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Business Address

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Education

1964 *University of Chicago*, Ph.D., Economics

1960 *Columbia University*, B.A., Economics

Work Experience

1997–present Professor, *Penn State University*

1994–97 Barnett Banks Professor of Money and Banking, Department of Economics,
University of Miami

1974–94 Professor of Economics, Department of Economics, *University of Minnesota*

1969–present Consultant, *Federal Reserve Bank of Minneapolis*

1969–74 Associate Professor, Department of Economics, *University of Minnesota*

1968–69 Research Fellow, *National Bureau of Economic Research*

1965–66 Resident Consultant, Logistics Department, *Rand Corporation*

1964–69 Assistant Professor, Department of Economics, *University of Minnesota*

1963–64 Instructor, Department of Economics, *University of Minnesota*

Journal Articles

“A Model in Which Monetary Policy Is about Money,” with Alexei Deviatov, *Journal of Monetary Economics*, April 2009.

“Coalition-Proof Trade and the Friedman Rule in the Lagos-Wright Model,” with Tai-wei Hu and John Kennan, *Journal of Political Economy*, February 2009.

“The Role of Independence in the Green-Lin Diamond-Dybvig Model,” with David Andolfatto and Ed Nosal, *Journal of Economic Theory*, November 2007.

- “Pairwise Trade and Coexistence of Money and Higher Return Assets,” with Tao Zhu, *Journal of Economic Theory*, March 2007.
- “Float on a Note,” with Tao Zhu, *Journal of Monetary Economics*, March 2007.
- “A Model of (the Threat of) Counterfeiting,” with Ed Nosal, *Journal of Monetary Economics*, May 2007.
- “Optimal Divisibility of Money When Money Is Costly to Produce,” with Manjong Lee, *Review of Economic Dynamics*, July 2006.
- “Modeling Denomination Structures,” with Manjong Lee and Tao Zhu, *Econometrica*, May 2005.
- “From Private Banking to Central Banking: Ingredients of a Welfare Analysis,” *International Economic Review*, May 2005.
- “A Commodity Money Refinement in Matching Models,” with Tao Zhu, *Journal of Economic Theory*, August 2004.
- “Modeling Small Change: A Review Article,” *Journal of Monetary Economics*, September 2003.
- “Output and Price Level Effects of Monetary Uncertainty in a Matching Model,” with Brett Katzman and John Kennan, *Journal of Economic Theory*, February 2003.
- “Whither Monetary Economics?” *International Economic Review*, November 2001.
- “Another Example in Which Lump-Sum Money Creation is Beneficial,” with A. Deviatov, *Advances in Macroeconomics*, 1 (2001), Article 1.
- “A Model of the Liquidity Yield Structure Based on Asset Indivisibility,” *Journal of Monetary Economics*, February 2000.
- “Knowledge of Individual Histories and Optimal Payment Arrangements,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 2000.
- “A General Equilibrium Interpretation of Damage Contingent Securities,” with R. Anton Braun and Richard M. Todd, *Journal of Risk and Insurance*, December 1999.
- “A Matching Model with Bounded Holdings of Indivisible Money,” with Alexander Taber, *International Economic Review*, November 1999.
- “Inside and Outside Money as Alternative Media of Exchange,” *Journal of Money, Credit, and Banking*, with Ricardo Cavalcanti, August 1999.
- “A Model of Private Bank-Note Issue,” with Ricardo Cavalcanti, *Review of Economic Dynamics*, January 1999.
- “Incomplete Record-Keeping and Optimal Payment Arrangements,” with Narayana Kocherlakota, *Journal of Economic Theory*, August 1998.
- “Introduction to Modeling Money and Studying Monetary Policy,” *Journal of Economic Theory*, August 1998.
- “A Model of a Currency Shortage,” with Ruilin Zhou, *Journal of Monetary Economics*, December 1997.

