Harold Huibing Zhang
Professor of Finance
School of Management
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**Education**

Ph.D. Economics, Duke University, May 1994.

B.S.E. Ocean Engineering, Shanghai Jiao Tong University, July 1984.

**Former Positions and Present Position**

1984-1987 Assistant Engineer, Wuhan Ship Design and Development Institute.

1994-2000 Assistant Professor of Economics, Graduate School of Industrial Administration, Carnegie Mellon University.

2000-2003 Associate Professor of Finance, Kenan-Flagler Business School, University of North Carolina at Chapel Hill.

2003-2005 Associate Professor of Finance (with tenure), Kenan-Flagler Business School, University of North Carolina at Chapel Hill.

2005-present Professor of Finance (with tenure), School of Management, University of Texas at Dallas.

**Awards, Prizes, and Honors**

**Fellow**, TIAA-CREF Institute, 2005-2010.

**Best Paper Award (second place),** 17$^{th}$ Conference on the Theories and Practices of Securities and Financial Markets, December 2009.

2004 **TIAA-CREF Paul A. Samuelson Award** for Outstanding Scholarly Writing on Lifelong Financial Security for Optimal Asset Location and Allocation with Taxable and Tax-Deferred Investing, Journal of Finance, June 2004.

**Barclays Global Investors/Michael Brennan Runner-Up Award** for the best paper published in Volume 14 of the Review of Financial Studies for Optimal Consumption and Investment with Capital Gains Taxes, June 2002.

**Undergraduate Economics Teaching Award**, The Graduate School of Industrial Administration, Carnegie Mellon University, 1998.

**BP America Research Chair** for Academic Year 1995-96, The Graduate School of Industrial Administration, Carnegie Mellon University.

## Publications

*Published papers:*

Fear of the Unknown: Familiarity and Economic Decisions, (H. Henry Cao, Bing Han, David Hirshleifer, and Harold H. Zhang), *Review of Finance* 15, 173-206, 2011.

Stock Returns and the Volatility of Liquidity, (Joao Pereira and Harold H. Zhang), *Journal of Financial and Quantitative Analysis* 45, 1077-1110.

Capital Gains Taxes and Asset Prices: Capitalization or Lock-in? (Zhonglan Dai, Edward Maydew, Douglas A. Shackelford, and Harold H. Zhang), *Journal of Finance* 63, 709-742, 2008.

Model Uncertainty, Limited Market Participation and Asset Prices, (H. Henry Cao, Tan Wang, and Harold H. Zhang), *Review of Financial Studies* 18, 1219-1251, 2005.

External Habit and the Cyclicality of Expected Stock Returns, (Thomas Tallarini, jr. and Harold H. Zhang), *Journal of Business* 78, 1023-1048, 2005.

Optimal Consumption and Portfolio Choices with Risky Housing and Borrowing Constraints, (Rui Yao and Harold H. Zhang), *Review of Financial Studies* 18, 197-239, 2005.

Maximizing Long-Term Wealth Accumulation: It's not just about What investments to make, but also Where to make them, (Robert Dammon, James Poterba, Chester Spatt, and Harold H. Zhang), *Research Dialogue* 85, September 2005, TIAA-CREF Institute.

Comment on `Household Portfolio Choices in Taxable and Tax-Deferred Accounts: Another Puzzle? (Harold H. Zhang), *European Finance Review* 7, 583-586, 2004.

Optimal Asset Location and Allocation with Taxable and Tax-Deferred Investing, (Robert M. Dammon, Chester S. Spatt and Harold H. Zhang), *Journal of Finance* 59, 2004. This paper was nominated for 2004 Smith-Breeden prize and is reprinted in Spephen A. Ross Mentor Influence through Generations, edited by Mark Grinblatt, McGraw-Hill Irwin, 2008.

Capital Gains Taxes and Portfolio Rebalancing, (Robert Dammon, Chester Spatt, and Harold H. Zhang), *Research Dialogue* 75, March 2003, TIAA-CREF Institute.

Upstream Intergenerational Transfers, (Frank A. Sloan, Harold H. Zhang and Jingshu Wang), *Southern Economic Journal*, 69, 363-380, 2002.

