

DAVID MARSHALL

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Summary

With 29 years of experience as a Federal Reserve executive, financial markets researcher, and business educator, I bring a rich perspective on how financial markets and financial institutions interact with the monetary and regulatory policy environment. My current policy interests focus on systemic stability issues, including the role of central counterparty clearing in promoting financial market resilience.

Professional Experience

Federal Reserve Bank of Chicago

1994 – present

Senior Vice President, Associate Director of Research,
and Director, Financial Markets Group

2006 – present

- With an overall span of over 35 direct and indirect reports, I supervise all research and policy analysis in the Chicago Fed's Economic Research Department related to financial markets and financial institutions.
- I conduct regular briefings for the Reserve Bank President on financial developments, work with the Director of Research to provide strategic direction and oversight for the Economic Research Department, and I serve on the Reserve Bank's Executive Committee.
- I represent the Chicago Fed on the Federal Reserve System's Financial Market Utilities Supervision Committee.
- In 2006, I organized the Chicago Fed's Financial Markets Group (FMG) to provide expert analysis of public policy issues related to Chicago's financial markets and institutions. I continue to supervise all FMG activities.
- I served as founding executive sponsor of the Chicago Fed's District Leadership Council, a new governance body at the vice-presidential level tasked with executing Bank-wide operational and administrative directives from the Executive Committee.

On assignment with the U.S. Treasury Department

2012

- I served as project lead and principal author of the Financial Stability Oversight Council's 2012 Annual Report, available at <http://www.treasury.gov/initiatives/fsoc/Pages/annual-report.aspx>. This report is the main way the Council communicates its take on critical systemic risks to financial markets and institutions.

Vice President and Director, Macroeconomic Policy Research

2004 – 2006

- Led a team of 15 direct reports conducting high-level research into business cycle fluctuations and monetary policy issues.

Senior Economist and Economic Advisor

1994 - 2004

Kellogg Graduate School of Management, Northwestern University

Adjunct Professor of Finance 2016 – present

- I teach Kellogg’s course on “Money Markets and the Fed.”

Booth School of Business, University of Chicago

Adjunct Professor of Finance 1993 – 2006

- I taught the Investments course at the MBA and Executive MBA level.

Kellogg Graduate School of Management, Northwestern University

Assistant Professor of Finance 1988 – 1993

- I taught Corporate Finance at the MBA level and Asset Pricing at the PhD level.

Other professional experience: career as a professional violinist 1972 – 1982

Houston Symphony Orchestra 1977 – 1982

- I served as acting assistant concertmaster for the 1979-1980 season

New Haven Symphony Orchestra 1972 – 1977

Education

Ph.D. Economics (1989), Graduate School of Industrial Administration, Carnegie-Mellon University, Pittsburgh, PA

B.A. Philosophy (1972), Magna cum Laude with Departmental Honors, Yale University, New Haven, CT

Selected Publications and Research

“When Do CCPs Enhance Market Stability?” joint work with Dominic Anene and Ivana Ruffini (forthcoming, *Journal of Financial Market Infrastructures*).

“Cleared Margin Setting at Selected CCPs,” *Journal of Financial Market Infrastructures*, Vol. 5, No. 4, (2017) pp. 1–20.

“The Role of Time-Critical Liquidity in Financial Markets,” *Federal Reserve Bank of Chicago Economic Perspectives*, Vol. 37, (second quarter, 2013).

"Financial Market Utilities and the Challenge of Just-In-Time Liquidity" joint work with Richard Heckinger and Robert Steigerwald , *Chicago Fed Letter*, Number 268a (November 2009).

"Fundamental Economic Shocks and the Macroeconomy," joint work with Charles L. Evans, *Journal of Money, Credit, and Banking*, Vol. 41, No. 8, December (2009), pp. 1515-1555 (lead article).

"Explaining the Decline in the Auction Rate Securities Market " joint work with Adrian D'Silva and Haley Gregg , *Chicago Fed Letter*, Number 256 (November 2008).

"Economic Determinants of the Nominal Treasury Yield Curve," joint work with Charles L. Evans, *Journal of Monetary Economics*, Vol. 54, No. 7, October (2007), pp. 1986-2003.

