

Larry W. Taylor

September 15, 2016

Professor of Economics
College of Business and Economics
Rauch Business Center
621 Taylor Street
Bethlehem, PA 18015-4677
Telephone: (610) 758-3416
Email: larry.taylor@lehigh.edu

Education:

Ph.D. Economics, University of North Carolina at Chapel Hill, 1984

Dissertation: *Testing for Misspecification in the General Linear and Probit Models* (under the direction of David Guilkey)

B.S. Economics and Finance, University of North Alabama, 1980

Appointments:

Frank L. Magee Distinguished Professorship, Lehigh University, Fall 2014 – Present

Professor of Economics, Lehigh University, Fall 1996 – Present

Econometrics External Examiner, Swarthmore College, Spring 2012.

Visiting Scholar, Rutgers University, Fall 1999

Visiting Fellow, Australian National University, Summer 1993

Visiting Scholar, University of Pennsylvania, 1992

Kane Faculty Fellow, Lehigh University, 1991

Associate Professor of Economics, Lehigh University, Fall 1990 – Spring 1996

Visiting Fellow, Australian National University, 1989

Assistant Professor of Economics, Lehigh University, Fall 1984 – Spring 1990

Teaching Fellowship in Statistics, University of North Carolina, 1983-1984

Graduate Research Assistant, Carolina Population Center, 1980-1983

Undergraduate Research Assistant, The International Fertilizer Development Center, 1976-1980

Scholarly Activities:

Refereed articles: Methods

Christopher L. Skeels and Larry W. Taylor. Prediction in Linear Index Models with Endogenous Regressors. *The Stata Journal*, **15(3)**, 627-644, 2015.

Christopher L. Skeels and Larry W. Taylor. Prediction after IV Estimation. *Economics Letters*, **122(3)**, 420-422, 2014.

Larry W. Taylor. Penalized- R^2 Criteria for Model Selection. *The Manchester School*, **77(6)**, 699-717, 2009.

Larry W. Taylor. Using the Haar Wavelet Transform in the Semiparametric Specification of Time Series. *Economic Modelling*, **26**, 392-403, 2009.

Jonathan Ohn, Adrian Pagan, and Larry W. Taylor. Testing for Duration Dependence in Economic Cycles. *The Econometrics Journal*, **7**, 528-549, 2004. Contributions to this paper are from my work with Ram Mudambi in the early 1990s, along with important and independently derived contributions by Adrian Pagan from his Walras-Bowley Lecture 'Bulls and Bears: A Tale of Two States', delivered to the 1998 Summer Meetings of the North American chapter of the Econometric Society.

Hashem Pesaran and Larry W. Taylor. Diagnostics for IV Regressions. *The Oxford Bulletin of Economics and Statistics*, **61(2)**, 255-281, 1999.

Laura Bonanomi, Patrick Gaughan, and Larry W. Taylor. A Statistical Methodology for Measuring Lost Profit Resulting from a Loss of Customers. *The Journal of Forensic Economics*, **11(2)**, 103-113, 1998.

Larry W. Taylor. Influential Data Diagnostics for Transition Data. *Advances in Econometrics: Messy Data - Missing Observations, Outliers and Mixed Frequency Data*, edited by Thomas B. Fomby and R. Carter Hill, **13**, JAI Press, Inc., 243-268, 1998.

Larry W. Taylor. An R^2 Criterion Based on Optimal Predictors," *Econometric Reviews*, **16**, 109-118, 1997.

Christopher L. Skeels and Larry W. Taylor. On a Simultaneous Equations Pre-test Estimator. *Journal of Econometrics*, **68**, 269-286, 1995.

Ram Mudambi and Larry W. Taylor. Some Nonparametric Tests for Duration Dependence: An Application to UK Business Cycle Data. *Journal of Applied Statistics*, **22**, 163-177, 1995.

Larry W. Taylor. A Unified Approach to the Derivation of Influential Data Diagnostics. *Economic Modelling*, **10**, 113-126, 1993.

Ram Mudambi and Larry W. Taylor. A Nonparametric Investigation of Duration Dependence in the American Business Cycle: a Note. *Journal of Political Economy*, **99**, 654-656, 1991.

