

# EDUARDO DÁVILA

Yale University  
Department of Economics  
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## Academic Positions

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YALE UNIVERSITY, 2018-  
*Assistant Professor of Economics, Economics Department and Cowles Foundation, 2019-  
Assistant Professor of Finance, School of Management, Finance Department (Secondary Appointment), 2019-  
Visiting Assistant Professor of Economics, 2018-2019*

NATIONAL BUREAU OF ECONOMIC RESEARCH, 2017-  
*Faculty Research Fellow*

NEW YORK UNIVERSITY, 2014-19  
*Assistant Professor of Finance, Stern School of Business, Finance Department*

## Education

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HARVARD UNIVERSITY, 2014  
*Ph.D./M.A. in Economics*  
*Thesis: Essays on Normative Macro-Finance. Chairs: John Campbell and Emmanuel Farhi*

UNIVERSITAT POMPEU FABRA, 2008  
*B.A. in Economics, Second Cycle*

UNIVERSIDAD DE LAS PALMAS DE GRAN CANARIA, 2006  
*B.A. in Economics, First Cycle*

## Research Fields

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Primary: Financial Economics, Macroeconomics

Secondary: Public Economics, International Finance

## Publications

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1. Optimal Corporate Taxation under Financial Frictions (with Benjamin Hébert)  
*Review of Economic Studies*, Forthcoming, 2023.
2. Prudential Policy with Distorted Beliefs (with Ansgar Walther)  
*American Economic Review*, Forthcoming, July 2023.  
Runner-up 2021 Ieke van den Burg Prize for Research on Systemic Risk
3. Optimal Deposit Insurance (with Itay Goldstein)  
*Journal of Political Economy*, Forthcoming, July 2023.
4. Volatility and Informativeness (with Cecilia Parlatore)  
*Journal of Financial Economics*, Volume 147, Issue 3, March 2023, Pages 550–572.
5. Optimal Financial Transaction Taxes  
*Journal of Finance*, Volume 78, Issue 1, February 2023, Pages 5-61. Lead article.
6. Trading Costs and Informational Efficiency (with Cecilia Parlatore)  
*Journal of Finance*, Volume 76, Issue 3, June 2021, Pages 1471-1539.

7. Does Size Matter? Bailouts with Large and Small Banks (with Ansgar Walther)  
*Journal of Financial Economics*, Volume 136, Issue 1, April 2020, Pages 1–22. Lead article.  
Runner-up 2018 Ieke van den Burg Prize for Research on Systemic Risk
8. Using Elasticities to Derive Optimal Bankruptcy Exemptions  
*Review of Economic Studies*, Volume 87, Issue 2, March 2020, Pages 870–913.
9. House Price Beliefs and Leverage Choice (with Michael Bailey, Johannes Stroebel, and Theresa Kuchler)  
*Review of Economic Studies*, Volume 86, Issue 6, November 2019, Pages 2403–2452.
10. Pecuniary Externalities in Economies with Financial Frictions (with Anton Korinek)  
*Review of Economic Studies*, Volume 85, Issue 1, January 2018, Pages 352–395.

## Under Review

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1. The Value of Arbitrage, 2022 (with Daniel Graves and Cecilia Parlatore)  
Revise & Resubmit, *Journal of Political Economy*
2. Corrective Regulation with Imperfect Instruments, 2022 (with Ansgar Walther)  
Revise & Resubmit, *Journal of Political Economy*  
Runner-up 2022 Ieke van den Burg Prize for Research on Systemic Risk
3. Identifying Price Informativeness, 2023 (with Cecilia Parlatore)  
Revise & Resubmit, *Review of Financial Studies*
4. Welfare Assessments with Heterogeneous Individuals, 2022 (with Andreas Schaab)  
Revise & Resubmit, *Journal of Political Economy*

