Friendship Results in Fellowship

Matthew Li, ’91, and Professor George Tiao first met decades ago in China. Yet it was their common interest in statistics and economics, along with a few years spent together in Hyde Park, that fostered their special relationship.

Both men had similar beginnings—they spent their childhoods in China, were stellar students, and came to the United States to further pursue their educations.

Tiao immigrated to the United States in 1956 and began working at a bank while attending business school at NYU. He left banking to pursue a PhD in international finance from the University of Wisconsin and joined its faculty. It was there that he began his well-known research on Bayesian statistics with George Box, along with his statistical research for the government on the ambient ozone layer near Los Angeles. He joined the University of Chicago in 1982, where he continued his research and was eventually named the W. Allen Wallis Professor of Econometrics and Statistics.

Li was a student at the University of Science and Technology in China when Tiao was a visiting professor there in 1987. Li admired Tiao’s achievements and became interested in Chicago through their conversations.

“I spent my college years studying math,” Li said. “I had absolutely zero idea about businesses—practice or theory. At that time, China basically had no stock or bond markets, and I had no idea what the Dow Jones Index even meant. My dream then was to be in government and to play an important role in China’s modernization. But I wanted to do two things first: be established academically so my voice could carry weight, and study in America to learn more about its system, culture, etc.”

Tiao learned about Li’s interests and was impressed by him.

“The provost at Li’s school, which was one of China’s top universities, told me he had a very good student in the math department, the best student he had seen in years,” Tiao said. “He said this student was interested in going to Chicago. I spoke to our administration and was allowed to offer Li a fellowship in statistics.”

Li responded enthusiastically.

“It was definitely not the weather that brought me to Chicago,” Li said. “Rather, compared with Harvard statistics, the University of Chicago offered broad exposure to the business topics I wanted to learn more about.”

Early Career

“I came to Chicago with $100 in my pocket and a suitcase filled with cooking pans and chopsticks; I simply had to save every penny,” Li said. “The university gave me stipends and various job opportunities, along with teaching me everything about business that I know.”

Li attended Chicago Booth for three years and intended to pursue his PhD until he got an offer he couldn’t refuse. Seeking hands-on experience and a chance to help his family in China financially, Li took a leave from his studies to join Merrill Lynch. There, he initially worked on models with other PhDs. The move meant that Tiao had lost one of his best students and a collaborator.

“He was the top student in every class—and there was a very big gap between him and number two,” Tiao said. “Even his term paper was published.”
Li again proved to be a stand-out, this time in the financial world.

“As a model guy, I got a lot of praise but I was itchy to try to do the real thing, meaning actually moving money,” he said. “So I joined First Boston, now Credit Suisse, to do proprietary trading on the convertible desk. I then moved on to Toronto Dominion Bank until 2003, when I was spun-off to launch Fore Research and Management.

Tiao’s career was also on an upward path. In 2001, he was invited to Peking University as a visiting professor, where he taught and established the school’s statistical department. He also continued his environmental work at Booth and became a member of the Ozone Science Tiger Team, an EPA-supported endeavor that conducted research on a broad range of problems in environmental statistics. In 2005, Tiao’s team received the EPA’s Stratospheric Ozone Protection Award.

As Li and Tiao pursued their separate careers, they stayed in touch. Tiao has visited Li when business has taken him to New York, and Li will look up his former mentor whenever he returns to Chicago.

Tiao Fellowship Launched

Over time, Li thought about paying back the debt he felt he owed Tiao and the school. While he had made previous gifts, Li knew he eventually wanted to have more of an impact. So he recently pledged $2 million to establish and endow the George C. Tiao Faculty Fellowship in Data Science, to support Booth faculty’s cutting edge research in the area of computational and data science. Tengyuan Liang, assistant professor of econometrics and statistics at Booth, was named the first Tiao Fellow in September 2017. Liang’s research focuses on mathematical and algorithmic aspects of inference and learning under computational budgets. He was a research scientist at Yahoo! Research in New York before joining the Booth faculty in 2017.

“I wanted to do this in Professor Tiao’s name because he always had very high confidence in and expectations of me,” Li said. “I admired him as a father figure, both in his knowledge and achievements, and because he cared so about my future from the beginning. He’s a funny guy, gracious, generous, caring. He has also made contributions to both the statistical and Chinese communities in many, many ways. Over the years, Professor Tiao has helped many young people. So in a way, this is ‘thank you’ from all of us.”

Of this honor, Tiao said, “Li is successful for two reasons, he is good in both economics and statistics. I have had nothing to do with Matthew’s success. He has a talent and is a very nice guy too. I am so humbled that he did this for me.”

The Future

Both men have entered new phases of their lives. Li is currently scaling back his workload to spend more time with his children before they go off to college. He is also contemplating an offer to teach a course on world financial history through real market movements.

At age 83, Tiao is still living in Hyde Park, spends his days watching CNN and PBS, and is writing his memoir. He also connects with friends in China to work on statistical problems via the Internet into the wee hours of the morning.

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—MATTHEW LI, ’91

“The use of statistics is now so important to all business and accounting, everyone is dependent on analyzing data,” Tiao said. “I am very happy to see the growth of statistics in my professional life time. Without statistics, Silicon Valley would be a very different place. Without statistics, how can you handle all the information necessary today to become successful?”