

# Edward Simpson Prescott

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## Professional and Academic Experience

Federal Reserve Bank of Richmond, Research Department, Economist (August 1995-June 2001), Senior Economist (July 2001- July 2007), Vice President (August 2007 - present).

University of Virginia, Lecturer, (Spring 2008).

European Central Bank, Visitor (April 2005).

CEMFI (Madrid, Spain), Visiting Professor (January 2004-June 2004).

Board of Governors of the Federal Reserve System, Research Assistant (September 1988 - June 1990).

Associate Editor, *Economic Theory* (January 2006 - present).

Editor, Federal Reserve Bank of Richmond *Economic Quarterly* (January 2005 - present).

## Education

University of Chicago, Ph.D. Economics, August 1995.

Swarthmore College, B.A. Economics (*cum laude*), May 1988.

## Research Areas

Contract theory, banking and financial intermediation, corporate finance, organizations, payment systems.

## Academic Publications

“Market-Based Corrective Actions,” (joint with Philip Bond and Itay Goldstein). *Review of Financial Studies*, vol. 23 (2010), pp. 781-820.

“Firms as Clubs in Walrasian Markets with Private Information,” (joint with Robert M. Townsend). *Journal of Political Economy*, vol. 114 (2006), pp. 644-671.

“State-Contingent Bank Regulation with Unobserved Actions and Unobserved Characteristics,” (joint with David A. Marshall). *Journal of Economic Dynamics & Control*, vol. 30 (2006), pp. 2015-2049.

“Private Information and Intertemporal Job Assignments,” (joint with Robert M. Townsend). *Review of Economic Studies*, vol. 73 (2006), pp. 531-548.

- “Computing Solutions to Moral-Hazard Programs Using the Dantzig-Wolfe Decomposition Algorithm.” *Journal of Economic Dynamics & Control*, vol. 28 (2004), pp. 777-800.
- “Communication in Models with Private Information: Theory and Computation.” *The Geneva Papers on Risk and Insurance Theory*, vol. 28 (2003), pp. 105-130.
- “Incentives, Communication, and Payment Instruments,” (joint with John A. Weinberg). *Journal of Monetary Economics*, vol. 50 (2003), pp. 433-454.
- “Hired Hooves: Transactions in a South Indian Village Factor Market,” (joint with Rolf A.E. Mueller and Daniel A. Sumner). *Australian Journal of Agricultural and Resource Economics*, vol. 46 (June 2002), pp. 233-255.
- “Collective Organizations versus Relative Performance Contracts: Inequality, Risk Sharing, and Moral Hazard,” (joint with Robert M. Townsend). *Journal of Economic Theory*, vol. 103 (2002), pp. 282-310.
- “Bank Capital Regulation With and Without State-Contingent Penalties,” (joint with David A. Marshall). *Carnegie-Rochester Conference Series on Public Policy*, vol. 54 (2001), pp. 139-184.

### Other Publications

- “Introduction to the Special Issue on the Diamond-Dybvig Model.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 96(1) (First Quarter 2010), pp. 1-9.
- “Should Bank Supervisors Disclose Information about Their Banks?” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 94(1) (Winter 2008), pp. 1-16.
- “Changes in the Size Distribution of U.S. Banks: 1960-2005,” (joint with Hubert P. Janicki). (Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 92(4) (Fall 2006), pp. 291-316.
- “Technological Design and Moral Hazard.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 91(4) (Fall 2005), pp. 43-55.
- “Auditing and Bank Capital Regulation.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 90(4) (Fall 2004), pp. 47-63.
- “Firms, Assignments, and Earnings.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 89(4) (Fall 2003), pp. 69-81.
- “Can Risk-Based Deposit Insurance Premiums Control Moral Hazard?” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 88(2) (Spring 2002), pp. 87-100.
- “Regulating Bank Capital Structure to Control Risk.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 87(3) (Summer 2001), pp. 35-52.
- “Means of Payment, the Unbanked, and EFT '99.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 85(4) (Fall 1999), pp. 49-70.
- “A Primer on Moral-Hazard Models.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 85(1) (Winter 1999), pp. 47-77.
- “Group Lending and Financial Intermediation: An Example.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 83(4) (Fall 1997), pp. 23-48.
- “The Pre-commitment Approach in a Model of Regulatory Banking Capital.” Federal Reserve Bank of Richmond *Economic Quarterly*, vol. 83(1) (Winter 1997), pp. 23-51.

## Manuscripts

- “Market-Based Corrective Actions: An Experimental Investigation.” (joint with Douglas Davis and Oleg Korenok). Federal Reserve Bank of Richmond Working Paper 11-01, March 2011.
- “Optimal Bonuses and Deferred Pay for Bank Employees: Implications of Hidden Actions with Persistent Effects in Time,” (joint with Arantxa Jarque). Federal Reserve Bank of Richmond Working Paper 10-16, October 2010.
- “A Snapshot of Mortgage Conditions with an Emphasis on Subprime Mortgage Performance,” (joint with Scott Frame and Andreas Lehnert). Manuscript, August 2008.
- “Firms as Clubs in Walrasian Markets with Private Information: Technical Appendix,” (joint with Robert M. Townsend). Federal Reserve Bank of Richmond Working Paper 05-11, November 2005.
- “Models of Limited and Costly Communication.” Manuscript, December 2001.