

Hersh Shefrin
Mario L. Belotti Professor of Finance
Department of Finance
Leavey School of Business
Santa Clara University
Santa Clara, California 95053

Office: 408/554-6893
FAX: 408/554-4029
EMAIL: hshefrin@scu.edu

Education

B.Sc. (Hons.), University of Manitoba, 1970
M. Mathematics, University of Waterloo, 1971
Ph.D., London School of Economics, 1974

Ph.D. Honoris Causa, University of Oulu, Finland, 2006

Academic Positions

Assistant Professor, Department of Economics, University of Rochester, 1974-1979
Associate Professor, Department of Economics, Santa Clara University, 1979-1986
Professor, Department of Economics, Santa Clara University, 1986-1990
Chair, Department of Economics, Santa Clara University, 1983-88
Professor, Department of Finance, Santa Clara University, 1990-present

Publications

“Prediction Tools: Financial Market Regulation, Politics and Psychology,” with Shabnam Mousavi, *Journal of Risk Management in Financial Institutions*, forthcoming 2010.

“Behavioralizing Finance,” *Foundations and Trends(r) in Finance*: Vol. 4: No 1-2, 2009, pp 1-184. <http://dx.doi.org/10.1561/05000000030>

“Insights into the Psychological Profiles of Entrepreneurs,” in R. Yazdipour (ed.) *Advances in Entrepreneurial Finance*. New York, NY: Springer, forthcoming 2010.

“How Psychological Pitfalls Generated the Global Financial Crisis,” in *Voices of Wisdom: Understanding the Global Financial Crisis*, Laurence B. Siegel, ed., Research Foundation of CFA Institute, 2010.

“Striking Regulatory Irons While Hot,” with Meir Statman, *Journal of Investment Management*, December 2009.

Maximizing Impact: From Strategy to Implementation: Solutions for Impact Investors, with Steven Godeke, Raúl Pomares, Al Bruno, Pat Guerra, Charly Kleissner, Rockefeller Philanthropic Advisers, 2009.

“Ending the Management Illusion: Preventing Another Financial Crisis.” *Ivey Business Journal*, January/February 2009.

“Behavioral Finance: Quo Vadis?”, with Werner De Bondt, Gulnur Muradoglu, and Sotiris K. Staikouras, *Journal of Applied Finance*, Fall/Winter 2008.

“Risk and Return in Behavioral SDF-Based Asset Pricing Models,” *Journal of Investment Management*, Vol. 6, No. 3, (2008).

Ending the Management Illusion: How to Drive Business Results Using the Principles of Behavioral Finance, McGraw-Hill, 2008.

A Behavioral Approach to Asset Pricing Theory, Elsevier. Second edition, 2008.

“Behavioral Explanations for Why Individual Investors Find Dividends Attractive,” Chapter 13, forthcoming in the *Blackwell Companion to Dividends and Dividend Policy*, edited by H. Kent Baker.

“Behavioral Portfolio Selection,” contribution to *Encyclopedia of Quantitative Finance*, Wiley, forthcoming.

“Behavioral Finance: Biases, Mean-Variance Returns, and Risk Premiums,” *Conference Proceedings Quarterly*, June 2007.

“When Will They Ever Learn?,” *Policy and Markets*, April 2007

“How the Disposition Effect and Momentum Impact Investment Professionals,” *Monitor and Journal of Investment Consulting*, 8, no. 2, Summer 2007. (Winner of 2008 IMCA Journalism Award.)

“Prospect Theory,” contribution to *International Encyclopedia for the Social Sciences*, forthcoming.

Behavioral Corporate Finance, 2006. McGraw-Hill/Irwin.

“Role of Behavioral Finance in Risk Management,” chapter in *Risk Management: A Modern Perspective*, editor Michael Ong, Elsevier, 2006.

A Behavioral Approach to Asset Pricing Theory, Elsevier.
<http://books.elsevier.com/finance>, 2005.

“Why CEOs Overpay in M&A,” *Finance*, Vol 18, No 6, July-August 2004.

“Behavioralizing Corporate Finance,” *FSR Forum*, 2003.

“The Contributions of Daniel Kahneman and Amos Tversky,” with Meir Statman. *Journal of Behavioral Finance*, 2003.

“The Style of Investor Expectations,” with Meir Statman. In Thomas Coggin and Frank Fabozzi (editors), *The Handbook of Equity Style Management*, 2003.

