



## Press Release

### **Center for Financial Studies awards the Deutsche Bank Prize in Financial Economics 2009 to Robert J. Shiller**

- **Yale professor Robert J. Shiller receives prize for vital contributions to research in field of financial economics**
- **The international academic prize carries an endowment of €50,000 (\$64,000)**
- **On the occasion of the award ceremony on September 30, 2009, Robert J. Shiller's work will be discussed in an academic symposium**

**Frankfurt, February 11, 2009** – The US economist Robert Shiller is to be awarded the Deutsche Bank Prize in Financial Economics for his contributions to the field of financial economics. “Through his innovative work exploring the dynamics of asset prices, Robert Shiller has become a pioneer in the field of financial economics. His findings on the volatility of share prices, the occurrence of price bubbles and resultant crises, as well as on the distribution of macroeconomic risks are not only of great academic importance, they have also broken new ground in economic practice,” said the Jury Chairman and Director of the Center for Financial Studies (CFS), Professor Jan Pieter Krahen.

The CFS, in partnership with Goethe-University Frankfurt, has awarded the prize biannually since 2005. It carries an endowment of €50,000 (\$64,000) which is donated by the Stiftungsfonds Deutsche Bank im Stifterverband für die Deutsche Wissenschaft (Deutsche Bank Donation Fund in the Donor’s Association for German Science). The award honors internationally renowned economic researchers whose work has significantly influenced research in financial economics and macroeconomics, and has led to fundamental advances in economic theory and practice. The prize will be presented to Robert J. Shiller by Josef Ackermann, Chairman of the Management Board and the Group Executive Committee of Deutsche Bank AG, at a ceremony taking place in Frankfurt on September 30, 2009.

By combining theoretical and empirical analysis on the volatility of asset prices, in particular stocks, bond and real estate, Robert Shiller has made a decisive contribution to the understanding of



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price fluctuations in these markets. His research has led to the development of financial instruments to hedge against macroeconomic risks. Amongst other things, Robert Shiller has been jointly responsible for developing the Standard & Poor's/Case-Shiller Home Price Index for the most important metropolitan regions in the US, which is widely used in academic research and investment management. He is also the co-founder and Chief Economist of MacroMarkets LLC, which designs innovative financing instruments in order to complete financial markets.

Based on his analyses Robert Shiller has been very influential for the tone of research in this field and delivers valuable insights for the world of practice. He predicted the peak of the new-economy euphoria and the collapse of the market and published the best-selling book *Irrational Exuberance* in the year 2000. In 2005, he was one of the first to identify a real estate bubble in the US, and predicted that it would burst and trigger a financial crisis. In his new book *Animal Spirits*, co-written with Nobel Prize winner George Akerlof and to be published shortly, Robert Shiller makes the case for a more active state role in financial markets owing to the existence of the “human factor”.

Robert Shiller is the Arthur M. Okun Professor of Economics at the Cowles Foundation for Research in Economics, Yale University, and Professor of Finance at the International Center for Finance, Yale School of Management. He received his Ph.D. in Economics from the Massachusetts Institute of Technology (MIT) in 1972. Robert Shiller has been a Research Associate at the National Bureau of Economic Research since 1980. In 2005, he also served as Vice President of the American Economic Association. He regularly writes the column “Economic View ” for the New York Times. In 1996, he received the Paul A. Samuelson award for his book *Macro Markets: Creating Institutions for Managing Society’s Largest Economic Risks*.

A Jury of international financial experts decides on the recipient of the Deutsche Bank Prize in Financial Economics. Members of the Jury are Otmar Issing (CFS President and former board member and Chief Economist of the European Central Bank) and Klaus Schmidt-Hebbel (Chief Economist of the Organization for Economic Co-operation and Development). This year a researcher from Asia, Takatoshi Ito (University of Tokyo), was appointed for the first time. Other Jury Members are Maria Vassalou (SAC Capital Advisors LLC and President of the European Finance Association), Marti Subrahmanyam (Stern School, New York University), and Norbert Walter (Chief Economist of Deutsche Bank Group). Michael Binder, Reinhard H. Schmidt, Volker



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Wieland and the Jury Chairman Jan Pieter Krahen represent Goethe-University Frankfurt, the last two also as CFS Directors.

The first Deutsche Bank Prize in Financial Economics was awarded in 2005 to Eugene F. Fama, Professor of Finance at the University of Chicago, for developing and researching the concept of market efficiency. In 2007, Michael Woodford, Professor of Political Economy at Columbia University in New York, received the prize for his research on the theory of monetary macroeconomics.

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### **About the Center for Financial Studies**

The Center for Financial Studies (CFS), located in Frankfurt, is a research institute affiliated to Goethe-University and financed via donations and the contributions from its members. It conducts independent academic research on financial markets, financial intermediaries and monetary economics, and is a thinktank on issues relating to its expertise. Its spectrum of activities currently spans eight research programs, each managed by a program director. The CFS promotes the dialogue between academia and the financial community by regularly organizing conferences, colloquia, academic fora and specialist presentations on finance-related issues. It organizes the “ECB and its watchers” Conference on an annual basis. CFS President is Otmar Issing, its Managing Directors are Jan Pieter Krahen and Volker Wieland, Chairman of the Executive Board is Rolf E. Breuer. More information on the activities of the CFS can be found at <http://www.ifk-cfs.de>.

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