

February, 2024

NATHAN S. BALKE

Professor

ADDRESS: Department of Economics
Southern Methodist University
Dallas, TX 75275

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CITIZENSHIP: U.S.

FIELDS OF SPECIALIZATION:

Primary: Macroeconomics
Secondary: Time Series Analysis

EDUCATION:

Ph.D. in Economics, Northwestern University, 1986.
M.A. in Economics, Northwestern University, 1984.
B.S. in Economics, Magna Cum Laude, Texas A&M University, 1982.

PROFESSIONAL EXPERIENCE:

Fall 2001-present	Professor, Southern Methodist University <ul style="list-style-type: none">• Graduate courses: Macroeconomic Theory, Advanced Macroeconomics• Undergraduate courses: Macroeconomic Theory and Policy, Topics in Monetary Economics, Intermediate Macroeconomics, Money and Banking, Macro Principles, Macro Principles (Honors)• Dissertation Committees Chair: Marshall Horton, Choongseok Kang, Sarmila Basu, Ani Sanyal, Stuart Fowler, Hiranya Nath, Jakov Itkins, Qin Wang, Dong Fu, Stefan Avdjiev, Zheng Zeng, James Cooley, Xin Jin, Xiaomei Ren, Soma Patra, Yu Di, Ren Zhang, Ruiyang Hu, Seungsuk Lee, Mariam Kharaishvili, Igor Zhadan, Yunlong Fan, Fangzhou Sha
January 2016-January 2017	Consultant to Resources for the Future
Fall 1993-Spring 2001	Associate Professor, Southern Methodist University
January-July 1997	Visiting Scholar, Federal Reserve Bank of Dallas
Fall 1986-Spring 1993	Assistant Professor, Southern Methodist University
April 1992-December 2023	Research Associate, Federal Reserve Bank of Dallas
Aug. 1990-Aug. 1991	Visiting Scholar, Federal Reserve Bank of Dallas

DEPARTMENT SERVICE

Chairman, Economics Department,
 Fall 2010-Summer 2014,
 Fall 2000-Summer 2006
 Vice Chair, Economics Department,
 Summer 1999-Summer 2000
 Director of Graduate Studies, Economics Department,
 Fall 1998-Summer 2000.
 Director of Undergraduate Studies, Economics Department,
 Fall 1994-Spring 1996
 Fall 2023 to present

UNIVERSITY SERVICE

All University Finance Committee, September 2013-present, Chair September 2015-present.
 Dedman College Advisory Committee for Promotion to Full Professor,
 Fall 2022 – present,
 Fall 2002-Spring 2005
 Task Force on Faculty Salary and Merit Allocation Benchmarking, Fall 2023 - present
 Faculty Representative on Board of Trustees Finance Committee,
 September 2022-May 2023
 September 2013-May 2014.
 Faculty Salary Equity Committee, January 2018-October 2019.
 Provost Committee to select Peer and Aspirant Institutions, December 2017-June 2019.
 Dedman College Faculty Council, Fall 2003 – Summer 2006
 Dedman College Undergraduate Council,
 Fall 2020 to Spring 2022
 Fall 2009 to Fall 2010
 Dedman College Graduate Council, Fall 1999-Spring 2002,
 Member, Research Computing Steering Committee, Fall 1994-Spring 1995
 Judicial Board Member (Level II), Fall 1987-Spring 1996
 Economics Club Advisor, Fall 1987-Spring 1989
 Alpha Tau Omega Faculty Advisor, Spring 1987-Spring 1990

FELLOWSHIPS AND AWARDS:

2007 Dedman Family Distinguished Professor
 Rotunda Award for Teaching Excellence, 1998
 Southern Methodist University SEED Grant, 1989
 Alfred P. Sloan Doctoral Dissertation Fellowship, 1985-86.

