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ZVI BODIE

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OFFICE

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PERSONAL INFORMATION

Born: April 27, 1943
U.S. Citizen
Married, 2 children

EDUCATION

Ph.D., Massachusetts Institute of Technology, 1975, Economics; dissertation title: *Hedging Against Inflation*.
M.A., Hebrew University, 1970, Economics; dissertation title: *The International Diffusion of Synthetic Materials Production*.
B.A., with Honors, Brooklyn College, 1965, Philosophy.

POSITIONS HELD

At Boston University School of Management, 1972-present.
Norman and Adele Barron Professor of Management, 2006-present
Professor of Finance and Economics, 1984-2006.
Associate Professor of Finance, 1978-1984.
Assistant Professor of Finance, 1976-1978.
Director of Chartered Financial Analysts Examination Review Program, 1983-1990.
Director of Health Care Financial Management Program, 1979-1980.
Visiting Professor of Finance, Massachusetts Institute of Technology, 2008- 2009
Visiting Professor of Business Administration, Harvard University, 1993-1995.
Assistant Professor of Finance, Massachusetts Institute of Technology, 1975-1976.
Research Associate of the [National Bureau of Economic Research](#), Cambridge, MA, 1979-1991.
Codirector of NBER Project on Financial Aspects of the U.S. Pension System, 1979-1985.
Member of the [Pension Research Council](#), Wharton School, University of Pennsylvania, 1984-2005.
Member of Financial Accounting Standards Board Task Force on Present-Value-Based Measurements, 1989-1995.
Member of Advisory Board to World Bank Project on Old Age Security, 1992-1994.
Member of Advisory Board to Financial Economics Network Teaching and Case Abstracts, 1996-present.
Member of Advisory Board to Social Science Research Network Financial History e-Journal, 2008-present.
Member of Editorial Board of the [Journal of Pension Economics and Finance](#), 2001-present.
Member of Board of Directors of M/Risk, 2001-present.
Member Scientific Advisory Board of Netspar, 2007-
Fellow of the TIAA-CREF Institute, 2007-

Member of Society of Actuaries Pension Finance Task Force, 2008-

CONSULTING

Study of Pension Portfolio and Investment Strategy for U.S. Department of Labor, 1989-90.

Consultant to the State of Israel on Reforming the Pension System, 1990-1993.

Consultant to the Pension Benefit Guaranty Corporation, 1991-2003.

Lehman Brothers, Honeywell, ITT, J. P. Morgan, Bankers Trust, Integrated Finance Limited.

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

American Economic Association

American Finance Association

HONORS AND AWARDS

[Lifetime Achievement Award, Retirement Income Industry Association, Sept. 2007](#)

[Treasury & Risk Magazine, 100 most influential people in finance for 2007](#)

<http://www.bu.edu/phpbin/news-cms/news/?dept=644&id=45357>

[Financial Analysts Journal](#) Graham and Dodd Scroll, 1996

[Financial Analysts Journal](#) Graham and Dodd Award, 1985

Ford International Grant, 1971

MIT Fellowship, 1970

Hebrew University Fellowship, 1968-1970

New York State Regents Scholarship, 1960-1965

RESEARCH AND PUBLICATIONS

BOOKS

[Financial Economics 2e](#), (with Robert C. Merton and David Cleeton), Prentice Hall, 2009.

[The Future of Life-Cycle Saving and Investing](#), Research Foundation of the CFA Institute, February 2008.

[Worry-Free Investing: A Safe Approach to Achieving Your Lifetime Financial Goals](#), Financial Times Prentice Hall, 2003, 2007.

[Innovations in Retirement Financing](#), (ed. with Olivia Mitchell, Brett Hammond, and Steven Zeldes), University of Pennsylvania Press, 2002.

[The Foundations of Pension Finance](#), (ed. with E. Philip Davis), [Edward Elgar Publishers](#), 2000.

[Finance](#), (with Robert C. Merton), Prentice Hall, 2000.

[Securing Employer-Based Pensions: An International Perspective](#), (ed. with Olivia Mitchell and John Turner), University of Pennsylvania Press, 1996.

