To: Fred Pestello, President; Chester Gillis, Interim Provost; Scott Duellman, Interim Dean, Chaifetz School of Business; Chaifetz School of Business Faculty; Members of the Board of Trustees

From: David Rapach, Professor of Economics, John Simon Endowed Chair in Economics

Date: March 9, 2020

Re: John Simon Endowed Chair in Economics

I renounce the John Simon Endowed Chair in Economics. I will return my medal to President Pestello after the spring degree conferral ceremony on May 16, when my son will be graduating from SLU. In light of the actions of certain members of the Department of Economics, senior leadership, and Board of Trustees at SLU, I cannot in good conscience continue to serve as the Simon Chair.

Department of Economics

As I discussed in my remarks during my investiture ceremony on September 23, 2015, it was an honor for me to be selected as the Simon Chair by my colleagues in the Department of Economics. At that time, I respected and admired all of my department colleagues. However, it is now apparent that I either misjudged some of my colleagues or that they have significantly changed. Specifically, the actions of two of my colleagues demonstrate that they are not committed to protecting the independence and integrity of academic research.

My two department colleagues supported the establishment of the Sinquefield Center for Applied Economic Research (SCAER) at SLU. The SCAER is funded by the Sinquefield donation, which, as has been widely publicized (e.g., here, here, here, and here), is rife with violations of well-established academic norms. Such norms are designed to protect the independence and integrity of academic research; among other things, they preclude a role for financial donors in hiring decisions and the approval of individual research projects. Nevertheless, in exchange for the financial donation—and in flagrant violation of academic norms—SLU hired Rex Sinquefield’s hand-picked ally to direct the SCAER. Again in violation of academic norms, SLU granted the donors final approval for the disbursement of all funds from the donation (as the
administration admits); the funding of all individual research projects and faculty hiring via the SLU Research Institute (SLURI) thus requires the approval of the donors.

I was encouraged that a number of my department colleagues immediately recognized the violations of academic norms in the Sinquefield donation, including the hiring of Sinquefield’s hand-picked ally to direct the SCAER. At the same time, I was mortified that two of my colleagues supported the hiring of a person selected by a financial donor, despite the obvious violation of academic norms. I subsequently learned that my two colleagues plan to work with the SCAER director on research projects, perhaps helping to explain their willingness to ignore well-established academic norms.

Because I am committed to the independence and integrity of academic research, I am saddened by the actions of my two department colleagues. I am sure that they (and the SCAER director) will say that they are committed to the independence and integrity of academic research, but their actions indicate otherwise. Because I no longer consider myself to be part of a department that is willing to act to protect the independence and integrity of academic research, it is no longer an honor to serve the Department of Economics as the Simon Chair.

Senior Leadership

The day after my investiture ceremony as the Simon Chair, I received the following email message from President Pestello:

David,
I want to reiterate how inspiring I found your remarks last night. I went home and tried to recall them for my spouse. You humanized the work of a scholar by acknowledging your colleagues and co-authors, by telling stories of your darling family, and by sharing a perspective on your illness. Yours was a mission centered address. It became one more moment that made [m]e proud to be a part of this fine institution.
Best wishes,
Fred

At the time, the president’s words were deeply meaningful to me, especially, “Yours was a mission centered address.” However, based on the president’s subsequent actions, I now realize that we have quite different understandings of “mission.”
By failing to uphold well-established academic norms concerning the Sinquefield donation and the establishment of the SCAER and SLURI, President Pestello’s actions show that, unlike mine, his idea of mission does not include protecting the independence and integrity of academic research; furthermore—and, again, unlike mine—the president’s idea of mission includes a willingness to accept a financial donation from Rex Sinquefield, despite Sinquefield’s well-known ethical breaches in local government.

I understand that the president is under pressure to raise money. And perhaps SCAER and SLURI researchers will ultimately receive millions of dollars in NSF grants and win multiple Nobel prizes. But the fact remains that by accepting the Sinquefield donation, the president has compromised the academic and ethical integrity of SLU; according to my idea of mission, no ends can justify the compromising of such core values. In light of President Pestello’s recent actions, the words in his email message the day after my investiture ceremony—words that previously were deeply meaningful to me—are now meaningless. Consequently, under the current president, serving as the Simon Chair in support of SLU’s mission has lost its meaning.

**Board of Trustees**

The Board of Trustees is entrusted with protecting the institutional integrity of SLU. However, the actions of some board members indicate that the board is currently unable to protect SLU’s academic and ethical integrity. Indeed, Rex Sinquefield is a board member, and he is complicit in the violations of academic norms surrounding his donation to the university. As previously mentioned, he has also acted unethically in his dealings with local government, calling into question the board’s ethical standards.

It was also recently revealed that the terms of the Chaifetz family donation to SLU granted board member Richard Chaifetz a seat on the business school dean search committee; again, this is a flagrant violation of academic norms, which preclude a role for financial donors in hiring decisions. The actions of Rex Sinquefield and Richard Chaifetz indicate that influential board members are either unaware of or willfully ignore well-established academic norms that are designed to protect the independence and integrity of research. In either case, the lack of commitment to academic norms by board members raises serious concerns about SLU’s institutional integrity.

I was named the Simon Chair primarily in recognition of my research record. Given the failure of influential board members to uphold well-established academic norms, it is no longer an honor
to serve as the Simon Chair at SLU, as they have diminished the value of academic research at the university.

**Conclusion**

I thank those who have provided feedback as I contemplated renouncing the Simon Chair. Some expressed concern about the next Simon Chair. Instead of a legitimate search process designed to find the best candidate based on merit, I would not be surprised if the administration works to appoint a “crony” to the position—perhaps the SCAER director or one of my two department colleagues who supports the SCAER. While I understand the risk, in good conscience, I feel compelled to renounce the Simon Chair, as it has lost its honor and meaning to me in SLU’s current environment.

By renouncing the Simon Chair, I hope to send the message to students that principles are more important than the money and/or prestige that accompany particular titles. Indeed, based on my understanding of SLU’s mission, I feel compelled to renounce the Simon Chair to remain true to my principles and to protest what is happening at SLU. While I am deeply troubled by the direction in which SLU is heading, I also believe that concerned stakeholders can act together to put SLU on a better path, so that it can truly live out its mission.

As a tenured Professor of Economics, I will continue to do all in my power to protect the independence and integrity of academic research at SLU, and I appreciate the support that I have received from many colleagues in this endeavor. Please feel free to email me at david.rapach@slu.edu if you have comments and/or questions regarding this memo. I am also willing to discuss the issues raised in this memo with anyone in any venue.