

CURRICULUM VITAE

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Date of Birth: December 3, 1952

Marital Status: Married, 3 children

Education: Princeton University, A.B., Summa Cum Laude, Economics, 1974
Massachusetts Institute of Technology, Ph.D., Economics, 1978

Honors, Fellowships, Grants:

Phi Beta Kappa, 1974
National Science Foundation Graduate Fellowship, 1974-77
Research Fellowship, Federal Reserve Bank of Boston, 1977-78
Grant from U.S. Department of Energy, 1981-82
Grants from National Science Foundation, 1982-91, 1993-1996
John Kenneth Galbraith Award for Excellence in Teaching, 1984
Sloan Research Fellowship, 1986-1988
Fellow of the Econometric Society, 1991-
MBA Core Curriculum Cluster Award, 1996-1997

Employment:

Robert Morris Professor of Banking, Department of Finance, The Wharton School of the University of Pennsylvania, 1989-
Professor of Economics, The University of Pennsylvania, 1987-
Ronald O. Perelman Professor of Finance, The Wharton School of the University of Pennsylvania, 1988-1989
Visiting Professor, Department of Economics, Tel-Aviv University, December 1986-January 1987
Amoco Foundation Term Professor of Finance, The Wharton School of the University of Pennsylvania, 1986-1988
Visiting Professor, Department of Economics, The Hebrew University of Jerusalem, Spring 1985
John L. Loeb Associate Professor of the Social Sciences, Department of Economics, Harvard University, 1983-1986
Assistant Professor, Department of Economics, Harvard University, 1980-1983
Assistant Professor, Department of Economics, University of Chicago, 1978-1980

Other Professional Activities:

Economic Consultant to Bank of Portugal, Summer 1976
 Member, Editorial Board, The Quarterly Journal of Economics, 1983-85
 Member, Editorial Board, Journal of Monetary Economics, 1985 - 1995
 Member, Editorial Board, Journal of Economic Dynamics and Control, 1987- 1994
 Member, Editorial Board, Journal of Financial Intermediation, 1989-1995
 Associate Editor, Journal of Money, Credit, and Banking, 1993-
 Member, Editorial Board, Federal Reserve Bank of New York Economic Policy Review,
 1994-
 National Science Foundation Economics Advisory Panel, September 1992- April 1994
 Advisory Board of the Carnegie-Rochester Conference Series, 1990-
 Visiting Scholar, Federal Reserve Bank of Philadelphia, 1989-1992, 1996
 Faculty Research Fellow, National Bureau of Economic Research, 1979-83
 Research Associate, National Bureau of Economic Research, 1983-
 Technical Panel on Assumptions and Methods, Social Security Advisory Board, 1999

Publications:

I. Books

Investment and the Value of Capital, Garland Publishing, Inc., New York, New York, 1979;
 also appears as Federal Reserve Bank of Boston, Report 65, December 1978.

The Collected Papers of Franco Modigliani (editor), M.I.T. Press, Cambridge, Massachusetts,
 1980, Volumes I, II, and III.

Macroeconomics, Addison-Wesley Publishing, Reading Massachusetts, with Ben S.
 Bernanke, first edition 1992, also translated into Italian; second edition 1995; third
 edition 1998; fourth edition, 2001.

Macroeconomics, Canadian Edition, Addison-Wesley Publishers Limited, Don Mills,
 Ontario, Canada, with Ben S. Bernanke and Gregor W. Smith, 1995.

Macroeconomics, European Edition, Addison Wesley Longman Limited, Essex, England,
 with Ben S. Bernanke and Robert McNabb, 1998.

II. Articles, Notes and Comments

"A Comparison of Three Control Algorithms as Applied to the Monetarist Fiscalist Debate,"
Annals of Economic and Social Measurement, 4, 2, (1975); translated and reprinted in
Hacienda Publica Espanola No. 51, (1978).

"A Model of the Portuguese Economy," Economia, 1, 1, (1977), with Miguel Belezza, Jeffrey
 Frankel, Raymond Hill, and Paul Krugman.

"A Economia Portuguesa: Evolucao Recenta e Situacao Actual," in Conferencia
 International sobre Economia Portuguese, Lisbon, Portugal, (1977), with Miguel
 Belezza, Jeffrey Frankel, Raymond Hill, and Paul Krugman.

"Input-Output Pricing in a Keynesian Model as Applied to Portugal," Journal of
 Development Economics, 5, (1978), 125-138, with Luis M. C. P. Belezza.