[The Global Financial System: A Functional Perspective](#), (with Global Financial System Group at Harvard Business School) [Harvard Business School Press](#), 1995

[Essentials of Investments](#), (with Alex Kane and Alan Marcus), Richard D. Irwin, 1992, 1994, 1998, 2001, 2004, 2006, 2008.

[Investments](#) (with Alex Kane and Alan Marcus), Richard D. Irwin, 1989, 1993, 1996, 1999, 2002, 2005, 2008.

[Pensions and the Economy: Sources, Uses, and Limitations of Data](#) (ed. with Alicia Munnell), University of Pennsylvania Press, 1992.

[Pensions in the U.S. Economy](#) (ed. with John Shoven and David Wise), University of Chicago Press, 1988.

Issues in Pension Economics (ed. with John Shoven and David Wise), University of Chicago Press, 1987.

Financial Aspects of the U.S. Pension System (ed. with John Shoven), University of Chicago Press, 1983.

BOOK CHAPTERS

“Pension Guarantees, Capital Adequacy and International Risk Sharing,” chapter 9 in Broeders, Dirk, Sylvester Eijffinger and Aerd Houben (ed.), [*Frontiers in Pension Finance*](#), Cheltenham UK: Edward Elgar, 2008.

“On Financial Literacy: What Every Retail Investor Should Know,” [*Innovations in Investment Management: Cutting-Edge Research from the Exclusive JOIM Conference Series*](#), Bloomberg Press, July 2008.

“The Challenge of Investor Education,” in Bodie *et al.*, [*The Future of Life-Cycle Saving and Investing*](#), Research Foundation of the CFA Institute, October 2007.

“[The Theory of Life-Cycle Saving and Investing](#),” (coauthors: Jonathan Treussard and Paul Willen) in Bodie *et al.*, *The Future of Life-Cycle Saving and Investing*, Research Foundation of the CFA Institute, October 2007.

“Fair Value Accounting and Pension Benefit Guarantees,” chapter 8 in N. Kortleve, T. Nijman and E. Ponds (Editors), *Fair Value and Pension Fund Management*, Elsevier B.V., February 2006, pp 139-158.

“Observations on Personal Retirement Accounts,” in *The Art of the Loan in the 21st Century: Producing, Pricing, and Regulating Credit*, Federal Reserve Bank of Chicago, May 2005, pp. 108-116.

“[An Analysis of Investment Advice to Retirement Plan Participants](#),” Chapter 2 in Mitchell and Smetters, eds., [*The Pension Challenge: Risk Transfers and Retirement Income Security*](#), Oxford University Press, December 2003.

“[A Framework for Analyzing and Managing Retirement Risks](#),” (with P. Brett Hammond and Olivia S. Mitchell) in *Innovations for Retirement Financing*, University of Pennsylvania Press, 2002.

“Financial Engineering and Social Security Reform,” in *Risk Aspects of Investment-Based Social Security Reform*, edited by John Campbell and Martin Feldstein, University of Chicago Press, 2000.

“[Investment Management and Technology: Past, Present, and Future](#),” in *Brookings-Wharton Papers on Financial Services*, Brookings Institution Press, 1999.

“Inflation-Protected Retirement Plans,” in *Managing Public Debt: Index-Linked Bonds in Theory and Practice*, Edward Elgar Publishers, 1997.

“[A Conceptual Framework for Analyzing the Financial System](#),” (with R.C. Merton), Chapter 1 in *The Global Financial System: A Functional Perspective*, Harvard Business School Press, 1995.

“The Informational Role of the Financial System: The Case of Implied Volatility,” (with R.C. Merton), Chapter 6 in *The Global Financial System: A Functional Perspective*, op. cit.

“[Financial Infrastructure and Public Policy](#),” (with R.C. Merton), Chapter 8 in *The Global Financial System: A Functional Perspective*, op. cit.

“Pension Security in an Aging World,” Chapter 1 in Bodie, Mitchell, and Turner eds., *Securing Employer-Based Pensions: An International Perspective*, University of Pennsylvania Press, 1996.

