

# Attention Allocation over the Business Cycle: Evidence from the Mutual Fund Industry

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# 1 Abstract

Much of what the financial sector does is to gather and process information. Understanding how this sector operates requires studying the decisions its actors make. The difficulty is that information choices are not directly observable. To overcome this hurdle, we plan to develop a model that will use an observable variable – the state of the business cycle – to predict information choices. Since information choices determine observable investment strategies, the model tells us how to test the information-based theory of financial intermediation. The world of actively managed mutual funds, a multi-billion information-processing industry, provides a rich laboratory to study the link between information and investment choices. Our model will characterize how investment managers ought to allocate their limited attention.

In the proposed model, a subset of investment managers has skill, defined as an ability to process information. We ask how they optimally divide their attention (information processing ability) between aggregate and stock-specific information. In recessions, aggregate asset payoff shocks are relatively more volatile than stock-specific shocks. Higher volatility makes learning about the aggregate payoff shocks more valuable. Since the optimal attention allocation strategy varies with the state of the economy, so do investment strategies and fund returns. The model should predict a higher correlation of portfolio holdings with aggregate information, more dispersion in returns across funds, and a higher average fund performance in recessions than in expansions.

Our preliminary data work indicates the same patterns in observed investment strategies and portfolio returns of actively managed mutual funds in the U.S. Hence, the data seem consistent with a world in which some investment managers have skill, but also one in which that skill is hard to detect, on average. Recessions are times when information choices lead to investment choices that are more revealing of skill.

In sum, the proposed research aims to shed new light on the “inner workings” of the investment management industry. By bringing the predictions of theory to bear on the mutual fund data, we are led to look for evidence of skill in new places. This research has obvious relevance and benefits for practitioners. First, the proposal develops a new way for investors to detect skill. Preliminary results indicate that selecting mutual funds based on their market-timing ability in recessions and on their stock-selection ability in expansions predicts stronger future performance. Our work also suggests a silver lining to recessions: Because they are times of turbulence, recessions make skill easier to detect.

## 2 Research Objectives and Related Literature

We aim to develop a model of the optimal attention allocation strategy of investment managers. A better understanding of information choice is going to shed light on another important question: Do investment managers add value for their clients? Answering this question is the ultimate goal of our research project.

This is an important question because most individual investors delegate their portfolio management to professional investment managers such as mutual funds and hedge funds. At the end of 2007, \$12 trillion was invested with such intermediaries in the U.S. Of all investment in domestic equity mutual funds, about 80% is actively managed (2008 Investment Company Factbook), while 100% of hedge fund money is actively managed.

This intermediation takes place despite a large body of academic evidence that finds that actively managed funds tend to underperform passive investment strategies, on average, net of fees and after controlling for differences in systematic risk exposure. Among many others, see Jensen (1968), Malkiel (1995), Gruber (1996), Fama and French (2008). This evidence of negative average “alpha” has led many to conclude that investment managers have no skill.

At the same time, a number of recent papers has identified instances in which some managerial skill can be detected. E.g., Cohen, Coval and Pástor (2005), Kacperczyk, Sialm and Zheng, (2005, 2008), Kacperczyk and Seru (2007), Kojen (2008), Baker, Litov, Wachter and Wurgler (2009), Huang, Sialm and Zhang (2009). Kosowski (2006), Lynch and Wachter (2007), and Glode (2008) have found evidence of outperformance in times of economic recessions. This last finding is puzzling. If investment managers are truly skilled, why is there no evidence of out-performance in expansions as well? Our more narrow research objective is to understand this puzzle.

Our model predicts that the optimal fund manager’s investment strategy changes over the business cycle. Investment managers should be market timers in recessions and stock pickers in expansions. This is quite different from the typical approach in the literature, which has studied stock picking and market timing in isolation, and unconditional on the state of the economy. The consensus view from that literature is that there is some evidence for stock-picking ability (on average over time and across managers), but little evidence for market timing (e.g., Graham and Harvey (1996), Daniel, Grinblatt, Titman and Wermers (1997), Wermers (2000), Kacperczyk and Seru (2007), and Breon-Drish and Sagi (2008)). We find evidence of skill for a group of successful managers whose strategies appear to be switching with the business cycle.

On the theoretical side, we write down a general equilibrium model in the tradition of the

noisy rational expectations equilibrium literature. See for example Grossman and Stiglitz (1980), Verrecchia (1982), Admati (1985), Peress (2004), Veldkamp (2006), Van Nieuwerburgh and Veldkamp, (2009a, 2009b). A related theoretical literature studies delegated portfolio management; e.g., Basak, Pavlova and Shapiro (2007), Cuoco and Kaniel (2007), Vayanos and Woolley (2008). Brunnermeier, Gollier and Parker (2007) solve a portfolio problem in which investors choose the mean of their beliefs, while Maćkowiak and Wiederholt (2009) solve a price setting problem where firms choose the variance of their beliefs (allocate attention), as do our investment managers. Finally, Van Nieuwerburgh and Veldkamp (2006) study information production over time in a real business cycle model.

## 3 Research Method and Expected Results

Our goal is to develop a model of how investment managers should optimally allocate their limited amount of attention. We want to demonstrate that recessions and expansions lead to different optimal attention allocation strategies for skilled investment managers. Different learning strategies, in turn, prompt different investment strategies, thus causing the differential performance in recessions and expansions. We then aim to test this theory on the universe of actively-managed mutual funds.

### 3.1 Model

Specifically, we build a model in which a fraction of managers have *skill*, meaning that they can acquire and process informative signals about future value of risky assets. These skilled investment managers can observe a fixed number of signals and choose what fraction of those signals will contain aggregate versus stock-specific information. While aggregate signals could be macroeconomic data that forecast the aggregate component of future earnings, stock-specific signals could be firm-level data that forecast the idiosyncratic component of future earnings. Based on their signals, skilled managers form portfolios, choosing larger portfolio weights on assets likely to have higher returns. The model's predictions will fall into three categories, whose main intuition is described below.

The first category is attention allocation. As in any learning problem, risks that are large in *scale* and high in *volatility* are more valuable to learn about. In this case, aggregate shocks are large in scale, because many asset returns are affected by them, but they have low volatility. Stock-specific shocks are of smaller scale, but high volatility. The key driving force in the model is that aggregate shocks become more volatile relative to stock-specific shocks in recessions. In other words, stocks exhibit more co-movement in recessions. Ribeiro and Veronesi (2002) and Forbes and Rigobon (2002) document this fact empirically. In recessions, the higher volatility of aggregate shocks makes it optimal to learn more about them, and less about stock-specific shocks.

The second category is portfolio dispersion. In addition to skilled fund managers, we consider two other types of investors: unskilled portfolio managers and unskilled other investors. The portfolios of skilled and unskilled investors differ more from each other in recessions. This makes portfolio-return dispersion rise, despite the fact that individual stock-return dispersion falls. In expansions, when managers pay more attention to stock-specific shocks, they hold portfolios that are largely similar to those of unskilled managers, except that they

place different weights on the few stocks they follow. Funds' and other investors' portfolio holdings differ only modestly. In recessions, skilled managers follow the macroeconomy and use their signals to adjust their holdings of every stock. A skilled manager who observes a positive aggregate signal (e.g., that recession is almost over) would take an opposite portfolio position from that of an unskilled manager or other investor whose prior belief is that recession will continue. Consequently, the returns earned by both types of managers are likely to be more dispersed in recession.

