

MARTIN LETTAU  
CURRICULUM VITAE

Haas School of Business  
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CURRENT AND PAST APPOINTMENTS

Professor, Department of Finance, Haas School of Business, University of California at Berkeley, 2008–  
Visiting Professor, Department of Economics, Columbia University, 2007–08  
Assistant Professor, Department of Finance, Stern School of Business, New York University, 2002–2008  
Faculty Research Fellow, National Bureau of Economic Research (NBER), 2003–  
Senior Economist/Economist, Research Department, Federal Reserve Bank of New York, 1998–02  
Research Fellow/Affiliate, Centre for Economic Policy Research (CEPR), 1996–  
Assistant Professor, CentER for Economic Research, Tilburg University, 1994–98

OTHER AFFILIATIONS

Visiting Assistant Professor, Stern School of Business, New York University, 2001–02  
Visiting Researcher, Federal Reserve Bank of Minneapolis, Fall 1999  
Research Fellow, German Science Foundation, Humboldt University Berlin, 1997–98  
Visiting Researcher, Department of Economics, New York University, Spring 1997  
Visiting Researcher, Department of Economics, University of Wisconsin at Madison, Summer 1995  
Visiting Fellow, Santa Fe Institute, New Mexico, Summer 1993

EDUCATION

Ph.D., Department of Economics, Princeton University, 1994  
M.A., Department of Economics, Princeton University, 1992  
B.Sc.-equivalent, University of Karlsruhe (Germany), 1990

HONORS AND AWARDS

Frank Ramsey Prize for the best paper in *Macroeconomic Dynamics* during 2001-04  
Steven F. Maier Prize for Excellence in Research, New York University, 2003-06  
First Prize – Smith-Breeden Award for the best paper in *The Journal of Finance*, 2001  
Nomination – Smith-Breeden Award for the best paper in *The Journal of Finance*, 2001

## FELLOWSHIPS AND GRANTS

Schoen Fellow, School of Management, Yale University, Summer 2007  
National Science Foundation Grant “Relating Asset Pricing Theories to Asset Pricing Facts,” with Sydney Ludvigson, 2006–09 (total grant award: \$271,181)  
National Science Foundation Grant “Empirical and Theoretical Linkages between the Real and Financial Economy,” with Sydney Ludvigson, 2002–04 (total grant award: \$221,174)  
Research Grant, German Science Foundation (DFG), 1997–98  
Human Capital Mobility Fellowship of the European Union, 1994–96  
Summer Research Grant, Dutch Science Foundation (NWO), 1995, 1997  
Research Fellowship, Santa Fe Institute, Summer 1993  
University Fellowship, Princeton University, 1990–94

## PUBLICATIONS

“The Declining Equity Premium: What Role Does Macroeconomic Risk Play?” *Review of Financial Studies*, forthcoming, with Sydney Ludvigson and Jessica Wachter.

“Reconciling the Return Predictability Evidence,” *Review of Financial Studies*, forthcoming, with Stijn Van Nieuwerburgh.

“Why is Long-horizon Equity Less Risky? A Duration-based Explanation of the Value Premium”, *Journal of Finance*, LXII(1), 55-92, February 2007, with Jessica Wachter.

“Expected Returns and Expected Dividend Growth,” *Journal of Financial Economics*, 76, 583-626, 2005, with Sydney Ludvigson.

“tay’s as good as cay: Reply,” *Finance Research Letters*, 2(1), 15-22, March 2005, with Sydney Ludvigson.

“Understanding Trend and Cycle in Asset Values: Reevaluating the Wealth Effect on Consumption,” *American Economic Review*, 94 (1), 276-299, March 2004, with Sydney Ludvigson.

“Inspecting the Mechanism: The Determination of Asset Prices in the Real Business Cycle Model,” *Economic Journal*, 113, 550-575, July 2003.

“Robustness of Adaptive Expectations as an Equilibrium Selection Device,” *Macroeconomic Dynamics*, 7 (1), 89-118, January 2003, with Timothy Van Zandt.

“Time-Varying Risk Premia and the Cost of Capital: An Alternative Implication of the  $Q$ -Theory of Investment,” *Journal of Monetary Economics*, 49, 31–66, 2002, with Sydney Ludvigson.

“Idiosyncratic Risk and Volatility Bounds, or, Can Models with Idiosyncratic Risk Solve the Equity Premium Puzzle?” *Review of Economics and Statistics*, 84 (2), 376-380, May 2002.

“Monetary Policy Transmission Through the Consumption-Wealth Channel,” *Economic Policy Review*, 8 (1), 117-134, May 2002, with Sydney Ludvigson and Charles Steindel.

