

Patrick Adams

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Education

Massachusetts Institute of Technology - Sloan School of Management

Ph.D. in Finance

2026 (*expected*)

MS Management Research

2022

University of Connecticut

BA Economics and Mathematics-Statistics, *summa cum laude*, Phi Beta Kappa, Honors Scholar

2017

Research Interests

Asset pricing; household finance; international finance; macroeconomics

References

Adrien Verdelhan (Co-Chair)

Stephens Naphtal Professor of Finance

MIT Sloan School of Management

adrienv@mit.edu

Lawrence D. W. Schmidt (Co-Chair)

Victor J. Menezes (1972) Career Development

Associate Professor of Finance

MIT Sloan School of Management

ldws@mit.edu

Jonathan A. Parker

Robert C. Merton (1970) Professor of

Financial Economics

MIT Sloan School of Management

japarker@mit.edu

Leonid Kogan

Nippon Telegraph & Telephone

Professor of Management

MIT Sloan School of Management

lkogan@mit.edu

Working Papers

[“Stocks for the Long Run or Liquidity? Tax Data Evidence and Portfolio Choice Implications”](#) (job market paper)

Abstract: Do temporary stock price crashes matter for long-term investors? I use over 25 years of U.S. income tax data to characterize the savings behavior and risk exposures of high-income working-age households. Aggregate stock price crashes coincide with persistent declines in wage and private business income for many of these households, who take large drawdowns from their liquid assets – including stocks – in response. I develop a life-cycle model with consumption adjustment frictions to match this observed savings behavior and determine its portfolio choice implications. Investing in stocks is risky when falling income and rigid expenditures may force investors to liquidate their holdings at temporarily-depressed prices, resulting in low optimal portfolio shares. These results challenge the conventional wisdom that the stock market is relatively safe for long-term investors.

[“Exchange Rate Risk in Public Firms”](#) with Adrien Verdelhan

Abstract: In their income statements, firms report their foreign exchange (FX) transaction income, i.e., the overall effect of exchange rate-induced revaluations of their monetary items, net of any financial hedging. Using such publicly available data, we find a strong comovement between exchange rate shocks and FX transaction income at the firm, industry, and aggregate levels, implying that financial hedging is limited. The FX exposure increases with international trade and foreign currency debt. The FX transaction income passes through to the firms’ profits, payouts and subsequent investments, implying that operational hedging is also limited, and that exchange rate changes affect firms.

Academic Publications

[“Forecasting macroeconomic risks”](#) with Tobias Adrian, Nina Boyarchenko and Domenico Giannone.

International Journal of Forecasting, 2021, Vol. 37 (3), pp. 1173-1191.

Works in Progress

[“Industry-Specific Human Capital and the Stock Market”](#) with Leonid Kogan, Maarten Meeuwis,

Dimitris Papanikolaou and Lawrence Schmidt

Abstract: Industry-specific factors account for a large share of individual earnings risk. To what extent can workers hedge this risk in financial markets? We estimate the relationship between industry stock returns and worker earnings, using administrative data and stock portfolios constructed from product market similarity measures. Industry stock returns are strongly positively correlated with workers’ future earnings growth. These effects are strongest for higher-income and older workers, consistent with theories of human capital specialization. Within industries, the returns of firms with lower growth opportunities are most informative about earnings growth. We use these estimates to calibrate a flexible nonparametric income process linking stock returns and worker earnings risk. We will integrate this income process into a portfolio choice model to quantify the welfare gains from long-short portfolio strategies that hedge this risk.

Works in Progress (cont.)

“Follow or Fight the Fed? Quantifying Monetary Policy Tradeoffs in Small Open Economies”

Abstract: U.S. monetary policy has large effects on foreign asset prices, exchange rates, and macroeconomic variables. To what extent can foreign central banks offset these effects by adjusting their own monetary policy stance? I use a new dataset of high-frequency monetary policy shocks for advanced economy central banks and recently-developed econometric methods to estimate the effects of U.S. monetary policy shocks under counterfactual foreign policy responses. Following a U.S. monetary policy tightening, foreign central banks can effectively stabilize exchange rates through proportional increases in their own policy rates, but are less capable of offsetting the spillovers to domestic asset prices and macroeconomic variables through policy rate decreases. The limited stabilization capability of foreign monetary policy is consistent with models in which U.S. monetary policy uniquely affects global financial conditions and aggregate demand.