The third category is fund performance. In recession, more portfolio-return dispersion also implies higher average fund abnormal returns. The reason is that returns of unskilled other investors end up primarily in the left tail of the return distribution. When we remove some of the left tail from a distribution, the mean rises. The higher the dispersion of that distribution, the larger that increase is. Thus, the mean of the distribution of fund returns, with the other investors removed, is higher in recessions when its dispersion is larger.

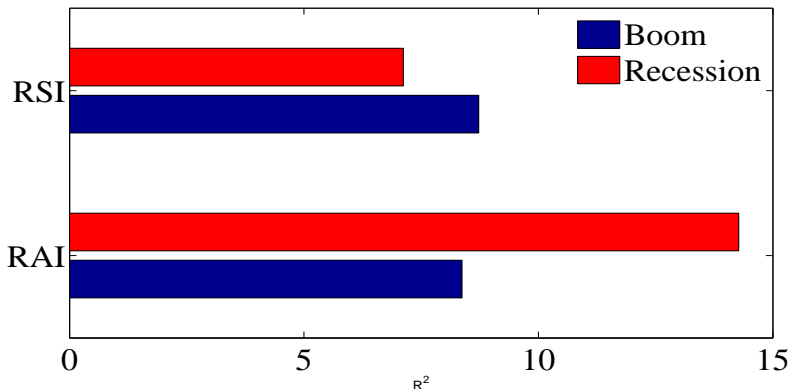
## 3.2 Empirical Evidence

We test the model's three main predictions on the universe of actively managed U.S. mutual funds.

Our main data set is the Center for Research on Security Prices (CRSP) survivorship bias-free mutual fund database. The CRSP database provides comprehensive information about fund returns and a host of other fund characteristics, such as size (total net assets), age, expense ratio, turnover, and load. Given the nature of our tests and data availability, we focus on actively managed open-end U.S. equity mutual funds. We further merge the CRSP data with fund holdings data from Thomson Financial. The total number of funds in our merged sample is 3,477. In addition, for some of our exercises, we map funds to the names of their managers. This mapping results in a sample with 4,267 managers. We also use the CRSP/Compustat stock-level database, which is a source of information on individual stocks' return, market capitalization, book-to-market ratio, momentum, liquidity, and standardized unexpected earnings (SUE). We use changes in monthly industrial production as a proxy for aggregate shocks. Finally, we measure recessions using the definition of the National Bureau of Economic Research (NBER) business cycle dating committee. The start of the recession is the peak of economic activity and its end is the trough. In robustness checks, we use months with negative real consumption growth, and months with lowest 25% of aggregate stock market returns as alternative measures of recession. Our aggregate sample spans 312 months of data from January 1980 until December 2005, among which 38 are recession

Figure 1: Reliance on Aggregate vs. Stock-specific Information

This figure shows funds' reliance on stock-specific information (RSI) and reliance on aggregate information (RAI) in economic expansions (Boom) and contractions (Recession). The data are from CRSP and available monthly from January 1980 until December 2005.



months.

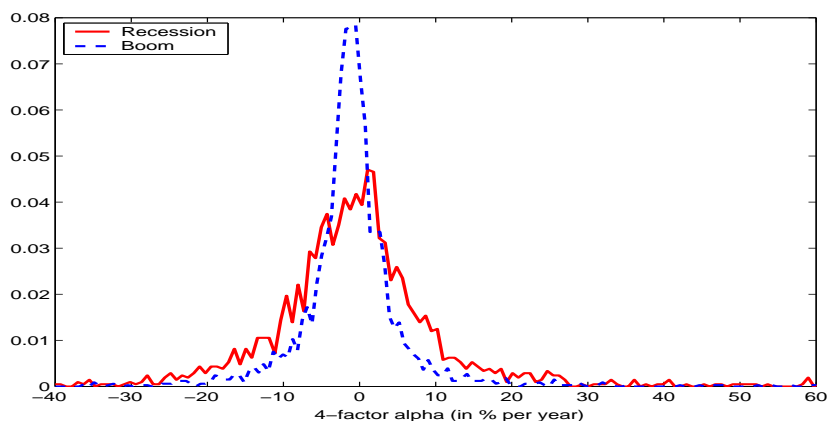
First, we look for evidence of cyclical changes in attention allocation. We estimate the covariance of investment managers' portfolio holdings with the aggregate payoff shock, proxied by contemporaneous changes in industrial production. We call this covariance *reliance on aggregate information* (RAI). RAI indicates an ability to time the market by increasing (decreasing) portfolio positions in anticipation of good (bad) macroeconomic news. We find that RAI is higher in recessions. Next, we estimate the covariance of funds' portfolio holdings with stock-specific (unexpected) earnings, which we call *reliance on stock-specific information* (RSI). RSI measures managers' ability to pick stocks that subsequently experience unexpectedly high earnings. We find that RSI is higher in expansions. Figure 1 summarizes our findings of higher RAI, or better market timing, in recessions and higher RSI, or better stock picking, in expansions.

Second, we look for evidence of more portfolio dispersion in recessions. In recessions, we find higher portfolio concentration of funds (larger deviations of portfolio weights from those of the market portfolio), higher idiosyncratic risk, more style drift, and higher industry concentration. The increased dispersion also appears in fund returns, fund alphas, and fund betas. All these are predictions of our theory. Figure 2 shows the 30% increase of the cross-sectional standard deviation of fund alphas in recessions for our mutual fund data.

Third, we document evidence of fund outperformance in recessions. Risk-adjusted excess fund returns (alphas) are around 0.15 to 0.20% per month higher in recessions, depending

Figure 2: Cross-Sectional Distribution of Outperformance

This figure shows the cross-sectional distribution in recessions (red) and in expansions (blue) of the four-factor alpha for the mutual funds in our sample. The data are from CRSP and are available monthly from January 1980 until December 2005.



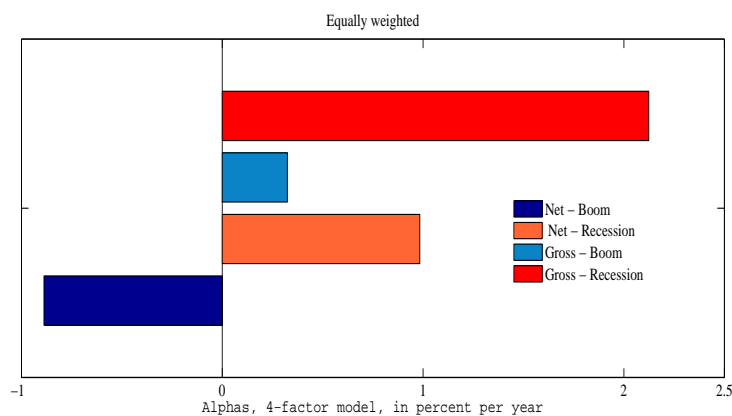
on the specification. Gross alphas (before fees) are not statistically different from zero in expansions, but they are positive in recessions. Net alphas (after fees) are negative in expansions and positive in recessions. These cyclical differences are statistically and economically significant. Indeed, Figure 3 shows that, over the period 1980-2005, actively managed mutual funds have earned 2.1% risk-adjusted excess returns (alphas) per year in recessions but only 0.3% in expansions. What remains for the investors (net of fees) is 1.0% in recessions and -0.9% in expansions; the difference of 1.9% per year is both economically and statistically significant.

