

PROMOTION RECOMMENDATION
The University of Michigan
Stephen M. Ross School of Business

Anna M. Costello, assistant professor of accounting, Stephen M. Ross School of Business, is recommended for promotion to associate professor of accounting, with tenure, Stephen M. Ross School of Business.

Academic Degrees

Ph.D.	2011	University of Chicago, Business Administration, Chicago, IL
M.B.A.	2006	University of Notre Dame, Accounting, Notre Dame, IN
B.B.A.	2002	University of Notre Dame, Accounting, Notre Dame, IN

Professional Record:

2015 – Present	Assistant Professor of Accounting, University of Michigan, Stephen M. Ross School of Business, Ann Arbor, MI
2019 – 2020	Sanford R. Robertson Assistant Professor of Business Administration, University of Michigan, Stephen M. Ross School of Business, Ann Arbor, MI
2011 – 2015	Assistant Professor of Accounting, MIT, Sloan School of Business, Cambridge, MA
2002 – 2004	Senior Auditor, Deloitte and Touche

Summary of Evaluation:

Teaching: Since she first joined the Ross faculty, Professor Costello has taught the MBA core course in financial accounting (ACC 503). It is an essential pre-requisite for subsequent courses in accounting and finance and sets the tone for the entire program with regards to intellectual rigor. This is a case-based course that emphasizes critical thinking and pushes students to accept ambiguity. Professor Costello strives to make the course relevant to all students, including those without a strong interest in finance or accounting, by drawing connections to real world issues and current events. Student evaluations indicate that Professor Costello has done very well in this course. In her first year, her scores on the question “Please rate the overall quality of the instructor's job in teaching this course” (Q8) were quite good: 4.5/5. Over time, her scores have gotten even better. For fall semester 2019, her score for the comparable question in the Blue system (“Overall, the instructor was an excellent teacher” (Q10)) was 4.96/5.

Research: Professor Costello’s main research focus has to do with debt financing in the context of supply change relationships, i.e. trade credit. Although trade credit represents a large share of debt financing worldwide, academic research in this area is somewhat limited. Professor Costello has established herself as a leading expert on the economic implications of trade credit and supply chain risk. She has also published research on other types of debt; recent work examines the role of artificial intelligence in lending decision. Overall, she has seven publications in “A” journals. One of those publications is in a top finance journal and another is in a top economics journal. Publishing across these fields shows Professor Costello’s ability to apply her expertise and influence literatures outside of her home department. That type of breadth in outlets is rare in the

accounting field. Three of these “A” publications are sole-authored, including the two outside of accounting. Having three sole-authored papers is also rare in accounting.

Recent and Significant Publications:

Costello, A. “Credit Market Disruptions and Liquidity Spillover Effects in the Supply Chain” *Journal of Political Economy*, Forthcoming.

Costello, A “The Value of Collateral in Trade Finance.” *Journal of Financial Economics* 134 (2019): 70-90.

Costello, A. “Mitigating Incentive Conflicts in Inter-Firm Relationships: Evidence from Long Term Supply Contracts.” *Journal of Accounting and Economics* 56 (2013): 19-39.

Costello, A, Wittenberg-Moerman, R. “The impact of financial reporting quality on debt contracting: Evidence from internal control weakness reports.” *Journal of Accounting Research* 49 (2011): 97-136.

Costello, A, Down, A, Mehta, M, “Machine + Man: A field experiment on the role of discretion in augmenting AI-based lending models.” *Journal of Accounting and Economics*, Forthcoming.

Service: Professor Costello has run weekly seminar series for the Accounting area and planned a two-day conference with outside speakers. She has participated in recruiting efforts for faculty and PhD students, including reading files and doing a large number of meetings. Professor Costello has contributed to the greater academy in various ways. She served on the committee in charge of selecting the “Best Paper Award” for the Financial Accounting and Reporting Section of the American Accounting Association. Currently, she serves as an editorial board member at *The Accounting Review*. Professor Costello is an active reviewer for the top journals in accounting, finance, and economics and has reviewed over 100 papers.

External Reviewers:

Reviewer A: “She is professional, confident, clear, articulate, and polished. These characteristics reveal not only her communication skills, but also her clarity and depth of thinking. She is a joy to watch and is simply one of the best.”

Reviewer B: “Anna Costello is a bright, accomplished and serious researcher with strong upside potential.”

Reviewer C: “Anna Costello has developed a strong research reputation in the area of supply chain/trade credit and financial institutions. There is strong evidence that her work is having an impact.”

Reviewer D: “Her work is creative, thoughtful, and thorough. Dr. Costello asks important research questions and answers them convincingly using a variety of methods and innovative datasets. Her papers are well written, and she presents her work effectively.”

Reviewer E: “I have been impressed by her keen intellect and poise and her ability to communicate complex ideas with clarity. What impresses me even more is that her work has also generated great interest among policy makers, including the Federal Reserve Bank of New York, and she has developed a partnership with key player in the trade credit industry, Billtrust.”

Reviewer F: “I strongly and without reservation support Anna’s case for promotion to Associate Professor with tenure.”

Reviewer G: “Anna is a recognized expert on creditor and credit-related issues in accounting, especially as it pertains to the role of supplier credit in marketplace – and she easily meets the criteria for tenure as an Associate Professor of Accounting at most top business schools.”

Summary of Recommendation: Professor Costello has developed a strong research record that demonstrates she is a leading voice in her field. She has published across major journals in three fields including a sole authored publication in each field. She is highly visible in the academy and highly thought of with options at many of the top schools in the country. With the support of the accounting area and the Executive Committee, I am pleased to recommend the promotion of Anna M. Costello to associate professor of accounting, with tenure, Stephen M. Ross School of Business.

A handwritten signature in black ink that reads "D. Scott DeRue". The signature is written in a cursive style with a large, prominent "D" at the beginning.

D. Scott DeRue
Edward J. Frey Dean of Business
Stephen M. Ross School of Business

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