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Business Address

Department of Economics
University of Minnesota
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12950 - 32nd Avenue North
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Education

- 1981 *Carnegie-Mellon University*, Ph.D, Economics
1978 *Carnegie-Mellon University*, M.S., Economics
1974 *Indian Institute of Technology*, Bombay, India, B. Tech., Chemical Engineering

Work Experience

- Present Paul A. Frenzel Land Grant Professor of Liberal Arts, *University of Minnesota*
1997–2000 Chair, Department of Economics, *University of Minnesota*
1994–present Advisor, *Federal Reserve Bank of Minneapolis*
1994–present Professor of Economics, *University of Minnesota*
1992–94 Harold H. Hines Jr. Professor of Risk Management; Managerial Economics and
Decision Sciences, J. L. Kellogg Graduate School of Management, *Northwestern
University*
1986–92 Senior Research Officer and Economic Advisor (position in 1992), *Federal
Reserve Bank of Minneapolis*
1980–85 Assistant Professor of Managerial Economics, Managerial Economics and
Decision Sciences, J. L. Kellogg Graduate School of Management, *Northwestern
University*
1974–76 Production Engineer, *Union Carbide Ltd.*, Bombay, India

Professional Affiliations

- 2007–present Advisory Editor, *Journal of Economic Perspectives*

2007–8	Nominations Committee, <i>American Economic Association</i>
2006–7	President, <i>Midwest Economics Association</i>
2006	Program Committee Co-chair, <i>Econometric Society Meetings</i>
2005	Search Committee, Editor of the <i>American Economic Review</i>
2004–present	Editorial Board Member, <i>Journal of Economic Literature</i>
2001–4	Associate Editor, <i>Econometrica</i>
1998–2001	Associate Editor, <i>Review of Economic Dynamics</i>
1998–2000	Review Panel, <i>National Science Foundation</i>
1998–present	Associate Editor, <i>Journal of Economic Theory</i>
1996–2005	Advisory Editor, <i>Macrodynamics</i>
1992–95	Associate Editor, <i>Journal of Financial Intermediation</i>

Journal Articles

- “Sophisticated Monetary Policies,” with A. Atkeson and P. Kehoe, *Quarterly Journal of Economics*, forthcoming.
- “New Keynesian Models: Not Yet Useful for Policy Analysis,” with P. Kehoe and E. McGrattan, *American Economic Journal: Macroeconomics*, January 2009.
- “Are Structural VARs with Long-Run Restrictions Useful in Developing Business Cycle Theory?” with P. Kehoe and E. McGrattan, *Journal of Monetary Economics*, November 2008.
- “Time Inconsistency and Free-Riding in a Monetary Union,” with P. Kehoe, *Journal of Money, Credit and Banking*, October 2008.
- “The Heterogeneous State of Modern Macroeconomics: A Response to Robert Solow,” with P. Kehoe, *Journal of Economic Perspectives*, Winter 2008.
- “On the Need for Fiscal Constraints in a Monetary Union,” with P. Kehoe, *Journal of Monetary Economics*, November 2007.
- “Business Cycle Accounting,” with P. Kehoe and E. McGrattan, *Econometrica*, May 2007.
- “Modern Macroeconomics in Practice: How Theory Is Shaping Policy,” with P. Kehoe, *Journal of Economic Perspectives*, Fall 2006.
- “Spectral Methods in Business Cycle Accounting,” with P. Kehoe and E. McGrattan, *Revista de Economia*, November 2005.
- “Sudden Stops and Output Drops,” with P. Kehoe and E. McGrattan, *American Economic Review*, May 2005.
- Discussion of He, Huang, and Wright’s “Money and Banking in Search Equilibrium,” *International Economic Review*, May 2005.

