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## **PIERRE-YVES YANNI**

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### **EDUCATION**

Ph.D. Economics, UCLA, expected June 2010  
M.A. Economics, UCLA, June 2006  
M.A. Economics, University of British Columbia, Vancouver (Canada), July 2003  
B.S. Economics, HEC Lausanne, Lausanne (Switzerland), July 2002

### **AWARDS**

Edwin W. Pauley Fellowship, 2004-2005; 2007-2008  
UCLA Teaching Assistant Fellowship, 2005-2007

### **FIELDS**

Applied Theory (primary) and Macroeconomics (secondary)

### **WORK EXPERIENCE**

Research Assistant, UCLA History, Professor Peter Baldwin, July - Sept 2008  
Research Assistant, UCLA Anderson, Professor Uday S. Karmarkar, July - Sept 2005  
Internship, Swiss Federal Statistical, Aug - Sept 2001

### **TEACHING EXPERIENCE**

Instructor for *Intermediate Microeconomic Theory*, UCLA, Summer 2007 and 2008  
Teaching assistant for *Introductory and Intermediate Microeconomic Theory; Introductory Statistics; Macroeconomic Theory; Game Theory*, UCLA, 2005-2008  
Teaching assistant for *Monetary Theory and Policy*, HEC Lausanne, 2003-2004  
Teaching assistant for *Introductory Economics; Introductory Statistics*, HEC Lausanne, 2000-2002

**RESEARCH IN PROGRESS****Complementarity in Risk-Taking** (job market paper)

**Abstract:** Widespread risk-taking among financial institutions can result in financial crises that have severe consequences for the whole economy. I propose a model that can rationalize excessive risk-taking among managers. The driving force in the model is that there exist implicit incentives for managers to signal their unobservable ability by taking high-risk strategies. To learn about managers' abilities the market uses relative returns, which are stochastic functions of abilities, to filter out the effect of the aggregate shock. Managers can use a strategy that increases returns in the good state at the cost of going bankrupt in the bad state (crash). The market only becomes aware that this strategy is risky if the bad state occurs. In this case, managers who took risk go bankrupt and only the returns of managers who played safe are observed. In equilibrium, managers below a certain ability threshold play the risky strategy. If a crash occurs, the market believes that managers shared its (mistaken) belief that this strategy was safe. Hence, the market does not recognize the link between ability and risk-taking and just updates abilities using the average return of those managers who played safe. These returns are generated by high-ability managers, resulting in a downward bias in the evaluation of managers who played safe and creating more incentives for managers to take on risk. Under some conditions, this complementarity in risk-taking becomes so strong that all managers play the risky strategy. In order to avoid systemic risk, policymakers should provide better information to investors so that the market is aware of the risk taken and risk-taking does not become widespread.

**PERSONAL**

Swiss Citizen; English (fluent), French (native),

**REFERENCES**

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