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Curriculum Vitae

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EDUCATION:

B.A. 1963, Yale College, Economics

Ph.D. 1969, M.A. 1967, University of Wisconsin - Madison, Economics

ACADEMIC APPOINTMENTS:

1993 - date Ford and Louisa Van Voorhis Professor of Political Economy,
Department of Economics, University of Washington
1975 - date Professor of Economics, University of Washington.
1980 - date Adjunct Professor of Statistics, University of Washington.
2004 Erskine Fellow, Univ. of Canterbury (NZ)
1976 / 2003, Director, Inst. for Economic Research, U of Washington.
1982 - 1993 Research Associate, National Bureau of Economic Research.
1989 Visiting Scholar, The Bank of Japan.
1984 - 1985 Visiting Scholar, University of Cambridge & Trinity College.
1979 - 1984 Chairman, Department of Economics, University of Washington.
1975 Research Fellow, Dept. of Statistics, London School of Economics.
1973 - 1975 Assoc. Professor, Graduate School of Business, Univ. of Chicago.
1969 - 1973 Asst. Professor, Graduate School of Business, Univ. of Chicago.
1968 - 1969 Post-doctoral Fellow, University of Chicago.

PROFESSIONAL SERVICE:

1976-83, 93- Associate Editor, *Journal of Money, Credit and Banking*
Past editorial boards: *American Statistician*, *Economic Inquiry*, *J. of Applied Econometrics*,
J. of Business and Economic Statistics, *J. of Econometrics*,
J. of Monetary Economics.
1981 - date Trustee/director Columbia/Liberty/Stein Roe Mutual Fund Family
1992 - 1998 Advisory Board, *Fund Directions* (for mutual fund trustees)
1990, 96, '04 Consultant, Federal Reserve System.
1982 - 1983 Economics Subcommittee, National Science Foundation

HONORS

Beveridge-Nelson 25th Anniversary Conference at the Federal Reserve Bank of Atlanta 2006.
Fellow of the Econometric Society
ISI HighlyCited (ISI Web of Science, <http://isihighlycited.com/>)
Irving Fisher Graduate Monograph Award

FREQUENTLY CITED PUBLICATIONS

"Why Are Beveridge-Nelson and Unobserved-Component Decompositions of GDP So Different?" with James C. Morley and Eric Zivot, *Review of Economics and Statistics*, 85:2, May 2003, 235-43.

"The Uncertain Trend in U.S. GDP" with Christian J. Murray, August 2000, *Journal of Monetary Economics* 46, 79-95.

"Has the U.S. Economy Become More Stable? A Bayesian Approach Based on a Markov-Switching Model of the Business Cycle" with Chang-Jin Kim, 1999, *Review of Econ and Statistics*, 81(4), 608-616.

"Business Cycle Turning Points, A New Coincident Index, and Tests of Duration Dependence Based on a Dynamic Factor Model with Regime-Switching," with Chang-Jin Kim, *Review of Economics and Statistics*, Vol. LXXX, no. 2, May 1998, pp. 188-201.

"Mean Reversion in Stock Prices? A Reappraisal of the Empirical Evidence," (with Myung Jig Kim and Richard Startz), *The Review of Economic Studies*, vol. 58, May 1991, pp.515-528. Republished in *Market Efficiency: Stock Market Behaviour in Theory and Practice*, 1997, edited by Andrew Lo.

"Predictable Stock Returns: The Role of Small Sample Bias," (with Myung J. Kim), *The Journal of Finance*, vol. 48, June 1993, pp. 641-661.

"Some Further Results on the Exact Small Sample Properties of the Instrumental Variable Estimator," (with Richard Startz), *Econometrica*, vol. 58 no. 4, July 1990, pp. 967-976.

"The Distribution of the Instrumental Variables Estimator and Its t-Ratio when the Instrument is a Poor One," (with Richard Startz) *Journal of Business*, vol. 63 no. 1(part 2), Jan. 1990, S125-S140.

