

Patrick J. Kehoe

Business Address

Stanford University
Landau Economics Building
579 Jane Stanford Way
Stanford, CA 94305
Email: pkehoe@stanford.edu
Website: <https://pkehoepeople.sites.stanford.edu>

Education

1986 Harvard University, Ph.D., Economics
1979 McGill University, Coursework for M.A., Statistics
1978 Providence College, B.A., Mathematics and Russian

Work Experience

2015 - Present Professor of Economics, Stanford University
2013 - Present Consultant, Federal Reserve Bank of Minneapolis
2015 - 2017 Visiting Professor of Economics, Stanford University
2013 - 2018 Professor University College London
2012 - 2017 Frenzel Professor of International Economics, University of Minnesota
2009 - 2012 Walker Professor of Economics and International Finance, Princeton University
2002 - 2009 Frenzel Professor of International Economics, University of Minnesota
1997 - 2013 Monetary Adviser, Federal Reserve Bank of Minneapolis
1995 - 1999 Ronald S. Lauder Professor of International Economics,
University of Pennsylvania
1992 - 1995 Ronald S. Lauder Associate Professor of International Economics,
University of Pennsylvania
1989 - 1996 Consultant, Federal Reserve Bank of Minneapolis
1991 - 1992 Visiting Associate Professor, University of Chicago
1991 - 1992 Associate Professor, University of Minnesota

1984 - 1991 Assistant Professor, University of Minnesota

Professional Affiliations

2002 - Present Fellow of the Econometric Society

2004 - Present Associate Editor, *Journal of Money, Credit, and Banking*

2002 - 2009 Associate Editor, *American Economic Review*

2000 - 2012 Co-editor, *Quarterly Review of Economics*

2001 - 2006 Associate Editor, *Journal of International Economics*

1997 - 2005 Associate Editor, *Macroeconomic Dynamics*

1995 - Present Research Associate, National Bureau of Economic Research

1993 - 2001 Editorial Board, *International Economic Review*

1992 - 1996 Associate Editor, *International Economic Review*

New Working Papers

1. "Taxing the Rich" joint with V.V. Chari, Elena Pastorino, Sergio Salgado"
2. "The Effects of Minimum Wages in the Short and Long Run" joint with Erik Hurst, Elena Pastorino and Thomas Winberry".
3. "The World Financial Cycle" with Yan Bai and Fabrizio Perri.
4. "Dynamic Competition in the Era of Big Data" with Brad Larsen and Elena Pastorino.

Publications

1. "On the Optimal Delegation of Fiscal Authority in a Monetary Union", with Eugenia Aguado, and Elena Pastorino (forthcoming Carnegie-Rochester Series).
2. "Asset Prices and Unemployment Fluctuations" with Pierlauro Lopez, Virgiliu Midrigan and Elena Pastorino, *Review of Economic Studies*, Fall 2022
3. "The Monetary and Fiscal History of Brazil, 1960-2-16." with Joao Ayres, Marcio Garcia, Diogo Guillen, and Patrick J. Kehoe, in Kehoe, Timothy J., and Juan Pablo Nicolini, eds. *A Monetary and Fiscal History of Latin America, 1960–2017*. U of Minnesota Press, 2022 of Chicago Press.

4. "On the Importance of Household versus Firm Credit Frictions in the Great Recession" with Pierlauro Lopez, Virgiliu Midrigan, and Elena Pastorino" *Review of Economic Dynamics*, August 2022.
5. "On the Optimality of Financial Repression." with V. V. Chari and Alessandro Dovis, *Journal of Political Economy*, January 2020.
6. "Rethinking Optimal Currency Areas." with V.V. Chari, and Alessandro Dovis, and *Journal of Monetary Economics*, May 2020.
7. "Debt Constraints and Employment" with Virgiliu Midrigan, and Elena Pastorino, *Journal of Political Economy*, August 2019.
8. "Financial Markets and Fluctuations in Volatility" with Yan Bai and Cristina Arellano, *Journal of Political Economy*, September 2019.
9. "On the Importance of Household versus Firm Credit Frictions in the Great Recession" with Pierlauro Lopez, Virgiliu Midrigan, and Elena Pastorino. *Review of Economic Dynamics*, August 2020.
10. "Bailouts, Time Inconsistency, and Optimal Regulation: A Macroeconomic View." with V.V. Chari, *American Economic Review*, 2016.
11. "Prices are Sticky After All." with Virgiliu Midrigan, *Journal of Monetary Economics*, 2015.
12. "Sophisticated Monetary Policies." with Andrew Atkeson and V. V. Chari, *Quarterly Journal of Economics*, February 2010.
13. "Time-Varying Risk, Interest Rates, and Exchange Rates in General Equilibrium." with Fernando Alvarez and Andrew Atkeson, *Review of Economic Studies*, July 2009.
14. "The New Keynesian Models: Not Yet Useful for Policy Analysis." with V. V. Chari and Ellen R. McGrattan, *American Economic Journal: Macroeconomics*, January 2009.
15. "Are Structural VARs with Long-Run Restrictions Useful in Developing Business Cycle Theory." with V. V. Chari and Ellen McGrattan, *Journal of Monetary Economics*, November 2008.
16. "Time Inconsistency and Free-Riding in a Monetary Union." with V. V. Chari, *Journal of Money, Credit, and Banking* (2nd OSU Macroeconomics Lecture), October 2008.
17. "On the Need for Fiscal Constraints in a Monetary Union." with V. V. Chari, *Journal of Monetary Economics*, November 2007.
18. "If Exchange Rates are Random Walks, Then Almost Everything We Say about Monetary