“Trading Volume, Information, and Trading Costs: Empirical Analysis,” with K. Chung and H. Jo, *Journal of Korean Securities Association*, Vol 31, 2002

“Behavioral Decision Making, Forecasting, Game Theory, and Role Play,” *International Journal of Forecasting*, Vol. 18, issue 3, 375-382, July-September, 2002.

“Do Investors Expect Higher Returns from Safer Stocks than from Riskier Stocks?” *Journal of Psychology and Financial Markets*, 2001.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=297496

“Behavioral Corporate Finance,” *Journal of Applied Corporate Finance*, Fall issue, 2001.
http://papers.ssrn.com/sol3/papers.cfm?abstract_id=288257

Behavioral Finance: A Three Volume Edited Collection, London: Edward Elgar, 2001.
<http://www.e-elgar.com/>

“Determinants of the Magnitude of Willingness to Accept Relative to Willingness to Pay,” with David Caldwell, *Journal of Behavioral Decision Making*, Vol. 14, No. 2, pp. 87-106. 2001.

“Benchmarks and Indexing: A Behavioral Perspective,” *Journal of Asset Management*, June 2000.

“Behavioral Portfolio Theory,” with Meir Statman, *Journal of Financial and Quantitative Analysis*, June 2000.

“Recent Developments in Behavioral Finance,” *Journal of Private Portfolio Management*, Summer 2000.

“Irrational Exuberance and Option Smiles.” *Financial Analysts Journal*, November/December 1999.

Beyond Greed and Fear: Understanding Behavioral Finance and the Psychology of Investing, Boston, MA: Harvard Business School Press, 1999. Revised version published 2002, New York: Oxford University Press

<http://www.oup-usa.org/isbn/0195161211.html>

<http://highered.mcgraw-hill.com/sites/0072339160/>

“Changing Utility Functions,” in *Handbook of Utility Theory*, edited by P. Hammond, C. Seidl, and S. Barbera. Kluwer Academic Press, 1998.

Five Essays on Modern Asset Management Practice: New Techniques for a New Era, with L. Rubin, Electric Power Research Institute, 1997.

“Making Sense of Beta, Size, and Book-to-Market,” with M. Statman, *Journal of Portfolio Management*, Vol. 21, No. 2, 1995.

http://papers.ssrn.com/sol3/papers.cfm?abstract_id=5870

“Behavioral Capital Asset Pricing Theory,” with M. Statman, *Journal of Financial and Quantitative Analysis*, September, 1994.

Contribution to “On Financial Ethics,” Forum published in *Financial Management*, Autumn, 1993.

“Ethics, Fairness and Efficiency in Financial Markets,” with M. Statman, *Financial Analysts Journal*, November/December, 1993.

“Behavioral Aspects of the Design and Marketing of Financial Products,” with M. Statman, *Financial Management*, Summer, 1993.

“Mental Accounting, Saving, and Self-Control,” with R. Thaler, in *Choice Over Time*, edited by G. Loewenstein and J. Elster, Sage Foundation, New York, 1992.

Ethics, Fairness, Efficiency, and Financial Markets, with M. Statman, Research Foundation of the Institute of Financial Analysts, 1992.

“Aggregation and Identification in Consumer Demand Systems,” with J. Heineke, *Journal of Econometrics*, 44, 1990, pp. 377-90.

“The Multinomial Option Pricing Model and its Brownian and Poisson Limits,” with D. Madan and F. Milne, *Review of Financial Studies*, Vol. 2, No. 2, 1989, pp. 251-65.

“The Behavioral Life-Cycle Hypothesis,” with R. Thaler, *Economic Inquiry*, Vol. XXVI, October, 1988.

“Exact Aggregation and the Finite Basis Property,” with J. Heineke, *International Economic Review*, Vol. 29, No. 3, 1988.

“Ex-Post Efficiency and Ex-Post Welfare: Some Fundamental Considerations,” with F. Milne, *Economica*, 55, 1988.

“On Some Global Properties of Gorman Class Demand Systems,” with J. Heineke, *Economics Letters*, 25, 1987.

“Information and Securities: A Note on Pareto Dominance and the Second Best,” with F. Milne, *Journal of Economic Theory*, Vol. 43, No. 2, December 1987.

“On an Implication of a Theorem Due to Gorman,” with J. Heineke, *Economics Letters*, 21, 1986.

“How Not to Make Money in the Stock Market,” with M. Statman, *Psychology Today*, February, 1986, pp. 53-57.

