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## David Backus

### Biographical sketch

David Backus is the Heinz Riehl Professor in the economics group of New York University's Stern School of Business. His interests include international capital flows, business cycles and financial markets, fixed income and currency derivatives, Asian and Latin American economic history, and teaching Python to business students. Prior to joining NYU Stern in 1990, he studied at Hamilton College (BA, 1975) and Yale University (PhD, 1981), taught at Queen's University and the University of British Columbia, and served at the Federal Reserve Bank of Minneapolis. He is a research associate of the National Bureau of Economic Research. He grew up in Pittsburgh and remains an avid supporter of the Penguins, Pirates, and Steelers.

### Contact information

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### Education

PhD, Economics, Yale University, 1981.

BA, Economics and Chemistry, Hamilton College, 1975.

### Positions

Stern School of Business, New York University: Heinz Riehl Professor of Economics, 1999-present; Chair, Economics, 2006-2010; Chair, Accounting, 2004-06; Vice Dean of Faculty, 1998-2003; Chair, International Business, 1995-97; Professor, 1995-99; Associate Professor, 1990-95.

Federal Reserve Bank of Minneapolis: Economist, 1988-1990.

University of British Columbia: Associate Professor of Finance, 1987-88.

Queen's University: Assistant/Associate Professor of Economics, 1979-87.

### Professional services & affiliations

Research Associate, NBER, 1992-present.

Editorial positions: Editor, *Review of Economic Dynamics*, 2007-2013; Associate editor, *Journal of Monetary Economics*, 1995-2006; Board of editors, *Journal of Economic Liter-*

ature, 2010-2012; Board of editors, *American Economic Review*, 1996-97; Associate editor, *International Economic Review*, 1994-96; Advisory editor, *Economics Letters*, 1994-96.

Advisor, Universidad Torcuato Di Tella, 2001-present.

## Publications

“Risk and ambiguity in models of business cycles,” with A. Ferriere and S. Zin, 2015, *Journal of Monetary Economics (CRN Conference)* 69, 42-63.

“Demography and low-frequency capital flows,” with T. Cooley and E. Henriksen, 2014, *Journal of International Economics (ISOM Conference)* 92, S94-S102.

“Sources of entropy in representative agent models,” with M. Chernov and S. Zin, 2014, *Journal of Finance* 69, 51-99.

“Disasters implied by equity index options,” with M. Chernov and I. Martin, 2011, *Journal of Finance* 66, 1967-2009.

“Taxes and the global allocation of capital,” with E. Henriksen and K. Storesletten, 2007, *Journal of Monetary Economics (Carnegie-Rochester Conference)* 55, 48-61.

“Cracking the conundrum,” with J. Wright, 2007, *Brookings Papers on Economic Activity* 38, 293-316.

“Exotic preferences for macroeconomists,” with B. Routledge and S. Zin, *NBER Macroeconomics Annual 2004*.

“Predictable changes in yields and forward rates,” with S. Foresi, A. Mozumdar, and L. Wu, 2001, *Journal of Financial Economics* 59, 281-311.

“Affine term structure models and the forward premium anomaly,” with S. Foresi and C. Telmer, 2001, *Journal of Finance* 56, 279-304.

“Bond pricing in discrete time,” with S. Foresi and C. Telmer, 2001, in N. Jegadeesh and B. Tuckman, eds., *Advanced Fixed Income Valuation Tools*, Wiley.

“Oil and the terms of trade,” with M. Crucini, 2000, *Journal of International Economics*, 50, 185-212.

“The Japanese trade balance: Recent history and future prospects,” 1998, *Japan and the World Economy* 10, 409-420.

“Arbitrage opportunities in arbitrage-free models of bond pricing,” with S. Foresi and S. Zin, 1998, *Journal of Business and Economic Statistics* 16, 13-26.

“International factors in the recessions of the early nineties,” with J. Gali, 1996, *Moneda y Crédito*, 202, 81-105 (in Spanish); reprinted in R. Sato, R. Ramachandran, and K. Mino, eds., *Global Competition and Integration*, Boston: Kluwer, 1999.

“Interpreting the forward premium anomaly,” with S. Foresi and C. Telmer, 1995, *Canadian*

*Journal of Economics*, 28, S108-S119.

“International business cycles: Theory and evidence,” with P. Kehoe and F. Kydland, 1995, in T. Cooley, ed., *Frontiers of Business Cycle Research*, Princeton University Press; also in *Quarterly Review of the Federal Reserve Bank of Minneapolis*, Fall 1993.

“Relative price movements in dynamic general equilibrium models of international trade,” with P. Kehoe and F. Kydland, 1994, *Handbook of International Macroeconomics*, ed. R. van der Ploeg, Blackwell.

“Dynamics of the trade balance and the terms of trade: The J-curve?” with P. Kehoe and F. Kydland, 1994, *American Economic Review* 84, 84-103.