### 3.3 Testing for Skill

The model tells us what an optimal application of investment management skill should look like in the data. We can use its insights to construct metrics that help to identify skilled managers. To show that such managers exist, we select the top 25% of funds in terms of their stock picking in expansions and show that that same group has significant market-timing ability in recessions; the other managers show no such market-timing ability. This is quite different from the typical approach in the literature, which has studied stock picking and market timing in isolation, and unconditional on the state of the economy. Furthermore, these managers have higher *unconditional* returns. They tend to run smaller, more actively managed funds. By matching fund-level data to manager-level data, we find that these skilled managers are more likely to have an MBA and are more likely to depart later in their

Figure 3: Investment Performance in Recessions vs. Expansions

This figure shows four-factor alphas for all domestic equity mutual funds. They are obtained by, first, regressing fund returns in excess of the risk-free rate on the market return in excess of the risk-free rate, the return on a portfolio that is long in small firms and short in large firms (SMB), the return on a portfolio that is long in value firms and short in growth firms (HML), and the return on a portfolio that is long in winners and short in losers (UMD) in twelve-month rolling-window regressions. The alpha of a fund is the intercept of that regression. In a second step, we regress the fund alphas on a recession dummy in a panel regression, controlling for other fund characteristics. The intercept of that regression is the alpha in expansions, the sum of the coefficient on the dummy and the intercept is the alpha in recessions. We annualize monthly alphas by multiplying by twelve. The data are from CRSP and available monthly from January 1980 until December 2005.



career to a hedge fund, presumably a market-based signal of their ability.

Finally, we plan to construct a skill index based on observables and show that it predicts future outperformance.

## 4 CV's Included

We included a CV for each of the three authors at the end of this document.

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## Education

University of Michigan, Ann Arbor, MI  
Ph.D. in Finance, August 2004  
Dissertation Title: Financial Decision Making under Distribution Uncertainty

Warsaw School of Economics  
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## Professional Experience

National Bureau of Economic Research, Cambridge MA  
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New York University, Stern School of Business, New York NY  
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## Research Interests

Investments, Institutional Investors, Mutual Funds, Empirical Asset Pricing, Behavioral Finance, Decision Theory

## Publications

Labor Unions, Operating Flexibility, and the Cost of Equity, (with Jason Chen and Hernan Ortiz-Molina), *Journal of Financial and Quantitative Analysis*, forthcoming.

The Price of Sin: The Effects of Social Norms on Markets, (with Harrison Hong), *Journal of Financial Economics* 93, 2009, 15-36.

- Winner of the Commonfund Institute Award for the best paper relevant to foundation and endowment asset management, presented at the EFA meeting, Zurich 2006
- Moskowitz Prize (Honorable Mention) for Socially Responsible Investing Research, Berkeley 2006

Unobserved Actions of Mutual Funds, (with Clemens Sialm and Lu Zheng), *Review of Financial Studies* 21, 2008, 2379-2416.

- Lead article

Industry Concentration and Mutual Fund Performance, (with Clemens Sialm and Lu Zheng), *Journal of Investment Management* 5, 2007, 50-64.

Fund Manager Use of Public Information: New Evidence on Managerial Skills, (with Amit Seru), *Journal of Finance* 62, 2007, 485-528.

- Lead article

- Nominated for the Smith-Breedon Award

On the Industry Concentration of Actively Managed Equity Mutual Funds, (with Clemens Sialm and Lu Zheng), *Journal of Finance* 60, 2005, 1983-2012.

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## **Books**

Hedge Funds in the Aftermath of the Financial Crisis, (with Stephen Brown, Alexander Ljungqvist, Anthony Lynch, Lasse Pedersen, and Matthew Richardson), in: *Restoring Financial Stability* (eds. Viral Acharya, Matthew Richardson). John Wiley & Sons, NJ 2009.

## **Working Papers**

Competition and Bias, (with Harrison Hong), Working Paper 2008.

Do Non-financial Stakeholders Affect Agency Costs of Debt? Evidence from Unionized Workers, (with Jason Chen and Hernan Ortiz-Molina), Working Paper 2008.

Asset Allocation under Distribution Uncertainty, Working Paper 2008.

Is Investor Rationality Time Varying? Evidence from the Mutual Fund Industry, (with Vincent Glode, Burton Hollifield, and Shimon Kogan), NBER Working Paper 2009.

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## **Selected Coverage in the Financial Press**

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Moskowitz Prize (Honorable Mention) for Socially Responsible Investing Research (2006)  
The Commonfund Institute Award for the best paper relevant to foundation and endowment asset management (EFA 2006 meetings)

Social Sciences and Humanities Research Council of Canada Research Award (2005-2008)  
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Institute for Quantitative Investment Research (Inquire Europe) Research Award (2005)  
Allan Gilmour Fellowship for excellence in research awarded annually to one PhD student in Finance (2003)

Graduate Fellowship at UMBS (1999 – present)

Rodkey Fellowship at the University of Michigan (1999 – present)

First Prize in contest for student research papers at Warsaw School of Economics (1999)

Arthur Andersen Fellowship for best student in Finance at Warsaw School of Economics (1999)

Special Prize of Coopers&Lybrand for scientific article on economic issues (1997)

Merit scholarship of the Polish Ministry of Education (1993 – 1995; 1997 – 1999)

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Winter 2009: Average Evaluation: 6.5/7.0

Security Pricing (BAFI 511; MBA, UBC)

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*Nominated for the Teaching Excellence Award (5 nominees from the School)*

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Winter 2007: Average Teaching Evaluation: 4.85/5.0  
Winter 2006: Average Teaching Evaluation: 4.80/5.0  
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Introduction to Mutual Fund Business: (Institute of Business – Warsaw)  
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American Economic Review, Elsevier Inc., Financial Analysts Journal, Finance Research Letters, Financial Review, Journal of Banking and Finance, Journal of Economic Literature, Journal of Finance, Journal of Financial Economics, Journal of Financial Intermediation, Journal of Financial Research, Journal of Financial Services Research, Journal of Futures Markets, Management Science, Pearson Canada Inc., Quarterly Review of Economics and Finance, Research Grants Council (RGC) of Hong Kong SAR, Review of Economics and Statistics, Review of Finance, Review of Financial Studies, University of Cyprus Research Grant