“The Disposition to Sell Winners Too Early and Ride Losers Too Long: Theory and Evidence,” with M. Statman, *Journal of Finance*, Vol. XL, No. 3, 1985.

“Clarifying Some Misconceptions About Stock-Market Economies,” with F. Milne, *Quarterly Journal of Economics*, Vol. XCIX, No. 3, 1984.

“Inferior Forecasters, Cycles, and the Efficient-Markets Hypothesis: A Comment,” *Journal of Political Economy*, 92, 1984.

“Explaining Investor Preference for Cash Dividends,” with M. Statman, *Journal of Financial Economics*, 13, 1984.

“Welfare Losses Arising From Increased Public Information and/or the Opening of New Security Markets,” with F. Milne, *Foundations of Utility and Risk Theory With Applications*, edited by B. Stigum and F. Wenstøp, 1983.

“Markov Chains, Imperfect State Information, and Bayesian Learning,” *Mathematical Modeling*, 4, 1983.

“The Finite Basis Property and Exact Aggregation,” with J. Heineke, *Economics Letters*, 9, 1982.

“On the Combinatorial Structure of Bayesian Learning with Imperfect Information,” *Discrete Mathematics*, 1981.

“Games with Self-Generating Distributions,” *Review of Economic Studies*, 1981.

“Transaction Costs, Uncertainty, and Generally Inactive Futures Markets,” *Review of Economic Studies*, 1981.

“An Economic Theory of Self-Control,” with R. Thaler, *Journal of Political Economy*, 1981.

“Interpreting β -Rationality in Hierarchical Games,” with R. Thaler, *Economics Letters*, 1980.

“On Duality Theory in Intertemporal Choice with Uncertainty,” with J. Heineke, *Economics Letters*, 1979.

“Bayesian Convergence in Market Games with Incomplete Information,” *Control Theory and Mathematical Economics*, edited by P. T. Liu and J. Sutinen, 1979.

“Optimal Investment in Schooling When Incomes are Risky,” with L. Olson and H. White, *Journal of Political Economy*, June 1979.

“Spot Trading, Differential Information, and Pareto-Efficiency,” *Journal of Economic Theory*, June, 1979.

“Differential Information and Informational Equilibrium,” *Economics Letters*, 1, 1978.

Grants and Awards

National Science Foundation

Association for Investment Management Research

Dean Witter Foundation

Graham and Dodd Scroll, for “Ethics, Fairness and Efficiency in Financial Markets,” with Meir Statman, *Financial Analysts Journal*, 1993.

William F. Sharpe Prize for best paper appearing in the *Journal of Financial and Quantitative Analysis* during 2000, with Meir Statman

Santa Clara University Faculty Senate Professor Award, Santa Clara University 2002

Best paper award 2002, with K. Chung and H. Jo, *Journal of Korean Securities Association*

Winner of 2008 IMCA Journalism Award. “How the Disposition Effect and Momentum Impact Investment Professionals,” *Monitor and Journal of Investment Consulting*, 8, no. 2, Summer 2007.

Media

Quoted by the *Wall Street Journal*, *the New York Times*, *the Financial Times*, *the Los Angeles Times*, *the San Jose Mercury News*, *the San Francisco Chronicle*, *the Boston Globe*, *Chicago Tribune*, *the San Diego Union-Tribune*, *the Atlanta-Journal Constitution*, *the New York Post*, *the Sydney Morning Herald*, *Barron's*, *Forbes*, *Forbes.com*, *Forbes Global*, *Money Magazine*, *Fortune*, *Individual Investor*, *US News & World Report*, *Newsweek*, *Newsweek Japan*, *Business Week*, *Technical Analysis of Stocks and Commodities*, *Family Money*, *Green*, *Working Woman*, *Red Herring*, *Global Investment*, *CFO Magazine*, and *the*

San Jose Business Journal. Listed among the academic stars of finance in January 2001 issue of *CFO Magazine*. Also interviewed on radio and television. Top 10 Alltime Hits SSRN.

Board of Directors

SA Funds (independent trustee and audit committee chair), Masters' Select (independent trustee and audit committee chair)

Consulting

EPRI, LECG, Charles Rivers Associates, American Skandia, J.R. Nuveen, Marketocracy, Financial Engines, Syntex Corporation (Roche Pharmaceuticals), Maciel Trucking, U.S. Department of Energy

July 2010