



Press Release

Center for Financial Studies awards the Deutsche Bank Prize in Financial Economics 2011 to Kenneth Rogoff

- **Harvard professor Kenneth Rogoff receives the prize for his contributions to the field of international finance and macroeconomics**
- **Presentation of the prize by Deutsche Bank CEO Josef Ackermann and academic symposium on Kenneth Rogoff's work to be held on 22 September 2011**
- **The prize is being awarded for the fourth time and carries an endowment of €50,000**

Frankfurt, 10 February 2011 – The Center for Financial Studies (CFS) has awarded the Deutsche Bank Prize in Financial Economics 2011 to the US economist Kenneth Rogoff for his pioneering contributions to the field of international finance and macroeconomics. “Kenneth Rogoff's works examine sovereign default and debt restructuring, exchange rate developments, global imbalances and the development of financial crises and are highly relevant for understanding and addressing today's global challenges. Kenneth Rogoff has not only contributed pioneering work of the greatest academic importance, he has also made his findings accessible to a broad public,” said Jury Chairman and CFS Director Uwe Walz.

The academic prize, sponsored by the Deutsche Bank Donation Fund, carries an endowment of €50,000 and is awarded biannually by the CFS in partnership with Goethe University Frankfurt. The Deutsche Bank Prize in Financial Economics honors internationally renowned economic researchers whose work has a marked influence on research concerning questions of financial economics and macroeconomics, and has led to fundamental advances in economic theory and practice. The presentation of the prize by Josef Ackermann, CEO of Deutsche Bank, will take place as part of an academic symposium in Frankfurt on 22 September 2011.

Kenneth Rogoff is today's leading figure in international macroeconomics

The empirical, theoretical and economical-historical works of Kenneth Rogoff include amongst others research on exchange rates, the credibility of monetary policy and central bank independence, sovereign debt and the history of financial crises. As such, Rogoff is today's leading figure in international macroeconomics, a field which his work covers in its entire thematic spectrum.

His findings have permanently influenced academic theories and empirical research. This applies not only to his latest work on the financial crisis, but also to his earlier studies on



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topics such as exchange rate development, credibility of monetary policy and new open economy macroeconomics. Kenneth Rogoff's works have made a significant difference to the education of young economists over the past 30 years. The Meese-Rogoff Puzzle (published in 1983) which carries his name and relates to the unpredictability of exchange rates using economic models has had a profound effect on research and teaching as well as economic practice. It is still considered to be the central empirical fact about major currency exchange rates. His 1985 paper on central bank independence and inflation targeting not only sparked a large academic literature on institutional solutions to the problem of monetary policy credibility, but was also influential in a sweeping international trend towards establishing strong independent central banks which had previously been relatively rare.

Together with Maurice Obstfeld, Kenneth Rogoff is one of the founders of the "New Open Economy Macroeconomics", which offers a theoretical basis for analyzing open economies and forming policies. It has proven especially useful for central banks.

Rogoff's research contributes decisively to the understanding of financial crises

The book he published jointly with Carmen M. Reinhart in 2009, "This Time is Different: Eight Centuries of Financial Folly", is based on an empirical analysis of financial crises over a period of 800 years in 66 countries and thus contributes significantly to our understanding of the current global financial crisis. This work was awarded the Samuelson Award for Outstanding Scholarly Writing on Lifelong Financial Security in 2010.

Kenneth Rogoff also plays a central role in transferring academic research findings into the political arena and in deducing political strategies, for instance as Chief Economist and Director of Research of the International Monetary Fund (IMF) in the period 2001-2003.

Kenneth Rogoff is Professor of Economics and Thomas D. Cabot Professor of Public Policy at Harvard University in Cambridge, USA. He has previously held professorships at institutes including Princeton University and the University of California, Berkeley. Rogoff has been a member of the Group of Thirty (G30), an international committee made up of 30 leading current and former policy-makers, financiers and academics, since 2008. Since 2004 he has been a member of the Council of Foreign Relations (CFR), which has a significant influence on the formulation of the USA's foreign policy strategies.



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International jury of experts in financial economics

A Jury of internationally renowned experts in financial research and practice decides on the recipient of the Deutsche Bank Prize in Financial Economics. Members of the international Jury, alongside the Chairman Uwe Walz, include the professors Luigi Guiso (European University Institute Florence), CFS Director Michael Haliassos (Goethe University Frankfurt) and Charles Yuji Horioka (Osaka University). Also representing the Goethe University Frankfurt are the professors Otmar Issing (CFS President), Jan Pieter Krahen (CFS Director) and Raimond Maurer. Dr. Thomas Mayer, Managing Director of Deutsche Bank Research and Chief Economist of Deutsche Bank, is also acting as a Jury member. Furthermore, the Jury includes Professor Carmen M. Reinhart (Peterson Institute for International Economics) and the winner of the Deutsche Bank Prize in Financial Economics 2009, Professor Robert J. Shiller (Yale University). Nominations for the Deutsche Bank Prize in Financial Economics were solicited from over 3800 academics from 60 countries.

The prize was awarded for the first time 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. In 2009 Robert J. Shiller was honoured for his fundamental contributions to research in the field of financial economics and, amongst other things, his key contribution to the understanding of price fluctuations on markets and to the development of financial instruments to hedge against macroeconomic risks.

About the Center for Financial Studies

The **Center for Financial Studies** (CFS) located in Goethe University's House of Finance, is an independent non-profit research center, funded by contributions from donors and members, as well as by national and international research grants. CFS member institutions comprise almost all major players in Germany's financial industry. **Mission:** CFS affiliated professors and fellows conduct research in several topical areas, ranging from Stability and Banking Regulation, to Household Finance, Law and Economics of Financial Organizations, Monetary Policy, and the Economics of Financial Markets. CFS is also a contributor to policy debates and policy analyses, in particular on banking regulation and monetary policy. CFS focuses on building a platform for research, relying on its international network among academics, the financial industry and central banks in Europe. **Activities:** Among other recurring activities, CFS organizes a number of widely recognized events, including the annual "ECB and Its Watchers"-conference,



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the ongoing ECB-CFS research network initiative on financial integration in Europe, the Presidential Lectures under the auspices of the CFS President Otmar Issing, the bi-annual Deutsche Bank Prize in Financial Economics, and the quarterly CFS Financial Center Index. Its community services at the House of Finance comprise a set of research-enabling activities, consisting of an academic visitors program, a financial market data center, the CFS-GSFEM policy research initiative, and its role as co-founder of the House of Finance Policy Platform. **People:** CFS President is Professor Otmar Issing, former chief economist and member of the Executive Board of the ECB; Chairman of the Board is Dr. Rolf-E. Breuer, former CEO of Deutsche Bank AG; CFS Directors are Professors Michalis Haliassos, Jan Pieter Krahen and Uwe Walz. For more details on CFS activities and its research programs please visit www.ifk-cfs.de.

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