## Seminar and Conference Presentations

- 2009: American Finance Association Meetings (2 papers); University of Utah; New York University (Stern); Western Finance Association Meetings; University of Vienna; Fifth Empirical Asset Pricing Retreat, Amsterdam; Society for Economic Dynamics; CEPR Asset Pricing Meeting, Gerzensee; UBC Summer Finance Conference; European Finance Association Meetings, Bergen; University of New South Wales; University of Sydney; University of Technology Sydney; University of Melbourne; Australian National University; Erasmus Rotterdam University; The European Centre for Corporate Engagement Conference; University of Mannheim; Brigham Young University; University of Alberta
- 2008: American Finance Association Meetings (2 papers); New York University (Stern); UBC Winter Conference; University of Alberta; University of Texas, Austin; Dartmouth College (Tuck); Universidad Carlos III, Madrid; University of Oregon Institutional Investor Conference; European Finance Association Meetings, Athens; Copenhagen Business School; Norwegian School of Management; Texas A&M University; University of Michigan; Financial Research Association
- 2007: University of British Columbia; Inquire Europe; Maryland Behavioral Finance Symposium; Southern Methodist University; Phillips, Hager & North Centre for Financial Research & Bureau of Asset Management Breakfast Briefing Series, Toronto; Western Finance Association Meetings; UBC Summer Conference; Princeton University; Harvard Business School; Georgia State University; University of Arizona; Michigan State University; Wharton; INSEAD; University of Maryland; University of Texas Conference on Mutual Funds; NBER Behavioral Finance Meetings; University of Lausanne
- 2006: Utah Winter Finance Conference; Yale University; Swedish Institute for Financial Research; Society for Quantitative Financial Analysts; University of British Columbia; Phillips, Hager & North Centre for Financial Research & Bureau of Asset Management Breakfast Briefing Series, Vancouver; Western Finance Association Meetings (2 papers); UBC Summer Finance Conference; Barclays Global Investors, San Francisco; European Finance Association Meetings, Zurich; Northern Finance Association Meetings, Montreal; University of Notre Dame; University of Vienna; Pacific Northwest Finance Conference; Washington University (Olin); Phillips, Hager & North Centre for Financial Research & Bureau of Asset Management Breakfast Briefing Series, Calgary; Texas A&M University; Queen's University; Georgia State University 17th Annual Conference on Financial Economics and Accounting
- 2005: American Finance Association Meetings (2 papers); UC-Davis Graduate School of Management Conference on Valuation in Financial Markets; University of Michigan; Western Finance Association Meetings, Portland; UBC Summer Finance Conference, Tofino; China International Conference in Finance, Kunming, China; Universidad Carlos III de Madrid, Spain; University of Lausanne; University of Zurich; European Finance Association Meetings; Rutgers University; SUNY; Simon Fraser University; Northern Finance Association Meetings, Vancouver; HEC Montreal; McGill University; INSEAD; Kellogg School of Management; Emory University; Pacific Northwest Finance Conference; Financial Management Association, Chicago; University of British Columbia; NBER Behavioral Finance Meetings; UNC Conference on Financial Economics and Accounting; Financial Research Association Meetings, Las Vegas

2004: IV Workshop on Bayesian Nonparametrics: Methodology, Theory & Applications: Rome (invited lecture); Winter Meetings of the Econometric Society; HEC Paris; GSB Chicago; Wharton; University of British Columbia; UBC Summer Conference, Tofino; European Finance Association Meetings; Northern Finance Association Meetings (2 papers); Pacific Northwest Finance Conference

2003: Summer Meetings of the Econometric Society, Kellogg; Fordham University; University of Michigan; Florida State University; University of Miami; Georgia State University; McMaster University

2002: EFMA Meetings, London; Royal Economic Society, Warwick; University of Michigan

Updated: July 2009

# Stijn Van Nieuwerburgh

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NYU Stern School of Business

Department of Finance

44 West Fourth Street, 9-120

New York, NY 10012

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## EDUCATION

### Stanford University

Ph.D. in Economics, 2003

Dissertation: Equity Returns and the Role of Housing as a Collateral Asset

Advisors: Thomas Sargent, Robert Hall, Dirk Krueger

M.Sc. in Financial Mathematics, 2001

M.A. in Economics, 2001

### University of Gent

B.A. in Economics, 1998, *summa cum laude*

## RESEARCH AREAS

Household Finance, Asset Pricing, Macroeconomics, Real Estate, Information Theory, Human Capital

## ACADEMIC APPOINTMENTS

Associate Professor of Finance, NYU, Stern School of Business (tenured)

September 2009 –

Assistant Professor of Finance, NYU, Stern School of Business

August 2003 – 2009

Charles Schaefer Family Fellow at NYU

September 2006-2009

NBER Faculty Research Fellow

April 2006 – present

CEPR Faculty Research Fellow

January 2009 – present

Research Assistant for Prof. Sargent, Stanford University

June 2000- August 2002

Research Assistant for Prof. Siebert, Kiel Institute for World Economics

March - August 1997

## TEACHING EXPERIENCE

M.B.A. (full-time), Instructor Foundations of Finance, NYU Stern

Fall 2008-09

*average teaching rating: 6.7/7*

M.B.A. (part-time), Instructor Foundations of Finance, NYU Stern

Fall 2004-09

*average teaching rating: 6.4/7*

Ph.D., Instructor Asset Pricing Theory Seminar, NYU Stern

Fall 2007-08

*average teaching rating: 7/7*

Undergraduate, Instructor Foundations of Financial Markets, NYU Stern

Spring 2003-04

*average teaching rating: 6.1/7*

Ph.D., Teaching Assistant for Graduate Macroeconomics III, Stanford

Spring 2001-02

Ph.D., Teaching Assistant for Advanced Graduate Macroeconomics, Stanford

Winter 2001-02

*Nominated for NYU Award in Teaching Excellence, April 2007*

## PUBLISHED PAPERS

1. Housing Collateral, Consumption Insurance and Risk Premia: an Empirical Perspective, H. Lustig and S. Van Nieuwerburgh, *Journal of Finance*, vol. 60 (3), June 2005, pp. 1167-1219
2. Stock Market Development and Economic Growth in Belgium, S. Van Nieuwerburgh, F. Buelens and L. Cuyvers, *Explorations in Economic History*, vol. 43(1), January 2006, pp. 13-38
3. Learning Asymmetries in Real Business Cycles, S. Van Nieuwerburgh and L. Veldkamp, *Journal of Monetary Economics*, vol. 53(4), May 2006, pp. 753-772
4. Inside Information and the Own Company Stock Puzzle, S. Van Nieuwerburgh and L. Veldkamp, *Journal of the European Economic Association Papers and Proceedings*, vol. 4 (2-3), pp. 623-633, May 2006
5. Reconciling the Return Predictability Evidence, M. Lettau and S. Van Nieuwerburgh,, *Review of Financial Studies*, July 2008, Vol. 21(4), pp. 1607-1652
6. The Returns on Human Capital: Good News on Wall Street is Bad News on Main Street, H. Lustig and S. Van Nieuwerburgh,, *Review of Financial Studies*, September 2008, Vol. 21(5)
7. Annuity Valuation Given Long-term Care Concerns and Bequest Motives, J. Ameriks, A. Caplin, S. Laufer, and S. Van Nieuwerburgh, *Recalibrating Retirement Spending and Saving*, J. Ameriks and O. Mitchel, (Eds), Oxford University Press, September 2008
8. Market Efficiency and Return Predictability, R. Kojien and S. Van Nieuwerburgh, forthcoming in *Encyclopedia of Complexity & System Science*, Robert Meyers (Ed.)
9. Information Immobility and the Home Bias Puzzle, S. Van Nieuwerburgh and L. Veldkamp, *Journal of Finance*, vol. 64(3), June 2009
10. Mortgage Timing, R. Kojien, O. van Hemert, and S. Van Nieuwerburgh, forthcoming at the *Journal of Financial Economics*
11. Information Acquisition and Under-Diversification, S. Van Nieuwerburgh and L. Veldkamp, forthcoming at the *Review of Economic Studies*

## PAPERS UNDER REVIEW

12. Why Has House Price Dispersion Gone Up? S. Van Nieuwerburgh and P.-O. Weill  
*Revise and Resubmit Review of Economic Studies (second round)*
13. Strategic Surveys and the Bequest Motive, J. Ameriks, A. Caplin, S. Laufer, and S. Van Nieuwerburgh, *Revise and Resubmit Journal of Finance (third round)*
14. How Much Does Household Collateral Constrain Regional Risk Sharing?, H. Lustig and S. Van Nieuwerburgh, *Revise and Resubmit Review of Economic Dynamics (third round)*
15. The Wealth-Consumption Ratio, H. Lustig, A. Verdelhan, and S. Van Nieuwerburgh  
*Revise and Resubmit Review of Financial Studies (second round)*
16. Technological Change and the Growing Inequality in Managerial Compensation, H. Lustig, C. Syverson, and S. Van Nieuwerburgh