## Working Papers/Work in Progress

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1. Optimal Monetary Policy with Heterogeneous Individuals: Discretion, Commitment, and Timeless Policy, 2023 (with Andreas Schaab)
2. Welfare Accounting, 2023 (with Andreas Schaab)
3. Central Bank Mandates with Distributional Considerations, 2023 (with Andreas Schaab)
4. Incompleteness Shocks, 2018 (with Thomas Philippon)
5. Optimal Joint Bond Design, 2018 (with Charles-Henri Weymuller)

## Inactive Working Papers

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1. Dissecting Fire Sales Externalities, 2014 (subsumed in Pecuniary Externalities in Economies with Financial Frictions)
2. Myopic Portfolio Choice with Higher Cumulants, 2011

## Grants, Honors, and Awards

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NSF CAREER Award: “Normative Macro-Finance”, 2023-28

ECB Lamfalussy Fellowship, 2021

Excellence in Refereeing Award, AEJ Macro, 2021

Excellence in Refereeing Award, American Economic Review, 2019, 2021

Excellence in Refereeing Award, Review of Economic Studies, 2017, 2019, 2020

Foundation Bank of France Research Grant, 2016

NYU Stern CGEB Research Grant, 2015-2016

Top Finance Graduate Award, 2014

Harvard Dissertation Completion Fellowship, 2012

Harvard International Research Grant, 2012

AFA Student Travel Grant, 2012

Foundation Rafael del Pino Graduate Fellowship, 2010-12

Invited participant at 4th Lindau Meeting of Nobel Laureates in Economics, 2011

Bank of Spain Graduate Fellowship (declined), 2010

“la Caixa” Graduate Fellowship, 2008-10

National Undergraduate Prize in Economics (best undergraduate student in Economics in Spain, class of 08), 2008

**Seminar and Conference Presentations** (it may include scheduled)

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| 2023 | ASSA Meetings, Richmond Fed, Arizona State University, Brown, Boston University, Tilburg University, Erasmus University Rotterdam, St. Louis Fed, Vienna Graduate School of Finance   |
| 2022 | ASSA Meetings, MIT, Hewlett Conference on Imperfect Regulation, University of Wisconsin IO/Finance Reading Group, Chicago Fed, Fed Board, UChicago Conference on Data and Welfare, China International Conference in Finance, NBER SI Monetary Economics, NBER SI Micro Data and Macro Models, Minnesota Workshop in Macroeconomic Theory, EFA, UPenn, Harvard, Cowles Yale Conference in General Equilibrium and its Applications, NYU, Normative Economics and Economic Policy Webinar, LSE Economics, Philadelphia Fed, Yale |
| 2021 | ASSA Meetings, Yale, Minneapolis Fed, LSE Finance, Tinbergen Institute, Midwest Finance Association Annual Conference, Warwick, Bristol, Richmond Fed, Oxford Said, SED, Oxford Macro-Finance Conference, Pizzanomics, OxFIT, NBER SI International Asset Pricing, Finance Theory Webinar, Chicago Advancing Macro Finance Workshop, University of Bonn   |
| 2020 | ASSA Meetings, Yale, Stanford Economics, Chicago Household Finance Conference, Virtual Finance Theory Seminar, Duke Economics, Rutgers Economics, London Business School Finance, Northwestern Economics, Virtual Finance Theory Seminar, Yale Pre-Doc Seminar  |
| 2019 | ASSA Meetings, Yale, University of Virginia Economics, Sciences Po Economics, Midwest Finance Association Annual Conference, Adam Smith Asset Pricing Conference, Diamond Dybvig@36 Conference, Stockholm Finance, UWashington Foster Finance, FIRS, CEPR Public Economics, Fed Board, Columbia Economics, University of Wisconsin Macro Conference, UVa Symposium on Financial Economics   |
| 2018 | ASSA Meetings, Yale, Wharton Macro, Berkeley Haas Finance, Maryland/Fed Board Conference on Short Term Funding Markets, NYU, MIT Sloan Finance, Kellogg Finance, IMF, FDIC, SED Mexico, NBER SI Impulse and Propagation Mechanisms, NBER SI Corporate Finance, NBER SI Real Estate, University of Wisconsin Junior Finance Conference, NBER Asset Pricing, Chicago Booth Asset Pricing Conference, Bank of Sweden   |
| 2017 | ASSA Meetings, Duke Fuqua Finance, NYU, Drexel Economics, Macro Finance Society Spring Meetings, NBER SI Behavioral Macro, NBER SI Capital Markets and the Economy, CEPR Housing, Housing Credit and the Macroeconomy Conference, MIT Economics, Bank of France, Minneapolis Fed, USC Lusk Annual Research Symposium, CREi, Chicago Booth Macro, UT Austin Finance  |
| 2016 | ASSA Meetings, University of Virginia Economics, Bank of Portugal, Stanford Junior Conference in Financial Regulation, NBER Public Economics, FIRS, Barcelona GSE Summer Forum International Finance and Macro, FTG Summer Conference, SED Toulouse, NBER SI Corporate Finance, Columbia Economics, NYU, New York Fed   |
| 2015 | Johns Hopkins Economics, Stanford GSB Finance, NYU, Cowles Yale Conference in General Equilibrium and its Applications, Barcelona GSE Summer Forum, NBER SI Aggregate Implications of Consumption Behavior, Gerzensee Asset Pricing Conference, Econometric Society World Congress, BFI Advances in Price Theory Conference   |