“Deposit Insurance Reform: A Functional Approach,” (with Robert C. Merton), in *Carnegie-Rochester Conference Series on Public Policy*, Volume 36, Spring 1993.

- “Pension Benefit Guarantees in the United States: A Functional Analysis,” (with Robert C. Merton), chapter 5 in R. Schmitt, ed., *The Future of Pensions in the United States*, University of Pennsylvania Press, 1993.
- “Federal Pension Insurance: Is It the S&L Crisis of the 1990s?” in *44th Annual Proceedings of the Industrial Relations Research Association*, 1992.
- “The Effect of Pension Funds on U.S. Capital Markets,” in Porta, ed. *Pensions and the Capital Market*, (Italian), Milan, Italy, 1993.
- “U.S. Financial Management of Risks: The State of the Art,” in *Financial Systems and Risk Management*, Osaka Foundation of International Exchange, Osaka, Japan, 1992.
- “Inflation Hedges,” in *The New Palgrave Dictionary of Money and Finance*, The MacMillan Press, London 1992.
- “Pensions,” in *The New Palgrave Dictionary of Money and Finance*, The MacMillan Press, London 1992.
- “Pension Fund Finance,” (with Leslie E. Papke), in Bodie and Munnell, eds., *Pensions and the Economy: Sources, Uses, and Limitations of Data*, University of Pennsylvania Press, 1992.
- “Shortfall Risk and Pension Fund Investment Policy,” in Sametz, ed., *Institutional Investing Business One Irwin*, Homewood Illinois, 1991.
- “Pension Funding Policy in Five Countries,” in Turner, ed. *Pension Policy: An International Perspective*, Washington: U.S. Government Printing Office, 1990.
- “The Lender's View of Debt and Equity: The Case of Pension Funds,” in *Are the Distinctions Between Debt and Equity Disappearing?*, Federal Reserve Bank of Boston, 1990.
- “Pension Fund Investment Policy,” in *Managing Institutional Assets*, edited by Frank Fabozzi, Harper and Row, Ballinger Division, 1990.
- “Enhancing the Efficiency of Pension Plans,” in *What Is the Future for Defined Benefit Pension Plans?*, Employee Benefit Research Institute, Washington, D.C., 1989.
- “Defined Benefit vs. Defined Contribution Pension Plans: What Are the Real Tradeoffs?” (with Robert C. Merton and Alan Marcus) in *Pensions in the U.S. Economy*, op. cit., 1988.
- “Funding and Asset Allocation in Corporate Pension Plans: An Empirical Investigation,” (with J. Light, R. Morck and R. A. Taggart) in *Issues in Pension Economics*, op. cit., 1987.
- “Pension Plan Integration as Insurance Against Social Security Risk,” (with Robert C. Merton and Alan Marcus) in *Issues in Pension Economics*, op. cit., 1987.
- “Risk and Required Returns on Debt and Equity,” (with Alex Kane and Robert MacDonald), in *Financing Corporate Capital Formation*, Benjamin M. Friedman, ed., University of Chicago Press, 1986.
- “Inflation and the Role of Bonds in Investor Portfolios,” (with Alex Kane and Robert MacDonald), in *Corporate Capital Structures in the U.S.*, B. M. Friedman, ed., University of Chicago Press, 1985.
- “Retirement Annuity Design in an Inflationary Climate,” (with James Pesando), Chapter 11 in *Financial Aspects of the U.S. Pension System*, op. cit., 1983.
- “Investment Strategy in an Inflationary Environment,” Chapter 3 in *The Changing Roles of Debt and Equity in Financing U.S. Capital Formation*, Benjamin M. Friedman, ed., University of Chicago Press, 1982.