Larry W. Taylor. Testing Exclusion Restrictions for a Misspecified Tobit Model. *Economics Letters*, **37**, 411-416, 1991.

Larry W. Taylor. Deriving Covariance Matrices for Specification Tests. *Journal of Quantitative Economics*, **5**, 267-273, 1989.

Larry W. Taylor. An Application of Extended Rational Approximates to White's Information Matrix Test. *Economics Letters*, **30**, 49-53, 1989.

Larry W. Taylor. The Size Bias of White's Information Matrix Test. *Economics Letters*, **24**, 63-67, 1987.

Refereed articles: Applications

Thomas J. Hyclak, Christopher L. Skeels, and Larry W. Taylor. The Cardiovascular Revolution and Economic Performance in the OECD Countries. *Journal of Macroeconomics*, **50**, 114-125, 2016.

Thomas J. Hyclak, Chad Meyerhoefer, and Larry W. Taylor. Older Americans' Health and the Great Recession. *Review of Economics of the Household*, **13(2)**, 413-436, 2015.
DOI: 10.1007/s11150-013-9197-6

Donna Bergenstock, Mary E. Deily, and Larry W. Taylor. A Cartel's Response to Cheating: An Empirical Investigation of the De Beers Diamond Empire. *Southern Economic Journal*, **73(1)**, 173-189, 2006. Reprinted in *The Global Diamond Industry: Economics and Development, Volume 1*, edited by Roman Grynberg and Letsema Mbayi, Palgrave Macmillan, 95-120, 2015.

Larry W. Taylor. The Transition to Mid-Life Divorce. *Review of Economics of the Household*. **9**, 251-271, 2011.

Jen-Chi Cheng, Wenlong Weng, and Larry W. Taylor. The Links between International Parity Conditions and Granger Causality: A Study of Exchange Rates and Prices. *Applied Economics*, **42(27)**, 3491-3501, 2010.

Joe Cardinale and Larry W. Taylor. Economic Cycles: Asymmetries, Persistence, and Synchronization. *Palgrave Handbook of Econometrics: Applied Econometrics*, edited by Terence Mills and Kerry Patterson, **2**, Palgrave Macmillan, 308-348, 2009.

Larry W. Taylor. Nonparametric Estimation of Duration Dependence in Militarized Interstate Disputes. *Journal of Applied Statistics*, **34(4)**, 423-441, 2007.

Jen-Chi Cheng, Wenlong Weng, and Larry W. Taylor. Exchange Rates and Prices: A Revisit of Granger Causality Tests. *Journal of Post Keynesian Economics*, **29(2)**, 259-283, 2006.

James Maskula, Larry W. Taylor, and Stephen Thode. Information Asymmetries in the Pricing of Fine Wines. *International Journal of Wine Marketing*, **14(1)**, 5-13, 2002.

James A. Dearden, Larry W. Taylor, and Robert J. Thornton. A Benchmark Profile of Economics Departments in 15 Private Universities. *The Journal of Economic Education*, **32(4)**, 387-396, 2001.

Robyn Lawrence and Larry W. Taylor. Student Personality Type Versus Grading Procedures in Intermediate Accounting Courses. *Journal of Education for Business*, **76(1)**, 28-35, 2000.

Thomas J. Hyclak, James Stewart, and Larry W. Taylor. Some New Historical Evidence on the Impact of Affirmative Action: Detroit 1972. In *African Americans and Post-Industrial Labor Markets*, Transaction Publishers, 101-118, 1997.

Donna J. Fletcher and Larry W. Taylor. Swap Covered Interest Parity in Long-Date Capital Markets. *The Review of Economics and Statistics*, **3**, 530-538, 1996.

Donna J. Fletcher and Larry W. Taylor. A Nonparametric Analysis of Covered Interest Parity in Long-Date Capital Markets. *Journal of International Money and Finance*, **13**, 459-475, 1994.

John Formby, Vince Munley, and Larry W. Taylor. Electricity Demand in Multi-Family, Renter-Occupied Residences with Landlord Provided Major Appliances. *Southern Economic Journal*, **57**, 178-194, 1990.

