

July 1, 2020

**ROBERT J. HODRICK**  
**CURRICULUM VITAE**

Nomura Professor Emeritus of International Finance  
Graduate School of Business  
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**PERSONAL INFORMATION**

Citizenship: United States of America  
Date of Birth: September 12, 1950  
Marital Status: Married

**EDUCATION**

University of Chicago, Ph.D. in Economics, 1976

Princeton University, A.B. in Public and International Affairs, 1972

**ACADEMIC APPOINTMENTS**

Graduate School of Business, Columbia University

Nomura Professor of International Finance, 1996 – 2020, Emeritus 2020 - present

Senior Vice Dean, 2002 – 2004

Jerome A. Chazen Institute of International Business, Academic Director, 1997 – 2002;

Senior Scholar, 2003 – 2020

Joint appointment with the Department of International and Public Affairs, Columbia University,  
1996 – 2002; Affiliate member of DIPA, 2005 – 2016

Program for Financial Studies, Academic Advisory Board, 2010 – 2020

Center on Japanese Economy and Business, Academic Advisory Board, 2010 – 2020

J. L. Kellogg Graduate School of Management, Northwestern University

Associate Professor of Finance, 1983 – 1985

Professor of Finance, 1985 – 1990

Nathan and Mary Sharp Professor of International Finance, 1990

Tokai Bank Professor of International Finance, 1990 – 1996

Graduate School of Industrial Administration, Carnegie-Mellon University

Assistant Professor of Economics, 1976 – 1981

Associate Professor of Economics, 1981 – 1983

Department of Economics, University of Chicago  
Visiting Professor of Economics, 1988 – 1989

Graduate School of Business and Stanford Institute for Economic Policy Research, Stanford University  
Visiting Scholar, 2012-2013

## **OUTSIDE ACTIVITIES**

Visiting Fellow at the Hoover Institution, Stanford University, November 2017 – September 2020

Visiting Scholar, Federal Reserve Bank of San Francisco, Research Department, 2017 – 2020

Member, Academic Advisory Board, National Institute for Public Finance, 2015 – 2020

Member, Academic Advisory Board, Alternative Investments Forum, 2014 – 2020

Consultant to ASB Bank, New Zealand, 2012 – 2013

Consultant to Pablo Calderini, Global Head of Proprietary Trading, Deutsche Bank, 2004 – 2009

Lecturer, International Monetary Fund Institute, Washington, D.C., 1999, 2000

Panelist, Economics Program, National Science Foundation, Washington, D.C., 1997 – 1999

Consultant, Research Department, International Monetary Fund, Washington, D.C., 1987, 1988

Economist, Research Department, International Monetary Fund, Washington, D.C., 1981 – 1982

Staff Economist, Carnegie-Mellon Institute of Research, Carnegie-Mellon University, 1976 – 1977

Internship, Board of Governors of the Federal Reserve System, International Division, 1975

## **GRANTS AND AWARDS**

Honorary Professor, Chinese Academy of Finance and Development, Central University of Finance and Economics, 2013

William F. Sharpe Award for the Best Paper in the 2012 volume of the *Journal of Financial and Quantitative Analysis*, for “Aggregate Idiosyncratic Volatility,” with Geert Bekaert and Xiaoyan Zhang.

NETSPAR Grant, “Aspects of Long Horizon, Illiquidity, and Non-Linear Tail Risk for Portfolio Strategies,” with Andrew Ang, Geert Bekaert, Pierre Collin-Dufresne, Morten Sorensen, and Stephen Zeldes, 2011-2014

Best Advisor, awarded by the Ph.D. students of Columbia University Department of Economics, 2000

2<sup>nd</sup> Place, International Investment Forum Academic Competition, 2000

National Science Foundation Grant #SES-0082352, "Empirical Asset Pricing," 2000 – 2003

Chazen International Innovation Prize from the Columbia Business School, 1997

Dr. Roger F. Murray Prize, The Institute for Quantitative Research in Finance, 1994

The Lynde and Harry Bradley Foundation, "Research on the Predictability and Volatility of Returns in Financial Markets" with David Marshall, 1991 – 1992