"Parsimonious Modeling of Yield Curves," (with Andrew F. Siegel) *Journal of Business*, vol. 60 no. 4, October, 1987, pp. 473-489.

"Trends and Random Walks in Macroeconomic Time Series," (with Charles I. Plosser), *Journal of Monetary Economics*, vol. 10, no. 2, Sept 1982, pp. 139-162.

"Spurious Periodicity in Inappropriately Detrended Time Series" (with Heejoon Kang), *Econometrica*, vol. 49, no. 3, May 1981, pp. 741-752.

"A New Approach to Decomposition of Economic Time Series into Permanent and Transitory Components with Particular Attention to Measurement of the Business Cycle" (with Stephen Beveridge), *Journal of Monetary Economics* , 7: 151-174, (March) 1981.

"On Testing the Hypothesis that the Real Rate of Interest is Constant" (with G. William Schwert), *American Economic Review*, June 1977.

"Inflation and Rates of Return on Common Stock," *J. of Finance*, vol. 31 no. 2, May 1976, pp. 471-483.

"The Prediction Performance of the FRB-MIT-Penn Model of the U. S. Economy: *American Economic Review* (December, 1972); reprinted in *Macroeconomic Modeling*, edited by Kenneth F. Wallis, and in *Economic Forecasting*, edited by T. C. Mills

BIBLIOGRAPHY

ARTICLES

“Earnings Growth and the Bull Market of the 1990s: Is There a Case for Rational Exuberance?” with Jinho Bae, *Journal of Macroeconomics*, Vol. 29, No. 4 (December 2007); <http://www.sciencedirect.com/science/journal/01640704>.

"Spurious Inference in the GARCH(1,1) Model When It Is Weakly Identified" with Jun Ma and Richard Startz, *Studies in Nonlinear Dynamics & Econometrics*, Volume 11, Issue 1, Article 1, 2007, 1-27. Web address: <http://www.bepress.com/snede/vol11/iss1/art1>

“Why are stock returns and volatility negatively correlated?” with Jinho Bae and Chang-Jin Kim, *Journal of Empirical Finance*, v. 14/1, January 2007, 41-58.

“The Zero-Information-Limit Condition and Spurious Inference in Weakly Identified Models,” with Richard Startz, *Journal of Econometrics* (“Progress and Challenges in Econometrics” Special issue at the occasion of the 50th anniversary of the Econometric Institute, Erasmus University Rotterdam), Vol. 138, Issue 1, May 2007, 47-62.
<http://dx.doi.org/10.1016/j.jeconom.2006.05.014>

“Expectation Horizon and the Phillips Curve: The Solution to an Empirical Puzzle” with Jaejoon Lee, *Journal of Applied Econometrics*, 22 (2007), issue 1, 161-178.
<http://www3.interscience.wiley.com/cgi-bin/fulltext/114182451/PDFSTART>

“New Measures of the Output Gap Based on the Forward-Looking New Keynesian Phillips Curve” with Arabinda Basistha, *Journal of Monetary Economics*, 54, issue 2 (March 2007), 498-511.

“Estimation of a Forward-Looking Monetary Policy Rule: A Time-Varying Parameter Model Using Ex-Post Data,” with Chang-Jin Kim, *Journal of Monetary Economics*, 53 (8), Nov. 2006, 1949-1966.

“Business Cycle Filtering of Macroeconomic Data via a Latent Business-Cycle Index” with Michael Dueker, *Macroeconomic Dynamics*, vol. 10 No. 5, Nov. 2006, 1-22.

"Improved Inference in Weakly Identified Instrumental Variables Regression," (with Richard Startz and Eric Zivot) in *Econometric Theory and Practice (Essays in Honor of Peter C.B. Phillips)*, edited by Corbae, D., S. N. Durlauf, and B. E. Hansen, Cambridge University Press, 2006.

