Lutz Kilian

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OFFICE ADDRESS

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CURRENT POSITION

University of Michigan, Ann Arbor, MI.
- Professor, Department of Economics, 09/08-present.
- Associate Professor, Department of Economics, 09/02-08/08.
- Assistant Professor, Department of Economics, 09/96-08/02.

PREVIOUS POSITIONS

European Central Bank, Frankfurt a.M., Germany.
- Adviser, Directorate General Research, 06/01-05/03.

Inter-American Development Bank, Washington, DC.
- Research Associate, Statistics Section, 03/91-08/91.
- Research Assistant, Country Economics Division, 03/90-03/91.

VISITING POSITIONS

European Central Bank, Frankfurt a.M., Germany.
- Research Visitor, Directorate General Research, 05-06/04, 05-06/05, 02/06, 06/09.

Federal Reserve Board, Washington, DC.
- Research Visitor, International Finance, 05/08.

Inter-American Development Bank, Washington, DC.
- Consultant, Statistics Section, 07/92-08/92.

International Monetary Fund, Washington, DC.
- Research Visitor, Research Department, 02/07, 12/08, 01/09.
- Consultant, Research Department, 01/06.

EDUCATION

Ph.D., Economics, University of Pennsylvania, 1996.
A.M., Economics, University of Pennsylvania, 1993.
M.A., Development Banking, The American University, 1988.
“Vordiplom”, Business Administration and Economics, Justus-Liebig-Universität Gießen, 1986.

RESEARCH INTERESTS

Time Series Econometrics, Empirical Macroeconomics, Energy Economics, International Finance.

PUBLISHED AND FORTHCOMING JOURNAL ARTICLES

"Estimating the Effect of a Gasoline Tax on Carbon Emissions," (with L.W. Davis), forthcoming: Journal of Applied Econometrics.

"What Do We Learn from the Price of Crude Oil Futures?" (with R. Alquist), forthcoming: Journal of Applied Econometrics, 25(4), June 2010.

"Explaining Fluctuations in U.S. Gasoline Prices: A Joint Model of the Global Crude Oil Market and the U.S. Retail Gasoline Market," forthcoming: Energy Journal, 31(2), 105-130, April 2010.

"The Impact of Oil Price Shocks on the U.S. Stock Market" (with C. Park), International Economic Review, 50(4), 1267-1287, November 2009.

"Do Actions Speak Louder than Words? Household Expectations of Inflation Based on Micro Consumption Data" (with A. Inoue and F.B. Kiraz), Journal of Money, Credit and Banking, 41(7), 1331-1363, October 2009.

"How Sensitive are Consumer Expenditures to Retail Energy Prices?" (with P. Edelstein), Journal of Monetary Economics, 56(6), 766-779, September 2009.

"Not All Oil Price Shocks Are Alike: Disentangling Demand and Supply Shocks in the Crude Oil Market", American Economic Review, 99(3), 1053-1069, June 2009.

"Oil Shocks and External Balances" (with A. Rebucci and N. Spatafora), Journal of International Economics, 77(2), 181-194, April 2009.

"The Economic Effects of Energy Price Shocks," Journal of Economic Literature, 46(4), 871-909, December 2008.

"The Central Banker as a Risk Manager: Estimating the Federal Reserve's Preferences under Greenspan" (with S. Manganelli), Journal of Money, Credit and Banking, 40(6), 1103-1129, September 2008.

"How Useful is Bagging in Forecasting Economic Time Series? A Case Study of U.S. CPI Inflation" (with A. Inoue), Journal of the American Statistical Association, 103(482), 511-522, June 2008.

"Exogenous Oil Supply Shocks: How Big Are They and How Much Do They Matter for the U.S. Economy?" Review of Economics and Statistics, 90(2), 216-240, May 2008.

"A Comparison of the Effects of Exogenous Oil Supply Shocks on Output and Inflation in the G7 Countries", Journal of the European Economic Association, 6(1), 78-121, March 2008.

"Asymptotic and Bootstrap Inference for AR(∞) Processes with Conditional Heteroskedasticity" (with S. Gonçalves), Econometric Reviews, 26(6), 609-641, November 2007.

