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SMG Pair Snags Standard Life Investments Finance Prize

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May 1st, 2014



Professor Yrjo Koskinen (left) receives the prize from Mike Everett, governance and stewardship director of Standard Life Investments.

Boston University School of Management Professors Yrjo Koskinen and Rui Albuquerque, along with Art Durnev, associate professor of finance at the University of Iowa, have been awarded the 2014 Standard Life Investments prize for best paper in the [European Corporate Governance Institute's](#) (ECGI) Finance Working Paper series. This annual prize, sponsored by global asset manager [Standard Life Investments](#), was awarded for their research paper in which they create an industry equilibrium model where firms can choose to engage in corporate social responsibility (CSR) activities.

As part of the 2014 ECGI Working Paper Competition, Koskinen and Albuquerque were presented the award at a ceremony held at the Royal Academy of Belgium in Brussels. The professors' paper was chosen from 53 others published in the ECGI's finance series, making this year's selection the most competitive to date, according to ECGI director of communications Jeremy Miller.

"It's a great honor to receive the best finance paper award from the ECGI," says Albuquerque, associate professor of finance and dean's research fellow. "Being selected as the top paper among the best papers in the profession that make it to the ECGI list is incredible validation of this work by both peers and industry leaders."



Associate Prof. Rui Albuquerque

Their paper, "Corporate Social Responsibility and Firm Risk: Theory and Empirical Evidence," models CSR activities as an investment in customer loyalty and shows that CSR decreases systematic risk and increases firm value. The award represents CSR's growing relevance among finance scholars, which, according to Koskinen, is a significant achievement.



Assistant Prof. Yrjo Koskinen

"CSR as a topic has received scant attention from the academic finance community," says Koskinen, assistant professor of finance. "As our results show, CSR has lowered cost of capital for many firms and thus created value for shareholders. CSR is too important of a topic to be ignored. This recognition certainly encourages us to keep working on the topic."

The professors' paper was previously awarded a research grant by the BSI Gamma Foundation in 2012, as well as the best paper award at the inaugural Geneva Summit on Sustainable Finance in 2013.

Founded in 2002, the ECGI is an international scientific non-profit association that provides a forum for debate and dialogue between academics, legislators, and practitioners, focusing on major corporate governance issues. Standard Life Investments is a leading asset manager that manages \$311.1 billion on behalf of clients worldwide. It has sponsored the Finance Prize for best paper since 2005.