- "Tax Incentives to Investment: An Assessment of Tax Credits and Tax Cuts," New England Economic Review, (November/December 1978), 54-66.
- "Money Demand during Hyperinflation," Journal of Monetary Economics, 5, 1 (1979), 97-104, with Rudiger Dornbusch, John Huizinga, and Alan Marcus.
- "Empirical Investment Equations: An Integrative Framework," in Brunner, Karl and Allan H. Meltzer (eds.), On the State of Macroeconomics, Volume 12 of the Carnegie-Rochester Conference Series on Public Policy, a Supplementary Series to the Journal of Monetary Economics, (1980), 39-91.
- "Reply to Prescott's Comments," in Brunner, Karl and Allan H. Meltzer (eds.), On the State of Macroeconomics, Volume 12 of the Carnegie-Rochester Conference Series on Public Policy, a Supplementary Series to the Journal of Monetary Economics, (Spring 1980), 103-105.
- "Dynamic Adjustment in a Putty-Putty Model: Implications for Testing the Putty-Clay Hypothesis," International Economic Review, 22, 1 (February 1981), 19-36.
- "Taxes, Inflation, and the Durability of Capital," Journal of Political Economy, 89, 3 (June 1981), 548-560.
- "A Dynamic Model of Investment and Capacity Utilization," Quarterly Journal of Economics, 96, 3 (August 1981), 379-403.
- "Dynamic Effects of Permanent and Temporary Tax Policies in a q Model of Investment," Journal of Monetary Economics, 9 (May 1982), 353-373.
- "Accelerated Depreciation and the Efficacy of Temporary Fiscal Policy: Implications for an Inflationary Economy," Journal of Public Economics, 19, 1 (October 1982), 23-47.
- "An Integrated View of Tests of Rationality, Market Efficiency and the Short-Run Neutrality of Monetary Policy," Journal of Monetary Economics, 11, 1 (January 1983), 3-24, with Frederic S. Mishkin.
- "Optimal Investment under Uncertainty," American Economic Review, 73, 1 (March 1983), 228-233.
- "An Intertemporal Model of Saving and Investment," Econometrica, 51, 3 (May 1983), 675-692, with Olivier J. Blanchard.
- "On the Econometric Testing of Rationality-Market Efficiency," Review of Economics and Statistics, 65, 2 (May 1983), 318-323, with Frederic S. Mishkin.
- "Comment on 'Financing Private Business in an Inflationary Context: The Experience of Argentina between 1976 and 1980,'" in Aspe, Pedro, Rudiger Dornbusch and Maurice Obstfeld (eds.), Financial Policies and the World Capital Market, University of Chicago Press, (1983), 183-185.
- "Market Structure and the Durability of Goods," Review of Economic Studies, 50, 4 (October 1983), 625-637.
- "Tax Neutrality in the Presence of Adjustment Costs," Quarterly Journal of Economics, 98, 4 (November 1983), 705-712.

- "Energy Price Uncertainty and Optimal Factor Intensity: A Mean Variance Analysis," Econometrica, 51, 6 (November 1983), 1839-1845.
- "R & D and the Market Value of the Firm: A Note," in Griliches, Zvi (ed.), R & D, Patents and Productivity, University of Chicago Press, (1984), 261-269.
- "The Effects of Uncertainty on Investment and the Expected Long-Run Capital Stock," Journal of Economic Dynamics and Control, 7, 1 (February 1984), 39-53.
- "Inventories, Stock-outs and Production Smoothing," Review of Economic Studies, 52, 2 (April 1985), 283-293.
- "A Stochastic Model of Investment, Marginal q, and the Market Value of the Firm," International Economic Review, 26, 2 (June 1985), 305-322.
- "Dynamic Behavior of Capital Accumulation in a Cash-in-Advance Model," Journal of Monetary Economics, 16, 1 (July 1985), 55-71.
- "Precautionary Saving and Accidental Bequests," American Economic Review, 75, 4 (September 1985), 777-791.
- "The Expected Present Value of Profits and the Cyclical Variability of Investment," Econometrica, 54, 2 (March 1986), 249-273, with Olivier J. Blanchard.
- "The Failure of Ricardian Equivalence under Progressive Wealth Taxation," Journal of Public Economics, 30, 1 (June 1986), 117-128.
- "Comment on Kotlikoff, Shoven, and Spivak," Journal of Labor Economics, 4, 3, part 2 (July 1986), S208-S215.
- "Capital Accumulation and Uncertain Lifetimes with Adverse Selection," Econometrica, 54, 5 (September 1986), 1079-1097.
- "Aggregate Savings in the Presence of Private and Social Insurance," in Rudiger Dornbusch, Stanley Fischer and John Bossons (eds.) Macroeconomics and Finance: Essays in Honor of Franco Modigliani, M.I.T. Press, 1987, 131-157.
- "Anticipated Tax Changes and the Timing of Investment: Comment," in Martin Feldstein (ed.) The Effects of Taxation on Capital Formation, University of Chicago Press, 1987, 196-200.
- "The Ricardian Equivalence Theorem," in John Eatwell, Murray Milgate and Peter Newman (eds.), The New Palgrave: A Dictionary of Economic Theory and Doctrine, Vol. 4, The Macmillan Press, Ltd., September 1987, 174-179.
- "Optimal Monetary Growth," Journal of Monetary Economics, 19, 3 (May 1987), 437-450.
- "Comments," in Susan M. Wachter (ed.) Social Security and Private Pensions: Providing for Retirement in the 21st Century, D. C. Heath and Company, 1988, 35-40.
- "Operative Gift and Bequest Motives," American Economic Review, 77, 5 (December 1987), 1037-1047.