PUBLICATIONS IN REFEREED JOURNALS:

- “The Shale Revolution and the Dynamics of the Oil Market” (with Xin Jin and Mine Yucel), forthcoming *Economic Journal*.
- “In No Uncertain Terms: The Effect of Uncertainty on Credit Frictions and Monetary Policy” (with Enrique Martinez-Garcia and Zheng Zeng), July 2021, *Economic Modelling*, 105493
- “Identifying Credit Demand, Financial Intermediation, and Supply of Funds Shocks: A Structural VAR Approach” (with Ren Zhang and Zheng Zeng), April 2021, *North American Journal of Economics and Finance*, 101375.
- “Oil Supply Shocks and the U.S. Economy: An Estimated DSGE Model,” (with Stephen P.A. Brown), *Energy Policy*, 116 (May), 2018, 357-372.
- “Incorporating the Beige Book into a Quantitative Index of Economic Activity” (with Mike Fulmer and Ren Zhang), *Journal of Forecasting*, 36 (5), 2017, 497–514.
- “Fuel Subsidies, the Oil Market and the World Economy," (with Michael Plante and Mine Yucel), *The Energy Journal*, 36 (Special Issue), 2015, 99-127.
- “A Bayesian Examination of Weak Identification in Stock Price Decompositions,” (with Jun Ma and Mark Wohar), *Macroeconomic Dynamics*, 19 (4), 2015, 728-752.
- “Credit Demand, Credit Supply, and Economic Activity,” (with Zheng Zeng), *B.E. Journal of Macroeconomics: Contributions*, 13 (1), 2013, 643-680.
- “The Contribution of Economic Fundamentals to Movements in Exchange Rates” (with Jun Ma and Mark Wohar), *Journal of International Economics*, 30 (1), 2013, 1-16.
- “Sectoral Effects of Aggregate Shocks,” *Advances in Econometrics*, 30, 2012, 299-357.
- “Market Fundamentals vs Rational Bubbles in Stock Prices: A Bayesian Analysis” (with Mark Wohar), *Journal of Applied Econometrics*, 24 (1), 2009, 35-75.
- “The Relative Price Effects of Monetary Shocks,” (with Mark A. Wynne), *Journal of Macroeconomics*, 29 (1), 2007, 19-36
- “What Drives Stock Prices? Identifying the Determinants of Stock Price Movements” (with Mark Wohar), *Southern Economic Journal*, 74 (1), July 2006, 55-78.
- “Low Frequency Movements in Stock Prices: A State Space Decomposition,” (with Mark Wohar), *Review of Economics and Statistics*, 84(4), November 2002, 649-

667.

- "Oil Price Shocks and the U.S. Economy: Where Does the Asymmetry Originate?" (with Stephen P.A. Brown and Mine K. Yücel), *Energy Journal*, 23(3) 2002, 27-52.
- "How Well Does the Beige Book Reflect Economic Activity? Evaluating Qualitative Information Quantitatively," (with D'Ann Petersen), *Journal of Money, Credit and Banking*, 34 (1), February 2002, 114-136.
- "Credit and Economic Activity: Credit Regimes and Nonlinear Propagation of Shocks," *Review of Economics and Statistics*, May 2000, 344-349
- "An Equilibrium Analysis of Relative Price Changes and Aggregate Inflation," (with M. Wynne), *Journal of Monetary Economics*, 45(2), April 2000, 269-292.
- "Nonlinear Dynamics and Covered Interest Rate Parity," (with M. Wohar), *Empirical Economics*, 23 (4), 1998, 535-559.
- "Threshold Cointegration," (with T. Fomby), *International Economic Review*, 38(3), August 1997, 627-646.
- "Are Deep Recessions Followed by Strong Recoveries? Results for the G-7 Countries," (with M. Wynne), *Applied Economics*, 28(7), July 1996, 889-897.
- "Recessions and Recoveries in Real Business Cycle Models," (with M. Wynne), *Economic Inquiry*, 33 (4), October 1995, 640-663.
- "Large Shocks, Small Shocks, and Economic Fluctuations: Outliers in Macroeconomic Time Series," (with T. Fomby), *Journal of Applied Econometrics*, 1994, 181-200.
- "The Algebra of Price Stability," (with K. Emery), *Journal of Macroeconomics*, 16(1), Winter 1994, 77-97.
- "Detecting Level Shifts in Time Series," *Journal of Business and Economic Statistics*, January 1993, 81-92.
- "Poverty and Change in the Macroeconomy: A Dynamic Macroeconometric Model" (with D. Slottje), *Review of Economics and Statistics*, 1993, 117-122.
- "Are Deep Recessions Followed by Strong Recoveries?" (with M. Wynne), *Economics Letters*, 39(2), June 1992, 183-189.
- "A Theory of Fed Watching in a Macroeconomic Policy Game" (with J. Haslag), *International Economic Review*, 33(3), August 1992, 619-628.

