CHICAGO BOOTH HAD A SUCCESSFUL YEAR ON MANY DIMENSIONS. As you will see from this year’s report, we recorded solid financial performance; hired 10 new faculty members, expanding modestly by four; admitted a stronger cohort of students; and saw the interests of our graduating class grow more diverse.

Our culture of innovation and rigor continues to thrive. Last spring the school added the Social Enterprise Initiative to support growing student, faculty, and alumni interest in the social sector, focusing on both research and executive education. In addition, as a consequence of the expansion of faculty and research initiatives, we added a second deputy dean for faculty to accommodate the increase in demand.

In my last report to you, I discussed the formation of two committees to help evaluate our global strategy as well as our engagement with alumni and external constituencies, in order to enhance and broaden the school’s reputation and impact. Many of you provided input to these committees over the past year, and I am grateful for your time and thoughts.

I am pleased to share with you some of the recommendations of the Alumni and External Relations Committee and the Global Strategy Assessment Committee, as well as what steps we have taken to implement them.

The Alumni and External Relations Committee’s observations focused on two key areas: idea visibility and alumni engagement. On idea visibility, we have implemented most of the committee’s recommendations to better leverage the school’s outstanding intellectual resources. Last fall we launched a weekly online column, Business Class (available at igmchicago.org), developed by Chicago Booth’s Initiative on Global Markets in partnership with Bloomberg News. Earlier this year we opened a television studio in Charles M. Harper Center, from which our faculty members have conducted dozens of interviews aired across the globe. We hired an executive director of intellectual capital, who is charged with translating Chicago Booth’s intellectual content and distributing our ideas for maximum visibility and impact.

On engagement, we are reorienting one of the school’s largest events, Management Conference, and connecting it to reunions. We are updating our database using public sources, such as LinkedIn, to improve our communication and provide more opportunities to stay connected. This summer we launched the first phase of our website upgrade and soon will roll out significant enhancements for alumni. The committee also recommended best practices to help alumni stay connected and promote the school, and we are encouraging alumni to adopt these.

In evaluating our global programs, resources, and infrastructure, the Global Strategy Assessment Committee formulated an aspiration for Chicago Booth: for everything the school does, the world should be the proper context. That said, we should not overextend our most important and scarce resource—namely, our faculty—or dilute the impact of our research and educational efforts by simply expanding what we do across the globe. The committee provided specific recommendations for improving the efficacy and impact of our current programs, and a few carefully considered new activities. As a result, we are evaluating our Executive MBA Program on various fronts: We are looking at ways to strengthen ties in Latin America with our EMBA programs; we are assessing the ability of our EMBA Program in Asia to serve a geographically diverse student body; we are better integrating the EMBA Program with our other degree programs; and we’re evaluating the EMBA curriculum. We also are working on broadening the objectives and scope of our nondegree Executive Education programs.

The global committee also recommended better integration, coordination, and measurement of our activities. To this end, we have initiated a major data-warehouse project and will institute multidimensional performance evaluation of our external-facing teams. We also have begun to implement better coordination of our outreach activities and are forming country-specific development and club strategies for our key markets. The faculty and I continue to deliberate on a few other recommendations.

In welcoming new students to Booth, I urge them to “swing for the fences, the school’s got your back.” In order to continue to create and disseminate knowledge that is widely influential, and to provide a preeminent education for future leaders, we must swing for the fences in all that we do. In doing so, we will maintain an environment that allows our faculty, staff, and students to do the same. We could not be so audacious were it not for the generosity and support of our alumni and friends. On behalf of all of us at Chicago Booth, I thank you for your continued commitment to the school.
Chicago Booth had a solid fiscal year, ending June 30, 2012, with revenues outpacing expenses and increasing 2.7 percent year over year. Executive Education continues to grow as we reach more professionals and prepare leaders literally across the globe. The school’s strengthened financial health positions us well to move forward with our strategic goals.

### Financials

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### Faculty

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### By the Numbers

In 2011–12 we welcomed 10 new tenure-track faculty members, for a net growth of four. Our programs remained strong. Selectivity remained high despite a 3 percent drop in applications.
One of Chicago Booth’s greatest strengths is its faculty, who are as wide-ranging in their areas of expertise as they are renowned for their brilliance. In the past year we hired 10 new faculty members, deepening the strengths for which we are traditionally known. The last four years have also seen an increase in adjunct and visiting faculty, who provide practical experience and timely courses for our students while broadening our range of vision.

SELECTED ACCOLADES AND ACHIEVEMENTS

Marianne Bertrand, Chris P. Diasynes Professor of Economics, was selected as a fellow in the American Academy of Arts and Sciences, one of the nation’s most prestigious honorary societies.

John H. Cochrane, AQR Capital Management Distinguished Service Professor of Finance, was selected as a Guggenheim fellow for his work in economics.