PUBLISHED ARTICLES

Bodie, Zvi, Detemple, Jerome and Rindisbacher, Marcel, “Life Cycle Finance and the Design of Pension Plans” (June 11, 2009). *Annual Review of Financial Economics*, Forthcoming; Boston U. School

- of Management Research Paper Series No. 2009-5. Available at SSRN:
<http://ssrn.com/abstract=1396835>
- Bodie, Zvi, "Are Stocks the Best Investment for the Long Run?" *The Economists' Voice*: Vol. 6 : Iss. 3, Article 3, 2009. **Available at:** <http://www.bepress.com/ev/vol6/iss3/art3>
- Bodie, Zvi, Doriana Ruffino, and Jonathan Treussard, "Contingent Claims Analysis and Life-Cycle Finance," *American Economic Review*, May, 2008.
- Bodie, Zvi, and Paula Hogan, "The Emerging New Model for Wealth Management," *Private Wealth Management*, March 2008, Vol. 1, Issue 1.
https://www.cfainstitute.org/memresources/communications/privatewealth/mar08/article_1.html
- Gray, Dale F., Merton, Robert C. and Bodie, Zvi, "Contingent Claims Approach to Measuring and Managing Sovereign Credit Risk" *Journal of Investment Management*, 4th Quarter, 2007).
<http://ssrn.com/abstract=936661>
- "Where's the Beef?" [PIMCO DC Dialogue, March 2007](#).
- Bodie, Zvi and Treussard, Jonathan, "Making Investment Choices as Simple as Possible" (*Financial Analysts Journal*, May/June 2007). Available at SSRN: <http://ssrn.com/abstract=900005>
- "Why I Am Disappointed with the Pension Protection Act of 2006," *Benefits Link*, August 5, 2006.
- "On Asset-Liability Matching and Federal Deposit and Pension Insurance," *Federal Reserve Bank of St. Louis Review*, July/August 2006.
- "Do a Firm's Equity Returns Reflect the Risk of Its Pension Plan?" (Li Jin and R.C. Merton), *Journal of Financial Economics*, 81 (2006) 1–26.
- "For Long-Term Investors the Focus Should Be on Risk," (with Paula Hogan) *American Association of Individual Investors Journal*, June 2005, pages 16-18.
- "Straight Talk About Government Pension Insurance," *Milken Institute Review*, 1st quarter 2005, volume 7 number 1.
- "The Design of Financial Systems: Towards a Synthesis of Function and Structure," (with R.C. Merton), *Journal of Investment Management*, vol 3, no. 1, page 1, 2005.
- "Optimal consumption-portfolio choices and retirement planning," (with Jerome Detemple) *Journal of Economic Dynamics and Control*, Vol 28/6 pp 1115-1148, 2004.
- "Saving the PBGC," in *Pensions & Investments* Oct. 13, 2003, page 14.
- "For the Last Time: Stock Options Are an Expense," (with Robert S. Kaplan and Robert C. Merton) *Harvard Business Review*, March 2003.
- "On the Role of Bonds and Stocks in Corporate Pension Plans," *Tijdschrift voor Corporate Finance*, Jaargang 8, Nummer 3, 2003
- "Life Cycle Investing in Theory and in Practice," *Financial Analysts Journal*, January/February 2003.
- "TIPS for 401k Plans," in *Pensions & Investments* April 29, 2002.
- "Retirement Investing: A New Approach," *Financial Engineering News*, February 2002.
- "International Pension Swaps," (with Robert C. Merton), *Journal of Pension Economics and Finance*, January 2002.
- "New Approaches to Analyzing and Managing Retirement Risks," (with P. Brett Hammond and Olivia S. Mitchell), *Benefits Quarterly*, fourth quarter 2001.
- "The Design and Production of New Retirement Savings Products," (with Dwight B. Crane) *Journal of Portfolio Management*, Winter 1999, v 25 No. 2, 77-82.
- "Personal Investing: Advice, Theory, and Evidence," (with Dwight B. Crane) *Financial Analysts Journal*, November/December 1997.
- "Pensions for an Aging World," (with Olivia S. Mitchell) *Benefits Quarterly*, First Quarter 1996.
- "Form Follows Function: The Transformation of Banking," (with Dwight B. Crane) *Harvard Business Review*, March/April 1996.