## WORKING PAPERS

17. The Cross-Section and the Times Series of Stock and Bond Returns, R. Kojien, H. Lustig, and S. Van Nieuwerburgh
18. Macroeconomic Effects of Housing Wealth, Housing Finance, and Limited Risk Sharing in General Equilibrium, J. Favilukis, S. Ludvigson, and S. van Nieuwerburgh
19. A Time to Shine: Mutual Fund Managers' Attentional Allocation over the Business Cycle, M. Kacperczyk, S. Van Nieuwerburgh, and L. Veldkamp

20. Can Housing Collateral Explain Long-Run Swings in Asset Returns?, H. Lustig and S. Van Nieuwerburgh
21. Exploring the Link between Housing and the Value Premium, H. Lustig and S. Van Nieuwerburgh

## WORK IN PROGRESS

22. Optimal Retirement Risk Management, R. Kojien, S. Van Nieuwerburgh, M. Yogo

## BOOK PROJECT

Exercises in Recursive Macroeconomic Theory, S. Van Nieuwerburgh, P.O. Weill, L. Ljungqvist, and T. Sargent, 2003

Restoring Financial Stability: How to Repair a Failed System, edited by V. Achary and M. Richardson, John Wiley and Sons, 2009, co-author on Chapters 1 and 4.

## CITATION ANALYSIS

On SSRN: 3,946 paper downloads and 598 citations. On REPEC: 5,970 abstract views and 1,895 downloads (top 50 of most cited economists with PhD in last 10 years). Web site visits: 21,700. For a complete list of citations as of November 2008, see <http://www.stern.nyu.edu/~svnieuwe/pdfs/Citationcount.pdf>.

## HONORS AND AWARDS

|   |           |
|---|-----------|
| Netspar Grant (Euro10,000) with R. Kojien and M. Yogo                               | 2008      |
| NSF Grant (\$35,000) with R. Vestman  | 2008      |
| Glucksman Institute Research Prize – First Prize (Mortgage Timing paper)            | 2008      |
| UCLA Zinman Research Center for Real Estate grant (\$10,000)                        | 2007      |
| Federal Deposit Insurance Corporation grant (\$10,000)                              | 2007      |
| Glucksman Institute Research Prize – First Prize (Home Bias paper)                  | 2006      |
| NSF Grant (\$80,000) with H. Lustig   | 2006      |
| Nomination for the Smith-Breeden Prize for the best paper in the Journal of Finance | 2005      |
| Financial Management Association Best Paper Prize in Investments                    | 2005      |
| John M. Olin Dissertation Fellowship, SIEPR   | 2002-2003 |
| Fellow of the Fund for Flanders Scientific Research                                 | 2000-2003 |
| Graduate Service Award, Stanford University   | 2001      |
| Fellow of the Belgian American Educational Foundation                               | 1998-1999 |
| Ippa Bank prize for best economics honor's thesis in Belgium                        | 1999      |
| Belgian Secretary of State prize for development research                           | 1998      |
| ASLK Bank prize for best student in economics, University of Gent                   | 1998      |

## PROFESSIONAL SERVICE

### Editorial Positions

Associate Editor, Journal of Empirical Finance, September 2006-09

### Academic Advising

PhD Committee member for: (\* indicates chairman role, # indicates external examiner)

1. Oleysa Grishchenko (NYU Stern finance department, 2004-05), Penn State
2. Jinyong Kim (NYU economics department, 2004-05), Lehman Brothers
3. Carlos Gutierrez Mangas# (NYU economics department 2005-06)
4. Jack Favilukis (NYU Stern finance department, 2006-07), LSE
5. Ralph Koijen\* (visiting NYU Stern finance department from Tilburg University, 2007-08), University of Chicago GSB
6. Lorenzo Naranjo (NYU Stern finance department 2008-09), Essec Paris
7. Jonathan Halket# (NYU economics department 2008-09), UCL
8. Roine Vestman (NYU economics department), in progress
9. Jordan Brooks (NYU economics department), in progress
10. Francisco Barillas (NYU economics department), in progress
11. Steven Laufer (NYU economics department), in progress
12. Michelle Zemel (NYU Stern finance department), in progress

Research practicum advisor in Stern Finance department for Yuanzhi Li (2003-04), Jack Favilukis (Stern Finance department, 2004-05), Lorenzo Naranjo (Stern Finance department, 2005-07), Michelle Zemel (Stern Finance department, 2008-09), Rustom Irani (Stern Economics department, 2008-09)

### Conference Organization:

*SED meetings in Gent, Belgium:* Local organizer, July 7-9, 2011

*NBER Asset Pricing Group:* Fall meeting organizer Nov 21, 2008

*Program Committee member:* 2009 WFA in San Diego, 2009 SED in Istanbul, 2008 WFA in Hawaii, 2008 SED in Cambridge, 2008 FMA in San Antonio, 2006 SED in Vancouver, 2005 FMA in Chicago

*Committee Member:* 2007 FMA Best Paper Award

*Invited Session Organizer:* AEA in Boston, January 2006 (“Human Wealth Returns” session and “Portfolio Choice” session), SED in Vancouver, July 2006 (“Return Predictability”), AEA in Chicago, January 2007 (“Housing and the Macro Economy”), AEA in New Orleans, January 2008 (“Long Run Risk”), SED in Cambridge, July 2008 (2 finance sessions), SED in Istanbul, July 2009 (“Stock and Bond Pricing”)

### Service at NYU

*Seminar organization:* Monday Finance seminar, 2004-2005 and spring 2006-07, Salomon Center macro-finance reading group, 2004-2005, Wednesday Finance seminar, 2006-2007, Friday Finance seminar, 2006-2007

*Committee work:* Internal review committee of undergraduate program, Spring 2004-05, Visitors committee, Spring 2006-07, Junior recruiting committee, Fall-Spring 2007-08, PhD reform committee, Spring 2009

New faculty orientation seminar, September 2005, 2007, and 2008

*Guest lecturer, "Limited Commitment, Asset Pricing, and Risk Sharing" in Prof. Sargent's advanced macroeconomics PhD class and in Prof Pedersen's advanced asset pricing PhD class.*  
*Guest lecturer in Prof. Bigg's "Financing Retirement" MBA class.*

Membership: American Finance Association, Western Finance Association, American Economic Association, Econometric Society, Society for Economic Dynamics, American Real Estate and Urban Economics Association.

Referee for: American Economic Review, Berkeley Electronic Journals in Macroeconomics, Econometrica, International Economic Review, Journal of Banking and Finance, Journal of Business and Economic Statistics, Journal of Econometrics, Journal of Economic Dynamics and Control, Journal of Economic Literature, Journal of Finance, Journal of Financial and Quantitative Analysis, Journal of Financial Economics, Journal of International Economics, Journal of Monetary Economics, Journal of Money, Credit, and Banking, Journal of Political Economy, Journal of Urban Economics, The National Science Foundation, Real Estate Economics, Review of Economic Dynamics, Review of Economic Studies, Review of Economics and Statistics, Review of Financial Studies, Quarterly Journal of Economics, The Social Sciences and Humanities Research Council of Canada.