“Accounting for forward rates in markets for foreign currency,” with A. Gregory and C. Telmer, 1993, *Journal of Finance*, 48, 1887-1908.

“Consumption and real exchange rates in dynamic exchange economies with nontraded goods,” with G. Smith, 1993, *Journal of International Economics* 35, 297-316.

“Long memory inflation uncertainty: Evidence from the term structure of interest rates,” with S. Zin, 1993, *Journal of Money, Credit and Banking* 25, 681-700.

“Interpreting comovements in the trade balance and the terms of trade,” 1993, *Journal of International Economics* 34, 375-387.

“Theoretical relations between risk premiums and conditional variances,” with A. Gregory, 1993, *Journal of Business and Economic Statistics* 11, 177-185.

“In search of scale effects in trade and growth,” with P. Kehoe and T. Kehoe, 1992, *Journal of Economic Theory* 58, 377-409.

“International evidence on the historical properties of business cycles,” with P. Kehoe, 1992, *American Economic Review* 81, 864-888.

“International real business cycles,” with P. Kehoe and F. Kydland, 1992, *Journal of Political Economy* 100, 745-775.

“Borrowing constraints, occupational choice, and labor supply,” with D. Bernhardt, 1990, *Journal of Labor Economics* 8, 145-173.

“Risk premiums in asset prices and returns,” with A. Gregory, 1989, *Econometric Reviews* 8, 187-195.

“Risk premiums in the term structure: Evidence from artificial economies,” with A. Gregory and S. Zin, 1989, *Journal of Monetary Economics* 24, 371-399.

“On the denomination of government debt: A critique of the portfolio balance approach,” with P. Kehoe, 1989, *Journal of Monetary Economics* 23, 359-376.

“A positive theory of fiscal policy in open economies,” with M. Devereux and D. Purvis,

1988, in J. Frenkel, ed., *International Aspects of Fiscal Policies*, University of Chicago Press.

“Credible disinflation in closed and open economies,” with J. Driffill, 1987, *Ricerche Economiche* 41, 326-341.

“The Canadian-U.S. exchange rate: Evidence from a vector autoregression,” 1986, *Review of Economics and Statistics*.

“The financial sector in the planning of economic development,” with H. Blanco and D. Levine, 1985, in A. Gutowski et al., eds., *Financing Problems of Developing Countries*, Macmillan.

“Unemployment and policy credibility in the U.K.,” with J. Driffill, 1985, in D. Currie, ed., *Recent Advances in Macroeconomics*, London: Croom-Helm.

“Rational expectations and policy credibility following a change in regime,” with J. Driffill, 1985, *Review of Economic Studies* 52, 211-221.

“Inflation and reputation,” with J. Driffill, 1985, *American Economic Review* 74, 530-538.

“Empirical models of the exchange rate: Separating the wheat from the chaff,” *Canadian Journal of Economics* 17, 824-846.

“A model of U.S. financial and nonfinancial economic behavior,” with W. Brainard, G. Smith, and J. Tobin, 1980, *Journal of Money, Credit, and Banking* 12, 259-293.

“An integrated model of household flow-of-funds allocations,” with D. Purvis, 1980, *Journal of Money, Credit, and Banking* 12, 400-421.

“British producer cooperatives: An empirical evaluation of the theory of financing,” with D. Jones, 1977, *Economic Journal* 87, 488-510.

### **Recent working papers**

“Identifying Taylor rules in macro-finance models,” with M. Chernov and S. Zin, manuscript, revised 2015.

“Monetary policy and the uncovered interest rate parity puzzle,” with F. Gavazzoni, C. Telmer, and S. Zin, manuscript, 2010.

“Cyclical component of US asset returns,” with B. Routledge and S. Zin, manuscript, 2008.

“Asset prices in business cycle analysis,” with B. Routledge and S. Zin, 2007.

### **Other working papers**

“Accounting for biases in Black-Scholes,” with S. Foresi, K. Li, and L. Wu, 1997.

“Reverse engineering the yield curve,” with A. Gregory and S. Zin, 1994.

“Notes on linear dynamical systems,” 1984.

### **Op eds**

“Theory and reality in Europe,” Huffington Post, November 2012.

“The euro: bad idea, poorly executed, hard to fix,” with Kim Schoenholtz, Huffington Post, October 2012.

“Clear thinking about economic policy,” with Tom Cooley, Vox EU, November 9, 2011.

“Global imbalances and the crisis,” with Tom Cooley, WSJ, January 11, 2010.

“Formula for fiscal fitness,” with Matt Richardson and Nouriel Roubini, New York Post, January 16, 2009.

“Stimulus ambivalence,” FT Forum, January 10, 2009.

“Government money should have strings attached,” with Viral Acharya and Raghu Sundaram, FT Forum, January 6, 2009.