

## Guido Lorenzoni

MIT Department of Economics, E52-251C  
50 Memorial Drive  
Cambridge MA 02142

[glorenzo@mit.edu](mailto:glorenzo@mit.edu)

<http://econ-www.mit.edu/faculty/glorenzo>

### Current position

Pentti Kouri Associate Professor of Economics, MIT, since July 2009

### Past positions

Pentti Kouri Assistant Professor of Economics, MIT, 2008-2009

Consultant, Financial Markets Group, Federal Reserve Bank of Chicago, 2007-2008

Assistant Professor of Economics, MIT, 2004-2008

Visiting Assistant Professor, NYU, 2003-2004

Assistant Professor of Economics and Public Affairs, Princeton University, 2001-2004

### Studies

Ph.D. in Economics, MIT, 2001. Thesis title: "Essays on Liquidity Provision in Macroeconomics."

MA in Economics, University Pompeu Fabra, Barcelona, 1997

Master in Economics, CORIPE-Piemonte, Torino, 1995

Laurea in Economics and Commerce, University of Rome – La Sapienza, 1994

### Research

#### *Publications in refereed journals:*

"Liquidity and Trading Dynamics," with Veronica Guerrieri, *Econometrica*, forthcoming.

"Optimal Monetary Policy with Uncertain Fundamentals and Dispersed Information," *Review of Economic Studies*, forthcoming.

"A Theory of Demand Shocks," *American Economic Review*, forthcoming, December 2009.

"Bubbles and Self-Enforcing Debt," with Christian Hellwig, *Econometrica*, July 2009, 77 (4), 1137-1164.

"Inefficient Credit Booms," *Review of Economic Studies*, July 2008, 75 (3), 809-833. Reprinted in *Handbook of Liquidity and Crises*, ed. by F. Allen, E. Carletti, J.P. Krahenen, and M. Tyrell, Oxford University Press, forthcoming.

#### *Under revision:*

"Why Do Emerging Economies Borrow Short Term?" with Fernando Broner and Sergio Schmukler, October 2008 (revise and resubmit, *JEEA*).

"Financial Frictions, Investment and Tobin's  $q$ ," with Karl Walentin, October 2007 (revise and resubmit, *REStud*).

*Working papers:*

“Decentralized Trading with Private Information,” with Mike Golosov and Aleh Tsyvinski, September 2009.

“A Rational Theory of ‘Irrational Exuberance’,” with George Marios Angeletos and Alessandro Pavan, August 2009.

“News, Noise, and Fluctuations: An Empirical Exploration” with Olivier J. Blanchard and Jean-Paul L’Huillier, May 2009.

“Persistent Appreciations and Overshooting: A Normative Analysis,” with Ricardo J. Caballero, February 2009.

“Financial Integration and the Depth of Systemic Crises,” with Fabio Castiglionesi and Fabio Feriozzi, August 2009.

“Liquidity Crises, Interbank Lending and Efficiency,” September 2007.

*In progress:*

“Credit Crises and Liquidity Traps,” with Veronica Guerrieri.

“Contingent Debt Currency,” with Arvind Krishnamurthy and Markus Brunnermeier.

“International Borrowing, Investment and Default,” with Veronica Guerrieri and Fabrizio Perri.

*Other publications:*

“The Parametrized Expectations Approach: Some Practical Issues,” with Albert Marcet in *Computational Methods for the Study of Dynamic Economies*, R. Marimon and A. Scott (eds.), Oxford University Press, 1999.

“Recent Developments in Business Cycle Theory: News, Expectations and Demand Shocks,” *Rivista di Politica Economica*, III-IV, 2006.

**Honors and fellowships**

Alfred P. Sloan Research Fellowship 2009-10

Grant, “Initiative on Global Financial Markets,” Chicago GSB, 2007

Prize XII Foro de Finanza for Research on Fixed Income Securities, Spanish Finance Association, for “Why Do Emerging Economies Borrow Short Term?” with F. Broner and S. Schmukler, 2004

Ente L. Einaudi Research Fellowship, July 2003

David Finch Graduate Scholarship (MIT), 2000-2001

John Castle Graduate International Fellowship (MIT) 1997-1998

University of Turin (Italy) Graduate Scholarship, 1995

Prize “Fausto Vicarelli” for Undergraduate Thesis, Rome, 1994

**Professional activities and affiliations**

Associate Editor, *American Economic Review*, 2009-present

Associate Editor, *Economic Journal*, 2005-2007

NBER, Faculty Research Fellow, June 2005-present

Fellow, Ente L. Einaudi for Monetary, Banking and Financial Studies, 2003-2008

Visiting Scholar, Cowles Foundation, April 2009

Visiting Scholar, Research Department, Federal Reserve Bank of Minneapolis, August 2001, September 2005, September 2007

Visiting Scholar, Department of Economics, Northwestern University, January-March 2009

Program Committee, Society for Economic Dynamics Annual Meeting, 2004-2006, 2008-2009

Organizer, Conference on “Financial Frictions and Segmented Asset Markets,” LAEF-UC Santa Barbara, May 2009