"Shifting Trends, Segmented Trends, and Infrequent Permanent Shocks" (with T. Fomby), *Journal of Monetary Economics*, 28(1), August 1991, 61-86.

"Infrequent Permanent Shocks and the Finite-Sample Performance of Unit Root Tests," (with T. Fomby), *Economic Letters*, 36, 1991, 269-273.

"Partisanship Theory, Macroeconomic Outcomes, and Endogenous Elections," *Southern Economic Journal* 57(4), April 1991, 920-935.

"Variability and Forecastability of Central Bank Preferences in a Monetary Policy Game," (with J. Haslag), *Journal of Macroeconomics*, 13, Summer 1991, 535-541.

"The Rational Timing of Parliamentary Elections," *Public Choice*, 65, 1990, 201-216.

"The Estimation of Prewar GNP: Methodology and New Evidence," (with Robert J. Gordon), *Journal of Political Economy*, 97 (1), February 1989, 38-92.

OTHER PUBLICATIONS:

"Explaining Stock Price Movements: Is There a Case for Fundamentals?" (with Mark Wohar), Federal Reserve Bank of Dallas *Economic and Financial Review*, Fourth Quarter, 2002.

"Evaluation the Eleventh District Beige Book" (with Mine Yucel), Federal Reserve Bank of Dallas *Economic and Financial Review*, First Quarter, 2001.

"Book review of State Space Models with Regime Switching: Classical and Gibbs-Sampling Approaches with Applications, by Chang-Jin Kim and Charles R. Nelson, *Journal of Economic Literature*, 2001.

"Crude Oil and Gasoline Prices: An Asymmetric Relationship?" (with Stephen P. Brown and Mine Yucel), Federal Reserve Bank of Dallas *Economic Review*, First Quarter, 1998, 2-11.

"Supply Shocks and the Distribution of Price Changes," (with M. Wynne), Federal Reserve Bank of Dallas *Economic Review*, Second Quarter, 1996, 10-18.

"Inflation and Monetary Restraint: Too Little, Too Late?" (with K. Emery), *Southwest Economy*, 1995, 3-5.

"Understanding the Price Puzzle," (with K. Emery), Federal Reserve Bank of Dallas *Economic Review*, First Quarter, 1995, 15-26.

"The Federal Funds Rate as an Indicator of Monetary Policy: Evidence from the 1980s," (with K. Emery), Federal Reserve Bank of Dallas *Economic Review*, First Quarter,

1994, 1-16.

"A Macroeconometric Model of Income Inequality in the U.S. (with D. Slottje), in *The Changing Distribution of Income in an Open U.S. Economy*, edited by Jeffrey Bergstrand, Thomas Cosimano, and Richard Sheehan, North-Holland Press, 1994, 243-278.

"Recessions and Recoveries," (with M. Wynne), Federal Reserve Bank of Dallas *Economic Review*, First Quarter, 1993, 1-18.

"The United States Faces a Weak Recovery," *Southwest Economy*, September/October 1991, 7-8.

"Modeling Trends in Macroeconomic Time Series," Federal Reserve Bank of Dallas *Economic Review*, May 1991, 19-33.

"Data Appendix," (with Robert J. Gordon) in *The American Business Cycle: Continuity and Change*, Robert J. Gordon (ed.), University of Chicago Press for NBER, 1986, 781-850.

WORK IN PROGRESS:

"Quantifying fiscal policy's contribution to inflation" (with Carlos Zarazaga)

"Credit Frictions and the Extensive Margin" (with Enrique Martinez-Garcia and Soma Patra)

"UK-US Exchange Rates Through the Lens of the Fiscal Theory of the Price Level," (with Ren Zhang).

CONFERENCES AND SEMINARS:

"Quantifying Fiscal Inflation"
Southern Economic Association, New Orleans, November 2023
Federal Reserve Bank of Dallas, June 2022

"Credit Frictions and the Extensive Margin,"
Southern Economic Association, November 2021
Western Economic Association, June 2021

"The Shale Revolution and the Dynamics of the Oil Market,"
Kansas State University, November 2018

"Credit Frictions and Firm Entry and Exit,"

Western Economic Association, Vancouver, June 2018
 Western Economic Association International, Newcastle, Australia, January 2018

“Oil Prices and US Economic Activity: An Estimated DSGE Model,”
 Resources for the Future, Energy Security Workshop, Washington DC, December 2016.
 Southern Economic Association Meetings, Washington DC, November 2016.
 Western Economic Association Meetings, San Diego, June 2017

“A Dynamic Model of Oil Supply with a Dominant Producer”
 Western Economic Association International, Wellington, New Zealand, January 2015
 Southern Economic Association, New Orleans, November 2015.

