

# DANIEL L. GREENWALD

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## Academic Positions

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July 2016 - Assistant Professor of Finance, MIT Sloan School of Management

## Education

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2016 Ph.D. in Economics, New York University  
Thesis committee: Sydney Ludvigson (chair), Stijn Van Nieuwerburgh, Gianluca Violante

2008 A.B. in Economics, *cum laude*, Harvard University

## Research Areas

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Macroeconomics, Asset Pricing, Housing and Mortgage Markets, Macroeconometrics.

## Publications

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1. "Rare Shocks, Great Recessions" with Vasco Cúrdia and Marco Del Negro. *Journal of Applied Econometrics*, Vol. 29(7), pp. 1031-1052, November/December 2014.

Winner, Richard Stone Prize in Applied Econometrics for the best paper with substantive econometric application in the 2014 and 2015 volumes of the *Journal of Applied Econometrics*.

*Abstract:* We estimate a DSGE model where rare large shocks can occur, by replacing the commonly used Gaussian assumption with a Student's t distribution. Results from the Smets and Wouters (2007) model estimated on the usual set of macroeconomic time series over the 1964-2011 period indicate that 1) the Student's t specification is strongly favored by the data even when we allow for low-frequency variation in the volatility of the shocks, and 2) the estimated degrees of freedom are quite low for several shocks that drive U.S. business cycles, implying an important role for rare large shocks. This result holds even if we exclude the Great Recession period from the sample. We also show that inference about low-frequency changes in volatility – and in particular, inference about the magnitude of Great Moderation – is different once we allow for fat tails.

## Working Papers

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2. "The Mortgage Credit Channel of Macroeconomic Transmission"

*Abstract:* I investigate how the structure of the mortgage market influences macroeconomic dynamics, using a general equilibrium framework with prepayable debt and a limit on the ratio of mortgage payments to income. This realistic environment amplifies transmission from interest rates into debt, house prices, and economic activity. Monetary policy can more easily stabilize inflation due to this amplification, but contributes to larger fluctuations in credit growth. A relaxation of payment-to-income standards appears essential to the recent boom. A cap on payment-to-income ratios, not loan-to-value ratios, is the more effective macroprudential policy for limiting boom-bust cycles.

### 3. “Origins of Stock Market Fluctuations” with Martin Lettau and Sydney Ludvigson

*Abstract:* Three mutually uncorrelated economic disturbances that we measure empirically explain 85% of the quarterly variation in real stock market wealth since 1952. A model is employed to interpret these disturbances in terms of three latent primitive shocks. In the short run, shocks that affect the willingness to bear risk independently of macroeconomic fundamentals explain most of the variation in the market. In the long run, the market is profoundly affected by shocks that reallocate the rewards of a given level of production between workers and shareholders. Productivity shocks play a small role in historical stock market fluctuations at all horizons.

#### Fellowships and Awards

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2016	AREUEA Homer Hoyt Doctoral Dissertation Award (1 <sup>st</sup> Prize)
2015 - 2016	Dean’s Dissertation Fellowship, New York University
2015	Macro Financial Modeling Fellowship, Becker Friedman Institute
2010 - 2015	McCracken Fellowship, New York University
2014	TACC-BP Parallel Programming Contest (1 <sup>st</sup> Place)

#### Research Employment

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2015	Summer Research Internship, Federal Reserve Bank of New York
2012 - 2015	Research Assistant for Prof. Sydney Ludvigson
2011, 2014	Research Assistant for Prof. Gianluca Violante
2008 - 2010	Assistant Economist, Federal Reserve Bank of New York

#### Courses Taught

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Spring 2017	Undergraduate, Managerial Finance (MIT Course 15.401)
Fall 2016	Ph.D., Advanced Financial Economics III (MIT Course 15.442)

#### Seminar Presentations

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2016	Bank of Canada, Brown, MIT Sloan, Harvard Business School, UC San Diego, UC Berkeley Haas, Baruch, Federal Reserve Bank of New York, UT Austin McCombs, Penn State, Congressional Budget Office, University of Minnesota, UPenn Wharton, Federal Reserve Board of Governors, Northwestern, MIT (Macro), University of Connecticut, Boston University, Federal Reserve Bank of Cleveland.
2015	Federal Reserve Bank of New York, NYU Stern, Federal Reserve Bank of Philadelphia.

#### Conference Presentations

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2016	Macroeconomics and Business CYCLE Conference, Midwest Macro, IAAE (Milan), SED Annual Meeting (Toulouse), CEPR European Summer Symposium in Financial Markets, MIT GCFP Annual Conference, Macro Finance Society (Chicago).
2015	Federal Reserve Bank of Chicago Rookie Conference.
2014	SED Annual Meeting (Toronto).

## Conference Discussions

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1. "The Equity Premium and the One Percent" by A.A. Toda and K. Walsh. *AFA Meetings*, Chicago, January 2017.
2. "Household Debt and Monetary Policy: Revealing the Cash Flow Channel" by M. Flodén, M. Kilström, J. Sigurdsson, and R. Vestman. *Econometric Society Winter Meetings*, Chicago, January 2017.
3. "Regional Heterogeneity and Monetary Policy" by M. Beraja, A. Fuster, E. Hurst and J. Vavra. *Econometric Society Winter Meetings*, Chicago, January 2017.

## Invited Workshops

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2016	Macro Financial Modeling Summer Camp.
2014	World Economics Forum Roundtable.
2013	MIT Capital Markets Research Workshop, Goldman Sachs Fellowship Program.
2012	Institute for Computational Economics, Princeton Initiative: Macro, Money, and Finance.

## Professional Activities

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### Referee for:

- American Economic Journal: Macroeconomics
- Econometrica
- International Journal of Central Banking
- Journal of Applied Econometrics
- Journal of Economic Dynamics and Control
- Journal of Empirical Finance
- Macroeconomic Dynamics
- Review of Economic Dynamics

### Conference Program Committee:

- Society for Computational Economics Annual Conference (New York, 2017).
- WFA Annual Meeting (Whistler, BC, 2017).

## Personal Information

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Born: August 3, 1986. Citizenship: USA.

Languages: English (native), French (intermediate), Russian (intermediate), Spanish (beginner).