# Fernando Zapatero

Finance Department
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## Employment

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| Richard D. Cohen Professor in Management<br>Questrom School of Business, Boston University | July 2019 – |
| Professor, Finance Department<br>Questrom School of Business, Boston University | July 2019 – |
| Department Chair, Finance<br>Questrom School of Business, Boston University | July 2019 – June 2025 |
| Robert G. Kirby Chair in Behavioral Finance<br>Marshall School of Business, USC | January 2012 – June 2019 |
| Vice Dean for Graduate Programs<br>Marshall School of Business, USC | September 2012 – June 2015 |
| Department Chair, Finance and Business<br>Economics, Marshall School of Business, USC | July 2007 – June 2011 |
| Professor, Finance and Business<br>Economics, Marshall School of Business, USC<br>(joint appointment at the Economics Department) | June 2007 – June 2019 |
| Associate Professor, Finance and Business<br>Economics, Marshall School of Business, USC | May 2004 to May 2007 |
| Assistant Professor, Finance and Business<br>Economics, Marshall School of Business, USC | July 1998 to April 2004 |
| Associate Professor, Centro de Investigación<br>Económica, ITAM, Mexico City | June 1994 to July 1998 |

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| Visiting Assistant Professor, Walter A. Haas School of Business, University of California, Berkeley | July 1992 to May 1994 |
| Assistant Professor, Department of Finance, Graduate School of Business, University of Texas at Austin | September 1991 to May 1992 |
| Lecturer in Accounting, ICADE, Madrid, Spain | September 1982 to June 1987 |

## Education

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| Ph D, Finance | Columbia University, 1991. |
| Licenciado en Ciencias Empresariales (Business Administration) | ICADE, Madrid, Spain, July 1981. |
| Licenciado en Derecho (Law) | ICADE, Madrid, Spain, July 1980. |

## Publications

### A) Refereed journals

1. Brocas, I., Carrillo, J., Giga, A. and F. Zapatero, “Skewness Seeking in a Dynamic Portfolio Choice Experiment,” *Journal of Behavioral and Experimental Economics*, 2025, forthcoming.
2. Belz, A., Graddy-Reed, A. and F. Zapatero, “The Role of Institutional Governance on Early-Stage Financing for University Spinoffs,” *Strategic Entrepreneurship Journal*, 2025, 1-26, https://doi.org/10.1002/sej.1552
3. Belz, A., Eckhause, J., Terrile, R. and F. Zapatero, “A Real Options Methodology for R&D Portfolio Selection and Management: Applications to the NASA SBIR Program,” *Annals of Operations Research*, 2025, https://doi.org/10.1007/s10479-025-06509-8.
4. Aristidou, A., Giga, A., Lee, S. and F. Zapatero, “Aspirational Utility and Investment Behavior,” *Journal of Financial Economics,* 163, 2025: 103970.
5. Xiouros, C. and F. Zapatero, “Disagreement, Information Quality and Asset Prices,” *Journal of Financial Economics,* 153, 2024: 103774.
6. Sotes-Paladino, J. and F. Zapatero, “Carrot *and* Stick: A Risk-Sharing Rationale for Fulcrum Fees in Active Fund Management,” *Journal of Financial Intermediation* 52, 2022: 100981.
7. Giga, A., Graddy-Reed, A., Belz, A., Terrile, R. and F. Zapatero, “Helping the Little Guy: The Impact of Government Grants on Small Technology Firms,” *Journal of Technology Transfer* 47, 2022: 846-871