“The Structural Break in the Equity Premium” with Chang-Jin Kim and James C. Morley, *J. of Business and Economic Statistics*, 2005, Vol. 23, No. 2 (April), 181-191.
http://morley.wustl.edu/kmn3_062104.pdf

“The Great Depression and Output Persistence: A Reply to Papell and Prodan,” with Christian J. Murray, *Journal of Money Credit and Banking*, Vol. 36, No. 3, Part 1, (June 2004), 429-32..

“Is There a Positive Relationship Between Stock Market Volatility and the Equity Premium?” with Chang-Jin Kim and James C. Morley, *J. of Money Credit and Banking*, Vol. 36, No. 3, Part 1, (June 2004), 339-60.

"The Less Volatile U.S. Economy: A Bayesian Investigation of Timing, Breadth, and Potential Explanations," with Chang-Jin Kim and Jeremy Piger, *J. of Business and Economic Statistics*, 22 (1), Jan. 2004, 80-93.

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"A Bayesian Approach to Testing for Markov Switching in Univariate and Dynamic Factor Models" with Chang-Jin Kim, *International Economic Review*, vol. 42, no. 4, November 2001, 989-1013..

"Does an intertemporal tradeoff between risk and return explain mean reversion in stock prices?" with Chang-Jin Kim and James C. Morley, *Journal of Empirical Finance*, 2001, vol. 8, 403-426.

"Markov Switching and Unit Root Tests," with Jeremy Piger and Eric Zivot, *J. of Business and Economic Statistics*, vol. 19 (4), October 2001, pp. 404-415.

"The Uncertain Trend in U.S. GDP" with Christian J. Murray, August 2000, *Journal of Monetary Economics* 46, 79-95.

"State-Space Modeling of the Relationship Between Air Quality and Mortality" with Christian J. Murray, *J. of the Air and Waste Management Assn.*, July 2000, vol. 50, 1075-1080.
<http://www.awma.org/journal/pdfs/2000/7/murray.pdf>

"Has the U.S. Economy Become More Stable? A Bayesian Approach Based on a Markov-Switching Model of the Business Cycle" with Chang-Jin Kim, 1999, *Review of Economics and Statistics*, 81(4), 608-616.

"Friedman's Plucking Model of Business Fluctuations: Tests and Estimates of Permanent and Transitory Components" with Chang-Jin Kim, 1999, *J. of Money, Credit, and Banking*, vol. 31, no. 3, part 1, 317-34.

"Valid Confidence Intervals and Inference in the Presence of Weak Instruments," with Richard Startz & Eric Zivot, 1998, *International Economic Review*, Vol. 39, No. 4, 1119-44.

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"Implicit Estimates of the Natural and Cyclical Components of Japan's Real GNP," *Bank of Japan Monetary and Economic Studies*, Vol. 7, August 1989, pp. 73-91.

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"Spurious Trend and Cycle in the State Space Decomposition of a Time Series with a Unit Root," *Journal of Economic Dynamics & Control*, vol. 12, June/Sept 1988, pp. 475-488.

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"Implicit Estimates of Natural, Trend, and Cyclical Components of Real GNP" NBER Working Paper No. 2253, May 1987.

"The NERC Fan: A Retrospective Analysis of the NERC Summary Forecast" (with Stephen C. Peck) *Journal of Business and Economic Statistics*, vol. 3, no. 3, July 1985, pp. 179-187.

"A Benchmark for the Accuracy of Econometric Forecasts of GNP, *Business Economics*, April, 1984.

"Pitfalls in the Use of Time as an Explanatory Variable in Regression," (with Heejoon Kang) *Journal of Business and Economic Statistics*, vol. 2, no. 1, January 1984, pp. 73-82.

"Trends and Random Walks in Macroeconomic Time Series," (with Charles I. Plosser), *Journal of Monetary Economics*, vol. 10, no. 2, Sept 1982, pp. 139-162.