- 2014 UC Berkeley Economics, Princeton, Chicago Booth Finance, LSE Economics, LSE Finance, Brown, NYU Stern, New York Fed, Federal Reserve Board, SED Toronto, NBER SI Corporate Finance, Copenhagen Business School, University of Geneva Securities' Markets Regulation Conference
- 2013 Chicago Fed Rookie Conference

### Short Visits:

Bank of Portugal (2015), Minneapolis Fed (2017), Philadelphia Fed (2019, 2022), Richmond Fed (2021, 2023)

### Professional Activities (it may include scheduled)

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**Referee:** American Economic Journal: Macro, American Economic Journal: Micro, American Economic Review, American Economic Review: Insights, Asian Development Review, Econometrica, Economic Journal, Economic Theory, Economica, Economics of Transition, International Economic Review, Journal of Economic Theory, Journal of the European Economic Association, Journal of Finance, Journal of Financial Economics, Journal of International Economics, Journal of Legal Studies, Journal of Monetary Economics, Journal of Political Economy, Journal of Political Economy: Micro, Journal of Public Economics, Management Science, National Science Foundation, Quarterly Journal of Economics, Review of Economic Dynamics, Review of Economic Studies, Review of Economics and Statistics, Review of Finance, Review of Financial Studies, Theoretical Economics

