The Bendheim Center for Finance
10th Anniversary Conference

Friday, September 24, 2010
58 Prospect Avenue
and Alexander Hall
All events at the Fields Center, 58 Prospect Avenue, unless otherwise noted

8:30–9 a.m.  Continental Breakfast

9–9:30 a.m.  Welcome

Yacine Aït-Sahalia, Director of the Bendheim Center for Finance; the Otto A. Hack ’03 Professor of Finance

Lynn Bendheim Thoman, Co-President of the Leon Lowenstein Foundation

David Dobkin, Dean of the Faculty

9:30–11 a.m.  Panel Discussion:  Bubbles, Behaviors, and the Origins of the Crisis

Yacine Aït-Sahalia

Harrison Hong, the John H. Scully ’66 Professor in Finance

Daniel Kahneman, the Eugene Higgins Professor of Psychology Emeritus; Professor of Psychology and Public Affairs, Emeritus

José Scheinkman, the Theodora A. Wells ’29 Professor of Economics

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José Scheinkman, the Theodora A. Wells ’29 Professor of Economics

11–11:15 a.m.  Coffee Break

11:15 a.m.–12:45 p.m.  Panel Discussion:  A New Architecture for the Financial System?

Alan Blinder, the Gordon S. Rentschler Memorial Professor of Economics and Public Affairs

Markus Brunnermeier, the Edwards S. Sanford Professor of Economics

Jon Corzine, the John L. Weinberg/Goldman Sachs & Co. Visiting Professor in the Woodrow Wilson School of Public and International Affairs; Former Governor of New Jersey

Paul Krugman, Professor of Economics and International Affairs

Hyun Song Shin, the Hughes-Rogers Professor of Economics

12:45–2 p.m.  Lunch

2–3:30 p.m.  Panel Discussion:  Should Finance Research and Teaching Change in Light of the Financial Crisis?

René Carmona, the Paul M. Wythes ’55 Professor of Engineering and Finance

Jianqing Fan, the Frederick L. Moore ’18 Professor in Finance

Burton Malkiel, the Chemical Bank Chairman’s Professor of Economics

Christopher Sims, the Harold H. Helm ’20 Professor of Economics and Banking

Wei Xiong, Professor of Economics

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4:30–6 p.m.  Public Lecture

Introduction, Shirley M. Tilghman, President of Princeton University

Lecture, Ben Bernanke, Chairman of the Board of Governors of the Federal Reserve System

Location: Alexander Hall, Richardson Auditorium (tickets required); simulcast in McCosh Hall, Room 10 (open to the public)
Panelist Biographies

Yacine Aït-Sahalia is the Otto A. Hack ’03 Professor of Finance and Economics and the director of the Bendheim Center for Finance. He was previously a professor of finance at the University of Chicago where he received the Emory Williams Award for Excellence in Teaching in 1995 and was named an outstanding faculty by BusinessWeek’s 1997 Guide to the Best Business Schools. His research concentrates on financial econometrics, investments, fixed income, and derivative securities, and has been published in leading academic journals. Aït-Sahalia is a fellow of the Econometric Society and the Institute of Mathematical Statistics, an Alfred P. Sloan Foundation Research Fellow, a John Simon Guggenheim Memorial Fellow, and a research associate for the National Bureau of Economic Research. He is also the recipient of the Michael Brennan Award (1997), Cornerstone Research Award (1998), Financial Asset Management and Engineering Research Award (2001), and Dennis J. Aigner Award (2003). He recently served as the editor of the Review of Financial Studies and is on the editorial boards of a number of academic finance journals. He received his Ph.D. in economics from the Massachusetts Institute of Technology in 1993 and is a graduate of France’s Ecole Polytechnique.

Alan Blinder is the Gordon S. Rentschler Memorial Professor of Economics and Public Affairs, and founder and co-director of Princeton’s Center for Economic Policy Studies. He is also the vice chairman of the Promontory Interfinancial Network. Blinder has taught at Princeton since 1971 and chaired the economics department from 1988 to 1990. He is the author or co-author of 17 books, including the textbook Economics: Principles and Policy (with William Baumol), now in its 11th edition. Blinder also has written many scholarly articles on such topics as fiscal policy, monetary policy, and the distribution of income. He was an economic adviser to presidential candidates Al Gore and John Kerry, and he continues to advise Democratic politicians. Blinder was vice chairman of the Board of Governors of the Federal Reserve System from 1994 to 1996, and he served as a member of President Bill Clinton’s Council of Economic Advisers from 1993 to 1994. He also served as deputy assistant director of the Congressional Budget Office when the agency started in 1975. He testifies frequently before Congress and often speaks to financial and other audiences. He also is a regular columnist for the Wall Street Journal and appears regularly on PBS, CNBC, CNN, and Bloomberg TV. He earned his A.B. at Princeton University in 1967, M.Sc. at the London School of Economics in 1968, and Ph.D. at the Massachusetts Institute of Technology in 1971, all in economics.