- Policy Is Wrong.” with Fernando Alvarez and Andrew Atkeson, *American Economic Review*, May 2007.
19. “Business Cycle Accounting.” with V. V. Chari and Ellen McGrattan, *Econometrica*, May 2007.
 20. “Modeling the Transition to a New Economy: Lessons from Two Technological Revolutions.” with Andrew Atkeson, *American Economic Review*, March 2007.
 21. “Modern Macroeconomics in Practice: How Theory Is Shaping Policy.” with V. V. Chari, *Journal of Economic Perspectives*, Fall 2006.
 22. “Modeling and Measuring Organization Capital.” with Andrew Atkeson, *Journal of Political Economy*, October 2005.
 23. “The Optimal Degree of Discretion in Monetary Policy.” with Susan Athey and Andrew Atkeson, *Econometrica*, September 2005.
 24. “Sudden Stops and Output Drops.” with V. V. Chari and Ellen McGrattan, *American Economic Review*, May 2005.
 25. “Financial Crises as Herds: Overturning the Critiques.” with V. V. Chari, *Journal of Economic Theory*, November 2004.
 26. “Competitive Equilibria with Limited Enforcement.” with Fabrizio Perri, *Journal of Economic Theory*, November 2004.
 27. “Deflation and Depression: Is There an Empirical Link?” with Andrew Atkeson, *American Economic Review*, May 2004.
 28. “The Time Consistency of Optimal Monetary and Fiscal Policies.” with Fernando Alvarez and Pablo Andrés Neumeyer, *Econometrica*, March 2004.
 29. “Hot Money.” with V. V. Chari, *Journal of Political Economy*, December 2003.
 30. “Can Sticky Price Models Generate Volatile and Persistent Exchange Rates?” with V. V. Chari and Ellen R. McGrattan, *Review of Economic Studies*, August 2002.
 31. “Accounting for the Great Depression.” with V. V. Chari and Ellen R. McGrattan, *American Economic Review*, May 2002. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Spring 2003.
 32. “International Business Cycles with Endogenous Incomplete Markets.” with Fabrizio Perri, *Econometrica*, May 2002.