Selected working papers, book reviews, and computer programs

Christopher L. Skeels and Larry W. Taylor. A general *Stata* module called *ivpredict.do* designed for post-estimation prediction from models with endogenous right-hand-side variables; *The Stata Journal*. 2015.

Larry W. Taylor. Cost-Effectiveness of Dual-Energy CT versus Single-Photon-Emission CT: An Alternative Approach. Pro bono technical report for the *Medical University of South Carolina*, 2011.

Richard J. Kish, Jonathan Ohn, and Larry W. Taylor. The Effectiveness of the Price-Dividend Relationship to Predict Returns. 2008.

Hashem Pesaran and Larry W. Taylor. Diagnostics for IV Regressions. *Department of Applied Economics Discussion Paper Series*, No. 9709, University of Cambridge, 1997.

Takao Kato and Larry W. Taylor. The Timing of Promotion to Top Management in the US and Japan: A Duration Analysis. *Levy Economics Institute*, No. 121, 1994.

Ram Mudambi and Larry W. Taylor. The Order of Duration Dependence for Expansions and Contractions in the American Business Cycle. *Martindale Center for the Study of Private Enterprise Discussion Paper Series*, No. 1, 1990.

Larry W. Taylor. The Costs of Academic Libraries: An Econometric Interpretation, by John R. Brockman. Book review for *The Economic Record*, **65**, 90-91, 1989.

Larry W. Taylor. Variable Addition Tests for Regression Models with Qualitative and Continuous Variables. *Working Papers in Economics and Econometrics*, No. 172, The Australian National University, November 1988.

Presentations and conferences

Cardiovascular Health and Economic Performance in the OECD Countries. Southern Economic Association Meetings, 2015.

Discussant, Southern Economic Association Meetings, 2006.

Testing for Duration Dependence in Economic Cycles. NSF/NBER Time Series Conference, University of Pennsylvania, 2002.

On the Mean Reversion of Stock Prices. University of Georgia, 1999.

Diagnostics for IV Regressions. University of Pennsylvania, 1998

Influential Data Diagnostics for Transition Data. Meetings of the American Statistical Association, 1998.

An R^2 Criterion Based on Optimal Predictors. Meetings of the American Statistical Association, 1996.

The Timing of Promotion to Top Management in Japan and the United States: A Duration Analysis. University of Pennsylvania, 1994.

Estimation and Testing in Simultaneous Equations Models with Discrete Outcomes Using Cross Section Data. Australasian Meetings of the Econometric Society, 1993.

Distinguishing Between Heteroskedasticity and Nonlinear Functional Form. International Symposium on Economic Modelling, 1992.

A Unified Approach to the Derivation of Influential Data Diagnostics. University of Pennsylvania, 1992.

Applying the Envelope Theorem to Derive Influential Data Diagnostics for the Logit Model. Pennsylvania State University, 1990.

Electricity Demand in Multi-Family, Renter-Occupied Residences with Landlord Provided Major Appliances. Osaka University, 1989.

Application and Hiring Probabilities for Female and Black Male Workers. Far East Meetings of the Econometric Society, 1989.

Hypothesis Testing and Misspecification: An Examination of the Censored Normal Model. Australasian Meetings of the Econometric Society, 1988.

An Application of Extended Rational Approximates to White's Information Matrix Test. American Winter Meetings of the Econometric Society, 1986.

The Performance of White's Information Matrix Test for Detecting Misspecification when the Dependent Variable is Censored. European Meetings of the Econometric Society, 1986.

Chairman, Statistical Issues in Econometrics. American Summer Meetings of the Econometric Society, 1986.

The Finite Sampling Properties of White's Information Matrix Test and Heteroskedasticity Test for the General Linear Model. American Summer Meetings of the Econometric Society, 1986.

Comparing RESET and Hausman's Procedure for Detecting Misspecification in the Probit Model. Fifth World Congress of the Econometric Society, 1985.

Testing for Misspecification in the General Linear and Probit Models. Lehigh University, 1984.