"The Response of Business Fixed Investment to Energy Price Changes: A Test of some Hypotheses about the Transmission of Energy Price Shocks" (with Paul Edelstein), B.E. Journal of Macroeconomics, 7(1) (Contributions), November 2007.

"Quantifying the Risk of Deflation" (with S. Manganelli), Journal of Money, Credit and Banking, 39(2-3), 561-590, March-April 2007.

"On the Selection of Forecasting Models" (with A. Inoue), Journal of Econometrics, 130(2), February 2006, 273-306.

"A Practitioner's Guide to Lag Order Selection for VAR Impulse Response Analysis" (with V. Ivanov), Studies in Nonlinear Dynamics and Econometrics, 9(1), March 2005, Article 2.

“Oil and the Macroeconomy since the 1970s” (with R.B. Barsky), Journal of Economic Perspectives, 18(4), Fall 2004, 115-134.

“In-Sample or Out-of-Sample Tests of Predictability: Which One Should We Use?” (with A. Inoue), Econometric Reviews, 23(4), November 2004, 371-402.

“Bootstrapping Autoregressions in the Presence of Conditional Heteroskedasticity of Unknown Form” (with S. Gonçalves), Journal of Econometrics, 123(1), November 2004, 89-120.

“The Continuity of the Limit Distribution in the Parameter of Interest is not Essential for the Validity of the Bootstrap” (with A. Inoue), Econometric Theory, 19(6), December 2003, 944-961.

“Why Is It so Difficult to Beat the Random Walk Forecast of Exchange Rates?” (with M.P. Taylor), Journal of International Economics, 60(1), May 2003, 85-107.

“Data-Driven Nonparametric Spectral Density Estimators for Economic Time Series: A Monte Carlo Study” (with I. Birgean), Econometric Reviews, 21(4), November 2002, 447-474.

“Unit Roots, Trend Breaks and Transitory Dynamics: A Macroeconomic Perspective” (with L.E. Ohanian), Macroeconomic Dynamics, 6(5), November 2002, 614-632.

“Do We Really Know that Oil Caused the Great Stagflation? A Monetary Alternative” (with R.B. Barsky), in B. Bernanke and K. Rogoff (eds.), NBER Macroeconomics Annual 2001, May 2002, 137-183.

“Bootstrapping Smooth Functions of Slope Parameters and Innovation Variances in VAR(∞) Models” (with A. Inoue), International Economic Review, 43(2), May 2002, 309-332.

“Quantifying the Uncertainty about the Half-Life of Deviations from PPP” (with T. Zha), Journal of Applied Econometrics, 17(2), April 2002, 107-125.

“Bootstrapping Autoregressive Processes with Possible Unit Roots” (with A. Inoue), Econometrica, 70(1), January 2002, 377-391.

“Measuring Predictability: Theory and Macroeconomic Applications” (with F.X. Diebold), Journal of Applied Econometrics, 16(6), December 2001, 657-669.

“Size Distortions of Tests of the Null Hypothesis of Stationarity: Evidence and Implications for the PPP Debate” (with M. Caner), Journal of International Money and Finance, 20(5), October 2001, 639-657.

“Impulse Response Analysis in Vector Autoregressions with Unknown Lag Order”, Journal of Forecasting, 20(3), April 2001, 161-179.

“How Accurate are Confidence Intervals for Impulse Responses in Large VAR Models?” (with P.-L. Chang), Economics Letters, 69(3), December 2000, 299-307.

“Unit Root Tests are Useful for Selecting Forecasting Models” (with F.X. Diebold), Journal of Business and Economic Statistics, 18(3), July 2000, 265-273.

“Recent Developments in Bootstrapping Time Series” (with J. Berkowitz), Econometric Reviews (with a comment by Russell Davidson), 19(1), February 2000, 1-54.

“Residual-Based Tests for Normality in Autoregressions: Asymptotic Theory and Simulation Evidence” (with U. Demiroglu), Journal of Business and Economic Statistics, 18(1), January 2000, 40-50.

"Finite-Sample Properties of Percentile and Percentile-*t* Bootstrap Confidence Intervals for Impulse Responses," Review of Economics and Statistics, 81(4), November 1999, 652-660.

"Exchange Rates and Monetary Fundamentals: What Do We Learn from Long-Horizon Regressions?" Journal of Applied Econometrics, 14(5), September 1999, 491-510.