The Lynde and Harry Bradley Foundation, "Research on the Determinants of Asset Price Volatility" with Robert P. Flood, 1986 – 1988

National Science Foundation Grant #SES-8319460, "Open Economy Business Cycles and Exchange Rate Regime Choice" with Robert P. Flood, 1984 – 1986

Pepsico International Research Professorship: 1983 – 1986, 1989 – 1990

Guthmann Research Professorship: 1986 – 1987

Center for the Study of Futures Markets, Columbia University, "An Investigation of Risk and Return in Foreign Currency Futures and Forward Markets" with Sanjay Srivastava, 1983 – 1984

National Science Foundation Grant #DAR-8010760, "The Forward Foreign Exchange Market: Some Econometric Tests of Market Efficiency," 1980 – 1981

## **EDITORIAL BOARDS**

*Review of Financial Studies*, Associate Editor, 2013 – 2016

*Review of Development Finance*, Editorial Board, 2009 – 2020

*Economic Policy Review*, Advisory Board, 1997 – 1998

*International Journal of Finance and Economics*, Advisory Editor, 1994 – 2020

*Journal of Money, Credit and Banking*, Associate Editor, 1993 – 1995

*Journal of Empirical Finance*, Advisory Editor, 1991 – 2020

*American Economic Review*, Associate Editor, 1990 – 1995

*Journal of International Economics*, Co-Editor, 1987 – 1990, Associate Editor, 1985 – 1987, 1990 – 1996

*Journal of International Money and Finance*, Associate Editor, 1990 – 2013

*Journal of International Business Studies*, Associate Editor, 1982 – 1984

## **MEMBERSHIPS IN PROFESSIONAL ORGANIZATIONS**

National Bureau of Economic Research

Faculty Fellow, 1982 – 1985

Research Associate, 1985 – present

American Economic Association

American Finance Association

Econometric Society

Society for the Promotion of Financial Studies

Western Finance Association  
Director, 1994 – 1997  
Financial Management Association  
International Economics and Finance Society  
Financial Economists Roundtable, 2004 – 2007  
The Society for Financial Econometrics

## **PUBLICATIONS**

### **Monograph**

*The Empirical Evidence on the Efficiency of Forward and Futures Foreign Exchange Markets*, Volume 24 in *Fundamentals of Pure and Applied Economics*, edited by Jacques Lesourne and Hugo Sonnenschein, Harwood Academic Publishers, 1987; subsequently published by Routledge, 2001.

### **Textbooks**

*International Financial Management*, First Edition, with Geert Bekaert, Upper Saddle River, NJ: Pearson Education, Inc., Copyright 2009. Chinese translation published by Pearson Education Asia Ltd., Copyright 2013; Second Edition, Copyright 2012

*International Financial Management*, Third Edition, with Geert Bekaert, New York, NY: Cambridge University Press, Copyright 2018

### **Articles**

“Taking the Cochrane-Piazzesi Term Structure Model Out of Sample: More Data, Additional Currencies, and FX Implications,” with Tuomas Tomunen, NBER Working Paper No. 25092, September 2018, forthcoming *Critical Finance Review*

“The Carry Trade: Risks and Drawdowns,” with Kent Daniel and Zhongjin Lu, *Critical Finance Review* 6, (2017): 211-262

“Estimating the Risk-Return Trade-off with Overlapping Data Inference,” with Esben Hedegaard, *Journal of Banking and Finance* 67, (2016): 135-145

“Aggregate Idiosyncratic Volatility,” with Geert Bekaert and Xiaoyan Zhang, *Journal of Financial and Quantitative Analysis* 47, (2012): 1155-1185. Winner of the William F. Sharpe Award for the Best Paper in the 2012 Volume

“International Stock Return Comovements,” with Geert Bekaert and Xiaoyan Zhang, *Journal of Finance* 64, (2009): 2591-2626

“High Idiosyncratic Volatility and Low Returns: International and Further U.S. Evidence,” with Andrew Ang, Yuhang Xing, and Xiaoyan Zhang, *Journal of Financial Economics* 91, (2009): 1-24