8. Belz, A., Terrile, R., Zapatero F., Kawas, M., and A. Giga, “Mapping the *Valley of Death*: Managing Selection and Technology Advancement in NASA’s Small Business Innovation Research Program,” *IEEE Transactions on Engineering Management* 68, 2021: 1476-1485.
9. Zambrana, R. and F. Zapatero, “A Tale of Two Types: Generalists vs. Specialists in Mutual Funds Asset Management,” *Journal of Financial Economics* 142, 2021: 844-861.
10. Brocas, I., Carrillo, J., Giga, A. and F. Zapatero, “Risk Aversion in a Dynamic Asset Allocation Experiment,” *Journal of Financial and Quantitative Analysis* 54, 2019: 2209-2232.
11. Sotes-Paladino, J. and F. Zapatero, “Riding the Bubble with Convex Incentives,” *Review of Financial Studies* 32, 2019: 1416-1456.
12. Gómez, J.-P., Priestley, R. and F. Zapatero, “Labor Income, Relative Wealth Concerns, and the Cross-section of Stock Returns,” *Journal of Financial and Quantitative Analysis* 51, 2016: 1111-1133.
13. Coskun, C. and F. Zapatero, “Optimal Acquisition of a Partially Hedgeable House,” *Mathematics and Financial Economics* 9, 2015: 123-147.
14. Xiouros, C. and F. Zapatero, “The Representative Agent of an Economy with External Habit-Formation and Heterogeneous Risk-Aversion,” *Review of Financial Studies* 23, 2010: 3017-3047.
15. Gómez, J.-P., Priestley, R. and F. Zapatero, “Implications of Keeping Up with the Joneses Behavior for the Equilibrium Cross-Section of Stock Returns: International Evidence,” *Journal of Finance* 64, 2009: 2703-2737.
16. Suh, S. and F. Zapatero, “A Class of Quadratic Options for Exchange Rate Stabilization,” *Journal of Economic Dynamics and Control* 32, 2008: 3478-3501.
17. Cvitanić, J., Wiener, Z. and F. Zapatero, “Analytic Pricing of Employee Stock Options,” *Review of Financial Studies* 21, 2008: 683-724.
18. Cvitanić, J., Polimenis, V. and F. Zapatero, “Optimal Portfolio Allocation with Higher Moments,” *Annals of Finance* 4, 2008: 1-28 (**lead article**).
19. Cvitanić, J., Goukasian, L. and F. Zapatero, “Optimal Risk Taking with Flexible Income,” *Management Science* 55, 2007: 1594-1603.
20. Cadenillas, A., Cvitanić, J. and F. Zapatero, “Optimal Risk-Sharing with Effort and Project Choice,” *Journal of Economic Theory* 133, 2007: 403-440.
21. Cadenillas, A., Sarkar, S. and F. Zapatero, “Optimal Dividend Policy with Mean-Reverting Cash Reservoir,” *Mathematical Finance* 17, 2007: 81-110.
22. Cvitanić, J., Lazrak, A., Martellini, L. and F. Zapatero, “Dynamic Portfolio Choice with Parameter Uncertainty and the Economic Value of Analysts’ Recommendations,” *Review of Financial Studies* 19, 2006: 1113-1156 (**lead article**).

23. Cadenillas, A., Cvitanić, J. and F. Zapatero, "Leverage Decision and Manager Compensation with Choice of Effort and Volatility," *Journal of Financial Economics* 73, 2004: 71-92.
24. Ibáñez, A. and F. Zapatero, "Monte Carlo Valuation of American Options through Computation of the Optimal Exercise Frontier," *Journal of Financial and Quantitative Analysis* 39, 2004: 253-275.
25. Lazrak, A. and F. Zapatero, "Efficient Consumption Set under Recursive Utility and Unknown Beliefs," *Journal of Mathematical Economics* 40, 2004: 207-226.
26. Gómez, J.-P., and F. Zapatero, "Asset Pricing Implications of Benchmarking: A Two-Factor CAPM," *European Journal of Finance* 9, 2003: 343-357.
27. Sarkar, S. and F. Zapatero, "The Trade-off Model with Mean Reverting Earnings: Theory and Empirical Tests," *Economic Journal* 113, 2003, 834-860.
28. Zapatero, F. and L.F. Reverter, "Foreign Exchange Intervention with Options," *Journal of International Money and Finance* 22, 2003, 289-306.
29. Cvitanić, J., Lazrak, A., Martellini, L. and F. Zapatero, "Optimal Allocation to Hedge Funds: An Empirical Analysis," *Quantitative Finance* 3, 2003, 28-39.
30. Cvitanić, J., Goukasian, L. and F. Zapatero, "Monte Carlo Computation of Optimal Portfolios in Complete Markets," *Journal of Economic Dynamics and Control* 27, 2003: 971-986.
31. Cvitanić, J., Lazrak, A., Quenez, M.C. and F. Zapatero, "Incomplete Information with Recursive Preferences," *International Journal of Theoretical and Applied Finance* 4, 2001: 245-262.
32. Cadenillas, A. and F. Zapatero, "Classical and Impulse Stochastic Control of the Exchange Rate using Interest Rates and Reserves," *Mathematical Finance* 10, 2000: 141-147.
33. Cuoco, D. and F. Zapatero, "On the Recoverability of Preferences and Beliefs," *Review of Financial Studies* 13, 2000: 417-431.
34. Cadenillas, A. and F. Zapatero, "Optimal Central Bank Intervention in the Foreign Exchange Rate Market" *Journal of Economic Theory* 87, 1999: 218-242.
35. Zapatero, F., "Effects of Financial Innovations on Market Volatility when Beliefs are Heterogeneous," *Journal of Economic Dynamics and Control* 22, 1998: 597-626.
36. Sundaresan, S. M. and F. Zapatero, "Valuation, Asset Allocation and Retirement Incentives of Pension Plans," *Review of Financial Studies* 10, 1997: 631-660.