Markus Brunnermeier is the Edwards S. Sanford Professor of Economics, a faculty member of the Department of Economics, and an affiliate of Princeton’s Bendheim Center for Finance and the international economics section. He also is a research associate of the Center for Economic Policy Research, National Bureau of Economic Research, and CESifo, and a visiting scholar at the Federal Reserve Bank of New York. His research focuses on financial crisis, bubbles and significant mispricings due to institutional frictions, strategic considerations, and behavioral trading. He is an Alfred P. Sloan Foundation Research Fellow, the recipient of the Germán Bernácer Prize (2008) granted for outstanding contributions in the fields of macroeconomics and finance, and a Guggenheim Fellow (2010) studying the impact of financial frictions on the macroeconomy. Brunnermeier also serves on the editorial boards of many academic journals. He earned his Ph.D. at the London School of Economics.

René Carmona is the Paul M. Wythes ’55 Professor of Engineering and Finance and joined Princeton in 1955. As director of graduate studies of the Bendheim Center for Finance, he leads the Master in Finance program. His research interests center on stochastic analysis as applied to financial models and statistical analysis of financial data. He works on mathematical models for energy and emissions markets and computational methods for credit markets. He is a fellow of the Institute of Mathematical Statistics, a member of the Bachelier Finance Society, and a member of the inaugural group of fellows of the Society for Industrial and Applied Mathematics. He was granted the “Aggregation” of mathematics (federal degree) in 1969 and a “These d’Etat” in probability from the University of Marseille in 1977.

Jon Corzine is the John L. Weinberg/Goldman Sachs & Co. Visiting Professor in Princeton’s Woodrow Wilson School of Public and International Affairs. He also is chair and chief executive officer of the brokerage firm MF Global, was the governor of New Jersey from 2006 to 2010, and was the state’s U.S. senator from 2001 to 2006. Previously, he was the chair and CEO of Goldman Sachs & Co. Corzine received a bachelor’s degree from the University of Illinois–Urbana-Champaign, served for six years in the Marine Corps Reserve, and then earned an MBA at the University of Chicago Booth School of Business. This fall Corzine is leading a lecture series on financial market regulation.

Jianqing Fan is the Frederick L. Moore ’18 Professor in Finance, director of the Committee for Statistical Studies, and head of the financial econometrics and statistics labs. He is the co-editor of the Econometrics Journal published by the Royal Economic Society and an associate editor of several other journals. He also has co-written two highly regarded books, Local Polynomial Modelling and Its Applications (1996) and Nonlinear Time Series: Nonparametric and Parametric Methods (2003), and written or co-written more than 150 articles on quantitative finance, financial engineering and risk management, computational biology, semiparametric and non-parametric modeling, statistical learning, nonlinear time series, survival analysis, longitudinal data analysis, and other aspects of theoretical and methodological statistics. He was an invited speaker at the 2006 International Congress of Mathematicians, and his published work has been recognized with the Committee of Presidents of Statistical Societies Presidents’ Award (2000), the Humboldt Research Award for lifetime achievement (2006), the Morningside Gold Medal of Applied Mathematics (2007), and a Guggenheim Fellowship (2009). He is a fellow of the American Association for Advancement of Science, Institute of Mathematical Statistics (IMS), and American Statistical Association, and has served as president of the IMS. Fan received his Ph.D. at the University of California—Berkeley.

Harrison Hong is the John H. Scully ’66 Professor in Finance. Before arriving at Princeton in 2002, he was on the faculty of the Graduate School of Business at Stanford University. His research has covered such topics as behavioral finance and stock market efficiency; asset pricing and trading under market imperfections; social interaction and investor behavior; security analyst incentives and forecast biases; organizational form and mutual fund performance; and destabilizing arbitrage, socially responsible investing, and commodities pricing. Hong’s numerous awards and grants include two Fama–Fama Journal of Financial Economics paper prizes, paper prizes from the European and Western Finance...
Daniel Kahneman is a senior scholar at Princeton’s Woodrow Wilson School of Public and International Affairs, a professor of psychology and public affairs emeritus, and the Eugene Higgins Professor of Psychology Emeritus. He is also a fellow of the Center for the Study of Rationality at the Hebrew University in Jerusalem. Kahneman is a member of the National Academy of Science, American Philosophical Society, and American Academy of Arts and Sciences, and a fellow of the American Psychological Association (APA), American Psychological Society, Society of Experimental Psychologists (SEP), and Econometric Society. He has been the recipient of many awards, including the Nobel Prize in Economic Sciences (2002); the APA Award for Outstanding Lifetime Contributions to Psychology (2007); the Grawemeyer Award (2003), jointly with Amos Tversky; the Howard Crosby Warren Medal of the SEP (1995), with Tversky; the Ernest R. Hilgard Award for Career Contributions to General Psychology (1995); and the APA Distinguished Scientific Contribution Award (1982). Kahneman received his Ph.D. from the University of California–Berkeley.