“The Cross-Section of Volatility and Expected Returns,” with Andrew Ang, Yuhang Xing, and Xiaoyan Zhang, *Journal of Finance* 61, (2006): 259-299

- “Do We Need Multi-Country Models to Explain Exchange Rate and Interest Rate and Bond Return Dynamics,” with Maria Vassalou, *Journal of Economic Dynamics and Control* 26, (2002): 1275-1299
- “Evaluating the Specification Errors of Asset Pricing Models,” with Xiaoyan Zhang, *Journal of Financial Economics* 62, (2001): 327-376
- “Peso Problem Explanations for Term Structure Anomalies,” with Geert Bekaert and David Marshall, *Journal of Monetary Economics* 48, (2001): 241-270
- “Expectations Hypotheses Tests,” with Geert Bekaert, *Journal of Finance* 56, (2001): 1357-1394. Reprinted in René Stulz and Andrew Karolyi, eds., *International Capital Markets, International Library of Critical Writings in Financial Economics*, Edgar Elgar Publishing, Glos, UK, (2001)
- “An International Dynamic Asset Pricing Model,” with David Ng and Paul Sengmueller, *International Taxation and Public Finance* 6, (1999): 597-620. Also published as Chapter 6 of *International Finance and Financial Crises: Essays in Honor of Robert P. Flood, Jr.*, Peter Isard, Assaf Razin, and Andrew K. Rose, eds., Boston, MA: Kluwer Academic Publishers, (1999)
- “The Implications of First-Order Risk Aversion for Asset Market Risk Premiums,” with Geert Bekaert and David Marshall, *Journal of Monetary Economics* 40, (1997): 3-39
- “On Biases in Tests of the Expectations Hypothesis of the Term Structure of Interest Rates,” with Geert Bekaert and David Marshall, *Journal of Financial Economics* 44, (1997): 309-348
- “Post-War U.S. Business Cycles: An Empirical Investigation,” with Edward Prescott, *Journal of Money, Credit and Banking* 29, (1997): 1-16. Reprinted in Terence C. Mills, ed., *Long Term Trends and Business Cycles*, *International Library of Critical Writings in Economics*, Edgar Elgar Publishing, Glos, UK
- “Financial Market Efficiency Tests,” with Tim Bollerslev, in M. H. Pesaran and M. R. Wickens, eds., *The Handbook of Applied Econometrics, Vol. 1, Macroeconomics*, Basil Blackwell, (1996): 415-458
- “An Evaluation of Recent Evidence on Stock Price Bubbles,” with Robert P. Flood and Paul Kaplan, in Robert P. Flood and Peter M. Garber, eds., *Speculative Bubbles, Speculative Attacks and Policy Switching*, Cambridge, MA: MIT Press, (1994): 105-133
- “On Biases in the Measurement of Foreign Exchange Risk Premiums,” with Geert Bekaert, *Journal of International Money and Finance* 12, (1993): 115-138
- “Dividend Yields and Expected Stock Returns: Alternative Procedures for Inference and Measurement,” *Review of Financial Studies* 5, (1992): 357-386
- “Characterizing Predictable Components in Excess Returns on Equity and Foreign Exchange Markets,” with Geert Bekaert, *Journal of Finance* 47, (1992): 467-509. Reprinted in Lucio Sarno and Mark P. Taylor, eds., *New Developments in Exchange Rate Economics*, Edgar Elgar Publishing, Glos, UK, (2002), and in René Stulz and Andrew Karolyi, eds., *International Capital Markets, International Library of Critical Writings in Economics*, Edgar Elgar Publishing, Glos, UK, (2001)

