

## MICHAEL DOTSEY

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 Federal Reserve Bank of Philadelphia  
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**EDUCATION**

Ph.D., Economics, 1983, University of Rochester  
 M.A., Economics, 1979, University of Rochester  
 M.B.A., Finance, 1975, University of Chicago  
 B.A., Business, 1974, University of Chicago  
 Thesis: "A Study of the Relative Use of Currency and Demand Deposits," Advisor:  
 Robert J. Barro

**Research and Policy Analysis**

Director of the Consumer Finance Institute, October 2017 to present  
 Executive Vice President and Director of Research, January 2017 to present  
 Senior Vice President and Director of Research, Federal Reserve Bank of Philadelphia,  
 June 2014 to December 2016  
 System Coordinator of DSGE Economic Group, 2011 to present  
 Vice President and Senior Economic Policy Advisor, Federal Reserve Bank of  
 Philadelphia, April 2002 to May 2014  
 Vice President, Federal Reserve Bank of Richmond, July 1988 to April 2002

**Teaching**

Visiting Professor, Fuqua School of Business, Duke University, Fall 1997 and Fall 1998  
 Visiting Instructor, Fuqua School of Business, Duke University, October 1997 to  
 December 1997: Macroeconomics  
 Visiting Associate Professor, University of Rochester, September 1987 to May 1988:  
 Money and Banking, Monetary Policy  
 Instructor, Rochester Institute of Technology, September 1979 to June 1980: Money and  
 Banking, Macroeconomics  
 Instructor, State University of New York at Oswego, September 1978 to June 1979:  
 Money and Banking  
 Teaching Assistant, University of Rochester, 1978: Macroeconomics, Principles of  
 Economics

## **Editorial**

Associate Editor: International Journal of Central Banking

Referee: American Economic Journal: Macroeconomics; American Economic Review; Canadian Journal of Economics; Economic Inquiry; Economic Letters; European Economic Review; International Economic Review; Journal of Economic Dynamics and Control; Journal of Economic Theory; Journal of Macroeconomics; Journal of Macroeconomic Dynamics; Journal of Monetary Economics; Journal of Money, Credit and Banking; Journal of Political Economy; National Science Foundation; Quarterly Journal of Economics; Review of Economic Dynamics; Review of Economic Studies

## **WORK EXPERIENCE**

### **Research Director**

Oversee the Research Department, Financial Statistics Department, and the Consumer Finance Institute

Compose the draft of the Bank President's policy statement to the Federal Open Market Committee (FOMC) and attend FOMC meetings

Act as lead writer on many of the President's speeches dealing with economic topics

Brief the Bank's Board of Directors

Serve as a member of the Senior Management Committee

Serve as a member of the System Research Automation Committee

Serve as a member of the System Joint Committee on Business and Financial Analysis

### **Vice President and Senior Policy Advisor**

Coordinated three FOMC policy briefings each year

Developed Current Visiting Scholar Program

Coordinated recruiting

Presented special briefing to the FOMC

Wrote speeches for Bank Presidents

### **Vice President (Federal Reserve Bank of Richmond)**

Headed the macroeconomics group

Coordinated FOMC policy briefings

Briefed Board of Directors

Coordinated recruiting

Redesigned Research's Economic Quarterly

Served on advisory group to Bank President on System IT issues  
 Served on an advisory group to Senior Management

## PROFESSIONAL ACTIVITIES

Chaired session at American Economic Association meetings  
 Invited to present papers and be a discussant at Econometric Society meetings  
 Chaired sessions at World Economics Association meetings  
 Regularly present papers at Federal Reserve System Committee on Financial Analysis  
 Member of American Economic Association  
 Visiting Scholar, Reserve Bank of Finland, June 2010  
 Visiting Scholar, Reserve Bank of New Zealand, March 2010  
 Visiting Scholar, Riksbank, October 2005, November 2012  
 Visiting Scholar, Bank of England, September to October 1997  
 Visiting Scholar, Banco de Portugal, March 1996  
 Visiting Scholar, Innocenzo Gasparini Institute for Economic Research, May 1995  
 Visiting Scholar, Swiss National Bank, May 1993  
 Visiting Scholar, Reserve Bank of New Zealand, November to December 1990  
 Visiting Scholar, Reserve Bank of Australia, October 1986 to March 1987  
 Visiting Scholar, Bank of Japan, Spring 1986

## PUBLICATIONS

### Academic Journals

- “Investigating Non-neutrality in a State-Dependent Pricing Model with Firm-level Productivity Shocks” (with Alexander L. Wolman), International Economic Review, February 2020.
- “Do Phillips Curves Conditionally Help Forecast Inflation?” (with Shigeru Fujita and Tom Stark), International Journal of Central Banking, September 2018, 43–92.
- “How Important Is the Currency Denomination of Exports in Open Economy Models?” (with Margarida Duarte), Review of Economic Dynamics, January 2017, 1–18.
- “Interest Rates and Prices in an Inventory Model of Money with Credit” (with Pablo Guerron-Quintana), Journal of Monetary Economics, October 2016, 71–89.
- “Home Production and Social Security Reform” (with Wenli Li and Fang Yang), European Economic Review, January 2015, 131–150.
- “Consumption and Time Use Over the Life Cycle” (with Wenli Li and Fang Yang), International Economic Review, July 2014, 665–692.

