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## David Backus

### Contact information

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### Areas of interest

international capital markets, fluctuations, and growth; currency and interest rate derivatives.

### Education

PhD, Economics, Yale University, 1981.  
BA, Economics and Chemistry, Hamilton College, 1975.

### Professional services & affiliations

Associate editor, *Journal of Monetary Economics*, 1995-present; Editor, *Review of Economic Dynamics*, 2007-present.  
Research Associate, NBER, 1992-present.

### Positions

Heinz Riehl Professor of Economics and Finance, Stern School of Business, New York University; Chair, Economics, 2006-present; Chair, Accounting, 2004-06; Vice Dean of Faculty, 1998-2003; Chair, International Business, 1995-97; Associate Professor, 1990-95.  
Economist, Federal Reserve Bank of Minneapolis, 1988-1990.  
Associate Professor of Finance, University of British Columbia, 1987-88.  
Assistant/Associate Professor of Economics, Queen's University, 1979-87.

## Publications

- “Taxes and the global allocation of capital,” with E. Henriksen and K. Storesletten, *Journal of Monetary Economics*, 2007.
- “Cracking the conundrum,” with J. Wright, *Brookings Papers on Economic Activity*, 2007.
- “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, *Journal of Financial Economics* 59 (2001), 281-311.
- “Affine term structure models and the forward premium anomaly,” with S. Foresi and C. Telmer, *Journal of Finance* 56 (2001), 279-304.
- “Bond pricing in discrete time,” with S. Foresi and C. Telmer, in N. Jegadeesh and B. Tuckman, eds., *Advanced Fixed Income Valuation Tools*, Wiley, 2000.
- “Oil and the terms of trade,” with M. Crucini, *Journal of International Economics*, 50 (2000), 185-212.
- “The Japanese trade balance: Recent history and future prospects,” *Japan and the World Economy* 10 (1998), 409-420.
- “Arbitrage opportunities in arbitrage-free models of bond pricing,” with S. Foresi and S. Zin, *Journal of Business and Economic Statistics*, forthcoming January 1998.
- “International factors in the recessions of the early nineties,” with J. Gali, *Moneda y Crédito*, 202 (1996), 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, *Canadian Journal of Economics*, 28 (1995), S108-S119.
- “International business cycles: Theory and evidence,” with P. Kehoe and F. Kydland, in T. Cooley, ed., *Frontiers of Business Cycle Research*, Princeton University Press, 1995; 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, *Handbook of International Macroeconomics*, ed. R. van der Ploeg, Blackwell, 1994.
- “Dynamics of the trade balance and the terms of trade: The J-curve?” with P. Kehoe and F. Kydland, *American Economic Review*, 84 (March 1994), 84-103.
- “Accounting for forward rates in markets for foreign currency,” with A. Gregory and C. Telmer, *Journal of Finance*, 48 (December 1993), 1887-1908.
- “Consumption and real exchange rates in dynamic exchange economies with nontraded goods,” with G. Smith, *Journal of International Economics*, 35 (November 1993), 297-316.

- “Long memory inflation uncertainty: Evidence from the term structure of interest rates,” with S. Zin, *Journal of Money, Credit and Banking*, 25 (August 1993, Part 2), 681-700.
- “Interpreting comovements in the trade balance and the terms of trade,” *Journal of International Economics*, 34 (May 1993), 375-387.
- “Theoretical relations between risk premiums and conditional variances,” with A. Gregory, *Journal of Business and Economic Statistics*, 11 (April 1993), 177-185.
- “In search of scale effects in trade and growth,” with P. Kehoe and T. Kehoe, *Journal of Economic Theory*, 58 (December 1992), 377-409.
- “International evidence on the historical properties of business cycles,” with P. Kehoe, *American Economic Review*, 81 (September 1992), 864-888.
- “International real business cycles,” with P. Kehoe and F. Kydland, *Journal of Political Economy*, 100 (August 1992), 745-775.
- “Borrowing constraints, occupational choice, and labor supply,” with D. Bernhardt, *Journal of Labor Economics*, 8 (January 1990), 145-173.
- “Risk premiums in asset prices and returns,” with A. Gregory, *Econometric Reviews*, 8 (1989), 187-195.
- “Risk premiums in the term structure: Evidence from artificial economies,” with A. Gregory and S. Zin, *Journal of Monetary Economics*, 24 (November 1989), 371-399.
- “On the denomination of government debt: A critique of the portfolio balance approach,” with P. Kehoe, *Journal of Monetary Economics*, 23 (May 1989), 359-376.
- “A positive theory of fiscal policy in open economies,” with M. Devereux and D. Purvis, in J. Frenkel, ed., *International Aspects of Fiscal Policies*, University of Chicago Press, 1988.
- “Credible disinflation in closed and open economies,” with J. Driffill, *Ricerche Economiche*, 41 (July/December 1987), 326-341.
- “The Canadian-U.S. exchange rate: Evidence from a vector autoregression,” *Review of Economics and Statistics*, (November 1986).
- “Unemployment and policy credibility in the U.K.,” with J. Driffill, in D. Currie, ed., *Recent Advances in Macroeconomics*, London: Croom-Helm, 1985.
- “Rational expectations and policy credibility following a change in regime,” with J. Driffill, *Review of Economic Studies*, 52 (April 1985), 211-221.
- “Inflation and reputation,” with J. Driffill, *American Economic Review*, 74 (June 1985), 530-538.
- “Empirical models of the exchange rate: Separating the wheat from the chaff,” *Canadian Journal of Economics*, 17 (November 1984), 824-846.
- “A model of U.S. financial and nonfinancial economic behavior,” with W. Brainard, G. Smith, and J. Tobin, *Journal of Money, Credit, and Banking*, 12 (May 1980, special issue), 259-293.

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

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

### **Book reviews and discussions**

“Hysteresis in perspective: Discussion of Dixit,” *Japan and the World Economy*, 6 (1994), 121-128.

“Contracts, credibility, and common knowledge: Discussion,” in F. Torres and F. Giavazzi, eds., *The Transition to Monetary and Economic Union in Europe*, 1993.

Koichi Hamada, *The Political Economy of International Monetary Interdependence*, *Canadian Journal of Economics*, 1987.

Jacob Frenkel, ed., *Exchange Rates and International Macroeconomics*, *Journal of Money, Credit, and Banking*, 17 (November 1985), 546-548.

Robert Lucas, *Studies in Business-Cycle Theory*, with A. Enders, *Canadian Journal of Economics*, 16 (November 1983), 736-738.

### **Other working papers**

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

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

“Notes on linear dynamical systems,” 1984.

### **Cases and mini-cases**

“Scale and scope at Citigroup,” July 2002.

“The GE/Honeywell merger,” August 2002.

“Competition hits Deutsche Telekom,” with V. Morozov, August 2002.

“Wednesdays at Cinemex,” with K. Goldman, July 2002.

“Compensation and governance at WorldCom,” June 2002.

“Auctioning IPOs at Hambrecht,” April 2002.

“Merck, AIDS, and Africa,” with K. Goldman and C. Miller, July 2001.

“Banc One at the Crossroads,” with E. Greenleaf, L. Klapper, and others, January 1996.

“Derivatives at Banc One,” with L. Klapper and C. Telmer, April 1995.