

IN MEMORIAM

Richard C. Green

(1953-2015)

Strangely, I remember, quite clearly, the first time I met Rick. It was on a patio outside at a hotel in Santa Barbara at the 1990 Westerns, the summer before I went on the job market. I also met Eric at the same time, which meant that, though I did not know it, I had just met two of my closest friends. Rick introduced Eric as “the fastest Jew on Long Island.” That is an example of what I call a “riskism.” One of the first things anybody who interacted with Rick came to appreciate was his unique and wonderful sense of humor. One of the things I really loved about Rick, and came to rely on, was how he could make light of even the most serious of situations. Through his sense of humor he had a way of putting things into perspective. After talking to Rick, what seemed like the end of the world, never was quite that bad.

The next time I recall interacting with Rick was four years later when one of the most fortuitous events in my life occurred, Rick decided to visit UBC for the year. Again, for reasons that are not clear, I distinctly remember the day Burton came into my office and told me Rick had decided to visit for the academic year. That was a wonderful year. It was a turning point for me. I am the researcher I am today because of that event.

What distinguished Rick was his approach to academics. Rick was one of those very rare academics for which it was not about ego. For Rick it was truly about understanding the world better, not about showing that he understood the world better. Rick had an uncanny ability to know what question needed to be asked, and that, it turns out, is 99% of what makes a great research contribution. He had a way of succinctly summing up the issue at hand. I remember how he once explained capital structure to me: “The capital structure decision is obviously a tradeoff. One side of that tradeoff is taxes, the problem is we have no clue what is on the other side.” That simple statement stimulated in an entire research agenda in my life.

Rick’s approach to academics meant that he was one of the greatest editors to have served our profession. In 1999 I realized he was going to be the next editor of the *Journal of Finance*. This was long before the decision was announced, but I deduced the ultimate decision simply because, after thinking about the alternatives, he was the obvious choice. Rick, Vasant and I were working on two papers at the time, so I called him and told him not to take the job. To the great benefit of the profession as whole, he ignored my advice. Rick obviously never handled any of my papers, my experience of his truly masterful editorial leadership came as one of his associate editors. Let me share one anecdote. On one occasion an author submitted a paper that relied on Berk, Green and Naik. The author went out of his way to reference our paper in multiple places, waxing lyrical on its importance. On the second round (and one thing about Rick was that he regarded papers that went more than two rounds as a personal failure) one of Rick’s instructions to the authors was to remove all but one reference to Berk, Green and Naik, to tone that reference down to simply recognizing the paper as preceding work and leave it

at that. I think he might have actually told the author to stop sucking up. To Rick, academic discourse was about getting things right, not about advancing agendas.

At no time in my life was Rick's ability to understand the important research questions more critical than on another patio at the Westerns 11 years later, this time in one of Rick's favorite cities, Tucson, Arizona. I had just come from a discussion I had been roped into, on a mutual fund paper, where I had observed that people without a skill in short supply couldn't earn rents. Sitting under evaporators in 110 degree heat, Rick observed that the key question in mutual funds was why flows responded to performance even though performance was unpredictable. One hour later we knew the answer to that question.

The year at UBC was the only time Rick and I lived in the same city and saw each other on daily basis. That year our families spent much time together. I came to know Stephanie, Emily and Julia and they came to know Rebecca. Rick had a beat up Jeep Cherokee and we had a Nissan Pathfinder, and we all spent a lot of time taking advantage of what we all loved and what Vancouver is famous for – the outdoors. Rick learned to fly fish, and tried to teach whomever was game his new found passion. He took both me and Murray (a Ph.D. student at the time) fly fishing --- in baseball batting .500 isn't bad. One of my fondest memories was driving home after an all day hike to Lake Garibaldi in British Columbia. We were in two cars, and as Eric told the story during dinner on the way home at Half Moon Bay, Emily and Julia's subject of discussion in their car was what would you rather do, go on a hike or go to school.

Why was Rick taking a Ph.D. student fly fishing? Well that was Rick. Rick, Vasant and I had the idea for our paper at lunch in the faculty lounge at UBC. At the time Rick was a full professor at Carnegie, and had just finished a term as editor of RFS. We were both unknown young assistant professors. At the end of that lunch Rick said, "let me work out the model." After Rick went back to his office, Vasant and I were so taken with this that we joked that Rick was the research assistant. That was Rick. When the new building at Carnegie was opened and all his senior colleagues elected to move into it, Rick stayed in the old building because the graduate students were staying. He never did this kind of thing to make a statement. He did it because he wanted to do it. Rick knew that an important part of his success was interacting with graduate students and he did not want to give that up. Rick had a unique ability to relate to people for what they were, not for what they represented. If Rick thought that interacting with you would be interesting, then he was game. He really did not care what stature you had, what your reputation was, or any other superficial characteristic that most people care a lot about. He just cared whether he would find the interaction interesting. He was a great man.

Rick was also a very private man. I regarded it as a truly great compliment that somebody I respected as much as Rick regarded me as a close enough friend that he both confided in me and asked for advice. During those conversations I came to appreciate how much Rick loved and respected his family. At times like these it is traditional to go on about what a great father he was. But in this case, he really was, in the way only Rick could be. Unlike most people, Rick had no ability whatsoever to tell anybody, even his closest friends, how great his family was. Instead he would talk about them as the normal people they were, and in doing so, you would have much more respect for them than if he just told you about their great accomplishments. He admired Stephanie enormously, and was immensely proud of both of his

daughters. We share that characteristic, we both have two daughters we love and admire, but Rick had about a 10 year jump on me. I cannot begin to describe how important our conversations about childrearing were to my own relationship with my daughters. Rick's experience, and more importantly, his ability to self reflect, was immensely helpful to my own experience being a father.

Thank you Rick. I will miss you for the rest of my life.