- “Nontraded Goods, Market Segmentation, and Exchange Rates” (with Margarida Duarte), Journal of Monetary Economics, September 2008, 1129–1142.
- “Pricing, Production, and Persistence” (with Robert G. King), Journal of the European Economic Association, September 2006, 893–928.
- “Implications of State-Dependent Pricing for Dynamic Macroeconomic Models” (with Robert G. King), Journal of Monetary Economics, January 2005, 213–242.
- “Should a Monetary Policymaker Look at Money?” (with Andreas Hornstein), Journal of Monetary Economics, April 2003, 547–579.
- “The Behavior of the Real Rate of Interest” (with Carl Lantz and Brian Scholl), Journal of Money, Credit and Banking, February 2003, 91–110.
- “Inflation Uncertainty and Growth in a Cash-in-Advance Economy” (with Pierre-Daniel Sarte), Journal of Monetary Economics, June 2000, 631–657.
- “State Dependent Pricing and the General Equilibrium Dynamics of Money and Output” (with Robert G. King and Alexander Wolman), Quarterly Journal of Economics, May 1999, 655–690.
- “On the Welfare Cost of Inflation in General Equilibrium” (with Peter Ireland), Journal of Monetary Economics, February 1996, 29–47.
- “Liquidity Effects and Transactions Technologies” (with Peter Ireland), Journal of Money, Credit and Banking, November 1995, 1441–1457.
- “Some Unpleasant Supply Side Arithmetic,” Journal of Monetary Economics, June 1994, 507–524.
- “How Well Do Linear Approximation Methods Work? The Production Tax Case” (with Ching-Sheng Mao), Journal of Monetary Economics, February 1992, 25–58.
- “Open Market Operations in Australia: A U.S. Perspective,” Economic Record, September 1991, 243–256.
- “The Economic Effects of Production Taxes in a Stochastic Growth Model,” American Economic Review, December 1990, 1168–1182.
- “Monetary Control under Alternative Operating Procedures,” Journal of Money, Credit and Banking, August 1989, 273–290.

“The Demand for Currency in the United States,” Journal of Money, Credit and Banking, February 1988, 22–40.

“Monetary Policy, Secrecy, and Federal Funds Rate Behavior,” Journal of Monetary Economics, December 1987, 463–474.

“Japanese Monetary Policy, a Comparative Analysis,” Bank of Japan Monetary and Economic Studies, October 1986, 105–127.

“Wealth Effects of Open Market Operations and the Consequence for Optimal Monetary Policy,” Journal of Monetary Economics, March 1986, 225–238.

“Informational Implications of Interest Rate Rules” (with Robert G. King), American Economic Review, March 1986, 33–42.

“The Use of Electronic Funds Transfers to Capture the Effects of Cash Management Practices on the Demand for Demand Deposits: A Note,” Journal of Finance, December 1985, 1493–1504.

“Is There an Operational Interest Rate Rule?” American Economic Review, June 1985, 552–556.

“Monetary Instruments and Policy Roles in a Rational Expectations Environment” (with Robert G. King), Journal of Monetary Economics, September 1983, 357–382.

### **Other**

“Monetary Policy Report: Using Rules for Benchmarking,” Federal Reserve Bank of Philadelphia Special Report, issued quarterly since December 2014.

“Prime-Age Male Labor Force Participation,” presented at Fox Business School, February 15, 2018.

“Where Is Everybody? The Shrinking Labor Force Participation Rate,” Federal Reserve Bank of Philadelphia Economic Insights (Fourth Issue 2017), 17–23.

“Monetary Policy and the New Normal,” Federal Reserve Bank of Philadelphia Economic Insights (First Issue 2016), 1–4.

“Policy Rule Legislation in Practice” (Commentary), in Central Bank Governance and Oversight Reform, eds. John H. Cochrane and John B. Taylor. Stanford, CA: Hoover Institution Press, 2016, 91–108.