Paul Krugman, a professor of economics and international affairs, has a joint appointment in the economics department and the Woodrow Wilson School of Public and International Affairs. He is the author or editor of dozens of books and several hundred articles, primarily about international trade and international finance. He also writes semeweekly columns in the New York Times. He previously was a professor at the Massachusetts Institute of Technology (MIT) and served on the U.S. Council of Economic Advisers. Krugman’s honors include the Nobel Prize in Economic Sciences (2008) and the John Bates Clark Medal (1991), an award given every two years by the American Economic Association to an economist under 40. He received his Ph.D. from MIT.

Burton Malkiel, the Chemical Bank Chairman’s Professor of Economics, has spent much of his career at Princeton, where he also has chaired the economics department. From 1981 to 1988, he was dean of the Yale School of Management. Malkiel is the author of the widely read investment book *A Random Walk Down Wall Street*, which has played an important role in encouraging the use of index funds by investors. His book *From Wall Street to the Great Wall* was published in 2008. He is a past appointee to the U.S. Council of Economic Advisers and is a past president of the American Finance Association and the International Atlantic Economic Society. In addition, Malkiel serves on several corporate and investment management boards. He received his Ph.D. from Princeton University.

José Scheinkman is the Theodore A. Wells ’29 Professor of Economics. His current research deals with financial market bubbles. Previously, Scheinkman was a professor and chair of the economics department at the University of Chicago, vice president in the financial strategies group of Goldman Sachs & Co., co-editor of the *Journal of Political Economy*, and a visiting professor at the Collège de France. Scheinkman is a member of the National Academy of Sciences, a fellow of the American Academy of Arts and Sciences, a fellow of the Econometric Society, and a research associate of the National Bureau of Economic Research. He has received a doctor honoris causa from the Université Paris-Dauphine (2001), a Blaise Pascal Research Professorship (France, 2002), and a Guggenheim Fellowship (2007). He received his Ph.D. in economics at the University of Rochester.

Hyun Song Shin is the Hughes-Rogers Professor of Economics. He has conducted research in financial economics with particular reference to financial institutions, risk, and financial stability issues, topics on which he has published widely both in academic and practitioner outlets. In 2010, he took leave from the University to serve in a policy role in Korea as an adviser to President Lee Myung-bak on the international economy. During his policy stint, he advised the president on international policy issues and preparation for the G20 summit in Seoul. Shin received his Ph.D. in economics from the University of Oxford’s Nuffield College.

Christopher Sims is the Harold H. Helm ’20 Professor of Economics and Banking and has taught at Princeton since 1999. He previously taught at the University of Minnesota and Yale University. Sims has studied econometric methods, economic theory, and empirical work, mostly related to macroeconomics and monetary policy. He is a member of the National Academy of Sciences and a fellow of the Econometric Society, for which he has served as president and as co-editor of *Econometrica*. Sims has served as an adviser, consultant, and visitor to several regional Federal Reserve banks. He received his Ph.D. from Harvard University.

Ronnie Sircar is a professor of operations research and financial engineering. His research interests center on financial mathematics, stochastic volatility models, credit risk, asymptotic and computational methods, portfolio optimization and stochastic control problems, utility indifference valuation, and stochastic differential games. Sircar has received continuing National Science Foundation research grants since 1998. He is a three-time recipient of the E-Council Excellence in Teaching Award (2002, 2005, and 2006) and has received the Howard B. Wentz Jr. Junior Faculty Award (2003). Sircar received his doctorate from Stanford University, and taught for three years at the University of Michigan in the Department of Mathematics before coming to Princeton.

Wei Xiong is a professor of economics. His research interests center on capital market imperfections. He currently is researching financial crises driven by dynamic coordination problems between creditors, bubbles and short-term credit booms, delegated asset management, and financialization of commodities markets. His earlier papers cover speculative bubbles induced by heterogeneous beliefs and short-sales constraints, effects of stock price bubbles on managerial incentives and firm investment, asset market contagion, limited investor attention, non-standard investor preferences, and asset pricing with heterogeneous beliefs. Xiong is a research associate of the National Bureau of Economic Research and the finance editor of *Management Science*. He received his Ph.D. from Duke University.