Douglas W. Diamond, Merton H. Miller Distinguished Service Professor of Finance, won the 2012 Morgan Stanley-American Finance Association Award for Excellence in Finance.

Erik Hurst, V. Duane Rath Professor of Economics and John E. Jeuck Faculty Fellow, won the 2012 Ewing Marion Kauffman Prize Medal for Distinguished Research in Entrepreneurship.

Christian Leuz, Joseph Sandheinzer Professor of International Economics, Finance, and Accounting, won the Humboldt Research Award.

Tobias J. Moskowitz, Fama Family Professor of Finance, won the 2012 Ewing Marion Kauffman Prize Medal for Distinguished Research in Entrepreneurship.

Raghuram G. Rajan, Eric J. Gleacher Distinguished Service Professor of Finance, won the Infosys Prize in Social Sciences, selected by a panel of international jurors.

Richard H. Thaler, Ralph and Dorothy Keeler Distinguished Service Professor of Behavioral Science and Economics, won the 2012 Nicholas Molidovsky Award from the CFA Institute, a global association of investment professionals.

Luigi Zingales, Robert C. McCormack Professor of Entrepreneurship and Finance and David G. Booth Faculty Fellow, was named Fellow in the American Academy of Arts and Sciences.

ON THE AGENDA
To further extend the reach of Chicago Booth’s thought leadership, we have established a new position—executive director of intellectual capital—whose role is to build a team of journalists who can communicate our faculty’s research and insights to an even wider audience.
The research and learning centers at Chicago Booth are engines of discovery and wellsprings of support, as both faculty and students incubate theories, test ideas, and produce the kind of research that drives organizations, shapes the world of business, and transforms public policy.

**The ACCOUNTING RESEARCH CENTER**
- Produces one of the world’s foremost scholarly journals, the *Journal of Accounting Research*
- Supports the Journal of Accounting Research Conference, where scholars from the top business schools around the world come to present and discuss accounting research

**The APPLIED THEORY INITIATIVE**
- Sponsors visiting fellows from all over the world who are internationally known scholars in applied theory and collaborate with Booth faculty, presenting their work at the Workshop on Applied Theory
- Sponsors a working paper series

**The CENTER FOR DECISION RESEARCH**
- Won a $3.6 million grant from the John Templeton Foundation to support the New Paths to Purpose project
- Launched a $243,963 project, funded by GM, to examine how anthropomorphism is involved in drivers’ experience of autonomous vehicles

**The CENTER FOR POPULATION ECONOMICS**
- Readied the public release of a century of data—a unique historical urban dataset for seven major US cities between 1830 and 1930
- Produced two books authored by Robert W. Fogel, Charles R. Walgreen Distinguished Service Professor of American Institutions

**The CENTER FOR RESEARCH IN SECURITY PRICES**
- Supplied data cited in approximately 150 new scholarly papers published each month
- Generated data used in 431 leading academic institutions in 31 countries, and used by 87 commercial firms and government agencies

**The FAMA-MILLER CENTER FOR RESEARCH IN FINANCE**
- Hosts the weekly Finance Faculty Workshop and the Finance Lunch Seminar
- Awarded funding to 24 professors and 11 PhD students

**The GEORGE J. STIGLER CENTER FOR THE STUDY OF THE ECONOMY AND THE STATE**
- Awarded research funding to 11 professors, including its flagship conference, the US Monetary Policy Forum
- Won a $1.5 million grant from the Fuel Freedom Foundation for research on the future of transportation fuels
- Awarded grants to provide full support for two PhD dissertations in energy research

**The INITIATIVE ON GLOBAL MARKETS**
- Sponsors research by over 30 faculty, including its flagship conference, the US Monetary Policy Forum
- Sponsors IGM Economic Experts Panel, a group of 40 experts nationwide who answer a public policy question each week on the IGM website
- Produces Business Class, a weekly Bloomberg column by Chicago Booth faculty, published throughout the academic year

**The JAMES M. KILTS CENTER FOR MARKETING**
- Sponsors Kilts Fall Premiere, Kilts Marketing Day Forum, the Kilts Mentoring Program, the Marketing Lab courses, and more
- Released its first dataset, the Nielsen Consumer Panel Data, to the broader US academic community

**The POLSKY CENTER FOR ENTREPRENEURSHIP**
- Facilitates the Edward L. Kaplan, ’71, New Venture Challenge (NVC) program’s three tracks (traditional, global, and social), which have resulted in more than 85 companies that have raised more than $275 million and created over 1,300 jobs. The NVC culminates at the Innovation Showcase, celebrating entrepreneurship, innovation, and collaboration at the university.
- Launched a new accelerator program that supported 10 university teams over the summer
- Introduced the Sterling Partners Investment Thesis Challenge (SPITC), in which student teams develop their investment theses over three months at private equity firms