- “Short-Run and Long-Run Effects of Changes in Money in a Random Matching Model,” *Journal of Political Economy*, December 1997.
- “Absence-of-Double-Coincidence Models of Money: A Progress Report,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Winter 1997.
- “Government Transaction Policy, the Medium of Exchange, and Welfare,” with S. Rao Aiyagari, *Journal of Economic Theory*, May 1997.
- “Narrow Banking Meets the Diamond-Dybvig Model,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Winter 1996.
- “Coexistence of Money and Interest-Bearing Securities,” with S. Rao Aiyagari and Randall Wright, *Journal of Monetary Economics*, June 1996.
- “Interest Rates Under the U.S. National Banking System,” *Journal of Monetary Economics*, with Bruce Champ and Warren Weber, December 1994.
- “Lucas’s Signal Extraction Model: A Finite State Exposition with Aggregate Real Shocks,” *Journal of Monetary Economics*, Vol. 30, 1992.
- “Fiat Money in the Kiyotaki-Wright Model,” with S. Rao Aiyagari, *Economic Theory*, October 1992.
- “SPDAs and GICs: Like Money in the Bank?” with Richard Todd, *Federal Reserve Bank of Minneapolis Quarterly Review*, Summer 1992.
- “Nonfundamental Uncertainty and Exchange Rates,” with Robert King and Warren Weber, *Journal of International Economics*, February 1992.
- “Existence of Steady States with Positive Consumption in the Kiyotaki-Wright Model,” with S. Rao Aiyagari, *Review of Economic Studies*, October 1991.
- “A Banking Model in Which Partial Suspension Is Best,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall 1990.
- “A Suggestion for Oversimplifying the Theory of Money,” *Economic Journal*, Conference papers, Vol. 98, 1988.
- “Another Attempt to Explain an Illiquid Banking System: The Diamond and Dybvig Model with Sequential Service Taken Seriously,” *Federal Reserve Bank of Minneapolis Quarterly Review*, Fall 1988.
- “Trade Using Assets Divisible at a Cost,” with Ramon Marimon, *Journal of Economic Theory*, December 1987.
- “Interest on Reserves,” with Thomas Sargent, *Journal of Monetary Economics*, May 1985.
- “A Price Discrimination Analysis of Monetary Policy,” *Review of Economic Studies*, with John Bryant, April 1984.
- “A Model of Commodity Money,” with Thomas Sargent, *Journal of Monetary Economics*, Vol. 12, 1983.
- “The Real Bills Doctrine vs. The Quantity Theory: A Reconsideration,” with Thomas Sargent, *Journal of Political Economy*, December 1982.

- “A Hybrid Fiat-Commodity Monetary System,” *Journal of Economic Theory*, December 1981.
- “A Modigliani-Miller Theorem for Open-Market Operations,” *American Economic Review*, June 1981.
- “On the Indeterminacy of Equilibrium Exchange Rates,” with John Kareken, *Quarterly Journal of Economics*, May 1981.
- “Open-Market Operations in a Model of Regulated, Insured Intermediaries,” with John Bryant, *Journal of Political Economy*, February 1980.
- “The Inefficiency of Interest-Bearing National Debt,” with John Bryant, *Journal of Political Economy*, April 1979.
- “Deposit Insurance and Bank Regulation: A Partial Equilibrium Exposition,” with John Kareken, *Journal of Business*, July 1978.
- “Portfolio Autarky: A Welfare Analysis,” with John Kareken, *Journal of International Economics*, February 1977.
- “Rational Expectations and the Theory of Economic Policy,” with Thomas Sargent, *Journal of Monetary Economics*, April 1976.
- “Rational Expectations, the Optimal Monetary Instrument, and the Optimal Money Supply Rule,” with Thomas Sargent, *Journal of Political Economy*, March/April 1975.
- “Tests of Structural Change and Prediction Intervals for the Reduced Forms of Two Structural Models of the U.S.: The FRB-MIT and Michigan Quarterly Models,” with Thomas Muench, Arthur Rolnick, and William Weiler, *Annals of Economic and Social Measurement*, Summer 1974.
- “The Elasticity of Substitution and the Cyclical Behavior of Productivity, Average Hourly Earnings and Labor’s Share,” with Thomas Sargent, *American Economic Review: Papers and Proceedings*, May 1974.
- “On Finding a Good Stabilization Policy: Models and Methods,” with Thomas Muench, *American Economic Review: Papers and Proceedings*, May 1974.
- “The Stability of Models of Money and Growth with Perfect Foresight,” with Thomas Sargent, *Econometrica*, November 1973.
- “Rational Expectations and the Dynamics of Hyperinflation,” with Thomas Sargent, *International Economic Review*, June 1973.
- “Optimal Open Market Strategy: The Use of Information Variables,” with John Kareken and Thomas Muench, *American Economic Review*, March 1973.
- “An Approach to the Study of Money and Non-Money Exchange Structures,” *Journal of Money, Credit and Banking*, November 1972.
- “The Monetary Instrument Variable Choice: How Important?” with John Kareken, *Journal of Money, Credit and Banking*, August 1972.
- “Market Transaction Costs, Asset Demand Functions, and the Relative Potency of Monetary and Fiscal Policy,” with Thomas Sargent, *Journal of Money, Credit and Banking*, supplement, May 1971.

