selling and Delivery Failure in U.S. Equity Markets*

Presented at the 66th International Atlantic Economic Conference - Montreal, Canada October 12, 2008.

*Negative Inventory Shocks and Dealer Behavior* (in progress)

*Project Evaluation using Sensitivity Analysis to Identify Critical Assumptions and Variables*, with Christopher Harlow. (Submission in 2008)

*Labor Markets with Varying Degrees of Recall Commitment*, with John Barron  
Under review at the *International Economic Review*.

*Hoarding and Vacancy Creation* (in progress)

*Attrition*, with Barron and Kathy Paulson Gjerde

## Service

Met with representative of the Indiana State Chamber of Commerce to discuss ways in which the College of Business Administration could partner with the State Chamber on a Chamber study of mid-market companies. November 2007.

Arranged and attended a meeting between the Indiana State Chamber of Commerce, the College of Business Administration Dean, and the director of the Butler Business Accelerator to discuss the idea of hosting a conference for a group of mid-market executives at Butler. February 2008.

Met with representative of the Indiana State Chamber of Commerce and a Butler Associate Dean to discuss extending a Chamber study of mid-market companies. October 2008.

## Professional Affiliations

Member Financial Management Association, Member American Economic Association.

## References:

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David Denis  
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School of Management  
Case Western Reserve University

Russ Kershaw  
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(Former Butler Dean)  
Dean, School of Business Administration  
Philadelphia University

## Summary of Research and Scholarly Activity - Fall 2008

### *Naked Short-Selling and Delivery Failure in U.S. Equity Markets*

This paper is near completion and I plan to submit the paper Fall 2008.

**Presented at the 66th International Atlantic Economic Conference - Montreal, Canada October 12, 2008.**

**Abstract:** In 2005, the SEC launched Regulation SHO to curb naked short selling in U.S. equity markets. The following analysis identifies a set of empirical regularities associated with companies that appear on the "threshold security list" and assesses the impact that Regulation SHO has had on naked short selling. The paper also presents evidence that suggests illiquidity, rather than manipulation, is the principal cause of delivery failure.

### *Negative Inventory Shocks and Dealer Behavior (in progress, submission planned for 2009)*

**Abstract:** Dealers signal negative inventories when they fail to deliver significant amounts of a security within the standard T + 3 settlement window. In 2005, the SEC launched Regulation SHO, which requires the major U.S. stock exchanges to include securities with significant levels of fails on "threshold security lists". This study uses micro-level data to compare dealer behavior in threshold securities to dealer behavior in a control group of securities. The results suggest that spikes in buy side pressure in relatively illiquid securities lead to negative inventory. Preliminary results suggest that dealers respond to negative inventory by increasing the size of their bid and increasing time on the inside bid rather than increasing the level of bid. The trading days just prior to elimination of the negative inventory typically contain a negative size-weighted spread implying that dealers are willing to incur a loss in order to rebuild inventory to optimal levels.

### *Project Evaluation using Sensitivity Analysis to Identify Critical Assumptions and Variables with Christopher Harlow, Butler Business Accelerator Consultant.*

This case study is nearing completion and will be ready for submission to a peer reviewed case journal after students solve the case and provide feedback during Fall semester 2008.

**Abstract:** Students are required to build a model and analyze a capital investment project. Students use sensitivity analysis to test the model and identify critical assumptions. We base the case on a Butler Business Accelerator client.

### *Labor Markets with Varying Degrees of Recall Commitment, with John Barron.*

This paper is currently under review at the International Economic Review.

**Abstract:** A labor-market matching model is developed to explore the relationship between differential search intensities across workers and various types of layoffs across firms. Workers choose optimal search intensity while firms choose from three types of layoffs: layoffs with a specified rehire date ("temporary" layoffs), layoffs without a specified rehire date ("indefinite" layoffs), and layoffs that result from termination ("permanent" layoffs). Variation in recall probability and losses related to training costs provide an explanation of observed occupational differences in layoff usage.

***Hoarding and Vacancy Creation (in progress, submission planned for 2009)***

**Abstract:** The job creation and job destruction literature, the vacancy chain literature and the attrition literature contain empirical studies that identify a classification of job flow for which no theoretical counterpart exists. Worker quits from employment create corresponding job flows across firms. However, for each quit the firm must decide if it should create a vacancy or destroy the position. Surprisingly, scant theoretical work surrounds this decision even though the decision takes on a strategic role when firms attempt to adjust their workforce through attrition. The following study uses standard search theory to establish the existence of these overlooked positions after demonstrating how the same class of models assumes them away.

***Attrition, with Barron and Kathy Paulson Gjerde (preliminary stages)***

**Abstract:** This paper will use a principal-agent model to extend the results in the *Hoarding and Vacancy Creation* paper described above. We will model the strategic nature of the firm's use of attrition to make workforce adjustments.

***Analysis of 'Mid-Market' Companies***

**Description:** Extend the Indiana State Chamber of Commerce study of mid-market companies. The project is in the preliminary stages, but will consist of a collaborative effort between the State Chamber, the Butler Business Accelerator and CBA faculty members. Roles for students should also develop as the project proceeds.