Graduate Research and Teaching Experience

Research Experience:

Research Assistant to Adrien Verdelhan	Spring-Summer 2020; Spring-Fall 2022
Research Assistant to Lawrence Schmidt	Summer 2021; Spring 2022; Fall 2022; Spring 2023
Special Sworn Status, U.S. Census Bureau	

Teaching Experience:

Teaching Assistant for 15.470: Asset Pricing (PhD), Lawrence Schmidt and Leonid Kogan	Fall 2020; Fall 2021
Teaching evaluation score: 7.0/7.0 (Fall 2020); 6.8/7.0 (Fall 2021)	
Teaching Assistant for 15.466: Functional and Strategic Finance (MBA/MFin), Robert C. Merton	Spring 2025
Teaching evaluation score: 6.2/7.0	

Prior Work Experience

Federal Reserve Bank of Boston	Boston, MA
Dissertation Fellow	November 2022 - December 2022
Federal Reserve Bank of New York	New York, NY
Senior Research Analyst, Macroeconomic and Monetary Studies Function	June 2017 - July 2019
Time Series Analysis team; research assistant to President John C. Williams (2018-2019)	
Federal Reserve Bank of Cleveland	Cleveland, OH
Research Intern	May 2016 - August 2016

External Presentations

2023: Inter-Finance PhD Seminar; 22nd Macro Finance Society Workshop (PhD student poster session)

2022: Inter-Finance PhD Seminar; European Finance Association Annual Meeting; Global Research Forum on International Macroeconomics and Finance (Federal Reserve Bank of New York); Federal Reserve Bank of Boston

Professional Service

Refereeing: *American Economic Review: Insights*; *Journal of Finance*; *Journal of Financial Economics*; *Review of Economics and Statistics*; *International Journal of Forecasting*; *Empirical Economics*; *Review of International Economics*; *North American Journal of Economics and Finance*; *Journal of Behavioral and Experimental Finance*

Volunteering: Mentor, Application Assistance and Mentoring Program (2021-2023)

Awards

Massachusetts Institute of Technology

o Finance Department “Above and Beyond” Award	2022
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University of Connecticut

o Babbidge Scholar (4.0 academic year GPA; four-time recipient)	2014-2017
o Louis D. Taurig Scholarship, Economics Department (three-time recipient)	2015-2017
o Phi Beta Kappa	2016
o Holster Scholarship (independent research grant)	2014
o 2014 SHARE (Social Sciences, Humanities & Arts Research Experience) Award	2014
o Academic Excellence Scholarship	2013

Other:

o Quality and Productivity Research Conference - NSF Scholarship for Short Course	2017
o William Lowell Putnam Mathematical Competition - Rank: 343/4275	2015

Graduate Student Workshops

- Macro Finance Research Program 2022 Summer Session for Young Scholars August 2022
- NBER Behavioral Macroeconomics Research Boot Camp for Graduate Students May 2022
- Princeton Initiative September 2021
- Stanford Big-Data Initiative in International Macro-Finance August 2021
- Princeton Financial Economics of Insurance Workshop June 2020

Non-Degree Coursework

New York University - Courant Institute of Mathematical Sciences

Non-degree study, Mathematics in Finance program

2017-2018

London School of Economics and Political Science

2015 Summer School

2015

Federal Reserve Blog Posts and Non-Refereed Publications

[“What Do Financial Conditions Tell Us about Risks to GDP Growth?”](#) with Tobias Adrian, Nina Boyarchenko, Domenico Giannone, Nellie Liang, and Eric Qian.

Federal Reserve Bank of New York Liberty Street Economics (blog), May 21, 2020.

“Nowcasting the Great Recession” with Domenico Giannone, Eric Qian, Argia Sbordonc and Mihir Trivedi.

In *Alternative Economic Indicators*, edited by C. James Hueng, pp. 41-56. Kalamazoo, MI: W.E. Upjohn Institute for Employment Research, 2020.

[“Just Released: Historical Reconstruction of the New York Fed Staff Nowcast, 2002-15,”](#) with Domenico Giannone, Eric Qian, and Argia Sbordonc.

Federal Reserve Bank of New York Liberty Street Economics (blog), July 12, 2019.

[“Monitoring Economic Conditions During a Government Shutdown,”](#) with Domenico Giannone, Eric Qian, and Argia Sbordonc.

Federal Reserve Bank of New York Liberty Street Economics (blog), February 5, 2019.

[“Opening the Toolbox: The Nowcasting Code on GitHub,”](#) with Brandyn Bok, Daniele Caratelli, Domenico Giannone, Eric Qian, Argia Sbordonc, Camilla Schneier, and Andrea Tambalotti.

Federal Reserve Bank of New York Liberty Street Economics (blog), August 10, 2018.