Referee for *American Economic Review*, *Econometrica*, *Journal of Political Economy*, *Quarterly Journal of Economics*, *Review of Economic Studies*, *American Economic Journal: Macroeconomics*, *Journal of Economic Theory*, *Journal of the European Economic Association*, *Journal of Monetary Economics*, *Journal of International Economics*, *Review of Economic Dynamics*, *Economic Journal*, *International Economic Review*, *Economic Letters*, *B.E. Journals in Macroeconomics*, *Review of Financial Studies*, *Rand Journal of Economics*

### Presentations at Seminars and Conferences

2004-05

Minnesota Macroeconomic Workshop; Wharton, U. of Pennsylvania; University of Michigan; Boston College; Columbia University; CREI, Barcelona, Conference on Asset Price Bubbles; AEA Meetings, Philadelphia; Cambridge University, Isaac Newton Institute, Workshop on Beauty Contests and Asset Prices; London School of Economics; University College of London; European Central Bank/Goethe University, Frankfurt; University Bocconi, Milan; NBER Summer Institute (EFG); University of Rome, La Sapienza; Bank of England, Conference on Financial Stability; SED Annual Meeting, Budapest; Ente Einaudi, Rome

2005-06

Northwestern University; Boston University; Philadelphia FED; CREI, Barcelona, Conference on Macroeconomic Volatility; Columbia University; UQAM, Conference, Frontiers of Macroeconomics, Montreal; Minneapolis FED; NBER Summer Institute (EFEL); SED Annual Meeting, Vancouver

2006-07

NBER IFM Meeting; World Bank; Kansas City FED; IMF; UC San Diego; Notre Dame University; AEA Meetings, Chicago; Harvard; Di Tella-LACEA Workshop in International Economics, Central Bank of Chile; San Francisco FED; UC Berkeley; Chicago FED; Paris School of Economics; Stanford University; Philadelphia FED, Philadelphia Workshop on Monetary and Macroeconomics; SED Annual Meeting, Prague; Minneapolis FED

2007-08

University of Chicago; UC Santa Cruz, SCCIE Conference; IMF, 8<sup>th</sup> Jacques Polak Research Conference; University of Michigan; Johns Hopkins; University of Virginia; University of Toronto; Princeton University; CREI-UPF, Barcelona; AEA Meetings, New Orleans; Northwestern University, Kellogg; University of Chicago GSB; Austrian Central Bank, Conference on the Economics of Financial Stability; Northwestern University; Cornell University; University of Chicago GSB Conference on Liquidity; Chicago FED; University of Texas, Austin; Darden Conference on Emerging Markets, Boston; Texas Monetary Conference, Dallas FED; Tilburg University; Chicago FED Summer Workshop on Money, Banking and Payments; NBER Summer Institute (EFCE); SED Annual Meeting, Cambridge

2008-09

Federal Reserve Board; Washington University, Saint Louis; University of Southern California; University of Maryland; EIEF, Rome; AEA Meetings, San Francisco; Indiana University; Richmond FED; New York FED Liquidity Group; Yale; LAEF Conference on Financial Frictions, Santa Barbara; Bank of Canada; SED Annual Meeting, Istanbul; NBER Summer Institute (ME, AP, EFG)

### Discussions

L. Veldkamp and S. Van Nieuwerburgh, "Information Immobility and the Home Bias Puzzle," Toulouse, Banque de France Conference on Macroeconomic Fluctuations, October 2006

K. Mertens, "How the Removal of Deposit Rate Ceilings Has Changed Monetary Transmission in the US," Bank of Italy, 5th Workshop on Macroeconomics Dynamics, December 2006

V. Curdia, "Sudden Stops and Optimal Monetary Policy," Atlanta FED Conference on the Credit Channel, December 2007

E. Mendoza and V. Yue, "A Solution to the Default Risk-Business Cycle Disconnect," CREI-CEPR Conference on International Debt, December 2007

E. Farhi and J. Tirole, "Competing Liquidities: Corporate Securities, Real Bonds and Bubbles," Banque de France Conference on Liquidity, June 2008

N. Kiyotaki and J. Moore, "Liquidity, Business Cycles, and Monetary Policy," Austrian Central Bank, Conference on the Economics of Financial Stability, July 2008

P. DeMarzo, M. Fishman, Z. He and N. Wang, "Dynamic Agency and the q Theory of Investment," NBER Summer Institute, July 2008

L. Christiano, R. Motto, and M. Rostagno, "Financial Factors in Economic Fluctuations," Bank of Canada-Minneapolis FED Conference, October 2008

M. Brunnermeier and M. Yogo, "Liquidity Risk Hedging," AEA Meetings, January 2009

N. Kiyotaki, A. Michaelides and K. Nikolov, "Winners and Losers in Housing Markets," AEA Meetings, January 2009

D. Diamond and R. Rajan, "Illiquidity and Interest Rate Policy," New York FED Liquidity Conference, February 2009

D. Sanches and S. Williamson, "Adverse Selection, Segmented Markets, and the Role of Monetary Policy," St Louis FED Conference, March 2009