- [“What the Pension Benefit Guaranty Corporation Can Learn from the Federal Savings and Loan Insurance Corporation,”](#) *Journal of Financial Services Research*, Vol. 10, No. 1, January 1996.
- [“On the Risk of Stocks in the Long Run,”](#) *Financial Analysts Journal*, May/June 1995.
- “On the Management of Financial Guarantees,” (with Robert C. Merton) *Financial Management*, Winter 1992.
- “Pension Reform and Privatization in International Perspective: The Case of Israel,” (with Robert C. Merton), *The Economics Quarterly*, Number 152, August 1992 (in Hebrew.)
- “Is the Pension Benefit Guaranty Corporation the FSLIC of the Nineties?” *Contingencies*, March/April 1992.
- [“Labor Supply Flexibility and Portfolio Choice in a Life-Cycle Model,”](#) (with Robert C. Merton and William Samuelson) *Journal of Economic Dynamics and Control*, Vol. 15, 1992.
- “Shortfall Risk and Pension Asset Allocation,” *Financial Analysts Journal*, May/June 1991.
- [“Inflation Insurance,”](#) *The Journal of Risk and Insurance*, Vol. LVII, No. 4, December 1990, 634-645.
- “Managing Pension and Retirement Assets,” [Journal of Financial Services Research](#), Vol 4, No. 4, December 1990.
- [“The ABO, the PBO, and Pension Investment Policy,”](#) *Financial Analysts Journal*, September/October 1990.
- [“Pensions and Financial Innovation,”](#) *Financial Management*, Autumn 1990.
- “Pensions as Retirement Income Insurance,” *Journal of Economic Literature*, March 1990.
- “Inflation Protection for Pension Plans,” *Compensation and Benefits Management*, Winter 1990.
- [“Inflation, Index-Linked Bonds, and Asset Allocation,”](#) *Journal of Portfolio Management*, Winter 1990.
- “Corporate Pension Policy: An Empirical Investigation,” (with J. Light, R. Morck and R. A. Taggart) *Financial Analysts Journal*, September/October 1985.
- “Why Haven't Nominal Rates Declined?” (with Alex Kane and Robert MacDonald), *Financial Analysts Journal*, March/April 1984.
- “Commodity Futures as an Inflation Hedge,” *Journal of Portfolio Management*, Spring 1983; reprinted in Peter Clark, ed., *Managed Futures*, Probus, 1992.
- “‘Compound-Interest’ Depreciation in Capital Investment,” *Harvard Business Review*, May/June 1982.
- “Inflation Risk and Capital Market Equilibrium,” *The Financial Review*, May 1982.
- “An Innovation for Stable Real Retirement Income,” *Journal of Portfolio Management*, Fall 1980.
- “Risk and Return in Commodity Futures,” (with Victor Rosansky), *Financial Analysts Journal*, May/June 1980; reprinted in Peter Clark, ed., *Managed Futures*, Probus, 1992.
- “Hedging Against Inflation,” *Sloan Management Review*, Fall 1979.
- “Portfolio Selection in a Winner-Take-All Environment,” (with Paul Berger), *Journal of Finance*, March 1979.
- “Future Investment Opportunities and the Value of Call Protection on a Bond,” (with Robert A. Taggart, Jr.), *Journal of Finance*, September 1978.
- “Interest Rate Uncertainty and the Value of Bond Call Protection,” (with Benjamin M. Friedman), *Journal of Political Economy*, February 1978.
- “Common Stocks as a Hedge Against Inflation,” *Journal of Finance*, May 1976.

REVIEWS

- Book Review of Alicia Munnell and Steven Sass, *Social Security and the Stock Market*, *Journal of Economic Literature*, forthcoming 2007.
- Book Review of Jeremy Siegel, *The Future for Investors*, *Journal of Pension Economics and Finance*, July 2005.

- Commentary on “The PBGC: A Costly Lesson in the Economics of Federal Insurance,” by Kathleen Utgoff in *Government Risk-Bearing*, Mark Sniderman, ed., Kluwer Academic Publishers, Boston, 1993.
- Book Review of Bernstein and Bernstein, *Social Security: The System That Works*, in *Journal of Economic Literature*, June 1989.
- Comments on “Pensions and the Labor Market: A Starting Point” by David Ellwood and on “Labor Compensation and the Structure of Private Pension Plans” by Laurence Kotlikoff and David Wise, in *Pensions and the Labor Market*, David Wise, ed., University of Chicago Press, 1985.
- Book Review of Alicia Munnell, *Economics of Private Pensions*, The Brookings Institution, Washington, D.C. 1982, *Journal of Economic Literature*, June 1983.
- Discussion of Elton, Gruber and Rentzler, “The Arbitrage Pricing Model and Returns on Assets Under Uncertain Inflation,” *Journal of Finance*, May 1983.