- “The Determination of the Stock of Reserves and Balance of Payments in a Neo-Keynesian Model,” *Journal of Money, Credit and Banking*, August 1970.
- “A Supply Function for First-Term Re-Enlistees to the Air Force,” with John McCall, *Journal of Human Resources*, September 1969.
- “Buse on Meiselman—A Comment,” *Journal of Political Economy*, July/August 1969.
- Comment on “Debt Management and the Term Structure of Interest Rates: An Empirical Analysis,” *Journal of Political Economy*, supplement, August 1967.
- “The Term Structure of Interest Rates and the Maturity Composition of the Federal Debt,” *Journal of Finance*, May 1967.
- “The Determinants of Investment Revisited,” with Zvi Griliches, *International Economic Review*, September 1965.
- Notes on “Estimated Aggregate Quarterly Consumption Functions,” with Zvi Griliches, G. S. Maddala, and Robert Lucas, Jr., *Econometrica*, July 1962.

Other Publications

- “Fiat Money,” in *The New Palgrave Dictionary of Economics*, 2nd ed., Palgrave Macmillan, 2008.
- “A Dictum for Monetary Theory,” in Steven G. Medema and Warren J. Samuels, eds., *Foundations of Research in Economics: How Do Economists Do Economics?* Edward Elgar, 1996.
- Introduction to Dynamic Economic Theory, An Overlapping Generations Approach*, with George McCandless, Jr., Harvard University Press, 1991.
- “Some Alternative Monetary Models and Their Implications for Open Market Policy” in Robert Barro, ed., *Modern Business Cycle Theory*, Harvard, 1989.
- “Some Unsolved Problems for Monetary Theory,” in William Barnett and Kenneth Singleton, eds., *New Approaches to Monetary Economics, Proceedings of the Second International Symposium in Economic Theory and Econometrics*, Cambridge University Press, 1987.
- “Circulating Private Debt: An Example with a Coordination Problem,” co-editor with Edward Prescott and Robert Townsend, *Contractual Arrangements for Intertemporal Trade*, University of Minnesota Press, 1987.
- “Some Unpleasant Monetarist Arithmetic,” with Thomas Sargent, in B. Griffiths and G. E. Wood, eds., *Monetarism in the United Kingdom*, Macmillan, 1984.
- “Do We Need a Special Theory for ‘Money’?” in *Money: A Search for Common Ground*, proceedings of a conference sponsored by Progress Foundation, April 1984.
- “Introduction to Models of Monetary Economies,” with John Kareken, in *Models of Monetary Economies*, Federal Reserve Bank of Minneapolis, 1980.
- Models of Monetary Economies*, co-editor with John Kareken, Federal Reserve Bank of Minneapolis, 1980.

“The Overlapping Generations Model of Fiat Money,” with John Kareken, in *Models of Monetary Economies*, Federal Reserve Bank of Minneapolis, 1980.

“A Study of Discretionary and Nondiscretionary Monetary and Fiscal Policies on the Context of Stochastic Macro-Econometric Models,” with Yoel Haitovsky, in V. Zarnowitz, ed., *The Business Cycle Today*, National Bureau of Economic Research and Columbia University Press, 1972.

Honors and Awards

- 2005 Fellow, *American Academy of Arts and Sciences*
- 2005 Distinction in the Social Sciences Award, College of the Liberal Arts,
Pennsylvania State University
- 1995 Honorary Degree, *Universidad del Pacifico*, Lima, Peru
- 1981 Fellow, *Econometric Society*
- 1968–69 Research Fellow, *National Bureau of Economic Research*