## **SEMINAR AND CONFERENCE PRESENTATIONS**

### 2009

*Seminars:* ULB Brussels, Temple, UT Austin, Boston University, NYU Stern finance, University of Vienna, Rotterdam Erasmus (economics), Toronto Rotman, Tilburg, Rotterdam Erasmus (finance)

*Conferences:* AEA San Francisco (2), University of Amsterdam, SED Istanbul, CEPR conference in Gerzensee

### 2008

*Seminars:* FGV Rio, MIT Sloan finance, Purdue econ, Baruch finance, Kellogg finance, Chicago GSB finance, George Washington/Federal Reserve Board joint seminar

*Conferences:* AFA New Orleans, AEA New Orleans, SED Cambridge, NBER AP summer institute, Five Star Conference

### 2007

*Seminars:* Princeton University finance, NYU Stern macro lunch, University of Pennsylvania, Stanford University GSB, UC Berkeley Haas, NYU Stern finance, Florida State University, University of Tokyo (2), London School of Economics, Bank of England, University College London IFS, Kansas City Federal Reserve Bank, Duke finance, NYU finance, Harvard Business School finance, NYU macro lunch, National Bank of Belgium.

*Conferences:* AFA Chicago, AEA Chicago, Copenhagen business school predictability conference (keynote speaker), Wharton Pension Research Council Conference, University of Madison Wisconsin real estate conference, Big Sky Real Estate Symposium, SED in Prague, NBER AP meeting, CEPR conference in Gerzensee (2), NBER Aging meeting, NBER Real Estate meeting, Minnesota macro, UCL

conference on income dynamics and consumption inequality in London, UCLA conference on bond pricing and the macro-economy, CEPR International Finance conference in Brussels, NBER Fall AP meeting.

#### 2006

*Seminars:* Columbia GSB, Wharton finance (micro), UCLA economics, UCSD finance, Stockholm SIFR (2), Stockholm School of Economics, BI School of Management Oslo, Oslo University economics, Frankfurt University economics, Tilburg University finance, Yale SOM, University of Minnesota finance, CMU finance.

*Conferences:* AFA Boston, AEA in Boston, ES in Boston, NBER EFG meeting in San Francisco, Texas Finance Festival VIII, , Western Finance Association in Keystone, SED in Vancouver, NBER International Finance Summer Institute, NYU Stern macro lunch, NBER Fall AP meeting.

#### 2005

*Seminars:* INSEAD, George Washington University, Federal Reserve Board Domestic Group, NYU Stern Finance, Princeton University, NYU Stern macro lunch, University of Illinois at Urbana-Champaign, Iowa Business School, Ohio State economics, Ohio State finance, NYU Finance.

*Conferences:* AEA in Philadelphia, Prague Macroeconomic Theory Workshop, SED conference in Budapest, NBER Summer Asset Pricing Meeting in Boston, CEPR Asset Pricing Meeting in Gerzensee, ES World Congress in London, EFA in Moscow, Cleveland Fed International Macroeconomics Conference, FMA Conference in Chicago, FEA Conference at UNC.

#### 2004

*Seminars:* NYU Stern Finance, Cornell Financial Engineering.

*Conferences:* AEA in San Diego, SED Conference in Florence, CEPR Asset Pricing Meeting in Gerzensee, EFA Meetings in Maastricht.

#### 2003

*Seminars:* Stanford University Finance, New York University Finance, University of Wisconsin Real Estate, University of California at San Diego Economics, London Business School Finance, London School of Economics, University College London Economics, University of North Carolina Finance, Federal Reserve Bank of Richmond, Yale University Economics, University of Minnesota Economics, University of Maryland Economics, Federal Reserve Bank of New York, Boston University Economics, Wharton Finance (macro), University of Pittsburgh Economics, Carnegie Mellon University Economics, Northwestern University Finance, University of Texas at Austin Finance, University of Texas at Austin Economics, Federal Reserve Board of Governors.

*Conferences:* NBER Summer Institute Asset Pricing in Cambridge, SED Conference in Paris.

#### 2002, 2001, and 2000

*Seminars:* University of Gent Economics (3), UCLA Economics, University of Chicago Economics, Stanford University Economics (3),

*Conferences:* SED Conference in New York, North American Meeting of the ES in Los Angeles, SED Conference in Stockholm, Federal Reserve Bank of Chicago Conference

## DISCUSSIONS

1. Mortgages as Recursive Contracts, by J. Krainer and M. Marquis, *Econometric Society Winter Meetings*, San Diego, January 6, 2004
2. Was There a NASDAQ Bubble in the Late 1990s?, by L. Pastor and P. Veronesi, *CEPR Asset Pricing Conference*, Gerzensee, July 29, 2004
3. US Banking Deregulation, Small Business and Interstate Insurance of Personal Income, by Y. Demanyk, C. Ostergaard, and B. Sorensen, *Econometric Society Winter Meetings*, Philadelphia, January 8, 2005
4. Examining the Statistical Properties of Financial Ratios, by C. Hansen and B. Tuypens, *European Finance Association*, Moscow, August 24, 2005
5. Higher Risk Aversion in Older Agents: Its Asset pricing Implications, by A. DaSilva and C. Giannikos, *Financial Management Association*, Chicago, October 15, 2005
6. No-Arbitrage Macro-Economic Determinants of the Yield Curve, by R. Bibkov and M. Chernov, *Five Star Conference*, New York, December 2, 2005.
7. Portfolio Concentration and the performance of Individual Investors, by Z. Ivkovic, C. Sialm and S. Weisbenner, *American Finance Association*, Boston, January 6, 2006
8. Risk, Uncertainty, and Asset Prices, by G. Bekaert, E. Engstrom, and Y. Xing, *Caesarea Center Conference*, Tel Aviv, May 15, 2006
9. The Baby Boom: Predictability in House Prices and Interest Rates, by R. Martin, *AREUEA Winter Meetings*, Chicago, January 6, 2007
10. Investment-Cash Flow Sensitivity and the Value Premium, by R. Novy-Marx, *WFA Meetings*, Big Sky, June 26, 2007
11. Housing and Consumer Behavior, by J. Muellbauer, joint discussion with Sydney Ludvigson, NYU Economics Department, *Federal Reserve Bank of Kansas City's annual Economic Policy Symposium, Housing, Housing Finance, and Monetary Policy*, Jackson Hole, September 1, 2007
12. The Term Structure of Bond Market Liquidity, by R. Goyenko, A. Subrahmanyam, and A. Ukhov, *18<sup>th</sup> Annual Conference on Financial Economics and Accounting*, NYU Stern, October 27, 2007
13. Durability of Output and Expected Stock Returns, by J. Gomes, L. Kogan, and M. Yogo, *AFA Meetings*, New Orleans, January 2008
14. What is the Chance that the Equity Premium Varies Over Time? Evidence from Predictive Regressions, by J. Wachter and M. Warusawitharana, *AFA Meetings*, New Orleans, January 2008
15. The Consequences of Mortgage Credit Expansion: Evidence from the 2007 Mortgage Default Crisis, by A. Mian and A. Sufi, NBER Monetary meeting, Chicago, April 2008
16. Changing Relationship between House Prices and Consumption, by J. Kim, The Bank of Korea International Conference, May 2008
17. A New Explanation for Under-diversification, by H. Liu, *AFA Meetings*, San Francisco, January 2009
18. Industry-Specific Human Capital, Idiosyncratic Risk and the Cross-section of Stock Returns, by E. Eiling, *AFA Meetings*, San Francisco, January 2009
19. Risk and Return in Bond, Currency and Equity Markets, by R. Bansal and I. Shaliastovich, *AEA Meetings*, San Francisco, January 2009
20. Labor Hiring, Investment and Stock Return Predictability in the Cross-Section, by S. Bazdrech, F. Belo, and X. Lin, *CEPR Meetings Gerzensee*, July 2009