TELEVISION SHOWS AND WEBCASTS

[10/10/08 - Wall Street Journal Video - How to cope with the financial crisis](#)

[9/29/08 - Bodie on managing large-scale financial crises](#)

[9/26/08 - WCVB Webcast - Part 1](#)

[9/26/08 - WCVB Webcast - Part 2](#)

PBS NewsHour: [Domino Effect](#), March 21, 2008.

http://www.pbs.org/newshour/bb/business/jan-june08/domino_03-21.html

“Risk, retirement, and investments,” September 12, 2007 <http://www.bu.edu/phpbin/news-cms/news/?dept=644&id=46659&template=230>

“Off Target? An In-Depth Look at Target-Date Investing.” June 14, 2007.

“The Next Generation of Life-cycle Investment Products,” CFA Institute Webcast, April 2007

PBS NewsHour: [Pension Gamble](#), September 25, 2003

http://www.pbs.org/newshour/bb/economy/july-dec03/pension_9-25.html

Wall Street Week: [Stocks, Bonds, and Retirement](#), April 25, 2003

<http://www.pbs.org/wsw/tvprogram/20030425.html#retirement>

NOVA: “[Trillion Dollar Bet](#),” Feb. 8, 2000 <http://www.pbs.org/wgbh/nova/stockmarket/>

PBS Newshour: [Market Psychology](#), March 31, 1997

www.pbs.org/newshour/bb/economy/march97/psycho_3-31.html

RADIO INTERVIEWS

Bloomberg Radio: Tom Keene interviews Zvi Bodie, November 13, 2008

http://media.bloomberg.com/bb/avfile/Economics/On_Economy/vr9neHDTulk8.mp3

Here and Now: [Preparing for Retirement](#), February 20, 2007

<http://www.here-now.org/shows/2007/02/20070220.asp>

On Point: [Your Pension](#) August 21, 2006 <http://www.onpointradio.org/shows/2006/08/your-pension/>

On Point: [Pension Problems](#) April 10, 2006 <http://www.onpointradio.org/shows/2006/04/pension-problems/>

Diane Rehm Show on Pensions November 30, 2005 www.wamu.org/programs/dr/05/11/30.php

Day to Day [Fed Pension Safety Net Strained by Bankruptcies](#) May 17, 2005

All Things Considered [Government Ready to Pick Up Pensions](#) May 10, 2005

On Point: [The Investment Dilemma](#) March 15, 2005 www.onpointradio.org/shows/2005/03/20050315_b_main.asp

LECTURES, INTERVIEWS AND CONERENCE PRESENTATIONS

“The Future of Retirement,” [RIIA Conference](#) Managing Retirement Income, Feb. 2, 2007

“Pension Guarantees, Capital Adequacy, and International Risk Sharing”

“Life-Cycle Investment Products”

NEWSPAPER COLUMNS

“Wise pension strategy up until retirement,” Financial Times, April 7, 2008
<http://www.ft.com/cms/s/0/f4f2e5e2-0278-11dd-9388-000077b07658.html>

“Next generation of pensions investing,” Financial Times, October 1, 2007.

WORKING PAPERS

“[A New Framework for Measuring and Managing Macrofinancial Risk and Financial Stability](#),” NBER Working Paper No. W13607, November 2007.

“[Pension Guarantees, Capital Adequacy, and International Risk-Sharing](#),” March 2007.

“[Pension Insurance](#),” DNB WP 66, Dec. 2005.

http://www.dnb.nl/dnb/home/file/Working%20Paper%20No.%2066-2005_tcm13-67352.pdf

“On the Time Dimension of Investing,” Boston University School of Management Working Paper #2005-28, August 2005.