



KEY ISSUES FOR EFFECTIVE MACROPRUDENTIAL POLICYMAKING

MARKUS K BRUNNERMEIER

Position

Edwards S. Sanford Professor, Princeton University

Title of paper

The Paradox of Prudence and the Linkages between Financial and Price Stability

Biographical detail/achievements

Markus K. Brunnermeier is the Edwards S. Sanford Professor at Princeton University. He is a faculty member of the Department of Economics and director of Princeton's Bendheim Center for Finance. He is the founding and former director of Princeton's Julis Rabinowitz Center for Public Policy and Finance and affiliated with the International Economics Section. He is also a research associate at NBER, CEPR, and CESifo. He is/was a member of several advisory groups, including to the IMF, the Federal Reserve of New York, the European Systemic Risk Board, the Bundesbank and the U.S. Congressional Budget Office. Brunnermeier was awarded his Ph.D. by the London School of Economics (LSE).

His research focuses on international financial markets and the macroeconomy with special emphasis on bubbles, liquidity, financial and monetary price stability. To explore these topics, his models incorporate frictions as well as behavioral elements.

He is a Sloan Research Fellow, Fellow of the Econometric Society and the recipient of the Bernácer Prize granted for outstanding contributions in the fields of macroeconomics and finance. He received a Guggenheim Fellowship for studying the impact of financial frictions on the macroeconomy. He has been awarded several best paper prizes and served on the editorial boards of several leading economics and finance journals. He has tried to establish the concepts: liquidity spirals, CoVaR as co-risk measure, the Volatility Paradox, Paradox of Prudence, ESBies, financial dominance and the redistributive monetary policy. His recent book is titled "The Euro and the Battle of Ideas".