"Accounting for Lag Order Uncertainty in Autoregressions: The Endogenous Lag Order Bootstrap Algorithm," Journal of Time Series Analysis, 19(5), September 1998, 531-548.

"Small-Sample Confidence Intervals for Impulse Response Functions," Review of Economics and Statistics, 80(2), May 1998, 218-230.

"Confidence Intervals for Impulse Responses Under Departures from Normality," Econometric Reviews, 17(1), February 1998, 1-29.

"The Effects of Real and Monetary Shocks in a Business Cycle Model with some Sticky Prices," (with L.E. Ohanian and A.C. Stockman), Journal of Money, Credit and Banking, 27 (4), Pt. 2, November 1995, 1209-1234.

OTHER ARTICLES

"Oil Price Shocks, Monetary Policy and Stagflation," forthcoming in: Fry, R., Jones, C., and C. Kent (eds), Inflation in an Era of Relative Price Shocks, Sydney, 2009.

"Comment on 'Causes and Consequences of the Oil Shock of 2007-08' by James D. Hamilton," Brookings Papers on Economic Activity, 1, Spring 2009, 267-278.

"Time Series Analysis" (with F.X. Diebold and M. Nerlove), in: S. Durlauf and L. Blume (eds.), The New Palgrave Dictionary of Economics, 2nd ed., London: Macmillan, May 2008, 284-298.

"Comment on 'On the Fit of New Keynesian Models' by Del Negro, Schorfheide, Smets and Wouters," Journal of Business and Economic Statistics, 25(2), April 2007, 156-159.

"Book Review: 'New Introduction to Multiple Time Series Analysis' by Helmut Lütkepohl," Econometric Theory, 22(5), October 2006, 961-967.

"On the Finite-Sample Accuracy of Nonparametric Resampling Algorithms for Economic Time Series," (with J. Berkowitz and I. Birgean), in T.B. Fomby and R.C. Hill (eds.): Advances in Econometrics: Applying Kernel and Nonparametric Estimation to Economic Topics, 14, 1999, 77-107.

POLICY PAPERS

"The Roller Coaster Ride at the Gas Pump," Yale Economic Review, Summer/Fall 2009, 5(2), 38-44.

"The Potential Role of Oil Stocks in Countering Oil Price Volatility," Briefing Paper. European Parliament, 2009.

"The Causes and Policy Implications of the Recent Surge in the Price of Crude Oil," Monthly Briefing, Bureau of European Policy Advisers (BEPA), European Commission, 2008.

"Causes and Effects of Rising Commodity Prices," Briefing Paper. Booz-Allen-Hamilton. Study Commissioned by the U.S. National Intelligence Council, 2008.

"Understanding the Effects of Exogenous Oil Supply Shocks," CESifo Forum, 7(2), Summer 2006, 21-27.

"A Framework for Forecasting and Evaluating Inflation Risks," (with S. Manganelli), in: The Economic Outlook for 2004. Proceedings of the 51st Annual Conference on the Economic Outlook, November 2003, Ann Arbor, MI.

PAPERS UNDER REVISION FOR REFEREED JOURNALS

"Do Energy Prices Respond to U.S. Macroeconomic News? A Test of the Hypothesis of Predetermined Energy Prices," (with Clara Vega), mimeo, Department of Economics, University of Michigan, September 2008 (resubmitted to the Review of Economics and Statistics).

"The Allocative Cost of Price Ceilings in the U.S. Residential Market for Natural Gas" (with Lucas W. Davis), July 2008 (under revision for the Journal of Political Economy).

"Did Unexpectedly Strong Economic Growth Cause the Oil Price Shock of 2003-2008?" (with Bruce Hicks), mimeo, March 2009 (resubmitted to the Journal of Money, Credit, and Banking).

"How Reliable Are Local Projection Estimators of Impulse Responses?" (with Yun Jung Kim), mimeo, October 2009 (resubmitted to the Review of Economics and Statistics).

WORKING PAPERS

"Pitfalls in Estimating Asymmetric Effects of Energy Price Shocks," (with Robert J. Vigfusson), mimeo, August 2009 (submitted for publication).

"Why Agnostic Sign Restrictions are not Enough: Understanding the Dynamics of Oil Market VAR Models" (with Dan Murphy), mimeo, September 2009 (submitted for publication).