Optimal Consumption and Investment with Capital Gains Taxes, (Robert M. Dammon, Chester S. Spatt and Harold H. Zhang), *Review of Financial Studies* 14(3), 583-616, 2001 (lead article and winner of the Barclays Global Investors/Michael Brennan Runner-Up Award for the best paper published in Volume 14 of the *Review of Financial Studies*).

Explaining Bond Returns in Heterogeneous Agent Models: The Importance of Higher Order Moments, (Harold H. Zhang), *Journal of Economic Dynamics and Control* 24, 1381-1404, 2000 (lead article).

Fixed costs and asset market participation, (Amir Yaron and Harold H. Zhang), *Revista De Analisis Economico* 15, 89-109, 2000.

An Investigation of the Risk and Return Relation at Long Horizons, (Paul Harrison and Harold H. Zhang), *Review of Economics and Statistics* 81, 399-408, 1999.

Overparameterization in the Seminonparametric Density Estimation, (Ming Liu and Harold H. Zhang), *Economics Letters* 60, 11-18, 1998.

Endogenous Borrowing Constraints with Incomplete Markets, (Harold H. Zhang), *Journal of Finance* 52, 2187-2209, 1997.

Endogenous Short Sale Constraint, Stock Prices and Output Cycles, (Harold H. Zhang), *Macroeconomic Dynamics* 1, 228-254, 1997 (inaugural issue).

Tort Liability and Obstetrician's Care Levels, (Frank Sloan, Stephen Entman, Bridget Reilly, Cheryl Glass, Gerald Hickson and Harold H. Zhang), *International Review of Law and Economics* 17, 245-260, 1997.

Volume, Volatility, and Leverage: A Dynamic Analysis, (George Tauchen, Harold Zhang, and Ming Liu), *Journal of Econometrics* 74, 177-208, 1996.

*Completed Working Papers:*

The Impact of Financial Constraints on the Relation between Shareholder Taxes and the Cost of Equity Capital (Chongyang Chen, Zhonglan Dai, Douglas A. Shackelford, and Harold H. Zhang).

Credit Default Swaps and Subprime Mortgage Defaults, (David Mauer, Harold H. Zhang and Feng Zhao), invited to resubmit at the *Journal of Finance*.

Capital Gains Taxes and the Reward-to-Risk Ratio, (Zhonglan Dai, Douglas A. Shackelford, and Harold H. Zhang), second round review at the *Journal of Finance*.

Financial Networks and Trading in Emerging Bond Markets, (G. Geoffrey Booth, Umit G. Gurun, and Harold H. Zhang), under the 3rd round review at the *Journal of Financial Markets*.

A Macroeconomic Explanation of Momentum and Contrarian Profits, (Ming Liu, Harold H. Zhang, and Xingting Fang), revise and resubmit at the *Journal of Monetary Economics*.

Capital Gains Taxes and Stock Return Volatility, (Zhonglan Dai, Douglas A. Shackelford, and Harold H. Zhang), under review.

Diversification and Capital Gains Taxes with Multiple Risky Assets (Robert M. Dammon, Chester S. Spatt and Harold H. Zhang).

Optimal Life-Cycle Asset Allocation with Housing as Collateral, (Rui Yao and Harold H. Zhang), Baruch College and University of Texas at Dallas, revise and resubmit for the *Journal of Financial and Quantitative Analysis.*

Taxes, Estate Planning and Financial Theory: New Insights and Perspectives, (Robert Dammon, Chester Spatt and Harold H. Zhang).

**Editorial Roles on Publications**

Associate Editor, *Journal of Financial Econometrics*, January 2005 to present.
Associate Editor, *Quarterly Journal of Finance*, October 2009 to present.
Associate Editor, *Journal of Business & Economic Statistics*, January 2001 to December 2006.
Referee for the American Economic Review
Referee for the European Finance Review
Referee for the Journal of Finance
Referee for the Journal of Econometrics
Referee for the Journal of Financial and Quantitative Analysis
Referee for the Journal of Business and Economic Statistics
Referee for the Journal of Economic Dynamics and Control
Referee for the Journal of Futures Markets
Referee for the Management Science
Referee for the Mathematical Finance
Referee for the Review of Financial Studies
Referee for the Review of Finance
Referee for the Review of Economics and Statistics
Referee for the Review of Quantitative Finance and Accounting
Referee for the Southern Economic Journal

**Presentations**

*Invited talks*

Endogenous Short Sale Constraint, Stock Prices and Output Cycles was presented at the Conference on Computation and Estimation in Finance and Economics as part of the Annual International Symposia in Economic Theory and Econometrics held at Washington University in St. Louis on September 15-16, 1995.