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"Granger Causality and the Natural Rate Hypothesis," *Journal of Political Economy*, April 1979.

"The Term Structure of Interest Rates: Theories and Evidence" Chapter in *Handbook of Financial Economics*, (ed. by James Bicksler). North-Holland Publishing Co., 1979

"The Stochastic Properties of Velocity and the Quantity Theory of Money" (with J. Gould, M. Miller and C. Upton), *Journal of Monetary Economics*, April 1978.

"On Testing the Hypothesis that the Real Rate of Interest is Constant" (with G. William Schwert), *American Economic Review*, June 1977.

"Forecasting Stumpage Prices: A Problem in the Construction of a Viable Forest Tax System," *Proceedings of the Western Regional Forest Property Taxation Workshop*, ed. by Bare and Waggener, University of Washington College of Forest Resources, 1977.

- "The Interpretation of R-Squared in Autoregressive-Moving Average Time Series Models," *The American Statistician* (Nov., 1976)
- "Inflation and Capital Budgeting," *The Journal of Finance*, VOL. 31, No. 3, (June, 1976), pp. 923-31.
- "Inflation and Rates of Return on Common Stock," *The Journal of Finance*, vol. 31 no. 2, May 1976, pp. 471-483.
- "Gains in Efficiency from Joint Estimation of Systems of Autoregressive-Moving Average Processes" *Journal of Econometrics* (November, 1976)
- "Rational Expectations and the Estimation of Econometric Models," *International Economic Review* (October, 1975)
- "Rational Expectations and the Predictive Efficiency of Economic Models," *Journal of Business* (July, 1975)
- "The Ex Ante Prediction Performance of the St. Louis and FRB-MIT-Penn Econometric Models" (with J. P. Cooper) *Journal of Money, Credit and Banking* (February, 1975)
- "Inflation, Taxes, and the Value of Corporate Shares," *Proceedings*, Seminar on the Analysis of Securities Prices, University of Chicago, (November, 1974)
- "Estimating and Parameters of a Distributed Lag Model from Cross-Section Data: The Case of Hospital Admissions and Discharges," (with G. William Schwert) *Journal of the American Statistical Association* (September, 1974)
- "The Stochastic Structure of the Velocity of Money," (with John P. Gould) *American Economic Review*, (June, 1974), vol. 54, pp. 405-418.
- "The First Order Moving Average Process: Identification Estimation and Prediction," *Journal of Econometrics* (July, 1974)
- "Ex Post and Ex Ante Prediction Performance," (with J. P. Cooper), Chapter So Entitled in *Development of the Monetary Sector Prediction and Policy Analysis in the FRB-MIT-Penn Model* by J. P. Cooper. Lexington, Mass.: Lexington Books (1974)
- "The Prediction Performance of the FRB-MIT-Penn Model of the U. S. Economy: *American Economic Review* (December, 1972); reprinted in *Macroeconomic Modeling*, edited by Kenneth F. Wallis, and in *Economic Forecasting*, edited by T. C. Mills
- "Error Learning Models of the Term Structure of Interest Rates and the Cyclical Movement of Term Premiums," *Journal of Political Economy*, (Nov/Dec, 1972)
- "Estimation of Term Premiums from Average Differentials in the Term Structure of Interest Rates," *Econometrica*, (March, 1972), 277-87.
- "Testing a Model of the Term Structure of Interest Rates by Simulation of Market Forecasts" *Journal of the American Statistical Association* (September, 1970)

"A Critique of Some Recent Empirical Research in the Explanation of the Term Structure of Interest Rates: Comment," *J. of Political Economy*, July/Aug 1970

BOOKS

State-Space Models with Regime Switching: Classical and Gibbs Sampling Approaches with Applications, with Chang-Jin Kim, Cambridge: MIT Press, 1999.