- “DSGE Models and Their Use in Monetary Policy,” Federal Reserve Bank of Philadelphia Business Review (Second Quarter 2013), 10–16.
- “Designing Monetary Policy Rules in an Uncertain Economic Environment” (with Charles I. Plosser), Federal Reserve Bank of Philadelphia Business Review (First Quarter 2012), 1–9.
- “Monetary Policy in a Liquidity Trap,” Federal Reserve Bank of Philadelphia Business Review (Second Quarter 2010), 9–15.
- “Commitment Versus Discretion in Monetary Policy,” Federal Reserve Bank of Philadelphia Business Review (Fourth Quarter 2008), 1–8.
- “Commitment Versus Discretion in Monetary Policy” (with Charles I. Plosser), Federal Reserve Bank of Philadelphia Annual Report 2007, 4–17.
- “A Review of Inflation Targeting in Developed Countries,” Federal Reserve Bank of Philadelphia Business Review (Third Quarter 2006), 10–20.
- “Implementation of Optimal Monetary Policy” (with Andreas Hornstein), Federal Reserve Bank of Richmond Economic Quarterly (Spring 2006), 113–133.
- “The Relationship Between Capacity Utilization and Inflation” (with Thomas Stark), Federal Reserve Bank of Philadelphia Business Review (Second Quarter 2005), 8–17.
- “How the Fed Affects the Economy: A Look at Systematic Monetary Policy,” Federal Reserve Bank of Philadelphia Business Review (First Quarter 2004), 6–15.
- “Structure from Shocks,” Federal Reserve Bank of Richmond Economic Quarterly (Fall 2002), 37–47.
- “Pitfalls in Interpreting Tests of Backward Looking Pricing in New Keynesian Models,” Federal Reserve Bank of Richmond Economic Quarterly (Winter 2002), 37–50.
- “Is Money Useful in the Conduct of Monetary Policy” (with Carl Lantz and Lawrence Santucci), Federal Reserve Bank of Richmond Economic Quarterly (Fall 2000), 23–48.
- “The Importance of Systematic Monetary Policy Economic,” Federal Reserve Bank of Richmond Economic Quarter (Summer 1999), 41–60.
- “The Predictive Content of the Interest Rate Term Spread for Future Economic Growth,” Federal Reserve Bank of Richmond Economic Quarterly (Summer 1998), 31–51.

- “Investing in Equities: Can It Help Social Security?” Federal Reserve Bank of Richmond Economic Quarterly (Fall 1997), 49–69.
- “Signal Extraction,” in Business Cycles and Depressions, ed. David Glasner. New York: Garland Publishing, 1997.
- “Some Not-So-Unpleasant Monetarist Arithmetic,” Federal Reserve Bank of Richmond Economic Quarterly (Fall 1996), 73–91.
- “Changing Policy Orientation in the United States,” Monetary Policy in an Integrated World Economy, Kiel Conference Proceedings (1996).
- “Was the Disinflation of the Early 1980s Anticipated?” (with Jed L. DeVaro), Federal Reserve Bank of Richmond Economic Quarterly (Fall 1995), 41–59.
- “The Rational Expectations Hypothesis of the Term Structure, Monetary Policy, and Time-Varying Term Premia” (with Christopher Otrok), Federal Reserve Bank of Richmond Economic Quarterly (Winter 1995), 65–81.
- “M2 and Monetary Policy: A Critical Review of the Recent Debate” (with Christopher Otrok), Federal Reserve Bank of Richmond Economic Quarterly (Winter 1994), 41–59.
- “Oil Shocks, Monetary Policy, and Economic Activity” (with Max Reid), Federal Reserve Bank of Richmond Economic Review (July/August 1992), 14–27.
- “Monetary Policy and Operating Procedures in New Zealand,” Federal Reserve Bank of Richmond Economic Review (September/October 1991), 13–19.
- “Reforming Deposit Insurance: Lessons from the Savings and Loan Crisis” (with Anatoli Kuprianov), Federal Reserve Bank of Richmond Economic Review (March/April 1990), 3–28.
- “An Examination of International Trade Data in the 1980s,” Federal Reserve Bank of Richmond Economic Review (March/April 1989), 21–27.
- “Rational Expectations Business Cycle Models: A Survey” (with Robert G. King), Federal Reserve Bank of Richmond Economic Review (March/April 1988), 3–15.
- “Rational Expectations and the Business Cycle” (with Robert G. King), in The New Palgrave: A Dictionary of Economic Theory and Doctrine, eds. J. Eatwell, M. Milgate, and P. Newman. London: MacMillan Press, 1987, 302–310.

- “The Australian Money Market and the Operations of the Reserve Bank of Australia: A Comparative Analysis,” Federal Reserve Bank of Richmond Economic Review (September/October 1987), 19–31.
- “Japanese Monetary Policy, a Comparative Analysis,” Federal Reserve Bank of Richmond Economic Review (November/December 1986), 12–24.
- “Controversy over the Federal Budget Deficit: A Theoretical Perspective,” Federal Reserve Bank of Richmond Economic Review (September/October 1985), 3–16.
- “An Investigation of Cash Management Practices and Their Effects on the Demand for Money,” Federal Reserve Bank of Richmond Economic Review (September/October 1984), 3–12.
- “An Examination of Implicit Interest Rates on Demand Deposits,” Federal Reserve Bank of Richmond Economic Review (September/October 1983), 3–11.
- “Money Market Mutual Funds and Monetary Control” (with Steven Englander and John C. Partlan), Federal Reserve Bank of New York Quarterly Review (Winter 1981–82), 9–17.