Fixed Costs and Asset Market Participation, with Amir Yaron, was presented at the International Conference on Saving and Portfolios of Households in Developed and Emerging Markets held in Cyprus on October 21-22, 1996.

Fixed Costs and Asset Market Participation, with Amir Yaron, was presented at the International Conference on Risk in Emerging Financial Markets: Prediction, Pricing and Policy Implications held in Chile on September 29, 1999.

Optimal Life-Cycle Asset Allocation with Housing as a Collateral, with Rui Yao, was presented at the Financial Markets and Real Activity Conference held in Paris on November 20-21, 2008.

*Conference organizing committee and session chair*

Econometric Society Summer Meeting, Iowa City, 1996.

The 2006 FMA program committee member.

The 2008 FMA annual meetings, Grapevine, Texas, 2008.

Co-Chair, The 2009 China International Conference in Finance, Guangzhou, China, July 2009.

Co-Chair, The 2010 China International Conference in Finance, Beijing, China, July 2010.

Chair, The 2011 China International Conference in Finance, Wuhan, July 2011.

*Conference talks after critical review prior to presentation*

Asymmetric Information, Short Sale Constraints and Asset Prices was presented at the 1996 Summer Meetings of the Econometric Society in Iowa City on June 21-24, 1996.

The Cyclical Behavior of Expected Stock Returns and Volatility, co-authored with Paul Harrison, is presented at the 1996 Summer Meetings of the Econometric Society in Iowa City on June 21-24, 1996.

External Habit and the Cyclicity of Expected Stock Returns, co-authored with Thomas Tallarini, is presented at the Second International Conference on Computing in Economics and Finance in Geneva, Switzerland, June 26-28, 1996.

Endogenous Borrowing Constraints with Incomplete Markets is presented at the 1996 Annual Meetings of the Society for Economic Dynamics and Control in Mexico City, Mexico, June 27-29, 1996.

Specification Tests in the Efficient Method of Moments Framework with Application to the Stochastic Volatility Models, co-authored with Ming Liu, was presented at 1997 North America

Econometric Society Summer Meetings in California Institute of Technology and the Third International Conference on Computing in Economics and Finance at Stanford, California, June 30 to July 2, 1997.

An Investigation of the Risk and Return Relation at Long Horizons, co-authored with Paul Harrison, was presented at the Third International Conference on Computing in Economics and Finance at Stanford, California, June 30 to July 2, 1997, and the Far Eastern Meeting of the Econometric Society, July 24-26, 1997.

External Habit and the Cyclicality of Expected Stock Returns, co-authored with Thomas Tallarini, Jr., was presented at the Far Eastern Meeting of the Econometric Society, July 24-26, 1997.

An Investigation of the Risk and Return Relation at Long Horizons, co-authored with Paul Harrison, was presented at the 1998 Econometric Society Winter Meetings in Chicago, January 3-5, 1998.

Specification Tests in the Efficient Method of Moments Framework with Application to the Stochastic Volatility Models, co-authored with Ming Liu, was presented at 1998 North America Econometric Society Summer Meetings in Montreal, June 1998.

External Habit and the Cyclicality of Expected Stock Returns, co-authored with Thomas Tallarini, Jr., was presented at the 1998 North America Econometric Society Summer Meetings in Montreal, June 1998.

An Investigation of the Risk and Return Relation at Long Horizons, co-authored with Paul Harrison, was presented at the 1998 Society of Economic Dynamics Annual Meetings in Philadelphia, June 1998.

Optimal Consumption and Investment with Capital Gains Taxes, with Robert Dammon and Chester Spatt, was presented at the Western Finance Conference in Santa Monica, California, June 1999.