## **MEDIA COVERAGE**

- “Shaky Markets Prompt Rumors of Who’s in Trouble,” by Julie Creswell, New York Times, August 10, 2007 – on the lack of transparency in sub-prime mortgage-backed securities holdings
- “Vancouver, B.C. Among The Most Overpriced Real Estate Markets,” by Matt Woolsey from Forbes, August 26, 2007 – on regional real estate prices
- “Time Warp: Reeling in the Years,” by Joe Lisanti, New York Daily News, August 27, 2007 – on the practice of back testing to provide historical performance statistics for new mutual funds and ETFs
- “Global Economist Downplays Concerns over Stagflation,” by Jae-kyoung Kim, Korea Times, May 29, 2008 – article that discusses my opinion of the possibility on global stagflation and the associated risks for the Korean economy
- “Bank of Korea One of Big Winners in US Mortgage Bailout,” by Jae-kyoung Kim, Korea Times, September 10, 2008 - on the bailout of Freddie Mac and Fannie Mae and the implications for foreign central banks
- “Wall Street crisis: What business school professors are telling their 'worried' students,” by Jessica Troiano, AM New York, September 24, 2008 – article on the impact of the crisis on studying and preparing for a career in finance
- “Business School Students Feel the Effect of Wall Street Crisis,” by Ed Drantch, My Fox 5 News.com, October 5, 2008 – office interview on effects of crisis on student careers and teaching finance.
- “Recessie is ideaal om talentrijke fondsbeheerders te ontdekken,” by Kris Van Hamme, De Tijd, May 19, 2009 – profile interview about the financial crisis and about my research
- “Ex-Countrywide leaders look to clean up mortgage mess they helped create,” by Rachel Beck, Associated Press, May 29, 2009, on Penny Mac and mortgage modification by newly formed private lenders
- Interview on Reuters TV (live), segment on the future of U.S. Treasury yields in the wake of rising budget deficits, May 29, 2009
- “Compromis Bedreigt Hervorming,” by Kris Van Hamme, De Tijd, June 18, 2009 – my reaction on the Obama plan for financial regulatory reform

## **EXECUTIVE TEACHING**

- Morgan Stanley - Portfolio Theory and Options Pricing – February 2007
- Greenwich Associates – Foundations of Finance and Portfolio Theory - February 2007, January 2008, June 2008
- Executive MBA in Finance – Real Estate Before, During, and After the Financial Crisis, August 2009
- Standard & Poors Analyst Training Program – Fixed Income Securities – October 2009
- NYU Executive MBA in Risk Management – Securitization – March 2010

*Last update: July 2009*

# Laura L. Veldkamp

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E-mail: [lveldkam@stern.nyu.edu](mailto:lveldkam@stern.nyu.edu)  
<http://www.stern.nyu.edu/~lveldkam>

NYU Stern School of Business  
44 West Fourth Street, 7<sup>th</sup> floor  
New York, NY 10012

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## EDUCATION

**Stanford Graduate School of Business** Ph.D. in Economic Analysis and Policy, 2001

**Northwestern University** Bachelor of Arts in Math and Economics, 1996  
with distinction in the College of Arts and Sciences and honors in both majors.

## RESEARCH AREAS

Macroeconomics, international, finance, aggregate models of information choice

## EMPLOYMENT AND ACADEMIC APPOINTMENTS

|   |                |
|---|----------------|
| Associate Professor of Economics (tenured), NYU, Stern School of Business | 2008 – present |
| CEPR Research Fellow  | 2009 – present |
| NBER Faculty Research Fellow  | 2008 – present |
| Jules I. Backman Faculty Fellow at NYU Stern                              | 2008 – 2011    |
| Assistant Professor of Economics, NYU Stern                               | 2003 – 2008    |
| Kenen fellow at Princeton University, Department of Economics             | 2006 – 2007    |
| Assistant Professor of Economics, INSEAD                                  | 2001 – 2003    |
| World Bank Research Consultant in macroeconomics and growth group         | Summer 1999    |

## TEACHING EXPERIENCE

|  |           |
|--|-----------|
| Ph.D. Macro topics: Imperfect information and market frictions, NYU                                | 2008      |
| Ph.D. Choosing and Processing Information, Humboldt University, Berlin                             | 2007      |
| B.A. International Monetary Economics, Princeton   | 2006      |
| M.B.A. The Global Economy, NYU Stern<br><i>Average teaching rating: 6.1 out of 7</i>               | 2004-2009 |
| M.B.A. Core Macroeconomics, INSEAD<br><i>1 of 5 nominees for best teacher in an MBA core class</i> | 2002-2003 |
| Ph.D. Macroeconomics and Finance, INSEAD   | 2002      |

## PROFESSIONAL SERVICE

|   |               |
|---|---------------|
| Associate Editor, Journal of Monetary Economics   | starting 2009 |
| NYU Stern Dean Search Committee   | 2009          |
| Received <i>Excellence in Refereeing Award</i> , American Economic Review   | 2008          |
| American Finance Association, executive nominating committee  | 2008          |
| American Finance Association, session organizer   | 2008          |
| American Economics Association, session co-organizer  | 2006, 2007    |
| Financial Management Association, award committee for best dissertation   | 2007          |
| Society for Economic Dynamics, program committee  | 2006          |
| Seminar organizer at INSEAD, Princeton and NYU  | 2002-2008     |
| Referee for: American Economic Review, Econometrica, <i>Economica</i> , Economic Journal, Economic Theory, European Economic Review, International Economic Review, Journal of Business, JEDC, Journal of Economic Theory, Journal of Finance, Journal of Macroeconomics, JMCB, Journal of Monetary Economics, Journal of Political Economy, NSF, Quarterly Journal of Economics, Review of Economic Dynamics, Review of Economic Studies, Review of Financial Studies. |               |

## PUBLICATIONS AND ACCEPTED PAPERS

**Information Acquisition and Under-Diversification**, with Stijn Van Nieuwerburgh  
Forthcoming in *Review of Economic Studies*

**Income Dispersion and Counter-Cyclical Markups**, with Chris Edmond  
Forthcoming in *Journal of Monetary Economics*

**Ratings Shopping and Asset Complexity: A Theory of Ratings Inflation**, with Vasiliki Skreta  
*Journal of Monetary Economics*, July 2009, v.56(5).  
2009 Glucksman Institute Research Prize – 3<sup>rd</sup> place

**Information Immobility and the Home Bias Puzzle**, with Stijn Van Nieuwerburgh  
*Journal of Finance*, June 2009, v. 64(3), p.1187-1215  
2006 Glucksman Institute Research Prize - 1<sup>st</sup> place  
2005 Financial Management Association's Best Paper Prize in Investments

**Knowing What Others Know: Coordination Motives in Information Acquisition**  
with Christian Hellwig, UCLA  
*Review of Economic Studies*, 2009, v.76, pp.223-251

**Aggregate Shocks or Aggregate Information? Costly Information and Business Cycle Comovement**  
with Justin Wolfers  
*Journal of Monetary Economics*, Sept 2007, v. 54(S), pp.37-55.

**Information Markets and the Comovement of Asset Prices**  
*Review of Economic Studies*, July 2006, v.73(3), p.823-845.