33. "Policy-Driven Productivity in Chile and Mexico in the 1980's and 1990's." with Raphael Bergoeing, Timothy J. Kehoe, and Raimundo Soto, *American Economic Review*, May 2002. Reprinted in *Federal Reserve Bank of Minneapolis Quarterly Review*, Winter 2002.
34. "Money, Interest Rates, and Exchange Rates with Endogenously Segmented Markets." with Fernando Alvarez and Andrew Atkeson, *Journal of Political Economy*, February 2002.
35. "A Decade Lost and Found: Mexico and Chile in the 1980s." with Raphael Bergoeing, Timothy J. Kehoe, and Raimundo Soto, *Review of Economic Dynamics*, January 2002.
36. "Sticky Price Models of the Business Cycle: Can the Contract Multiplier Solve the Persistence Problem?" with V. V. Chari and Ellen R. McGrattan, *Econometrica*, September 2000.
37. "Models of Energy Use: Putty-Putty versus Putty-Clay" with Andrew Atkeson, *American Economic Review*, September 1999.
38. "Optimality of the Friedman Rule in Economies with Distorting Taxes." with V. V. Chari and Lawrence J. Christiano, *Journal of Monetary Economics*, April 1996.
39. "Social Insurance and Transition." with Andrew Atkeson, *International Economic Review*, May 1996.
40. "Models of Sovereign Debt: Partial versus General Reputations." with Harold L. Cole, *International Economic Review*, February 1998.
41. "Optimal Fiscal Policy in a Business Cycle Model." with V. V. Chari and Lawrence J. Christiano, *Journal of Political Economy*, August 1994.
42. "Dynamics of the Trade Balance and the Terms of Trade: The J-Curve?" with David K. Backus and Finn E. Kydland, *American Economic Review*, March 1994.
43. "Sustainable Plans and Debt." with V. V. Chari, *Journal of Economic Theory*, December 1993. Reprinted in *The Legacy of Robert Lucas, Jr.*, Vol. 3, ed. Kevin D. Hoover, Elger, 1999.
44. "Sustainable Plans and Mutual Default." with V. V. Chari, *Review of Economic Studies*, January 1993.
45. "In Search of Scale Effects in Trade and Growth." with David K. Backus and Timothy J. Kehoe, *Journal of Economic Theory*, December 1992.
46. "International Evidence on the Historical Properties of Business Cycles." with David K. Backus, *American Economic Review*, September 1992.

47. "International Real Business Cycles." with David K. Backus and Finn E. Kydland, *Journal of Political Economy*, August 1992.
48. "Optimal Fiscal and Monetary Policy: Some Recent Results." with V. V. Chari and Laurence J. Christiano, *Journal of Money, Credit, and Banking*, August 1991. Reprinted in *Political Economy, Growth, and Business Cycles*, ed. Alex Cukierman, Zvi Hercowitz, and Leonardo Leiderman, MIT Press, 1992.
49. "Sustainable Plans." with V. V. Chari, *Journal of Political Economy*, August 1990. Reprinted in *Monetary and Fiscal Policy*, Vol. 1, *Credibility*, ed. Torsten Persson and Guido Tabellini, MIT Press, 1994.
50. "International Coordination of Fiscal Policy in Limiting Economies." with V. V. Chari, *Journal of Political Economy*, June 1990.
51. "On the Denomination of Government Debt: A Critique of the Portfolio Balance Approach." with David K. Backus, *Journal of Monetary Economics*, May 1989.
52. "Policy Cooperation Among Benevolent Governments May Be Undesirable" *Review of Economic Studies*, April 1989.
53. "Coordination of Fiscal Policies in a World Economy." *Journal of Monetary Economics*, May 1987.

Other Publications

54. "The Monetary and Fiscal History of Brazil: 1960-2016." with Marcio Garcia, Joao Ayres and Diogo Guillen, forthcoming in a Monetary and Fiscal History of Latin America.
55. "Financial Recessions." *Economic Policy*, forthcoming.
56. "On the Need for a New Approach to Analyzing Monetary Policy." with Andrew Atkeson, *NBER Macroeconomics Annual 2008*, University of Chicago Press, 2009.
57. "Taxing Capital Income: A Bad Idea." with Andrew Atkeson and V. V. Chari, *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1999.
58. "Optimal Fiscal and Monetary Policy." with V. V. Chari, in *Handbook of Macroeconomics*, Vol. 1C, ed. John B. Taylor and Michael Woodford, Elsevier Science, North-Holland, 1999.

59. "Asking the Right Questions about the IMF." with V. V. Chari, *Federal Reserve Bank of Minneapolis Annual Report*, 1998.
60. "Reviving Reputation Models of International Debt." with Harold L. Cole, *Federal Reserve Bank of Minneapolis Quarterly Review*, Winter 1997.
61. "Los Modelos de Equilibrio General Aplicado de Política Comercial." (with English summary), with Timothy J. Kehoe, *Cuadernos Economicos de I.C.E.*, 1995.
62. "Modeling North American Economic Integration." ed. with Timothy J. Kehoe, Kluwer Academic Publishers, 1995.
63. "Policy Analysis in Business Cycle Models." with V. V. Chari and Lawrence J. Christiano, in *Frontiers of Business Cycle Research*, ed. Thomas F. Cooley, Princeton University Press, 1995.
64. "Capturing NAFTA's Impact with Applied General Equilibrium Models." with Timothy J. Kehoe, *Federal Reserve Bank of Minneapolis Quarterly Review*, Spring 1994. Reprinted in *Modeling North American Economic Integration*, ed. Patrick J. Kehoe and Timothy J. Kehoe, Kluwer Academic Publishers, 1995.
65. "A Primer on Static Applied General Equilibrium Models." with Timothy J. Kehoe, *Federal Reserve Bank of Minneapolis Quarterly Review*, Spring 1994. Reprinted in *Modeling North American Economic Integration*, ed. Patrick J. Kehoe and Timothy J. Kehoe, Kluwer Academic Publishers, 1995.
66. "Relative Price Movements in Dynamic General Equilibrium Models of International Trade." with David K. Backus and Finn E. Kydland, in *Handbook of International Macroeconomics*, ed. Frederick van der Ploeg, Blackwell, 1994.
67. "International Business Cycles: Theory vs. Evidence." with David K. Backus and Finn E. Kydland, *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall 1993. Reprinted in *Frontiers of Business Cycle Research*, ed. Thomas F. Cooley, Princeton University Press, 1995.
68. "Policy Cooperation Among Benevolent Governments May Be Undesirable: An Extension." *International Economic Policy Coordination*, ed. Carlo Carraro et al., Blackwell, 1991.