"Does the Fed Respond to Oil Price Shocks?" (with Logan Lewis), mimeo, October 2009 (submitted for publication).

"Frequentist Inference in Weakly Identified DSGE Models," (with P. Guerron-Quintana and A. Inoue), mimeo, October 2009.

RECENT PRESENTATIONS AT ACADEMIC & POLICY INSTITUTIONS

2009 London School of Economics, Einaudi Institute, Universität Frankfurt a.M., Universität Köln, International Monetary Fund, Texas A&M University, University of Houston, Bank of Canada, European Central Bank, IMF Institute, Reserve Bank of Australia, University of Melbourne, La Trobe University, University of Adelaide, University of New South Wales, Federal Reserve Bank of Atlanta, Emory University, Wayne State University, Universiteit Gent, University of Notre Dame, U.S. Commodity Futures Trading Commission.

2008 Federal Reserve Bank of Cleveland, Federal Reserve Board, Universiteit Gent, Michigan State University, Inter-American Development Bank.

2007 International Monetary Fund, University of British Columbia, Norges Bank, Humboldt-Universität zu Berlin, Deutsche Bundesbank, European Central Bank, Federal Reserve Bank of Dallas, Columbia University, Federal Reserve Board.

2006 Centre for Economic Policy Research (CEPR), Bank of England, Birkbeck College, German Institute for Economic Research (DIW), Duke University, International Monetary Fund, Universität Frankfurt a.M., Federal Reserve Bank of St. Louis, Vanderbilt University, University of Washington, Federal Reserve Bank of Atlanta, Emory University, Universität Halle-Wittenberg.

2005 Ohio State University, Southern Methodist University, UC Davis, UC Riverside, UC Santa Barbara, Texas A&M University, Rice University, Federal Reserve Board, Institute for Advanced Studies (IHS).

RECENT CONFERENCE PRESENTATIONS

2009: NBER-NSF Time Series Conference, Davis, CA, September.
Inflation Challenges in an Era of Relative Price Shocks, Sydney, Australia, August.
Joint Statistical Meetings, Washington, DC, August.
Inflation Challenges in an Era of Relative Price Shocks, Münster, Germany, June.
Brookings Panel on Economic Activity, Washington, DC, April.
ECB/Bank of England Workshop on Commodity Prices, February.
IMF Modeling Workshop, Washington, DC, January.
AEA/IAEE Meetings, San Francisco, CA, January.

2008: EABCN Conference, Barcelona, Spain, November.
IMF/World Bank Annual Meetings, Washington, DC, October.
NIC Workshop on Global Trends, Washington, DC, September.
NBER Summer Institute, Boston, MA, July.
Workshop on Oil and the Macroeconomy, Banff, Canada, June.
Conference on Commodities, the Economy and Money, Calgary, Canada, June.
ESSIM, Tarragona, Spain, May.
3rd Workshop on Global Interdependence, Barcelona, Spain, March.
North American Econometric Society, New Orleans, January.

2007: 5th ECB Workshop on Forecasting Techniques, Frankfurt a.M., Germany, November.
Symposium on Advances in Energy Economics, Ann Arbor, MI, September.
St. Louis Fed Conference on Macroeconometrics, St. Louis, MO, August.
Joint Statistical Meetings, Salt Lake City, UT, August.
2nd Forecasting Conference, Durham, NC, March.

2006: IWH Macroeconometrics Workshop, Halle, Germany, December.
European Econometric Society, Vienna, Austria, August.
Bank of Canada Workshop on Commodity Price Issues, Ottawa, Canada, July.
North American Econometric Society, Minneapolis, MN, June.
Bundesbank Conference on Forecasting, Eltville, Germany, May.
Conference on Beveridge-Nelson Decomposition, Atlanta, GA, March.
North American Econometric Society, Boston, MA, January.

2005: NBER Monetary Economics Meeting, Boston, MA, November.
Conference on Simulation-Based Inference in Finance II, Québec City, Canada, April.
Conference on Forecasting in Macroeconomics and Finance, Montréal, Canada, April.
Roundtable on Macroeconomic Impact of Oil Price Shocks, Washington, DC, February.
North American Econometric Society, Philadelphia, PA, January.