### **Working Papers**

- “Population Aging, Credit Market Frictions, and Chinese Economic Growth” (with Wenli Li and Fang Yang), Working Paper 19-55, December 2019. Supersedes Working Paper 19-21.
- “Demographic Aging, Industrial Policy, and Chinese Economic Growth” (with Wenli Li and Fang Yang), Working Paper 19-21, March 2019. Superseded by Working Paper 19-55.
- “Investigating Nonneutrality in a State-Dependent Pricing Model with Firm-Level Productivity Shocks” (with Alexander L. Wolman), Federal Reserve Bank of Philadelphia Working Paper 19-09, January 2019.
- “Inflation and Real Activity with Firm Level Productivity Shocks” (with Alexander L. Wolman), Federal Reserve Bank of Philadelphia Working Paper 18-19, July 2018.
- “Do Phillips Curves Conditionally Help to Forecast Inflation?” (with Shigeru Fujita and Tom Stark), Federal Reserve Bank of Philadelphia Working Paper 17-26, August 2017. Supersedes Working Paper 15-16 and Working Paper 11-40.

- “Do Phillips Curves Conditionally Help to Forecast Inflation?” (with Shigeru Fujita and Tom Stark), Federal Reserve Bank of Philadelphia Working Paper 15-16, March 2015. Superseded by Working Paper 17-26.
- “Inflation and Real Activity with Firm-Level Productivity Shocks” (with Robert G. King and Alexander L. Wolman), Federal Reserve Bank of Philadelphia Working Paper 13-35, September 2013.
- “Interest Rates and Prices in an Inventory Model of Money with Credit” (with Pablo Guerron-Quintana), Federal Reserve Bank of Philadelphia Working Paper 13-5, December 2012.
- “Home Production and Social Security Reform” (with Wenli Li and Fang Yang), Federal Reserve Bank of Philadelphia Working Paper 12-5, February 2012.
- “Do Phillips Curves Conditionally Help to Forecast Inflation” (with Shigeru Fujita and Tom Stark), Federal Reserve Bank of Philadelphia Working Paper 11-40, September 2011. Superseded by Working Paper 15-16.
- “On the Implementation of Markov-Perfect Monetary Policy” (with Andreas Hornstein), Federal Reserve Bank of Philadelphia Working Paper 11-29, July 2011.
- “Consumption and Time Use over the Life Cycle” (with Wenli Li and Fang Yang), Federal Reserve Bank of Philadelphia Working Paper 10-37, November 2010.
- “How Important Is the Currency Denomination of Exports in Open-Economy Models?” (with Margarida Duarte), Federal Reserve Bank of Philadelphia Working Paper 09-32, November 2009.
- “On the Implementation of Markov-Perfect Interest Rates and Money Supply Rules: Global and Local Uniqueness” (with Andreas Hornstein), Federal Reserve Bank of Philadelphia Working Paper 08-30, December 2008.
- “Interest Rate versus Money Supply Instruments: On the Implementation of Markov-Perfect Optimal Monetary Policy” (with Andreas Hornstein), Federal Reserve Bank of Philadelphia Working Paper 07-27, September 2007. Superseded by Working Paper 08-30.
- “Nontraded Goods, Market Segmentation, and Exchange Rates” (with Margarida Duarte), Federal Reserve Bank of Philadelphia Working Paper 06-09, May 2006.
- “Pricing, Production, and Persistence” (with Robert G. King), Federal Reserve Bank of Philadelphia Working Paper 05-04, February 2005.

“Implications of State-Dependent Pricing for Dynamic Macroeconomic Models” (with Robert G. King), Federal Reserve Bank of Philadelphia Working Paper 05-02, February 2005.

“Pricing, Production, and Persistence” (with Robert G. King), NBER Working Paper 8407, August 2002. Superseded by Working Paper 05-04.

“Structure from Shocks” Federal Reserve Bank of Richmond Working Paper 99-6, August 1999.

“The Effects of Fiscal Policy in a Neoclassical Growth Model” with Ching Sheng Mao, Federal Reserve Bank of Richmond Working Paper 94-3, February 1994.

“Interest Rate Rules and Nominal Determinacy” (with John Boyd), Manuscript, Federal Reserve Bank of Richmond, August 1993.

“Interest Rates and Monetary Policy” (with Robert G. King), presented at 1983 Econometric Society Meetings.

## **REFERENCES**

Upon request

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