- "Fiscal Policies and International Financial Markets: Comment," in Jacob A. Frenkel (ed.) International Aspects of Fiscal Policies, University of Chicago Press, 1988, 217-221.
- "Specification of the Joy of Giving: Insights from Altruism," Review of Economics and Statistics, 70, 1 (February 1988), 145-149, with Mark Warshawsky.
- "The Implications of Insurance for the Efficacy of Fiscal Policy," Journal of Risk and Insurance, 55, 2 (June 1988), 339-378.
- "An Analysis of Fiscal Policy under Operative and Inoperative Bequest Motives," in Elhanan Helpman, Assaf Razin, and Efraim Sadka (eds.), Economic Effects of the Government Budget, M.I.T. Press, 1988, 91-106.
- "Investment and Sales: Some Empirical Evidence," in William A. Barnett, Ernst R. Berndt, and Halbert White (eds.), Dynamic Econometric Modelling, Cambridge University Press, 1988, 269-296, with Olivier J. Blanchard.
- "Stock Prices under Time-Varying Dividend Risk: An Exact Solution in an Infinite-Horizon General Equilibrium Model," Journal of Monetary Economics, 22, 3 (November 1988), 375-393.
- "Assessing Dynamic Efficiency: Theory and Evidence," Review of Economic Studies, 56, 1 (January 1989), 1-20, with N. Gregory Mankiw, Lawrence H. Summers and Richard J. Zeckhauser.
- "Consumption and Investment," Chapter 14 in Benjamin M. Friedman and Frank Hahn (eds.), Handbook of Monetary Economics, Volume II, Amsterdam: Elsevier Science Publishers, 1990, 725-778.
- "Birth, Death and Taxes," Journal of Public Economics, 39, 1 (June 1989), 1-15.
- "Asset Prices under Habit Formation and Catching Up with the Joneses," American Economic Review, 80, 2 (May 1990), 38-42.
- "Some Observations on Demographics and Saving: A Comment," Carnegie-Rochester Conference Series on Public Policy, 34 (Spring 1991), 157-162.
- "The Equity Premium Puzzle," Business Review, Federal Reserve Bank of Philadelphia, (September/October 1991), 3-14. (to be reprinted in The Financial Institutions and Markets Reader, second edition, edited by Robert W. Kolb, Kolb Publishing Co., Miami, Florida.)
- "Fiscal Policy with Impure Intergenerational Altruism," Econometrica, 59, 6 (November 1991), 1687-1711, with B. Douglas Bernheim.
- "Can the Government Roll Over Its Debt Forever?," Business Review, Federal Reserve Bank of Philadelphia, November/December 1992, 3-18. Reprinted in Handbook of Debt Management, Gerald J. Miller (ed.), (New York: Marcel Dekker, Inc.), 1996.
- "Comments on J. Bradford DeLong and Lawrence H. Summers, 'Equipment Investment and Economic Growth: How Strong Is the Nexus?'," Brookings Papers on Economic Activity, 1992:2, 200-205.