“Fuel Subsidies, the Oil Market and the World Economy,”
 Southern Economic Association Meetings, Atlanta, November 2014.

“Incorporating the Beige Book into a Quantitative Index of Economic Activity”
 Federal Reserve System Meetings: Day Ahead Conference, San Antonio, November 2014.
 Southern Economic Association Meetings, Atlanta, November 2014.

“Quantifying the Beige Book: Challenges and Opportunities”
 Bank of Korea, March 2014.

“The Contribution of Economic Fundamentals to Movements in Exchange Rates”
 Conference in Honor of Charles Nelson, Seattle, June 2012

“Credit-Uncertainty Cycles”
 Texas Camp Econometrics, February 2012
 Allied Social Science Association Meetings, Chicago, January 2012.
 Southern Economic Association Meetings, Washington D.C., November 2011.

“Credit Conditions and Aggregate Uncertainty”
 Western Economic Association Meetings, Portland, June 2010.

“Sectoral Effects of Aggregate Shocks,”
 Western Economic Association Meetings, Vancouver, July 2009.
 Southern Economic Association Meetings, San Antonio, November 2009.
 Texas Camp Econometrics, February 2010
 Texas Tech University, April 2010
 University of California, Riverside, May 2010
 Advances in Econometrics, LSU, March 2012.

“An International Perspective on Oil Price Shocks and U.S. Economic Activity,”
 Wake Forest University, March 2008.

Federal Reserve Bank of Dallas, June 2008.

“Oil Price Shocks and U.S Economic Activity” ASSA meetings, New Orleans, January 2008.

“A Consumption Based Decomposition of Stock Prices,” Southern Economic Association Meetings, Charleston, November 2006.

“Sectoral Price Changes and Output Growth: Supply and Demand in General Equilibrium,” Southern Economic Association Meetings, Charleston, November 2006.

“Market Fundamentals vs Rational Bubbles in Stock Prices: A Bayesian Analysis,” at Society for Nonlinear Dynamics and Econometrics, St. Louis, March 2006.

“Sectoral Effects of Monetary Shocks,”
Sam Houston State University, September 2006
Federal Reserve Bank of Dallas, June 2005.
Washington University, November 2004

“Explaining the Relative Price Effects of Monetary Shocks,” at Southern Economics Association Meetings, San Antonio, November 2003.”

“The Relative Price Effects of Monetary Shocks” at Notre Dame University, April 2003.

“What Can Price Changes Tell Us About the Sources of Monetary Non-Neutrality?” at Southern Economic Association Meetings, New Orleans, November 2002.

"Explaining US Stock Prices," at Trade, Growth and New Economy Economic Conference for University Faculty, Federal Reserve Bank of Dallas, November 2001.

”The Cyclical Behavior of Prices: A Sectoral Perspective” at Western Economic Associations Meeting, San Francisco, July 2001.

"Why Are Stock Prices So High: Dividend Growth or Discount Factor?"
Federal Reserve Bank of Dallas, November 1999
University of Houston, December 1999
2000 Texas Camp Econometrics, February 2000

“Are the Effects of Oil Price Shocks Asymmetric?” at American Social Science Meetings, New York, January 1999.

“Credit and Economic Activity: Credit Regimes and Nonlinear Propagation of Shocks,” Ohio State University, November 1998.

"The Behavior of Prices and Output: The Role of Sectoral Demand and Supply Shocks," Southern Economic Association Meetings, Baltimore, November 1998.

"How Well Does the Beige Book Reflect Economic Activity? Evaluating Qualitative Information Quantitatively," Federal Reserve System Meeting on Regional Analysis, Chicago, October 1998.

"Inflation Indicators," presentation to Board of Directors at Federal Reserve Bank of Dallas, July 1997.

"Credit and Economic Activity: Shocks or Propagation Mechanism," UCLA, Cornell, and Federal Reserve Bank of Minneapolis Conference on Aggregation and Propagation of Cyclical Shocks, Los Angeles, October 1996.