"State-Contingent Bank Regulation with Unobserved Action and Unobserved Characteristics," joint work with Edward Simpson Prescott, *Journal of Economic Dynamics and Control*, Vol. 30, Issue 11, November (2006), pp. 2015-2049.

"The Crisis of 1998 and the Role of the Central Bank," *An International Finance Reader*, edited by Dilip K. Das. Routledge, London, UK, (2003) 401-434.

"Origins of the Use of Treasury Debt in Open Market Operations: Lessons for the Present," *Federal Reserve Bank of Chicago Economic Perspectives*, Vol. 26, No. 1 (first quarter, 2002).

"Bank Capital Regulation With and Without State-Contingent Penalties," joint work with Edward S. Prescott, *Carnegie-Rochester Conference Series on Public Policy*, Vol. 54, (2001) pp. 139-184.

"Financial Derivatives, Systematic Risk, and Central Banking," joint work with William C. Hunter, in *Restructuring Regulation and Financial Institutions*, edited by J. Barth, D. Bumbraugh, G. Yago. Milken Institute, Santa Monica, CA, 2001.

"'Peso Problem' Explanations for Term Structure Anomalies," joint work with Geert Bekaert and Robert Hodrick, *Journal of Monetary Economics*, Vol 48, No. 2, October (2001), pp. 241-270.

"Bank Capital Standards for Market Risk: A Welfare Analysis," joint work with Subu Venkataraman, *European Finance Review*, Vol. 2, (1999) pp. 125-157.

"Can Costs of Consumption Adjustment Explain Asset Pricing Puzzles?" joint work with Nayan G. Parekh, *Journal of Finance*, Vol. 54, No. 2, (1999) pp. 623-654.

"Monetary Policy and the Term Structure of Nominal Interest Rates: Evidence and Theory," joint work with Charles L. Evans, *Carnegie-Rochester Conference Series on Public Policy*, Vol. 49 (December 1998) pp. 53-111.

"Comment on 'The CAPM Risk Adjustment for Exact Aggregation over Financial Assets'," *Macroeconomic Dynamics*, Vol 1, No. 2, (1997) pp. 513-517.

"The Equity Premium Puzzle and the Risk-Free Rate Puzzle at Long Horizons," joint work with Kent Daniel, *Macroeconomic Dynamics*, Vol 1, No. 2, (1997) pp. 452-484.

"The Implications of First-Order Risk Aversion for Asset Market Risk Premiums," joint work with Geert Bekaert and Robert Hodrick, *Journal of Monetary Economics*, Vol 40, No. 1 (September 1997), pp. 3-40.

"On Biases in Tests of the Expectations Hypothesis of the Term Structure of Interest Rates," joint work with Geert Bekaert and Robert Hodrick, *Journal of Financial Economics*, Vol 44, No. 3, (June 1997), pp. 309-348.

"Bank Capital for Market Risk: A Study in Incentive-Compatible Regulation," joint work with Subu Venkataraman, *Chicago Fed Letter*, Number 104 (April, 1996).

"Monetary Policy Shocks and Long-Term Interest Rates," joint work with Wendy Edelberg, *Federal Reserve Bank of Chicago Economic Perspectives*, Vol. 20, No. 2 (March/April 1996).

"Comment on 'Estimating Policy-Invariant Deep Parameters in the Financial Sector, When Risk and Growth Matter'," *Journal of Money, Credit, and Banking*, Vol 27, No. 4 (November 1995, Part 2), pp. 1436-1440.

"Comment on 'Search, Bargaining, Money, and Prices: Some Recent Results and Policy Implications'," *Journal of Money, Credit, and Banking*, Vol. 25, No. 3 (August 1993, Part 2).

"The Co-Movements of Asset Returns and Inflation: A Survey of the Literature," *Cuadernos Economicos de ICE*, Vol. 50 (1992) pp. 59-79.

"Inflation and Asset Returns in a Monetary Economy," *Journal of Finance*, Vol. 47, No. 4 (September 1992) pp. 1315-1342.

"The Permanent Income Hypothesis Revisited," joint work with Lawrence J. Christiano and Martin Eichenbaum, *Econometrica* Vol. 59, No. 2 (March 1991) pp. 397-423.

Professional Service Activities

Associate Editor, *Macroeconomic Dynamics*, (Cambridge University Press).