**Media Frenzies in Markets for Financial Information**  
*American Economic Review*, June 2006, v.96(3), p.577-601.

**Learning Asymmetries in Real Business Cycles** with Stijn Van Nieuwerburgh  
*Journal of Monetary Economics*, May 2006, 53(4), p. 753-772

**Slow Boom, Sudden Crash**  
*Journal of Economic Theory*, October 2005, v.124(2), p.230-257.

**Learning About Reform: Time-Varying Support for Structural Adjustment**  
*International Review of Economics and Finance*, March 2009, v.19(2), p.192-206.

**Inside Information and the Own-Company Stock Puzzle** with Stijn Van Nieuwerburgh  
*Journal of the European Economic Association, Papers and Proceedings*, May 2006, v.4(2-3), p.623-633.

**Uncertainty, Policy Ineffectiveness, and Long Stagnation of the Macroeconomy**  
Comments on an article by Masanao Aoki and Hiroshi Yoshikawa  
*Japan and the World Economy*, August 2006, v.18(3), pp.273-277.

**Did Asset Complexity Trigger Ratings Bias?** with Vasiliki Skreta  
forthcoming in *Understanding Our Financial Crisis*, John Wiley & Sons, 2010.

**Economists' Perspectives on Leadership**, with Patrick Bolton and Markus Brunnermeier,  
forthcoming in *Leadership: Advancing an Intellectual Discipline*.

## SUBMITTED PAPERS UNDER REVIEW AND UNDER REVISION

**Nature or Nurture? Learning and the Geography of Female Labor Force Participation**,  
with Alessandra Fogli 2<sup>nd</sup> round at *Econometrica*

**Leadership, Coordination and Mission-Driven Management**, with Patrick Bolton and Markus Brunnermeier  
Winner of the 2008 JP Morgan Prize for the best paper at the Utah Winter Finance Conference

## BOOK PROJECT

### **Information Choice in Macroeconomics and Finance**

to be published by Princeton University Press

## SEMINARS AND CONFERENCE PRESENTATIONS

**Ratings Shopping** 2009: CEPR asset pricing symposium in Gerzensee, 2008 NY Area Monetary Policy Meeting, Carnegie-Rochester Conference on Public Policy.

**Leadership, Coordination and Mission-Driven Management** Presented in 2009: Haas finance, AFA meeting 2008 Utah Winter Finance Conference, NYU, PUC-Rio, University of North Carolina, Kellogg, 2007 HBS strategy conference.

**Nature or Nurture** Presented in 2009: Northwestern, Philadelphia Federal Reserve, NBER EF&G winter meeting 2008: Harvard University, Boston Federal Reserve. In 2007: Chicago GSB, Wisconsin, Midwest Macro Meetings, Princeton, Kansas City federal reserve, NBER summer institute on income distribution and macroeconomics, Chicago federal reserve.

**Information Immobility and the Home Bias Puzzle** Presented in 2008: AEA meetings. In 2007: Emory, Minneapolis Federal Reserve, London School of Economics, London Business School. In 2006: Banque de France–Northwestern University conference on macroeconomics, IMF, NBER international finance summer meeting, NBER EF&G winter meeting, New York Fed, UCSD. In 2005: NYU, Virginia, SED, Prague conference on Macroeconomic Theory, Gerzensee asset pricing workshop, Econometric Society world congress, EEA conference, Cleveland Fed conference, FMA meetings, MIT.

**Information Acquisition and Under-Diversification** Presented in 2008: Yale, Columbia. In 2006: Georgetown, AEA meetings, Econometric Society, SEMSI workshop on model uncertainty, Chicago Fed, Kellogg, Caesarea conference on Capital Markets and Risk Management, Swedish Institute for Financial Research, European Central Bank, Tilburg. In 2004: NYU, USC, UCLA, Stanford, UCSB.

**Knowing What Others Know** Presented in 2007: AEA meetings. In 2006: Princeton, Philadelphia workshop on monetary and macroeconomics, Stockholm IIES, NYU. In 2005: SED session at ASSA meetings.

**Aggregate Shocks or Aggregate Information** Presented in 2006: NBER monetary meetings, NYU, MIT, Swiss National Bank Conference, Princeton macro lunch, NY Fed, SED meetings.

**Income Dispersion and Counter-Cyclical Markups** Presented in 2007: University of Tokyo. In 2006: Rochester, Iowa, Maryland, Oslo.

**Information Markets and the Comovement of Asset Prices** Presented in 2004: Rutgers, SED meetings, European Finance Association meetings, Gerzensee asset pricing workshop, NYU, Columbia GSB, CalTech

**Media Frenzies** Presented in 2003: NBER EF&G summer meeting, Wharton, Univ. of Texas at Austin, Duke, UC San Diego, University College London, Maryland, New York Fed, Richmond Fed, New York University, Yale, London School of Economics, Carnegie-Mellon, Pittsburgh, Fed Board of Governors. In 2002: Stockholm IIES, Toulouse, Stanford, INSEAD

**Learning Asymmetries in Real Business Cycles** Presented in 2003: Illinois Conference on Learning and Bounded Rationality, Humboldt. In 2002: Econometric Society, Munich, K.U. Leuven, Stanford

**Slow Boom, Sudden Crash** Presented in 2002: Minnesota Macro Theory Workshop. In 2001: St. Louis Fed., Illinois, SED meetings, Fed Board of Governors, Tilburg, INSEAD, Pompeu Fabra, Wisconsin, Iowa, Chicago GSB, UCLA, Harvard Kennedy, Columbia Business School, Columbia In 2000: Stanford GSB, Stanford

## CONFERENCE DISCUSSIONS

Masanao Aoki and Hiroshi Yoshikawa, “Uncertainty, Policy Ineffectiveness, and Long Stagnation of the Macroeconomy,” NYU Japan center conference on understanding macroeconomic slowdowns, April 2004.

Martin Evans and Richard Lyons “A New Micro Model of Exchange Rate Dynamics.” NBER asset pricing meetings, July 2004.

Markus Brunnermeier and Jonathan Parker “Optimal Expectations.” Gerzensee summer institute, August 2004.

Enrico Perotti and Paolo Volpin, “Lobbying on Entry” European Finance Association meetings, August 2004.

Guido Lorenzoni “A Theory of Demand Shocks.” NBER EF&G meetings, July 2005.

Ashish Tiwari and Wei Li, “On the Consequences of Mutual Fund Tournaments” FMA meetings, 2005.

Bartosz Mackowiak and Mirko Wiederholt, “Optimal Sticky Prices Under Rational Inattention” NBER Monetary Economics meetings, April 2006

Christian Hellwig “Heterogeneous Information and the Benefits of Public Information Disclosures.” NY Area Monetary Policy meetings, November 2006.

Gosselin, Lotz and Wyplosz “Should Central Banks Reveal Expected Future Interest Rates?” Bank of Korea Conference on Monetary Policy Communication in a Financially Globalized World, June 2007.

Pierpaolo Benigno “Portfolio Choices with Near Rational Agents: A Solution for Some International-Finance Puzzles” NBER International Finance and Macro meetings, October 2007

Franck Portier, Paul Beaudry, and Martial Dupaigne “The International Propagation of News Shocks” CEPR conference on International Adjustment, November 2007

Viral Acharya, Peter DeMarzo and Ilan Kremer “Endogenous Information Flows and the Clustering of Announcements” Beyond Liquidity: Modeling Financial Frictions, at Chicago GSB, May 2008