37. Goldstein, R. and F. Zapatero, "General Equilibrium with Constant Relative Risk Aversion and Vasicek Interest Rates," *Mathematical Finance* 6, 1996: 331-340.
38. Zapatero, F., "Equilibrium Asset Prices and Exchange Rates," *Journal of Economic Dynamics and Control* 19, 1995: 787-811.
39. Detemple, J. B. and F. Zapatero, "Optimal Consumption-Portfolio Policies with Habit Formation," *Mathematical Finance* 2, 1992: 35-58.
40. Detemple, J. B. and F. Zapatero, "Asset Pricing in an Exchange Economy with Habit Formation," *Econometrica* 59, 1991: 1633-1657.

**B) Book chapters, surveys, proceedings**

1. Zapatero, F., "Reference-Based Decisions in Finance," in I. Venezia (ed.), *Behavioral Finance: Where do Investors Biases Come From?*, World Scientific, 2016: 3–29.
2. Maisch, M. and F. Zapatero, "The Optimal Term Structure of Debt Maturity," in I. Venezia and Z. Wiener, (eds.), *Bridging the GAAP: Recent Advances in Finance and Accounting*, World Scientific, 2012: 229-240.
3. Cadenillas, A., Cvitanić, J. and F. Zapatero, "Stochastic Control Methods for the Problem of Optimal Compensation of Executives," in P. Baxendale and S. Lototsky, (eds.), *Stochastic Differential Equations: Theory and Applications. A volume in honor of Professor B. L. Rozovskii*, World Scientific, 2007: 169-196.
4. Cvitanić, J., Martellini, L. and F. Zapatero, "Optimal Active Management Fees," in E. Yücesan, C.-H. Chen, J. Snowdon and J. Charnes (eds.) *Proceedings of the 2002 Winter Simulation Conference,* 2002, vol 2: 1555-1559.
5. Cvitanić, J., Goukasian, L. and F. Zapatero, "Hedging with Monte Carlo Simulation," in E. Kontoghiorghes, B. Rustem and S. Siokos (eds.), *Computational Methods in Decision-Making, Economics and Finance,* Kluwer Academic Publishers, 2002, vol 2: 339-353.
6. Zapatero, F., "Los Fondos de Pensiones desde un Punto de Vista Financiero," *Cuadernos Económicos del ICE* 50, 1992: 157-174.

## Working Papers

1. Hodor, I., Yelenkova, A. and F. Zapatero, "Active Management and the Time-Varying Term Structure of Equity," August 2026.

