



Gerald A. Feltham*



Gerald Albert Feltham was in the forefront of accounting research for nearly four decades. Born in 1938 in Moose Jaw, Saskatchewan, he inherited a talent for mathematics and analysis from his parents, both of whom taught in the Moose Jaw public schools, and this led him to choose a career in accounting.

After graduating from high school, he entered a combined Bachelor of Commerce and Chartered Accountancy (CA) program at the University of Saskatchewan. The program entailed part-time work for a CA firm and combined on-campus and correspondence courses. He worked for two accounting firms in Moose Jaw, first for McCartney and Marsh and then for R. L. Bamford & Co. In 1960, he wrote his final CA exam, earning the top grades

in Saskatchewan, and he completed work for his B. Comm. with Distinction.

For the next two years, he took up a teaching appointment at the University of Alberta. With the encouragement of John Parker, a University of Saskatchewan accounting professor, he applied to accounting graduate programs in the United States, and in 1963, entered the PhD program at the University of California, UC Berkeley. There he was exposed to Marschak and Radner's work on information economics. Hector Anton, his dissertation chair, introduced him to the information-for-decisions perspective that was beginning to develop in accounting research. He joined with John Butterworth, Ted Mock, and several others in a study group focused on developments in information economics. These experiences led him to depart from the traditional measurement focus of accounting research and to formally explore the meaning and economic impact of accounting information. A 1966 Arthur Andersen Foundation Fellowship enabled him and his family to remain at Berkeley while he completed his dissertation, which received the top dissertation award from the McKinsey Foundation.

Upon completing his PhD in 1967, he joined the accounting faculty at Stanford University. His first paper, "The Value of Information," which was drawn from his dissertation, won the American Accounting Association's 1968 Competitive Manuscript Award. The enthusiastic reception of the paper by accounting researchers led the Association to publish his entire dissertation as a monograph, *Information Evaluation*, in a series normally reserved for post-dissertation work by senior scholars. At Stanford, he began collaborating with Joel Demski. Their first paper, "The Use of Models in Information Evaluation" (1970), received the AICPA's Notable Contributions to Accounting Literature Award. They also produced an important book, *Cost Determination: A Conceptual Approach*, and a group of influential papers including "Economic Incentives in Budgetary Control Systems," which received the AAA's 1994 Seminal Contributions to Accounting Literature Award, only the third to receive this award since its inception.

He remained at Stanford until 1971, when he returned to Canada to join the accounting faculty at the University of British Columbia. He authored or coauthored 28 major papers and four influential books. His 1994 paper, "Performance Measure Congruity and Diversity in Multi-Task Principal/Agent Relations," co-authored with former Ph.D. student Jim Xie, received the AAA's 1999 Notable

Contribution to Management Accounting Literature Award. Then in 1993, he co-authored with Peter O. Christensen an ambitious two-volume work, entitled *Economics of Accounting*, that contains some 250 rigorously proved theorems, corollaries, and lemmas accompanied by careful exposition of their significance to accounting.

His impressive body of research has sharpened our understanding of the importance of accounting, both in the ability of accounting to inform decisions directly and in its capacity to create incentives for better decision outcomes. In addition to using agency and game theory to examine incentive contracting issues, his work includes a wide range of other economics tools applied to accounting issues. An example is his 1995 paper with James Ohlson, "Valuation and Clean Surplus Accounting for Operating and Financial Activities," which examines the relationship between market values and accounting numbers and has been widely used by those in empirical accounting research. In 1998, this paper was awarded the AAA's Wildman Medal for Contribution to Research that Impacts Accounting Practice, one of the few theoretical papers to receive this prestigious award. In recognition of his exceptional contributions to research in the social sciences, he was elected in 2003 a Fellow of the Royal Society of Canada, the first accountant to receive this honor.

His record of professional service is also distinguished and includes four years as co-editor of *Contemporary Accounting Research*, over ten years as co-editor of the *Review of Accounting Studies*, and many years as a member of the editorial boards of the *Journal of Accounting Research*, the *Journal of Accounting and Economics*, *The Accounting Review*, and numerous other journals. Some of his honours and awards have been mentioned above; in addition, he received the Canadian Academic Accounting Association's Haim Falk Award for Distinguished Contribution to Accounting Thought in 1994, he was elected a Fellow (FCA) of the Institute of Chartered Accountants of British Columbia in 1996, and he received the Lifetime Contribution to Management Accounting Award from the AAA's Management Accounting Section in 2005.

An internationally respected teacher, he supervised 18 doctoral dissertations and delivered lectures and research seminars throughout the US, Canada, Europe, and Southeast Asia. In 1997, he was the AAA's Distinguished International Visiting Lecturer in Bali, China, Hong Kong, Singapore, and Thailand, and received the Association's Outstanding Educator Award. He was the 75th member of The Ohio State University's Accounting Hall of Fame, in 2004.

Active in his church throughout his life, he enjoyed sharing insights of his faith and of his 20-year journey with Parkinson's disease.

He married June Holman in 1960; they had three daughters. He died in 2019, at the age of 81.

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