“Sharpe-Ratios and Preferences: An Analytical Approach,” *Macroeconomic Dynamics*, 6 (2), 242-265, April 2002, with Harald Uhlig (*Winner of the Frank Ramsey Prize for the best paper in Macroeconomic Dynamics during 2001-2004.*)

“Resurrecting the (C)CAPM: A Cross-Sectional Test When Risk Premia Are Time-Varying,” *Journal of Political Economy*, 109 (6), 1238–1287, December 2001, with Sydney Ludvigson (*Reprinted in Financial Markets and the Real Economy, John Cochrane, ed., Edward Elgar.*)

“Consumption, Aggregate Wealth and Expected Stock Returns,” *Journal of Finance*, LVI (3), 815–849, June 2001, with Sydney Ludvigson (*Nominated for 2001 Smith-Breeden Award for the best paper in The Journal of Finance; reprinted in Financial Markets and the Real Economy, John Cochrane, ed., Edward Elgar.*)

“Have Individual Stocks Become More Volatile? An Empirical Exploration of Idiosyncratic Risk,” *Journal of Finance*, LVI (1), 1–43, February 2001, with John Campbell, Burton Malkiel and Yexiao Xu (*First Prize – 2001 Smith-Breeden Award for the best paper in The Journal of Finance.*)

“Statistical Estimation and Moment Evaluation of a Stochastic Growth Model with Asset Market Restrictions,” *Journal of Economic Behavior and Organization*, 44 (2), 85–103, February 2001, with Gang Gong and Willi Semmler.

“Can Habit Formation be Reconciled with Business Cycle Facts?” *Review of Economic Dynamics*, 3 (1), 79–99, February 2000, with Harald Uhlig.

“Cross-Variable Restrictions in Euler Equations and Risk Premia,” *Applied Economics Letters*, 2 (2), 99–102, February 2000.

“Rules of Thumb versus Dynamic Programming,” *American Economic Review*, 89 (1), 148–174, March 1999, with Harald Uhlig.

“Explaining the Facts with Adaptive Agents: The Case of Mutual Fund Flows,” *Journal of Economic Dynamics and Control*, 21, 1117–48, 1997.

## WORKING PAPERS

“Measuring and Modeling the Evolution of Risk-Return Tradeoffs,” prepared for the *Handbook of Financial Econometrics*, Yacine Ait-Sahalia and Lars Peter Hansen, eds., with Sydney Ludvigson.

“Euler Equation Errors,” with Sydney Ludvigson.

“Investor Information, Long-Run Risk, and the Duration of Risky Cash Flows,” with Massimiliano Croce and Sydney Ludvigson.

“The Term Structures of Equity and Interest Rates,” with Jessica Wachter

## CITATION COUNT

502 citations in published articles (source: Web of Science, January 2008)

## TEACHING EXPERIENCE

Undergraduate Seminar “Macroeconomics and Financial Markets”, Columbia University, 2008

Macroeconomics and Asset Prices (Ph.D.), Columbia University, 2007

Foundations of Finance (MBA and Undergraduate), NYU, 2007 (*Rating 5.2 on 1-7 scale*)

Equity Instruments and Markets (MBA elective), NYU, 2001-06 (*Rating 5.4 on 1-7 scale*)

Investment Principles (Undergraduate elective), NYU, 2001-06 (*Rating 5.4 on 1-7 scale*)

Empirical Finance (Undergraduate elective), Tilburg University, 1995, 1996

Introduction to Finance (Undergraduate), Tilburg University, 1995, 1996

## TEACHING AWARDS

Outstanding Teacher Award, Tilburg University, 1995/96

## PH.D. SUPERVISION

Jack Favilukis (London School of Economics)

Mariano Massimiliano Croce (University of North Carolina at Chapel Hill)

Jinyong Kim (Lehman Brothers)

Olesya Grishchenko (Pennsylvania State University)

## PROFESSIONAL SERVICE

Nominating Committee, American Finance Association, 2008

Associate Editor, *Review of Financial Studies*, 2004-07

Western Finance Association Annual Meeting, Program Committee, 2003, 2004, 2005, 2006

European Finance Association Annual Meeting, Program Committee, 2005

## SEMINAR PRESENTATIONS

University of Amsterdam, Universitat Autònoma de Barcelona, Baruch College, University of Bielefeld, Boston College, University of British Columbia, Brown University, University of California at Berkeley, Universidad Carlos III, Carnegie Mellon University, University of Chicago, Columbia University, Duke University, Emory University, ESSEC (Paris), European University Institute, Federal Reserve Bank of Minneapolis, Federal Reserve Bank of New York, Harvard University, HEC (Paris), Humboldt University, Indiana University, INSEAD, Institute for Advanced Studies Vienna, Johns Hopkins University, London Business School, London School of Economics, University of Maastricht, University of Mannheim, University of Maryland, McGill University, University of Michigan, MIT, University of Minnesota, University of Montreal, The New School, New York University, University of North Carolina, Northwestern University, University of Notre Dame, Ohio State University, Oxford University, UCLA, University of Pennsylvania, Universitat Pompeu Fabra, Princeton University, University of Rochester, Santa Fe Institute, University of Southampton, Stanford University, Stern School of Business, Tilburg University, Washington University at St. Louis, University of Wisconsin at Madison

July 18, 2008