Optimal Consumption and Investment with Capital Gains Taxes, with Robert Dammon and Chester Spatt, was presented at the National Bureau of Economic Research Summer Institute Asset Pricing workshop, July 12-16, 1999.

Optimal Consumption and Investment with Capital Gains Taxes, with Robert Dammon and Chester Spatt, was presented at the Tenth Annual Conference on Financial Economics and Accounting, Austin, Texas, October 29-30, 1999.

Optimal Asset Location and Allocation with Taxable and Tax-Deferred Investing, with Robert Dammon and Chester Spatt, was presented at the Western Finance Conference in Sun Valley, Idaho, June 22-24, 2000.

Optimal Asset Location and Allocation with Taxable and Tax-Deferred Investing, with Robert Dammon and Chester Spatt, was presented at the Asset Location Conference at Stanford, March 23, 2001.

Optimal Consumption and Portfolio Choices with Risky Housing and Stochastic Labor Income, with Rui Yao, was presented at the 2002 Tsinghua Finance Conference, Beijing, China, July 3-4, 2002.

Fear of the Unknown: Familiarity and Economic Decisions, with Henry Cao and David Hershleifer, was presented at the Western Finance Association Meetings, June 2004.

Diversification and Capital Gains Taxes with Multiple Risky Assets with Robert M. Dammon and Chester S. Spatt, was presented at the NBER summer institute (asset pricing), July 2004.

Optimal Life-Cycle Asset Allocation with Housing as a Collateral, with Rui Yao, was presented at the Conference on Household Portfolio Choices, Copenhagen Business School, Denmark, November 2004.

Taxes, Estate Planning and Financial Theory: New Insights and Perspectives, with Robert Dammon and Chester Spatt, was presented at the ASSA annual meetins, January 2005.

Optimal Life-Cycle Asset Allocation with Housing as a Collateral, with Rui Yao, was presented at the Western Finance Association meetings in Portland, Oregon, June 2005.

Capital Gains Taxes and Stock Return Volatility, with Zhonglan Dai and Doug Shackelford, was presented at the Western Finance Association meetings in Big Sky, Montana, June 2007.

Capital Gains Taxes and Stock Return Volatility, with Zhonglan Dai and Doug Shackelford, was presented at the 2007 China International Finance Conference, July 2007.

Financial Networks and Trading in Emerging Bond Markets, with G. Geoffrey Booth and Umit G. Gurun, was presented at the 2009 China International Finance Conference, July 2009.

Capital Gains Taxes and the Reward-to-Risk Ratio, with Zhonglan Dai and Doug Shackelford, was presented at the 2010 China International Finance Conference, July 2010.

Discussant at the 1996 Econometric Society Summer Meetings in Iowa City.

Discussant at the Conference on Heterogeneity and Economic Activity at the University of Iowa, May 29-30, 1997.

Discussant at the 1998 Econometric Society Winter Meetings in Chicago.

Discussant at the 1998 Econometric Society Summer Meetings in Montreal.

Discussant at the 1999 Econometric Society Winter Meetings in New York.

Discussant at the Conference on Asset Prices and the Stock Market at The Federal Reserve Bank of Atlanta, September 15-16, 2000.

Discussant at the conference on Financial Market Risk Premiums: Time Variation and Macroeconomic Links, The Federal Reserve Board, July 21-22, 2005, Washington, D.C.

Discussant at the 2006 ASSA annual meetings, January 5-8, 2006, Boston.

Discussant at the 2008 Western Finance Association annual meetings, June 2008.

*Seminars at other academic institutions*

Seminar Speaker at the Department of Economics at Pennsylvania State University, September 1996.

Seminar Speaker at the Department of Economics, University of Pittsburgh, February, 1997.

Seminar Speaker at the School of Business Administration, Chinese University of Hong Kong, August 1997.

Seminar Speaker at the Simon Graduate School of Business Administration, University of Rochester, November 1999.

Seminar Speaker at the Federal Reserve Board of Governors, January 2000.

Seminar Speaker at the Eli Broad School of Business, Michigan State University, January 2000.

