

Yaseen Alhaj-Yaseen, Ph.D., is fascinated by financial behavior. What influences people's decisions on purchases? Why do they invest in certain companies or industries? This fascination has led him to focus on the practice of "herding," in the stock market. This type of groupthink usually surfaces in extreme markets and can cause massive sell-offs, or, in some cases, massive purchases, which drive prices up or down accordingly.

"There is more of a herding tendency when markets are down," said Alhaj-Yaseen, UF assistant professor of finance. "Suddenly, everyone is selling off. They actually will leave the market altogether."

WE RIDERS WERE ON THE MARKET!



He believes that herding is harmful because it can drive prices too high or too low and also can keep investors from following a rational investment strategy. He also feels there is a relationship between herding and “information asymmetry.” The less information investors have about a company, the more likely the herding instinct will kick in. For this reason, smaller companies are more vulnerable.

“Herding Behavior, Market Liberalization, and Information Asymmetry: Evidence from China’s Equity Markets,” is a working paper that Alhaj-Yaseen hopes to publish in the near future. He feels that Chinese markets are more susceptible to herding because investors aren’t as informed.

“There is not as much herding in the U.S. because we have sophisticated investors and strict Security & Exchange Commission (SEC) rules that require firms to disclose more information,” he added. According to Alhaj-Yaseen, the China Securities Regulatory Commission (CSRC) is not as strict as the SEC in monitoring firms or traders. At the same time, the vast majority of traders in China are novice individual investors. These two factors have created the right conditions for herding behavior to prevail in the Chinese market.

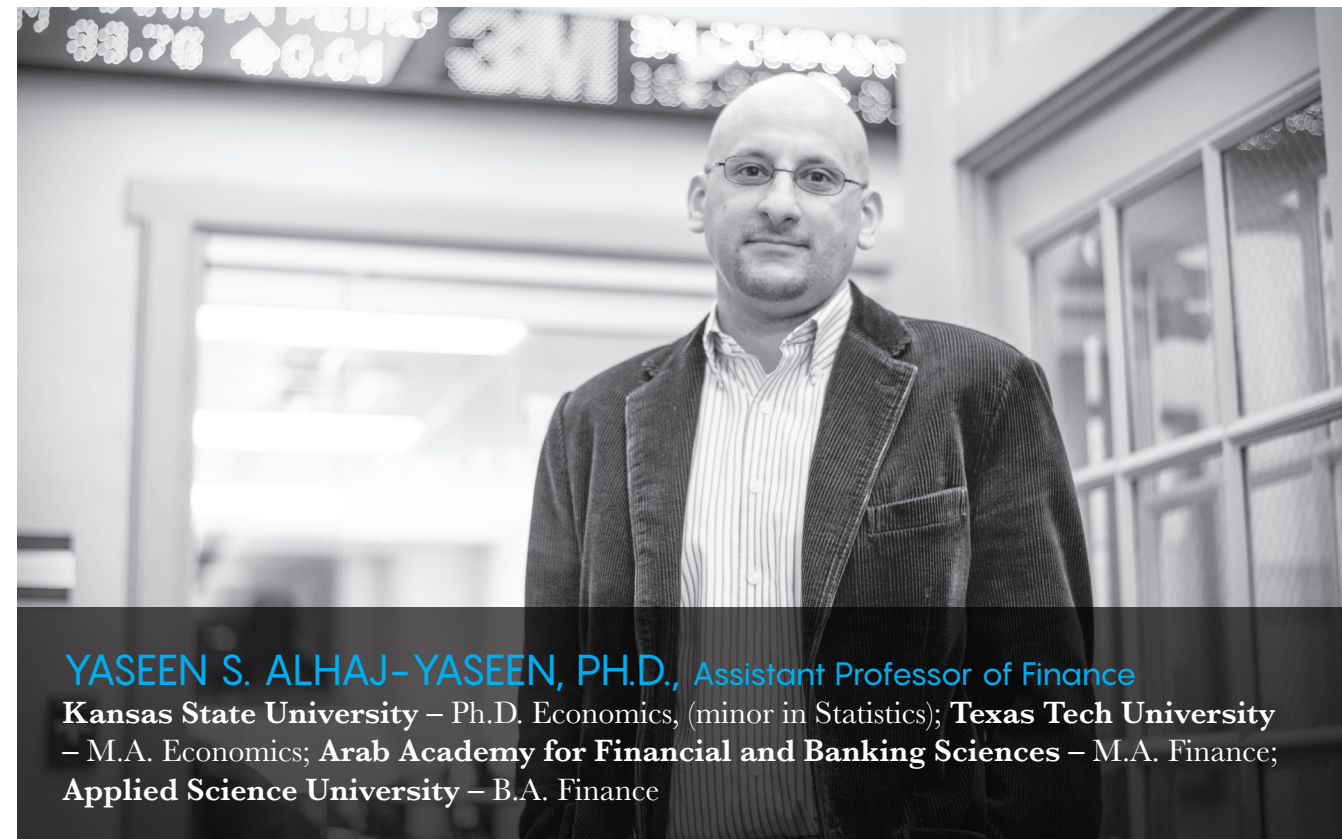
The best advice Alhaj-Yaseen can give to those investing on their own is to invest at the market index level. Potential investors should also take into consideration their age and financial status.