- “The Variability of Velocity in Cash-in-Advance Models,” with Narayana Kocherlakota and Deborah Lucas, *Journal of Political Economy* 99, (1991): 358-384
- “Volatility in the Foreign Exchange and Stock Markets: Is It Excessive?” *American Economic Review* 80, (1990): 186-191
- “On Testing for Speculative Bubbles,” with Robert P. Flood, *The Journal of Economic Perspectives* 4, (1990): 85-101. Reprinted in Robert P. Flood and Peter M. Garber, eds., *Speculative Bubbles, Speculative Attacks and Policy Switching*, Cambridge, MA: MIT Press, (1994): 83-103
- “U.S. International Capital Flows: Perspectives from Rational Maximizing Models,” in Karl Brunner and Allan H. Meltzer, eds., *Carnegie-Rochester Conference Series on Public Policy*, 30, supplement to the *Journal of Monetary Economics*, (1989): 231-288
- “Risk, Uncertainty, and Exchange Rates,” *Journal of Monetary Economics* 23, (1989): 433-459
- “Foreign Currency Futures,” with Sanjay Srivastava, *Journal of International Economics* 22, (1987): 1-24
- “Real Aspects of Exchange Rate Regime Choice with Collapsing Fixed Rates,” with Robert P. Flood, *Journal of International Economics* 21, (1986): 215-232. Reprinted in Robert P. Flood and Peter M. Garber, eds., *Speculative Bubbles, Speculative Attacks and Policy Switching*, Boston, MA: MIT Press, (1994): 265-283
- “Asset Price Volatility, Bubbles and Process Switching,” with Robert P. Flood, *Journal of Finance* 41, (1986): 831-842. Reprinted in Robert P. Flood and Peter M. Garber, eds., *Speculative Bubbles, Speculative Attacks and Policy Switching*, Boston, MA: MIT Press, (1994): 135-149
- “The Covariation of Risk Premiums and Expected Future Spot Exchange Rates,” with Sanjay Srivastava, *Journal of International Money and Finance* 5, (1986): 5-21
- “Optimal Price and Inventory Adjustment in an Open-Economy Model of the Business Cycle,” with Robert P. Flood, *Quarterly Journal of Economics* 100, (1985): 887-914
- “Central Bank Intervention in a Rational Open Economy: A Model with Asymmetric Information,” with Robert P. Flood, in Jagdeep Bhandari, ed., *Exchange Rate Management Under Uncertainty*. Boston, MA: M.I.T. Press, (1985): 154-185
- “Exchange-Rate and Price Dynamics with Asymmetric Information,” with Robert P. Flood, *International Economic Review* 25, (1984): 513-526
- “An Investigation of Risk and Return in Forward Foreign Exchange,” with Sanjay Srivastava, *Journal of International Money and Finance* 3, (1984): 5-29. Reprinted in Kevin D. Hoover, ed., *The Legacy of Robert Lucas, Jr.*, Volume 3 of Intellectual Legacies in Modern Economics, Elgar Reference Collection, Cheltenham, UK
- “Risk Averse Speculation in the Forward Foreign Exchange Market: An Econometric Analysis of Linear Models,” with Lars Peter Hansen, in Jacob A. Frenkel, ed., *Exchange Rates and International Macroeconomics*. Chicago, IL: University of Chicago Press, (1983): 113-142

- “On the Effects of Macroeconomic Policy in a Maximizing Model of a Small Open Economy,” *Journal of Macroeconomics* 4, (1982): 195-213
- “The Dynamic Adjustment Path for Perfectly Foreseen Changes in Monetary Policy,” with Russell S. Boyer, *Journal of Monetary Economics* 9, (1982): 185-201
- “Perfect Foresight, Financial Policies, and Exchange Rate Dynamics,” with Russell S. Boyer, *Canadian Journal of Economics* 15, (1982): 143-164
- “International Asset Pricing with Time-Varying Risk Premia,” *Journal of International Economics* 11, (1981): 573-587
- “Forward Exchange Rates as Optimal Predictors of Future Spot Rates: An Econometric Analysis,” with Lars Peter Hansen, *Journal of Political Economy* 88, (1980): 829-853. Reprinted in Ronald MacDonald and Mark P. Taylor, editors, *Exchange Rate Economics, Volume 2*, (1992): 47-71, International Library of Critical Writings in Economics, vol. 16, Edgar Elgar Publishing, Glos, UK
- “Dynamic Aspects of Government Policies in an Open Economy,” *Journal of Monetary Economics* 6, (1980): 213-240
- “An Empirical Analysis of the Monetary Approach to the Determination of the Exchange Rate,” in Jacob A. Frenkel and Harry G. Johnson, eds., *Studies in the Economics of Exchange Rates*, Boston, MA: Addison-Wesley, (1978): 97-116