- "Intergenerational Altruism and the Effectiveness of Fiscal Policy--New Tests Based on Cohort Data," in Toshiaki Tachibanaki (ed.) Savings and Bequests, Ann Arbor: University of Michigan Press, 1994, 167-196, with Laurence J. Kotlikoff.
- "Financing Losers in Competitive Markets," Journal of Financial Intermediation, 3, 2 (March 1994), 139-165, with George J. Mailath.
- "Exact Solutions for Expected Rates of Return Under Markov Regime Switching: Implications for the Equity Premium Puzzle," Journal of Money, Credit and Banking, 26, 3 (August 1994, Part 1), 345-361.
- "A Unified Model of Investment under Uncertainty," American Economic Review, 84, 1 (December 1994), 1369-1384, with Janice C. Eberly. (reprinted in Kevin D. Hoover (ed.) The Economic Legacy of Robert Lucas, Jr., Volume III, Northampton, MA: Edward Elgar Publishing Limited, 1999).
- "Options, the Value of Capital, and Investment," Quarterly Journal of Economics, 111,3 (August 1996), 753-777, with Avinash Dixit, Janice C. Eberly, and Robert S. Pindyck.
- "Optimal Investment with Costly Reversibility," Review of Economic Studies, 63, 4 (August 1996), 581-593, with Janice C. Eberly.
- "Comment on 'The Costs and Benefits of Going from Low Inflation to Price Stability' by Martin Feldstein," in Christina D. Romer and David H. Romer (eds.) Reducing Inflation: Motivation and Strategy, Chicago: The University of Chicago Press, 1997, 156-166.
- "An Exact Solution for the Investment and Market Value of a Firm Facing Uncertainty, Adjustment Costs, and Irreversibility," Journal of Economic Dynamics and Control, 21, 4-5 (May 1997), 831-852, with Janice C. Eberly.
- "The Mix and Scale of Factors with Irreversibility and Fixed Costs of Investment," in Bennett McCallum and Charles Plosser (eds.) Carnegie-Rochester Conference Series on Public Policy, 48 (June 1998), 101-135, with Janice C. Eberly.
- "Risk Premia and Term Premia in General Equilibrium," Journal of Monetary Economics, 43, 1 (February 1999), 3-33.
- "The Effects of Irreversibility and Uncertainty on Capital Accumulation," Journal of Monetary Economics, 44, 3 (December 1999), 339-377.
- "Comment on Chapters 2, 3, and 4," in Martin Feldstein (ed.) The Costs and Benefits of Price Stability, Chicago: The University of Chicago Press, 1999, 180-191.
- "The Social Security Trust Fund, the Riskless Interest Rate, and Capital Accumulation," in John Campbell and Martin Feldstein (eds.) Risk Aspects of Investment-Based Social Security Reform, Chicago: The University of Chicago Press, 2001, Chapter 5, pp. 153 - 193.
- "The Effects of Investing Social Security Funds in the Stock Market When Fixed Costs Prevent Some Households from Holding Stocks," July 1998, revised May 2000, American Economic Review, forthcoming. [previously circulated under the title of "The Aggregate Effects of Including Equities in the Social Security Trust Fund"]

“An Exploration of the Effects of Pessimism and Doubt on Asset Returns,” August 1997; revised, December 2000; National Bureau of Economic Research Working Paper 8132, February 2001, forthcoming in Journal of Economic Dynamics and Control.

III. Working Papers and Manuscripts

"The Long-Run Effects of Fiscal Policy under Altruism and Endogenous Fertility," revised February 1986.

"Asset Prices under Heterogeneous Beliefs: Toward a Resolution of the Equity Premium Puzzle," Rodney L. White Center for Financial Research, Working Paper No. 9-89, February 1989.

“Investment, q with Fixed Costs: An Empirical Analysis,” January 1996, with Janice C. Eberly.

“On the Invariance of the Rate of Return to Convex Adjustment Costs,” January 2001, (supercedes “The Golden Rule with Convex Adjustment Costs”)

"Will Bequests Attenuate the Predicted Meltdown in Stock Prices When Baby Boomers Retire?" March 2000, revised January 2001; National Bureau of Economic Research Working Paper No. 8131, February 2001.

"The Effects of a Baby Boom on Stock Prices and Capital Accumulation in the Presence of Social Security," September 1999, revised December 2000.

“Optimal Taxation When Consumers Have Benchmark Levels of Consumption,” February 2001.