“You have to ask yourself if you can afford to take risks. How long can you wait to get a return on your investment?” he stated.

Alhaj-Yaseen’s advice is worth taking. He holds a Bachelor of Arts in Finance from Applied Sciences University in Amman, Jordan and a Master of Arts in Finance from the Arab Academy for Financial and Banking Sciences, also in Amman.

After arriving in the United States, he completed a Master of Arts in Economics at Texas Tech University and earned a Ph.D. in Economics from Kansas State University in 2010, and then entered the Post-Doctoral Bridge to Business Program in Finance at Virginia Polytechnic Institute and State University, which he completed in 2012.

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YASEEN S. ALHAJ-YASEEN, PH.D., Assistant Professor of Finance
Kansas State University – Ph.D. Economics, (minor in Statistics); Texas Tech University – M.A. Economics; Arab Academy for Financial and Banking Sciences – M.A. Finance; Applied Science University – B.A. Finance

HIT THE GROUND RUNNING

Honed by the quick pace and adventure of investment markets, Alhaj-Yaseen’s teaching style is intense and he expects his students to be alert and involved. He prefers classrooms to online teaching.

“I can see in their eyes if the students ‘get it,’” he continued. “I believe in the WOW effect and want them involved from the very first class. I bring up financial topics that are relevant to them and we discuss significant news of the markets.” He admits he likes to push students out of their comfort zone. His students are engaged and excited ... but it wasn’t always like that.

During his first teaching position in 2004, Alhaj-Yaseen recalled that he stood with his back to the class and wrote on the board the entire time. Not happy with his classroom performance, he decided to take action.

“I want to be an expert at everything that’s important to me,” he added, “and teaching is important.”

Realizing that teaching is a skill that needs to be developed, he returned to classes and earned a Teacher Training Program Certificate from the Academy of Economics and Finance, Charleston, South Carolina and a Master-Teacher Program Certificate from Georgia State University in 2012. To sharpen his skills even more, he completed another teacher training program at the Academy of Economics and Finance, Chattanooga, Tennessee in 2014.

“I can now say I’m a very successful teacher,” he smiled.

FINANCIAL SKILLS = EMPLOYABILITY

Financial modeling is the act of building a representation of a real world financial situation. It’s a mathematical model that’s designed to represent a simplified version of the performance of a financial asset, portfolio or any other investment.

With today’s volatile market, it’s understandable that the ability to construct solid financial models is a desirable skill. UF’s

College of Business began offering a certificate program in financial modeling in the fall 2016 semester. In addition to teaching the classes in the program, Alhaj-Yaseen oversees student selection.

“It requires six semester hours and students must be invited into the program,” he stressed. “I draw mostly from the finance and actuarial science majors.” He’s impressed that the projects are identical to what any professional would do.

“We’re doing graduate level work in an undergraduate program.”

According to the Bureau of Labor Statistics’ Occupational Outlook Handbook, employment of financial analysts is projected to grow 12 percent from 2014 to 2024, faster than the average for all occupations. A growing range of financial products and the need for in-depth knowledge of geographic regions are expected to lead to strong employment growth.

Want to know what it’s like to major in finance or economics at the University of Findlay? Email alhaj-yaseen@findlay.edu.