#### **Notes, Comments, Newspaper Articles, and Book Reviews**

- “Assessing the Efficiency of Asset Markets through Analysis of the Currency Carry Trade,” *Stanford Institute for Economic Policy Research – Policy Brief*, August 2013
- “China’s Foreign Exchange Rate Strategy,” Chapter 7 in Charles Calomiris, ed., *China’s Financial Transition at a Crossroads*. New York: Columbia University Press, (2007)
- “Comment on: Time-Varying Liquidity in Foreign Exchange” Proceedings of the Carnegie-Rochester Conference, *Journal of Monetary Economics* 49, (2002): 1053-1055
- “International Diversification,” *The Financial Times (London)*, May 28, 2001, p. 2. Reprinted as “The logic that lies behind overseas diversification,” in James Pickford, ed. *Mastering Investment: Your Single-Source Guide to Becoming a Master of Investment*. London: Pearson Education Limited, (2002): 166-172
- “Expansionary Fiscal Policy and International Interdependence – A Comment,” in Jacob A. Frenkel, ed., *International Aspects of Fiscal Policy*, University of Chicago Press for the National Bureau of Economics, (1988): 265-269
- “What Have We Learned from Twelve Years of Floating Exchange Rates,” in D. Lamont, ed., *Protectionism: Can American Business Overcome It*, Indianapolis, IN: BooksCraft, Inc., (1987): 73-79

“Empirical Assessment of Present Value Relations: Comment on Matthey and Meese,” *Econometric Reviews* 5, (1986): 253-260

“Risk Premiums in Foreign Exchange Markets,” *National Bureau of Economic Research Reporter*, Spring (1986): 7-9

“Some Observations on Risk and Return in the Market for Forward Foreign Exchange,” with Sanjay Srivastava, *Proceedings of the 1983 Illinois Economic Association Convention*, (1984)

“Monetary Accommodation and the Variability of Output, Prices, and Exchange Rates: A Comment,” Karl Brunner and Allan H. Meltzer, eds., Carnegie-Rochester Conference Series on Public Policy, 16, supplement to the *Journal of Monetary Economics*, (1982): 87-92

Book Review of *Substitution Effects, Speculation and Exchange Rate Stability* by Patrick Minford, *Journal of Money, Credit, and Banking* 13, (1981): 121-123

“On the Monetary Analysis of Exchange Rates – A Comment,” in Karl Brunner and Allan H. Meltzer, eds., Carnegie-Rochester Conference Series on Public Policy, 11, supplement to the *Journal of Monetary Economics*, (1979): 103-122

“The Case for Reduction of Capital Gains Taxation,” with Robert S. Kaplan, *Congressional Record*, October 10, 1978. Presented at the request of Senator Heinz of Pennsylvania

### **Working Papers**

“An Exploration of Trend-Cycle Decomposition Methodologies in Simulated Data,” NBER Working Paper No. 26750, February 2020

“The International Commonality of Idiosyncratic Variances,” with Geert Bekaert, Xue Wang, and Xiaoyan Zhang, May 2019

“Variance Risk in Global Markets,” with Geert Bekaert and Andrea Kiguel, May 2019

### **Work in Progress**

“A Decomposition of Price-Earnings Ratios When Earnings Growth and Expected Returns Are Nonstationary”

“An Investigation of State-Level Growth and Inflation”

### **Inactive Working Papers**

“Measuring the Risk-Return Tradeoff with Time-Varying Conditional Covariances,” with Esben Hedegaard, NBER Working Paper No. 20245, June 2014, revised December 2014

“International Diversification Revisited,” with Xiaoyan Zhang, April 2014



“Forecasting Real GDP Growth with Hodrick-Prescott Filtered Components: An Out-of-Sample Analysis”  
with Xiaoyan Zhang, working paper, 2003

“Pricing the Global Industry Portfolios” with Stefano Cavaglia, Moroz Vadim, and Xiaoyan Zhang, NBER  
Working Paper No. 9344, 2002