69. “Time Consistency and Policy.” with V. V. Chari and Edward C. Prescott, in *Handbook of Modern Business Cycle Theory*, ed. Robert J. Barro, Harvard University Press, 1989.

Comments

Comment on Christiano, L. J., Eichenbaum, M., Vigfusson, R & Watson, M. W.. Assessing structural VARs. *NBER macroeconomics annual*, 21, 1-105.

Comment on M. Obstfeld, “Open-Economy Macroeconomics: Developments in Theory and Policy.” *Scandinavian Journal of Economics*, 1998.

“Transition in Eastern Europe: A Comment on Blanchard.” *Macroeconomic Manual*, 1994.

“Fiscal Policies and International Financial Markets: Comment.” in *International Aspects of Fiscal Policy*, ed. Jacob Frenkel, University of Chicago Press, 1988.

“On the Roles of International Financial Markets and Their Relevance for Economic Policy: Comment.” *Journal of Money, Credit, and Banking*, August 1988.

Advising Last 4 Years

Sergio Salgado (First Job: Wharton School University of Pennsylvania)

Eugenia Gonzalez-Aguado (First Job: Toulouse School of Economics)

Martin Souchier (First Job: Wharton School University of Pennsylvania)

Frederic Martenet (First job: Quantitative Research Associate at Capital Group, LA)

Aniket Baksy (First job: University of Melbourne)

Daniele Caratelli (First job: U.S. Department of the Treasury)

Cedomir Malgieri (Current Stanford Student)

Nick Cao (Current Stanford Student)

Rafael Abreu (Current Stanford Student)

Janet Stefanov (Current Stanford Student)

Referee

American Economic Review, Econometrica, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies, Econometrica, Journal of Monetary Economics, Journal of International Economics.

Grants and Awards

- 2019-2023 National Science Foundation Grant, The Impact of Big Data on Dynamic Personalized Pricing: Theory and Evidence (co-principal investigator with Brad Larsen and Elena Pastorino)
- 2021-2023 Stanford Institute for Human-Centered Artificial Intelligence Grant, How AI Can Affect Consumers When Firms Have Access to Personal Data (and How Competition Can Help)
- 2007 - 2012 National Science Foundation Grant, Credit Frictions in Business Cycle Models (co-principal investigator with V. V. Chari)
- 2002 - 2005 National Science Foundation Grant, Asset Market Frictions in International Business Cycle Models
- 1997 - 2000 National Science Foundation Grant, Quantitative International Business Cycle Models with Frictions
- 1996 - 1997 University Research Foundation Grant, University of Pennsylvania
- 1995 - 1997 National Science Foundation Grant; Industry Evolution, Transition and Trade (co-principal investigator with Andrew Atkeson)
- 1993 - 1994 University Research Foundation Grant, University of Pennsylvania
- 1993 - 1994 Kei Mori Fund in Economics, University of Pennsylvania
- 1992 - 1994 National Science Foundation Grant, General Equilibrium Models with Incomplete Contracting (co-principal investigator with Edward Prescott)
- 1989 - 1991 National Science Foundation Grant, International Productivity and Risk Sharing (co-principal investigator with David Backus)

- 1987 - 1989 National Science Foundation Grant, International Business Cycles: Theory and Evidence (co-principal investigator with David Backus)
- 1987 - 1988 University of Minnesota Graduate School Research Grant, International Evidence on Business Cycles
- 1986 - 1987 Alfred P. Sloan Foundation Grant