Macroeconomics: An Introduction. New York: McGraw-Hill, 1993/1995/1997/2000/2003; Internet Edition 2006; with Power Point™ Lectures, Testbank, Web page: <http://www.econ.washington.edu/user/cnelson/STUDENT.html>.

The Investor's Guide to Economic Indicators. John Wiley & Sons, 1987.

Applied Time Series Analysis for Managerial Forecasting. Holden-Day, 1973.

The Term Structure of Interest Rates. Basic Books, Irving Fisher Graduate Monograph Award Series. 1972.

BOOK REVIEWS AND MISCELLANEOUS

Review of *Dynamic Econometrics* by David F. Hendry in *Econometric Reviews*, vol. 17, no. 2, 1998.

"Empirical Evidence on the Recent Behavior and Usefulness of Simple-Sum and Weighted Measures of the Money Stock: Commentary," *The Federal Reserve Bank of St. Louis Review*, March/April 1994, pp. 110-116.

"The Two Charlies Paper: Is GNP a Random Walk?" Citation Classic in *Current Contents/ Social and Behavioral Sciences*, July 1993; reprinted in *Current Contents/ Arts and Humanities*.

Review of *Comparative Performance of U.S. Econometric Models*, edited by Lawrence R. Klein, *JASA*, September 1992, p. 905.

"Macroeconomic Time Series, Business Cycles, and Macroeconomic Policies: A Comment," *Carnegie-Rochester Conference Series* (Sp 1985), pp. 55-59

"Policy Robustness: Specification and Simulation of a Monthly Money Market Model-Comment," *JMCB*, 1982

"Reply to Jacob A. Frenkel" *Journal of Money, Credit and Banking*, Nov. 1981.

"Discussion of Paper by Robert J. Shiller" in *Rational Expectations and Economic Policy* (ed. by Stanley Fischer), NBER, 1980.

"Discussion of the Zellner and Schwert Papers," *JME*, Suppl. 1979.

"The Brookings Model: Perspective and Recent Developments" (ed. by Gary Fromm and Lawrence R. Klein). *JMCB*, 1977.

"Discuss. of Paper by D. L. Prothero and K. F. Wallis," *JRSS*, 1976.

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"Development of the Monetary Sector, Prediction and Policy in the FRB-MIT-PENN Model," by J. Phillip Cooper; *JEL*, 1975.

"Scalpers: Criminals or Angels?" Puzzles and Problems Section, *JPE* May/June 1972 p. 620.
Comment, May/June 1973, p. 799.

Discussant's Comment: "A Statistical Model of Earnings Estimation," by M. N. Greenball, *Empirical Research in Accounting: Selected Studies* (1971)

Economic Forecasts and Expectations: Analysis of Forecasting Behavior and Performance, by Jacob Mincer (ed.); *JF*, 1970.

"Economic Analysis" sections: *The Economy of Northeastern Wisconsin; The Economy of Central Wis.; The Economy of Southeastern Wis.; The Economy of Southwestern Wis.; The Economy of Western Wis.; The Economy of Eastern Wis.*, Department of Resource Development, State of Wisconsin, 1967.

MAJOR RESEARCH GRANTS

"Extensions and Applications of State-Space Models with Markov-Switching: Hypothesis Testing," with Chang-Jin Kim, NSF grant #SES-9818789, \$75,391, 1999-00.

"Confidence Regions and Inference in the Presence of Weak Instruments," with Richard Startz and Eric Zivot, NSF grant #SBR-9711301, \$155,453, 1997-99.

"Estimation and Inference using Instrumental Variables," Royalty Research Fund, Univ. of Wash., 1996.

"Some Critical Maintained Hypotheses in Testing for Real Effects of Anticipated and Unanticipated Money," National Science Foundation, 1982-83, 1983-86; John H. Makin, Co-PI.

"Time Series Analysis Issues in Macro Econometrics," 1979 - 1981; National Science Foundation.

"Topics in Econometrics," 1972 - 1974; National Science Foundation.

END.