

Finance PhD Student Tutorial: Creating Research Ideas

Kyle Zimmerschied¹

¹University of Arkansas

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Plan for Today's Class (60 minutes)

1. 0–10: Opening discussion — how do ideas currently emerge?
2. 10–45: Why good ideas systematically happen for some people
3. 45–60: Framing next week + reflection

This week: “Why do good ideas systematically happen for some people?”

Next week: “How do I actually produce and screen ideas in practice?”

Opening Discussion

- Where do your current research ideas usually come from?
- What typically causes an idea to stall or die?

Building Research System

- The implicit goal of the PhD is a high-quality job market paper and a good job
- Problem with backsolving to this objective
 1. It encourages constant comparison and anxiety
 2. Creative work is non-linear and unpredictable
- **Alternative:** focus on building a strong research system
 - ▶ Increases the probability of good outcomes without knowing the path ex ante
 - ▶ Requires periodic reflection but also trust
 - ▶ Relies on regular, honest conversations with advisors and peers

Creativity + 3 Buffer System

- Creativity is the ability to notice connections others have not seen
- In research, this usually comes from connecting three buffers:
 1. **Conversation in your field:** What questions dominate the literature? What is taken as settled? What assumptions go unquestioned? What do they see as big challenges in making further progress?
 2. **Reality:** What is actually happening in the world? What decisions are being made? What patterns seem surprising or inconsistent?
 3. **Research opportunities:** What data, policy changes, institutional features, or partnerships make progress possible?

Goal: Use research opportunities to say something true about reality that advances the conversation

Research System in Practice

1. **State of research conversation:** Regularly read papers, attend seminars, and track open questions
 2. **Real world:** Engage with descriptive work, practitioners, and adjacent disciplines
 3. **Research opportunities:** Monitor legal reforms, data availability, and potential collaborators
- Load up information about each into memory to give your brain the opportunity to connect dots
 - ▶ **Non-linear exercise:** Learn things not out of need but rather knowing them increases the number of potential connections
 - **Hard part:** Making connections across the three
 - ▶ Synthesis: what is the bottom line, what is truly unusual about this?
 - ▶ Importance of writing for retention and conversation to draw out ideas and make connections
 - ▶ Sleep & margin: Importance for creative process

Research Process (High Level)

1. Generating ideas
2. Selecting which ideas to pursue
3. Executing on selected projects
 - Today focuses on building systems that reliably generate ideas
 - ▶ Idea generation & development is most important as everything else funnels from here
 - Selection and execution require different skills and constraints which we'll cover in the coming weeks

Styles of Generating Ideas

1. **Asset generation:** Find some asset (data/natural experiment) and ask what you can do with it
 - ▶ Easy to get stuck waiting for applications
 2. **Gap driven:** “What’s missing from the literature”
 - ▶ Generates many low-value questions
 3. **Disconnect driven:** Noticing where research and reality do not line up
 - ▶ Akerlof’s efficiency wage theory of unemployment from studying Indian labor market
 4. **Problem driven:** Looking outwards at real world & rather than asking “What can’t I explain about the ways things are” asks “What do I need to know to make them better?”
 - ▶ Paul Niehaus’ work on cash transfers to alleviate global poverty
- High-impact research often comes from disconnect- or problem-driven questions
 - “We’re awash in conceptually uninteresting work because people are doing research for the sake of doing research rather than solving problems” –Paul Niehaus

Importance of Being Entrepreneurial

- Need for outside engagement: $< 5\%$ of students' time at UCSD Economics PhD program
- Consider allocation of time like an investor:
 1. Opportunity Cost of time: "Should I do A?" What else are you doing? How does this align with rest of portfolio?
 2. Invest in research projects that you understand capacity and potential for well
 3. Importance of understanding capacity & substantial costs of overcommitment
 - ▶ Lower quality of work
 - ▶ Decline in co-author relationships
 - ▶ Limited bandwidth for more promising projects

Failing Fast & Finding your Team

- A strong research system emphasizes speed of feedback
 - ▶ As an entrepreneur, constantly making decisions with limited information
- Early conversations reveal fatal flaws before large investments
- Work on the weakest link first
 - ▶ “He tried thirty things and three of them worked” –Sendhil Mullainathan
- Crucial part to find your team
 - ▶ Complementary skills and interests
 - ▶ Compatible working styles and standards
- Take care of yourself: Research can be riveting but also draining and lead to isolation
 - ▶ **Key Idea:** Our identity flows from our *being* rather than our *doing*

Before Next Week (1 Hour)

- Prepare **one** short idea snapshot (max 1 page)
- Goal is clarity and revisiting the idea development process

Idea Snapshot Structure

- **One-sentence idea description**
- **Conversation:**
 - ▶ What does the existing literature say or assume?
- **Reality:**
 - ▶ What seems important, surprising, or inconsistent in the real world?
- **Research opportunity:**
 - ▶ What data, policy change, or institutional feature might make progress possible?
- **Concern:**
 - ▶ What currently worries you most about this idea?

Bring this to class next week — we will use it to practice idea development and screening.

Selecting Research Topics

- **Research agenda:** Defines identity in terms of set of issues & methodological approaches that you want to explore over relatively long period of time
 - ▶ Learning curve for doing first-rate research in any literature is steep and hard to do across multiple domains
- **Research project:** Stems from selecting topic & then subsetting to specific question within topic
- **Good research project:** Issue not explicitly understood by prior literature, chance for meaningful contribution, find interesting, and fit well into personal research portfolio
 - ▶ Predicated on your background, knowledge, and prior research history
 - ▶ **Comparative Advantage:** Research projects are more valuable when part of stream of related research

Selecting Research Topics

- Be entrepreneurial or an academic “hunter” rather than a “farmer”
- 1. **Academic hunter:** Takes proactive approach—knows what wants to accomplish, what questions to address & methods
- 2. **Academic farmer:** Takes reactive approach—motivated by others’ work, perhaps fixing mistakes or providing extensions
- Academic hunter pursues research process and answer as the goal rather than as means to an end
 - ▶ Daniel Kahneman and Amos Tversky as examples of this: impetus for work was desire to understand how people make decisions rather than to receive rewards for research
- Developing a coherent research agenda is most daunting task but also most important

Challenges with Agenda?

- Ask questions like these if having challenges with developing research agenda:
 - ▶ Why did I enter the PhD program in the first place?
 - ▶ What about field excited and inspired you to go into in the first place?
 - ▶ Is the field still exciting to you?
 - ▶ What number of unsolved issues can you address?
- Find topics that are of fundamental importance, that the literature does not understand well, and that has few people working on them
- Market map: What has been learned about question?
 - ▶ What remains unknown?
 - ▶ Why some questions not addressed yet?
 - ▶ What will you learn from idea & why worth your time?
 - ▶ Timeline of when to complete drafts of papers
- Research process is long: Idea → Understanding → Analysis → Writing → Circulating → Presenting → Review

References

- Niehaus, Paul. 2019. *Doing research*. <https://medium.com/@paul.niehaus/doing-research-18cb310529e0>. Medium post, accessed April 29, 2026.
- Weisbach, Michael S. The Economist's Craft. *In: The Economist's Craft*. Princeton University Press.