REFEREEING

Advances in Econometrics; American Economic Journal: Macroeconomics; American Economic Review; B.E. Journal of Macroeconomics; Econometrica; Econometric Reviews; Econometrics

Journal; Econometric Theory; Economic Journal; Empirical Economics; Energy Economics; Energy Journal; European Economic Review; International Economic Review; International Journal of Forecasting; Journal of the American Statistical Association; Journal of Applied Econometrics; Journal of Business and Economic Statistics; Journal of Development Economics; Journal of Econometrics; Journal of Economic Dynamics and Control; Journal of Economic Literature; Journal of Economic Theory; Journal of Empirical Finance; Journal of the European Economic Association; Journal of Finance; Journal of Financial Econometrics; Journal of Forecasting; Journal of International Economics; Journal of International Money and Finance; Journal of Monetary Economics; Journal of Money, Credit and Banking; Journal of Political Economy; Journal of Time Series Econometrics; Macroeconomic Dynamics; National Science Foundation (USA); Research Grants Council (Hong Kong); Review of Economic Dynamics; Review of Economics and Statistics; Review of Economic Studies; Review of International Economics; Scandinavian Journal of Statistics; Social Sciences and Humanities Research Council (Canada); etc.

SELECTED HONORS AND AWARDS

Distinguished Author, Journal of Applied Econometrics, 2010.
Excellence in Refereeing Award, American Economic Review, 2008.
Outstanding Referee Award, Journal of Economic Dynamics and Control, 2006.
Outstanding Faculty Award for Excellence in Teaching, Graduate Economics Society, 2001.
Paul Taubman Memorial Prize for Empirical Economics Research, 1996.

PROFESSIONAL AFFILIATIONS

Associate Editor:	Journal of Business and Economic Statistics, 2004-present.
	Journal of Development Economics, 2006-2009.
	Journal of Economic Dynamics and Control, 2005-2007.
	Empirical Economics, 2006-2009.
	B.E. Journal of Time Series Econometrics, 2008-present.
Research Fellow:	Centre for Economic Policy Research (CEPR), 2003-present.
	Center for Financial Studies (CFS), 2003-present.
	Euro Area Business Cycle Network, 2003-present.
Member:	American Economic Association
	Econometric Society

TEACHING

Mathematical Statistics, advanced undergraduate course. Fall 1998-2000.
Financial Econometrics, advanced undergraduate course, Fall 2008.
Econometric Analysis I, Ph.D. course. Fall 1997, 2000, 2003-2007, 2009.
International Macroeconomics and Finance, Ph.D. course. Winter 1997, 1998.
Macroeconometrics, Ph.D. course. Winter 1997-2001, 2007-2010.
Third-Year Ph.D. Research Seminar 1996/97, 1998/99.

SERVICE

Associate Chair for Administration, Department of Economics, 2003-present.

Dissertation Committees (Placements):

Ufuk Demiroglu, Ph.D. Economics 1999 (Congressional Budget Office).
Karan Singh, Ph.D. Economics 1999 (not reported).
Carlos Quintanilla, Ph.D. Economics 2000 (INCAE).
Ventzislav Ivanov, ABD Economics 1998 (Chase Manhattan Bank).
Ionel Birgean, ABD Economics 1999 (PG&E National Energy).
Luca Benati, Ph.D. Economics 2001 (Bank of England).
Chayawadee Chai-Anant, Ph.D. Economics 2002 (Bank of Thailand).
Marcin Kacperczy, Ph.D. Finance 2004 (University of British Columbia).
Sarah McVay, Ph.D. Accounting 2004 (New York University).
Brian Boyer, Ph.D. Finance 2004 (Brigham Young University).
Christa Bouwman, Ph.D. Finance 2005 (Case Western Reserve University).
Herman Kamil, ABD Economics 2005 (International Monetary Fund).
Qin Lei, Ph.D. Finance 2006 (Southern Methodist University).
Chang-Ching Lin, Ph.D. Economics 2006 (Academia Sinica).
Paul Edelstein, Ph.D. Economics 2007 (Decision Economics, Inc). Chair.
Ron Alquist, Ph.D. Economics 2008 (Bank of Canada). Co-chair.
Eric Sims, Ph.D. Economics 2009 (University of Notre Dame).