Research Statement

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My interests are in financial economics and macroeconomics with an emphasis on asset pricing. The primary focus is the intersection between macroeconomics and asset pricing, where I explore the extent to which asset prices can be used to inform macroeconomic dynamics and vice versa.

Current work:

In my work-in-progress entitled **"Asset Pricing and the Importance of Sectoral Shocks,"** I begin by asking, how important are idiosyncratic, industry-specific shocks in accounting for aggregate uncertainty and risk? This mirrors the question in macroeconomics that asks, to what degree do these sectoral shocks account for aggregate fluctuations. I show that risk prices, which define the compensations that an investor takes on in exchange for taking on an additional unit of risk from a particular source, capture a measure of this importance. I show that the risk prices associated with these idiosyncratic shocks is not zero, even at high levels of disaggregation. Furthermore, I demonstrate a method that can be used to infer these risk prices from the cross section of stock returns. I use this to measure the degree to which idiosyncratic, sectoral shocks can explain aggregate fluctuations and aggregate risk. This serves as an alternative to other measures, such as Domar weights or measures of network centrality, such as the influence vector Acemoglu et al (2012). I demonstrate conditions under which these are the same and conditions under which they differ.

In my work-in-progress entitled **"Dividend Growth Dynamics and the Term Structure of Equity,"** I explore the consequences of modifying consumption or dividend dynamics within several classic asset pricing models. In particular, I want to understand the consequences of assuming a small, transitory component in consumption growth on the model-implied term structure of equity. Recent evidence that suggests that this term structure of equity is downward sloping is at odds with most asset pricing models. One of the few models that can replicate this feature includes a mean-reverting component in dividend growth. I show that some other models can have limited success by also making this assumption.

In my job market paper, **"Sectoral Shifts, Production Networks, and the Term Structure of Equity,"** I use some of the lessons learned from the previous two projects. In particular, I explore the information content of the term structure of equity on a fully-fledged dynamic stochastic general equilibrium model. I show that the term structure of equity puts restrictions on the impulse response functions of output with respect to the models underlying shocks. As an application, I explore the asset pricing implications within a multi-sector production network model and show that the term structure of equity can be used to evaluate the importance of different kinds of aggregate shocks.