- Discussion of “Growth and Foreign Direct Investment: Does Policy Play a Role?” *American Journal of Agricultural Economics*, August 2004.
- “Strategic Delegation in Monetary Unions,” with Larry Jones and Ramon Marimon, *Manchester School*, September 2004.
- “Financial Crises and Herds,” with P. Kehoe, *Journal of Economic Theory*, November 2004.
- “Hot Money,” with P. Kehoe, *Journal of Political Economy*, December 2003.
- “Expectation Traps and Monetary Policy,” with S. Albanesi and L. Christiano, *Review of Economic Studies*, October 2003.
- “Accounting for the Great Depression,” with P. Kehoe and E. McGrattan, *American Economic Review*, Papers and Proceedings, May 2002. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Spring 2003.
- “Can Sticky Price Models Generate Volatile and Persistent Real Exchange Rates?” with P. Kehoe and E. McGrattan, *Review of Economic Studies*, July 2002.
- “Limits of Markets and Limits of Governments: An Introduction to a Symposium on Political Economy,” *Journal of Economic Theory*, September 2000.
- “Sticky Price Models of the Business Cycle: Can the Contract Multiplier Solve the Persistence Problem?” with P. Kehoe and E. McGrattan, *Econometrica*, September 2000.
- “A Reconsideration of the Problem of Social Cost: Free Riders and Monopolists,” with L. Jones, *Economic Theory*, July 2000.
- Comment on “Private Money” (by Steve Williamson), *Journal of Money, Credit, and Banking*, August 1999.
- “Taxing Capital Income: A Bad Idea,” with A. Atkeson and P. Kehoe, *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1999.
- “Expectation Traps and Discretion,” with L. Christiano and M. Eichenbaum, *Journal of Economic Theory*, August 1998.
- “Nobel Laureate Robert E. Lucas, Jr.: Architect of Modern Macroeconomics,” *Journal of Economic Perspectives*, Winter 1998. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Spring 1999.
- “The Economics of Split Voting in Representative Democracies,” with L. Jones and R. Marimon, *American Economic Review*, December 1997.
- Comment on “Inflation Forecasts and Monetary Policy” (by Ben Bernanke and Michael Woodford), *Journal of Money, Credit, and Banking*, November 1997.
- “Optimality of the Friedman Rule in Economies with Tax Distortions,” with L. Christiano and P. Kehoe, *Journal of Monetary Economics*, April 1996.
- “Why Are Representative Democracies Fiscally Irresponsible?” with H. Cole, *Cuardenos Economicos*, 1996.
- “Inside Money, Outside Money and Short Term Interest Rates,” with L. Christiano and M. Eichenbaum, *Journal of Money, Credit and Banking*, November 1995.

- “Optimal Fiscal Policy in a Business Cycle Model,” with L. Christiano and P. Kehoe, *Journal of Political Economy*, August 1994.
- “Sustainable Plans and Debt,” with P. Kehoe, *Journal of Economic Theory*, December 1993.
- “Sustainable Plans and Mutual Default,” with P. Kehoe, *Review of Economic Studies*, January 1993.
- “How the U.S. Treasury Should Auction Its Debt,” with R. J. Weber, *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall 1992.
- “Vintage Human Capital, Growth, and the Diffusion of New Technology,” with H. Hopenhayn, *Journal of Political Economy*, December 1991.
- “Optimal Fiscal and Monetary Policy: Some Recent Results,” with L. Christiano and P. Kehoe, *Journal of Money, Credit, and Banking*, August 1991. Reprinted in A. Cukierman, Z. Hercowitz, and L. Leiderman, eds., *Business Cycles, Political Economy, and Growth*, MIT Press, 1992.
- “The Simple Analytics of Commodity Futures Markets: Do They Stabilize Prices? Do They Raise Welfare?” with R. Jagannathan, *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1990.
- “Sustainable Plans,” with P. Kehoe, *Journal of Political Economy*, August 1990. Reprinted in T. Persson and G. Tabellini, eds., *Monetary and Fiscal Policy*, MIT Press, 1999.
- “International Coordination of Fiscal Policy in Limiting Public Good Economies,” with P. Kehoe, *Journal of Political Economy*, June 1990.
- “Price Stability and Futures Trading in Commodities,” with R. Jagannathan and L. Jones, *Quarterly Journal of Economics*, May 1990.
- “Banking Without Banking Panics or Deposit Insurance: Lessons From a Model of the U.S. National Banking System,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1989.
- “Adverse Selection in a Model of Real Estate Lending,” with R. Jagannathan, *Journal of Finance*, June 1989.
- “Labor Contracts in a Model of Imperfect Competition,” with L. Jones and R. Manuelli, *American Economic Review*, May 1989.
- “Time Consistency and Optimal Policy Design,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall 1988.
- “Banking Panics, Information, and Rational Expectations Equilibrium,” with R. Jagannathan, *Journal of Finance*, July 1988.
- “Seasonalities in Security Returns: The Case of Earnings Announcements,” with R. Jagannathan and A. Ofer, *Journal of Financial Economics*, May 1988.
- “Involuntary Unemployment and Implicit Contracts,” *Quarterly Journal of Economics*, Supplement 1983. Reprinted in S. Rosen, ed., *International Library of Critical Writing in Economics*, Elgar Reference Collection, 1994.