### Discussant:

1. 2023 China International Conference in Finance (CICF): Redistributive Inflation and Monetary Policy, by Yucheng Yang
2. 2023 Third Conference on Non-Bank Financial Sector and Financial Stability: Falling Interest Rates and Credit Reallocation: Lessons from General Equilibrium, by Vladimir Asriyan, Luc Laeven, Alberto Martin, Alejandro Van der Groot, and Victoria Vanasco
3. 2023 SFS Cavalcade: Valuing Financial Data, by Maryam Farboodi, Dhruv Singal, Laura Veldkamp, and Venky Venkataswaran
4. 2023 OFR Rising Scholars Conference: Stablecoin Runs and the Centralization of Arbitrage, by Yiming Ma, Yao Zeng, and Anthony Lee Zhang
5. 2023 AFA Meetings: Green Capital Requirements, by Martin Oehmke and Marcus Opp
6. 2022 NBER Corporate Finance Fall Meeting: Socially Responsible Divestment, by Alex Edmans, Doron Levit, and Jan Schneemeier
7. 2022 Bank of Canada Workshop on Monetary Policy Research: Bank Runs, Fragility, and Credit Easing, by Manuel Amador and Javier Bianchi
8. 2022 Econometric Society Meetings: (In)efficiency in Information Acquisition and Aggregation through Prices, by Alessandro Pavan, Savitar Sundaresan, and Xavier Vives
9. 2021 IWH-FIN-FIRE Workshop on "Challenges to Financial Stability": The Political Economy of Prudential Regulation, by Magdalena Rola-Janicka
10. 2021 China International Conference in Finance (CICF): Delayed Crises and Slow Recoveries, by Xuewen Liu, Pengfei Wang, and Zhongchao Yang
11. 2021 JHU Carey Finance Conference: Is There Too Much Benchmarking in Asset Management?, by Anil Kashyap, Natalia Kovrijnykh, Jian Li, and Anna Pavlova
12. 2021 SFS Cavalcade: Renegotiation in Debt Chains, by Vincent Glode and Christian Opp
13. 2021 Adam Smith Workshop: Can the Cure Kill the Patient? Corporate Credit Interventions and Debt Overhang, by Nicolas Crouzet and Fabrice Tourre
14. 2021 MFA Meetings: Alpha and Beta Information, by Shiyang Huang, Jan Schneemeier, Avandhar Subrahmanyam, and Liyan Yang
15. 2021 AEA Meetings: Dissecting Mechanisms of Financial Crises: Intermediation and Sentiment, by Arvind Krishnamurthy and Wenhao Li
16. 2020 Cambridge Corporate Finance Theory Symposium: Capital Structure and Hedging Demand with Incomplete Markets, by Alberto Bisin, Gian Luca Clementi, and Piero Gottardi
17. 2020 SFS Cavalcade: Market Feedback: Who Learns What?, by Itay Goldstein, Jan Schneemeier, and Liyan Yang
18. 2020 AEA Meetings: Bank Competition, Lending Technologies, and Credit Availability: Evidence Using Antitrust Regulatory Friction, by Allen Berger and Dasol Kim
19. 2020 AFA Meetings: Liquidity versus Information Efficiency, by Sergei Glebkin

20. 2019 NYU Stern Five-Star Conference: A Dynamic Theory of Multiple Borrowing, by Daniel Green and Ernest Liu
21. 2019 Shadow Open Market Committee: The Financial Crisis Bailouts: What They Cost Taxpayers and Who Reaped the Direct Benefits, by Deborah Lucas
22. 2019 Bank of Spain Second Conference on Financial Stability: Cournot Fire Sales, by Thomas Eisenbach and Greg Phelan
23. 2019 FIRS Meetings: Variation Margins, Fire Sales, and Information-Constrained Optimality, by Bruno Biais, Florian Heider, and Marie Hoerova
24. 2019 AFA Meetings: Self-Fulfilling Asset Prices, by Alexander Zentefis
25. 2018 Wharton Conference on Liquidity and Financial Fragility: How I Learned to Stop Worrying and Love Fire Sales, by Pablo Kurlat
26. 2018 SFS Cavalcade: Speed Acquisition: by Shiyang Huang and Bart Zhou Yueshen
27. 2018 AEA Meetings: Risk-Taking Dynamics and Financial Stability, by Anton Korinek and Martin Nowak
28. 2018 Econometric Society Meetings: The Misallocation of Finance, by Toni Whited and Jake Zhao
29. 2017 ESSIM: Divergent Risk-Attitudes and Endogenous Collateral Constraints, by Giuliano Curatola and Ester Faia
30. 2017 AEA Meetings: Moral Hazard Misconceptions: the Case of the Greenspan Put, by Gideon Bornstein and Guido Lorenzoni
31. 2016 Yale Junior Finance Conference: The Output Costs of Sovereign Default, by Ben Hébert and Jesse Schreger
32. 2016 NBER International Finance Spring Meeting: Multiple Equilibria in Open Economy Models with Collateral Constraints: Overborrowing Revisited, by Stephanie Schmitt-Grohé and Martín Uribe
33. 2015 NBER Mathematical Economics Conference: Monetary Policy and the Redistribution Channel, by Adrien Auclert
34. 2015 Wharton Conference on Liquidity and Financial Fragility: Coordinating Business Cycles, by Edouard Schaal and Mathieu Taschereau-Dumouchel
35. 2015 Gerzensee Asset Pricing Conference: Advertising Arbitrage, by Sergei Kobasyuk and Marco Pagano
36. 2015 Barcelona GSE Summer Forum Macro Finance: Can a Financial Transaction Tax Prevent Stock Price Booms?, by Klaus Adam, Johannes Beutel, Albert Marcet and Sebastian Merkel
37. 2015 Columbia Safe Assets Conference: A Model of the Reserve Asset, by Zhiguo He, Arvind Krishnamurthy and Konstantin Milbradt
38. 2014 NBER International Finance Fall Meeting: International Spillovers and Guidelines for Policy Cooperation, by Anton Korinek
39. 2014 Barcelona GSE Summer Forum Macro Finance: A Theory of Power Law Distributions for the Returns to Capital and of the Credit Spread Puzzle, by François Geerolf