"An Equilibrium Analysis of Relative Price Changes and Aggregate Inflation," Western Economic Association Meetings, San Francisco, June 1996.

"An Equilibrium Analysis of Relative Price Changes and Aggregate Inflation," Oklahoma State University, April 1996.

"Understanding Macroeconomic Instability: A Structural Approach," Southern Economic Association Meetings, New Orleans, November 1995.

"The Dynamics of Relative Price Shocks," Southern Economic Association Meetings, Orlando, Florida, November 1994.

"The Role of Credit in Macroeconomic Fluctuations: Shocks or Propagation Mechanism?" at Southern Economic Association Meetings, Orlando, Florida, November 1994.

"Understanding the Price Puzzle," at Southern Economic Association Meetings, Orlando, Florida, November 1994.

"Threshold Cointegration"

National Bureau of Economic Research: Empirical Methods in Macroeconomics Research Group Meeting, October 1994.

Louisiana State University, October 1994.

Texas A&M University, December 1993.

"Do Real Business Cycle Models Generate Reasonable Cyclical Behavior
Western Economic Association Meetings, June 1993.
Summer Econometric Society Meetings, Boston, June 1993.

"Consumption Anomalies: Outliers, Nonlinear Dynamics and Other 'Noise'," Southern Economic Association, November 1992.

- "The Dynamics of Recoveries," Federal Reserve System Meeting on Business Analysis, Philadelphia, October 1992.
- "A Macroeconometric Model of Income Inequality in the U.S.," at The Changing Distribution of Income in an Open U.S. Economy, Notre Dame University, September 1992.
- "Large Shocks, Small Shocks, and Economic Fluctuations: Outliers in Macroeconomic Time Series," North Carolina State University, October 1991.
- "Large Shocks, Small Shocks, and Economic Fluctuations: Outliers in Macroeconomic Time Series," National Bureau of Economic Research Summer Workshop on Impulses and Propagation Mechanisms, July 1991.
- "Shifting Trends, Segmented Trends, and Infrequent Permanent Shocks," Texas A&M University, December 1990.
- "Excess Kurtosis in Macroeconomic Time Series: Outliers or ARCH?" (with T. Fomby), Southern Economic Association Meetings, New Orleans, November 1990.
- "Time Series Analysis of Infrequent Permanent Shocks," (with T. Fomby): Southern Economic Association Meetings, Orlando, November 1989.
- "Asymmetric Information and the Role of Fed Watching," (with J. Haslag): Southern Economic Association Meetings, Orlando, November 1989.
- "The Rational Timing of Parliamentary Elections: Theory and Evidence": Western Economic Association Meetings, Lake Tahoe, June 1989.
- "Long Term Relationships between Federal Government Expenditures, Tax Receipts, and GNP," Public Choice Meetings, Orlando, March 1989.
- "Augmented Information in a Theory of Ambiguity, Credibility, and Inflation," (with J. Haslag), Southern Economic Association Meetings, San Antonio, November 1988.
- "The Timing of Parliamentary Elections as an Optimal Stopping Problem," Public Choice Meetings, San Francisco, March 1988.
- "The Estimation of Prewar GNP Volatility, 1869-1938" at NBER Conference on Economic Fluctuations, Boston, October 1986.

REFEREE FOR:

American Economic Review, Applied Economics, Berkeley Electronic Press, Bulletin of Economic Research, Contemporary Economic Policy, Economic Journal, Econometrica, Econometric Reviews, Economic Inquiry, Economics Letters, Empirical Economics, Energy Economics, Energy Journal, Energy Policy, Explorations in Economic History, International Economic Review, International Journal of Forecasting, International Review of Economics and Finance, Journal of Applied Econometrics, Journal of Business and Economics Statistics, Journal of Economic Dynamics and Control, Journal of Economics and Business, Journal of International Economics, Journal of International Money and Finance, Journal of Macroeconomics, Journal of Monetary Economics, Journal of Money, Credit, and Banking, National Science Foundation, Political Studies Journal, Quarterly Review of Economics & Business, Review of Economics and Statistics, Review of Accounting and Finance, Review of Financial Studies, Social Science Quarterly, Southern Economic Journal, Statistica Neerlandica, Studies in Nonlinear Dynamics and Econometrics.