Seminar Speaker at Wallace Carroll School of Management, Boston College, January 2000.

Seminar Speaker at the Faculty of Commerce, University of British Columbia, February 2000.

Seminar Speaker at the Eller School of Business, University of Arizona, February 2000.

Seminar Speaker at the Department of Finance, University of Utah, February 2000.

Seminar Speaker at the Department of Financial Management, Cornell University, March 2000.

Seminar Speaker at the Olin School of Business, Washington University in St. Louis, April 2001.

Seminar Speaker at the School of Business, University of Alberta, October 2001.

Seminar Speaker at the Department of Economics, University of North Carolina, September 2002.

Seminar Speaker at Fuqua School of Business, Duke University, November 2002.

Seminar Speaker at the Eller School of Business, University of Arizona, December 2002.

Seminar Speaker at Carlson School of Management, University of Minnesota, March 2003.

Seminar Speaker at Cheung Kong Graduate School of Business, September 2003.

Seminar Speaker at the Financial Markets Group, London School of Economics, November 2003.

Seminar Speaker at the Finance Department, London Business School, November 2003.

Seminar Speaker at the School of Business and Economics, University of Exeter, November 2003.

Seminar Speaker at the School of Business and Management, Hong Kong University of Science and Technology, March 2005.

Seminar Speaker at the School of Management, Boston University, March 2005.

Seminar Speaker at the School of Management, University of Texas at Dallas, March 2005.

Seminar Speaker at Sauder School of Business, University of British Columbia, April 2005.

Seminar Speaker at the Cheung Kong Graduate School of Business, July 2006.

Seminar Speaker at Cox School of Business, Southern Methodist University, November 2006.

Seminar Speaker at the Mays Business School, Texas A&M University, January 2007.

Seminar Speaker at the Cheung Kong Graduate School of Business, July 2007.

Seminar Speaker at the Faculty of Business and Economics, University of Hong Kong, December 2007.

Seminar Speaker at the School of Economics and the School of Management, Fudan University, June and July 2009.

Seminar Speaker at the School of Economics, Huazhong University of Science and Technology, June, 2009.

Seminar Speaker at the School of Economics and Management, Tshinghua University, June 2010.

Seminar Speaker at the School of Economics and Finance, Mastriaacht University, April 2011.

**Grants and Contracts**

Carnegie Mellon Faculty Development Fund, July 1998 -- December 1999, $5,400.

Optimal Portfolio Choice and Consumption with Capital Gains Taxes, Teachers Insurance and Annuity Association-College Retirement Equities Fund, 1999, $29,889. Role: Co-investigator (jointly with Robert Dammon and Chester Spatt).

Optimal Asset Location and Allocation with Taxable and Tax-Deferred Investing, Teachers Insurance and Annuity Association-College Retirement Equities Fund, 2000, $30,000. Role: Co-investigator (jointly with Robert Dammon and Chester Spatt).

Diversification and Capital Gains Taxes with Multiple Risky Assets, Teachers Insurance and Annuity Association-College Retirement Equities Fund, 2001, $30,000. Role: Co-investigator (jointly with Robert Dammon and Chester Spatt).

Optimal Consumption and Portfolio Decisions with Risky Housing, North Carolina Supercomputing Center, 30,000 Supercomputing hours, 2001-2002. Role: Co-investigator (jointly with Rui Yao).

Taxes, Estate Planning and Financial Theory: New Insights and Perspectives, Teachers Insurance and Annuity Association-College Retirement Equities Fund, 2002, $30,000. Role: Co-investigator (jointly with Robert Dammon and Chester Spatt).

Taxes, Estate Planning and Financial Theory: New Insights and Perspectives, The Institute for Quantitative Research in Finance (Q-Group), 2002, $12,500. Role: Co-investigator (jointly with Robert Dammon and Chester Spatt).