### **Program Committee:**

WFA: 2016-2023; MFA: 2016-2019, EFA: 2019-2023; FIRS: 2020-2022; SFS Cavalcade: 2020-2023; Wharton Conference on Liquidity and Financial Fragility: 2019, Cambridge Corporate Finance Theory Symposium: 2021, OFR Rising Scholars Conference: 2023, AFA 2024 (session chair)

### **Conference Organizer:**

Finance Theory Group: Fall 2021; Macro-Finance Society: Spring 2022; Hewlett Seminars: Spring 2022, Cowles Conference on General Equilibrium and its Applications: Spring 2023; Cowles Macro Summer Conference: Summer 2023

### **Seminar Organizer:**

NYU Stern Finance Seminar: Fall 2016, Spring 2017; Yale Macro Seminar: Fall 2019, 2020, 2022; Yale Finance Lunch: 2019-onwards

### **University Service:**

Junior Recruiting Committee: 2019/20, 2020/21, 2022/23

Fulbright Grants Committee: 2022/23

### **Teaching**

At Yale:

Financial Economics, undergraduate (2020/21, 2021/22, 2022/23)

Mathematical Economics: General Equilibrium Theory, undergraduate (2019/20)

Financial Theory, undergraduate (2018/19)

General Economic Theory: Microeconomics (General Equilibrium), PhD (2018/19, 2019/20)  
Mathematical Economics II: General Equilibrium Foundations of Finance and Macroeconomics, PhD (2018/19, 2019/20, 2021/22, 2022/23)

At NYU Stern:

Foundations of Finance, undergraduate and masters (2014/15, 2015/16, 2016/17, and 2017/18)

At Harvard:

Asset Pricing, PhD, TA for John Campbell (2010/2011)

Corporate Finance, PhD, TA for Robin Greenwood and David Scharfstein (2012/13)

**Advising** (includes ongoing)

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Graduate (thesis committee member and/or letter writer): Yangjue Han (NYU; MSCI), Ahyan Panjwani (Yale; Fed Board), Oliver Pfäuti (Mannheim/Visiting Yale; UT Austin), Antzelos Kyriazis (Yale; Franklin Templeton), Sam Slocum (Yale; in progress), Francesco Beraldi (Yale; in progress), Daniel Graves (Yale; in progress), Barry Ke (Yale; in progress), Chenping Yang (Yale; in progress)

Undergraduate (letter writer): Luke Min (PhD: UPenn Wharton), Jingyi Cui (PhD: Yale), Lauren Harris (PhD: Stanford), Vod Vilfort (PhD: MIT), Alex Kane (PhD: BU), Flint O'Neil (PhD: Stanford), Brian Zhu (PhD: Columbia), Reyanna James (Fulbright), Bruno Moscarini (PhD: MIT)

Undergraduate (senior thesis advisor): Luke Min, Shawn Luciani, Alexander Kirov, Arrunava Moondra, Bruno Moscarini

**Memberships**

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American Economic Association, American Finance Association, European Finance Association, Econometric Society, Macro Finance Society, Finance Theory Group

**Personal Information**

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DOB: December 2, 1986. Citizenship: Spanish, U.S.

*Updated: May 2023*