2. Filippou, I., García–Ares, P. and F. Zapatero, "Betting on the Likelihood of a Short Squeeze," August 2026.

3. Hodor, I. and F. Zapatero, "Market Dynamics of Risk-On and Risk-Off Incentives and their Effect on Asset Prices," August 2026.
4. Chen, A. J., Lee, S. and F. Zapatero, "Clinging Onto the Cliff: A Model of Financial Misconduct," July 2026.
5. Navone, M. and F. Zapatero, "Price Rigidity and Quantity Rationing in the Supply of Equity Research," July 2026.
6. Aharoni, G., Shemesh, J. and F. Zapatero, "Competition or Spillover? Star Analyst Co-coverage and Firms Information Environment," June 2026.
7. Filippou, I., García–Ares, P. and F. Zapatero "Demand for Lotteries: The Choice Between Stocks and Options," June 2026.
8. Rivera, A., Zapatero, F. and H. Zhong "Optimal Contracting with Aspirational Utility," June 2026.
9. Kim, M. and F. Zapatero, "Uncertainty and Dispersion of Opinions," May 2026.
10. Hodor, I. and F. Zapatero, "Asset Pricing Implications of Heterogeneous Investment Horizons," February 2026.
11. Filippou, I., García–Ares, P. and F. Zapatero, "No Max Pain, No Max Gain: A Case of Predictable Reversal," October 2024.
12. Belz, A., Narendranath, P., Graddy-Reed, A. and F. Zapatero, "Terms of Endearment: Financing Contracts and Gender in Crowd Investing of Deep Technology Startups," September 2024.
13. Ibáñez, A. and F. Zapatero, "The Term Premium and Endogenous Debt-Maturity Dynamics," July 2024.
14. Shemesh, J., Zapatero, F. and Y. Zenou "Heterogeneous Peer Effects: How Community Connectivity Affects Car Purchases," May 2022.
15. Cadenillas, A., Cvitanić, J. and F. Zapatero, "Executive Stock Options as a Screening Mechanism," February 2012.

## Books

1. Cvitanić, J. and F. Zapatero, *Introduction to the Economics and Mathematics of Financial Markets,* MIT Press, Cambridge, MA, 2004, 496 pages.
2. Zapatero, F., *Manual de Consolidación de Estados Financieros de los Grupos de Empresas,* Ministerio de Economía y Hacienda, Madrid, 1988, 234 pages.

## Publication Awards

Detemple, J. B. and F. Zapatero, "Optimal Consumption-Portfolio Policies with Habit Formation," *Mathematical Finance* 2, 1992: 35-58, tied for third place on the 1992 Best Paper of Mathematical Finance Award.

## Editorial Boards

A) Editor:

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| Quarterly Journal of Finance (founding editor) | February 2010 – |

B) Associate Editor:

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| Annals of Finance | April 2004 – |
| Journal of Economic Dynamics and Control | January 2005 – December 2013 |
| Mathematical Finance | February 2006 – December 2019 |
| Mathematics and Financial Economics | June 2006 – June 2019 |

## Referee

American Economic Review, Annals of Finance, Econometrica, Economic Theory, European Economic Review, European Journal of Operations Research, Finance and Stochastics, Financial Review, International Economic Review, International Journal of Finance and Economics, International Journal of Theoretical and Applied Finance, Investigaciones Económicas, Journal of Economic Behavior and Organizations, Journal of Economic Dynamics and Control, Journal of Economic Theory, Journal of the European Economic Association, Journal of Finance, Journal of Financial Economics, Journal of Financial and Quantitative Analysis, Journal of International Economics, Journal of International Money and Finance, Journal of Mathematical Economics, Journal of Monetary Economics, Journal of Political Economy, Mathematical Finance, Mathematical Methods of Operations Research, Management Science, Quantitative Finance, Review of Derivatives Research, Review of Economic Studies, Review of Finance, Review of Financial Studies, SIAM Journal of Financial Mathematics, Spanish Economic Review, Strategic Entrepreneurship Journal.

## Courses Taught

- Continuous Time Models in Finance (PhD Seminar).
- Behavioral Finance (Undergraduate, M.S., PhD).
- Introduction to Finance (MBA).
- Investments (MBA, Undergraduate).
- Microeconomics (M.A., Undergraduate).
- Options and Futures (MBA, Undergraduate).
- Theoretical Asset Pricing (PhD Seminar).