

DAVID MARSHALL

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Federal Reserve Bank of Chicago
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Research Interests

Financial Economics
Monetary Economics
Macroeconomics
Applied Time Series Econometrics

Teaching Interests

Investments
Asset Pricing Theory
Monetary Economics

Professional Experience

Associate Director of Research, Federal Reserve Bank of Chicago, 2009 – present

Senior Vice President, Financial Markets Group, Federal Reserve Bank of Chicago, 2006 – 2009

Vice President and Economic Advisor, Team Leader, Macroeconomic Policy Research, Federal Reserve Bank of Chicago, 2004 - 2006

Adjunct Professor of Finance, Graduate School of Business, University of Chicago, 1997-2006

Economic Advisor and Senior Financial Economist, Federal Reserve Bank of Chicago, 1996-2004

Senior Economist, Federal Reserve Bank of Chicago, 1994-1996

Adjunct Associate Professor of Finance, Kellogg Graduate School of Management, Northwestern University, 1996

Adjunct Assistant Professor of Finance, Graduate School of Business, University of

Chicago, 1994-1995

Visiting Assistant Professor of Finance, Graduate School of Business,
University of Chicago, 1993-1994

Assistant Professor of Finance, Kellogg Graduate School of Management, Northwestern
University, 1988-1994, (on leave, 1993-94)

Instructor, Economics, Carnegie-Mellon University, 1987

Education

Ph.D. Economics (1988), Graduate School of Industrial Administration, Carnegie-Mellon
University, Pittsburgh, PA

M.S. Economics (1985), Graduate School of Industrial Administration, Carnegie-Mellon
University, Pittsburgh, PA

Graduate Study, Department of Economics (1982-83), Rice University, Houston, TX

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

Honors, Fellowships, and Grants

The Lynde and Harry Bradley Foundation research grant, 1991

National Science Foundation Doctoral Dissertation Grant, (Supplement to NSF grant
SES-8720810), 1988

Henderson Award for Excellence in Economic Theory, Carnegie-Mellon University, 1988

Alfred P. Sloan Doctoral Dissertation Fellowship, Alfred P. Sloan Foundation, New York,
NY, 1986-1987

H.B. Earhart Fellowship, Earhart Foundation, Ann Arbor, MI, 1984-1985

William Larimer Mellon Doctoral Fellowship, Graduate School of Industrial
Administration, Carnegie-Mellon University, Pittsburgh, PA, 1983-1984 and 1985-1986

Rice Presidential Recognition Award, Rice University, 1982

Academic Publications

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

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

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

"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).

"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.

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

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

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

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

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

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

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

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

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

"Systemic Risk and Central Banking: A Review of Some Recent Developments," joint

with William C. Hunter, *Productivity and Economic Performance in the Asia-Pacific Region*, ed. By Tsu-Tan Fu, Cliff J. Huang and C. A. Knox Lovell, Edward Elgar, Cheltenham, UK, (2002), pp. 17-35.

"Financial Crises and Coordination Failure: A Comment," *Journal of Banking and Finance*, Vol. 26, Issue 2-3, March (2002), pp. 547-555.

"Comment on 'Estimating the Expected Marginal Rate of Substitution'," *Journal of Monetary Economics*, Vol. 52, No. 5, July (2005), p. 971.

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

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

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

Other Publications

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

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

"Whither the Stock Market?" joint with Denise Duffy, *Chicago Fed Letter*, Number 132 (April 1998).

"Understanding the Asian Crisis: Systemic Risk as Coordination Failure," *Federal Reserve Bank of Chicago Economic Perspectives*, Vol. 22, No. 3 (third quarter, 1998).

"Investing Social Security Trust funds in the Stock Market," joint with Genevieve Pham-Kanter, *Chicago Fed Letter*, Number 148 (December 1999).

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

"The Crisis of 1998 and the Role of the Central Bank," *Federal Reserve Bank of Chicago Economic Perspectives*, Vol. 25, No. 1 (first quarter, 2001). Reprinted in *An International Finance Reader*, edited by Dilip K. Das. Routledge, London, UK, 2003.

"A Retrospective on the Asian Crisis of 1997: Was It Foreseen?" joint with Darrin Halcomb, *Chicago Fed Letter*, Number 161 (January 2001)

"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).

"Explaining the decline in the auction rate securities market " joint with Adrian D'Silva and Haley Gregg , *Chicago Fed Letter*, Number 256 (November 2008)

"Financial market utilities and the challenge of just-in-time liquidity" joint with Richard Heckinger and Robert Steigerwald , *Chicago Fed Letter*, Number 268a (November 2009)

Professional Service Activities

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

Referee for *Review of Financial Studies*, *American Economic Review*, *International Economic Review*, *Journal of Money, Credit, and Banking*, *Journal of Finance*, *Econometrica*, *Journal of Economic Dynamics and Control*, *Journal of Monetary Economics*, *Journal of Political Economy*, *National Science Foundation*.

Personal

Born November 29, 1950

U.S. Citizen

Married, two children