**Courses taught**

*Courses taught at Carnegie Mellon University*

Fall, 1994-95 Econometrics I (Undergraduate Economics)
Fall, 1994-95 Microeconomic Analysis (PhD)
Spring, 1994-95 Econometrics I (Undergraduate Economics)
Spring, 1995-96 Regression Analysis (BSBA)
Fall, 1995-96 Microeconomic Analysis (PhD)
Fall, 1996-97 Econometrics II (Undergraduate Economics)
Fall, 1996-97 Microeconomic Analysis (PhD)
Spring, 1996-97 Regression Analysis (BSBA)
Fall, 1997-98 Microeconomic Analysis (PhD)
Fall, 1997-98 Regression Analysis (BSBA)
Spring, 1997-98 Regression Analysis (BSBA)
Fall, 1998-99 Regression Analysis (BSBA)
Spring, 1998-99 Regression Analysis (BSBA) -- 2 sections

*Courses taught at University of North Carolina at Chapel Hill*

Summer, 2000 Microeconomics Prep Course (EMBA -- Evening program)
Fall, 2000 Microeconomics Prep Course (EMBA -- Weekend program)
Fall, 2000 Microeconomics for Managers (EMBA -- Evening program)
Spring, 2001 Microeconomics for Managers (EMBA -- Weekend program)
Spring, 2001 Investments (BSBA)
Summer, 2000 Microeconomics Prep Course (EMBA -- Evening program)

Fall, 2001  Microeconomics Prep Course  (EMBA -- Weekend program)
Spring, 2002 Microeconomics for Managers (EMBA -- Evening program)
Summer, 2002 Microeconomics for Managers (EMBA -- Weekend program)
Spring, 2002 Investments (BSBA)
Summer, 2002 Microeconomics Prep Course  (EMBA -- Evening program)
Summer, 2002 Microeconomics Prep Course  (EMBA -- Weekend program)
Spring, 2003 Investments (BSBA)
Spring, 2003 Microeconomics for Managers (EMBA -- Evening program)
Spring, 2003 Microeconomics for Managers (EMBA -- Weekend program)
Spring, 2004 Investments (BSBA)
Spring, 2004 Microeconomics for Managers (EMBA -- Evening program)
Spring, 2004 Microeconomics for Managers (EMBA -- Weekend program)

*Courses taught at University of Texas at Dallas*

Spring 2006  Investment Management (BSBA)  — 2 sections
Spring 2006  Asset Pricing Theory (PhD)
Summer 2006 Research in Finance (PhD)
Fall 2006 Investment Management (MBA)
Fall 2006 Advanced Managerial Economics (PhD)
Fall 2006 Research in Finance (PhD)
Summer 2007, Research in Finance (PhD)
Fall 2007  Investment Management (BSBA)
Fall 2007 Advanced Managerial Economics (PhD)
Fall 2007 Research in Finance (PhD)
Fall 2008 Advanced Managerial Economics (PhD)
Fall 2008 Research in Finance (PhD)
Fall 2009 Investment Management (MBA)
Fall 2009 Advanced Managerial Economics (PhD)
Fall 2009 Research in Finance (PhD)
Fall 2010 Investment Management (MBA)  — 2 sections
Fall 2010 Advanced Managerial Economics (PhD)

**Student Supervision**

Chair of PhD committee  2 (at UTD)
Co-Chair of PhD committees 5 (4 at UNC and 1 at UTD)
Member of PhD committees  8 (2 at Carnegie Mellon, 2 at UNC and 4 at UTD)
Faculty advisor for EMBA student independent study   1 (at UNC)
BSBA honor thesis advisor 4 (2 at UNC and 2 at UTD)
BSBA honor thesis reader  1 (at UNC)

**Membership in Professional Societies**

Member of the American Finance Association
Member of the Society for Financial Studies
Member of the Western Finance Association

**Professional services**

External examiner for PhD dissertation, School of Business, University of Alberta, 2001.

Arnold Zellner Thesis Award Committee Member, 2001.

**University and business school citizenship and service**

Finance area PhD advisor (until August 2009)
Chair, Master's committee at the School of Management (at UTD)
School of Management PhD committee (at UTD)
Finance area recruiting committee chair (at UTD)
Finance area recruiting committee (at UTD)
Finance area recruiting committee (at UNC)
Finance area course scheduling liaison (at UNC)
Finance area PhD student admission (at UNC)
Faculty moderator for the UNC BSBA Investment Banking Day