**The INITIATIVE ON GLOBAL MARKETS**
- Sponsors research by over 30 faculty, including its flagship conference, the US Monetary Policy Forum
- Sponsors IGM Economic Experts Panel, a group of 40 experts nationwide who answer a public policy question each week on the IGM website
- Produces Business Class, a weekly Bloomberg column by Chicago Booth faculty, published throughout the academic year

**The SOCIAL ENTERPRISE INITIATIVE (SEI)** was recently established to support student, faculty, and alumni interest in the nonprofit and social sectors. Its mission is to further research on issues of importance to the social sector, to support curricular and noncurricular programs focused on social impact, including the Social New Venture Challenge, and to assist social enterprises that wish to apply proven business practices to strategic decision-making and organization management.
Chicago Booth students’ aspirations are broader than ever before, as reflected by their increasingly diverse career choices. They also are taking advantage of a wider range of courses; entrepreneurship is now a favored area of concentration, second only to finance. Among Full-Time students, 33 percent are international and 35 percent are women. As they develop their talents here, our students find that Chicago Booth is excellent preparation for business in the global economy.

The quality of our incoming students—as the rise in GMAT scores demonstrates—is stronger than ever. We are attracting increasingly well-rounded students who bring diverse perspectives and thereby contribute greatly to both the classroom and their peers.

ON THE AGENDA
Chicago Booth is intent on continuing to leverage relationships with the university at large. One example is the UChicago Careers in Business (UCIB) program, which utilizes undergraduate-only sections of Booth classes, LEAD, and MBA mentors to develop a group of undergraduates with a demonstrated interest in business. The result is an impressive pool of UCIB participants ready to enter the business world.
Building our community
Chicago Booth recognizes the critical role our global network of alumni play in the success of the school. As a result, the Alumni and External Relations Committee was convened last year. One of the committee’s key recommendations was to increase the sense of purpose and community alumni feel by providing more opportunities to volunteer, network with other alumni, and hear from faculty. Last year alone, the school hosted more than 800 events worldwide with a combined alumni attendance of over 20,000. Other key recommendations from the committee were to engage students early in their Booth careers by giving them glimpses into the benefits of being a Booth alumnus; to make reunions more robust and rewarding experiences (see On the Agenda below); and to hire a senior director whose sole responsibility will be alumni engagement.

One of the many measures of alumni engagement is giving to the Annual Fund. Last fiscal year, the Annual Fund set a record with $5,354,755 raised. However, while dollar figures are strong, our overall alumni participation rate, at 16.8 percent, has experienced a slight decrease. Our goal is to make our fundraising efforts more sustainable by increasing the rate of participation. We have an ambitious agenda for moving the school forward. Continuing to build our alumni community is a key goal.

On the agenda
In 2013, the school will host RECONNECT, an event that combines Reunion, Alumni Celebration, and Management Conference into one weekend. This event will reimmerse alumni in the kind of learning, networking, and personal experiences that helped shape both their time at Booth and their subsequent careers.
From its inception, Chicago Booth has produced pathbreaking ideas with lasting impact on the theory and practice of management, and has trained generations of leaders who have helped shape the world of business. This is our mission: to create knowledge with enduring impact and to influence and educate current and future leaders.

We move forward in this mission using the past as a guide. For more than 100 years, the school has held itself to timeless values of relentless pursuit of excellence, rigor, and respect for the individual. It has been an exemplar of unfettered ambition, having created fields, and never shrinking from risks. Many of its pathbreaking ideas, while heretical at the time, have had enduring impact, eventually becoming mainstream. And since its inception, the school has transformed generations of leaders.

To stand above, we must continue to stand apart.

Our vision for the school focuses on five areas:

1. **Strengthen and broaden the intellectual footprint** of the school. To do this, Chicago Booth must strengthen the faculty even more. As the school broadens, it will need to get bigger in some areas. And it must be audacious in acquiring talent—the generous gift from David G. Booth, ’71, and Suzanne Deal Booth has been invaluable in helping us in this area.

2. **Support and leverage impact and influence**, by supporting centers and initiatives, better dissemination of our intellectual capital, and expanding our Executive Education programs.

3. **Support a broader set of student aspirations**, ranging from finance to social entrepreneurship, expanding their choices in the program. This requires curricular innovation in both content and form, including experiential courses and courses on emerging topics.

4. **Attract an even broader pool of future leaders**, via scholarship support and global programs. In particular, this has been a priority area of focus in the last year, and we are sharpening our global strategy to maximize Chicago Booth’s already substantial global footprint.

5. **Better support and leverage our alumni**. Producing outstanding alumni who are leaders in the world of business and policy has been a constant throughout the years. The school must take full advantage of this. In the last year we have implemented several measures to enhance the school’s engagement with alumni and external constituencies.

Going forward, this will provide the framework by which we can assess and track the school’s progress. It will also provide a template for organization as we share that progress in the next report.