Other Publications

- Comment on Larry Ball's "Hysteresis in Unemployment," MIT Press, forthcoming.
- Comment on "Rule-Based Monetary Policy under Central Bank Learning" (by Aoki and Nikolov), in R. H. Clarida, J. A. Frankel, F. Giavazzi, and K. D. West, eds., *NBER International Seminar on Macroeconomics 2004*, MIT Press, 2006.
- Comment on "An Empirical Analysis of the Economic Impact of Federal Terrorism Reinsurance" (by D. Cummins et al.), *Journal of Monetary Economics*, June 2004.
- "How Severe is the Time-Inconsistency Problem in Monetary Policy?" with S. Albanesi and L. Christiano, in M. Dewatripont, L. Hansen, and S. Turnovsky, eds., *Advances in Economics and Econometrics: Theory and Applications*, Cambridge University Press, 2003. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 2003.
- "Optimal Fiscal and Monetary Policy," with P. Kehoe, in J. Taylor and M. Woodford, eds., *Handbook of Macroeconomics*, Vol. 1C, North-Holland, 1999.
- "Asking the Right Questions About the IMF," with P. Kehoe, *Federal Reserve Bank of Minneapolis 1998 Annual Report*.
- "Inflation, Growth, and Financial Intermediation," with L. Jones and R. Manuelli, *Federal Reserve Bank of St. Louis Economic Review*, May/June 1996. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall 1995.
- "Policy Analysis in Business Cycle Models," with L. Christiano and P. Kehoe, in T. Cooley, ed., *Frontiers of Business Cycle Research*, Princeton University Press, 1995.
- Comment on "The U.S. Fiscal Problem: Where We Are, How We Got Here, and Where We're Going" (by Alan Auerbach), *NBER Macroeconomics Annual* 1994.
- "Banking Crises," in P. Newman, ed., *The New Palgrave Dictionary of Money and Finance*, Stockton Press, 1992.
- "Uninsured Deposit Systems," in P. Newman, ed., *The New Palgrave Dictionary of Money and Finance*, Stockton Press, 1992.
- "Playing by the Rules: A Proposal for Federal Budget Reform," with P. Miller, *Federal Reserve Bank of Minneapolis 1990 Annual Report*.
- "Time Consistency and Policy," with P. Kehoe and E. Prescott, in R. Barro, ed., *Modern Business Cycle Theory*, Harvard University Press, 1989.
- Comment on "Differences of Opinion in Financial Markets" (by Hal Varian), in C. Stone, ed., *Financial Risk, Theory, Evidence, and Implications*, Kluwer Academic Publishers, 1988.
- Comment on "Macroeconomic Effects of Fiscal Policy" (by Jeremy Greenwood and David Aschauer), in K. Brunner and A. Meltzer, eds., "New Monetary Economics: Fiscal Issues and Unemployment," *Carnegie-Rochester Conference Series on Public Policy*, Autumn 1985.

Unpublished Research Papers

- "Business Startups, the Lock-In Effect, and Capital Gains Taxation," with M. Golosov and A.

Tsyvinski, submitted to the *Journal of Public Economics*.

“The Poverty of Nations: A Quantitative Investigation,” with P. Kehoe and E. McGrattan, submitted to *American Economic Review*.

“Prizes and Patents: Using Market Signals to Provide Incentives for Innovation,” with M. Golosov and A. Tsyvinski, submitted to the *Journal of Economic Theory*.

“Collapse of Reputation in Secondary Loan Markets,” with A. Shourideh and A. Zetlin-Jones, Working Paper, University of Minnesota.

“Facts and Myths about the Financial Crisis of 2008,” with L. Christiano and P. Kehoe, Working Paper 666, Research Department, Federal Reserve Bank of Minneapolis.

“On the Behavior of Small and Large Firms over the Business Cycle,” with L. Christiano and P. Kehoe, Working Paper, Research Department, Federal Reserve Bank of Minneapolis.

“Bailouts, Time Inconsistency, and Optimal Regulation,” with P. Kehoe, Working Paper, Research Department, Federal Reserve Bank of Minneapolis.

“Vintage Human Capital, Growth, and Structural Unemployment,” with H. Hopenhayn, Working Paper 326, Research Department, Federal Reserve Bank of Minneapolis.

Honors and Awards

Grants, *National Science Foundation* (2009–11), (2004–8), (2002–5), (2001–4), (1999–2002), (1996–99), (1991–93)

2008–11 Scholar of the College, College of Liberal Arts, *University of Minnesota*

2005–present Research Grant, *U.S. Census Bureau*

1999 Fellow, *Econometric Society*

1985–86 First Chicago Chair in Managerial Economics, *Northwestern University*

1983–84 Beatrice Chair in Managerial Economics, *Northwestern University*

1981 Alexander Henderson Award, Best Economics Dissertation, *Carnegie-Mellon University*

Keynote Speaker

2009 Twentieth Anniversary Conference, Bank of Colombia, Bogota

2007 Reserve Bank of India Conference, Mumbai

2007 Presidential Address, Midwest Economic Association, Minneapolis

2007 Frontiers of Macroeconomics International Conference, Moscow

2006 Heller Distinguished Lecture, Minnesota Economics Association, Minneapolis

2005 Twentieth Annual Conference, Bank of Uruguay, Montevideo

- 2005 First Annual Macroeconomics Conference, Auckland
- 2003 Money-Macro-Finance Conference, Cambridge, U.K.
- 1999 Cargill Lecture, Macalester College
- 1998 Midwest Macroeconomics Conference, St. Louis
- 1998 Jan Broeckman Lecture, William Mitchell College of Law
- 1998 Society of Economic Dynamics Annual Conference, Mexico City

Invited Speaker

- 2009 Latin American Econometric Society Meetings, Buenos Aires
- 2000 World Congress of the Econometric Society, Seattle