Versions of the various papers listed above have also been presented at:

Australian National University
Center for Naval Analysis
Colgate University
Lehigh University
Monash University
University of Melbourne
University of New Hampshire
University of South Florida

Refereeing

Communications in Statistics - Theory and Methods
Eastern Economic Journal
Econometric Reviews
Economic Modelling
Empirical Economics
International Economic Review
International Journal of Engineering, Science, and Technology
International Review of Economics and Finance
International Statistical Review
Introductory Econometrics: A Modern Approach (Wooldridge)
Journal of the American Statistical Association
Journal of Applied Econometrics
Journal of Applied Statistics
Journal of Business, Economics and Statistics
Journal of Econometrics
Journal of Economic Education
Journal of Economic Surveys
Journal of Forecasting
Journal of Macroeconomics
Journal of Monetary Economics
Oxford Bulletin of Economics and Statistics
Resource & Energy Economics
Review of Economics of the Household
Using Econometrics (Studenmund)

Directed Research:

Dissertation committees

Essays on Entrepreneurship across Space. Matt Saboe, 2012.

Essays on Hedge Funds. Nandita Das, 2003, (Primary Advisor).

On the Global and Local Moduli of Continuity of Brownian Motion. Lisa Elaine Marano, 2001.

The Effect of State-level R&D Tax Credits: An Analysis Based on 10-K and Compustat Data. Lolita Paff, 2001.

The Effects of Fringe Expansion and Marketing Expenditures on the Market Equilibrium of a Dominant Firm: A Study of De Beers, the Central Selling Organization and the Russian Federation. Donna Gerhardt, 1998.

Stock Price Volatility and Volume: The Profitability of Technical Trading Rules. Ki-Yeol Kwon, 1998, (Primary Advisor).

Dynamics of the Return Generating Process and Mean Reversion in Stock Prices. Jonathan Ohn, 1997, (Primary Advisor).

Volume, Number of Trades, and Price Adjustment Process: Theory and Empirical Properties. Kyong Shik Eom, 1997.

Variance and Comovement Bounds Tests of International Market Efficiency and Integration. Herb Smoluk, 1997.

Stochastic Methods in Finance: Three Interrelated Essays. Riaz Hussain, 1993.

The Financial Characteristics of Companies Involved in Cross-Border Mergers and Acquisitions. Pedro Gonzolez, 1992.

Currency Swaps and Capital Market Integration. Donna Fletcher, 1992.

Tax Incidence in the United States. Mary Murphy, 1988, (Primary Advisor).

Theses and directed research for undergraduates

Economic Analysis of the Runner's World Half and Festival. Justin Berger, Meghan Cunningham, and Catherine Withers, 2013.

Monetary Policy and Asset Prices: Does the Federal Reserve Practice Asset Price Targeting? Matthew Horne, 2009, (Primary Advisor, Campbell Prize).

Service Activities (partial list):

Faculty Steering Committee: 2014-2015.

Chair, Faculty Compensation Committee, 2014-2015.

Faculty Compensation Committee, 2013-present.

Faculty Cluster Hiring Committee, 2010-2011.

CBE Promotion and Tenure Committee, 2009-2012.

ODE Speaker, Lehigh University, 2007.

Ad Hoc Committee on Research, 1997-2000.

University Graduate and Research Committee, 1997-1999.

Departmental Coordinator for Research, 1997-1998.

University Disciplinary Appeals Committee, 1994-1997.

CBE Doctoral Advisor, 1991-1997.

Ad Hoc Faculty Committee on Undergraduate Research, 1991.

Recruiting Committee, Economics Department, 1990, 2001, 2005, 2007, 2008, 2010.

Economics Colloquium Committee, 1990-2000.

Quantitative Methods Committee / MCAR, 1990, 2000-2003, 2009-2011, 2013.

Computer Advisory Board, and PC Rollover Committee, 1990-1993.

Advisor, First Annual Undergraduate Economics Conference, presented by Ursinus College's Omicron Delta Epsilon Chapter and Business and Economics Club, 1990.

College Policy Committee, 1988, 2002-2008, and Chair 2004-2005.

Taylor College Faculty Fellow, 1984-1987.

CBE College Advisor, 1984-1988, 1990-2003, 2005-present.

Advisor, Omicron Delta Epsilon (ODE), 1984-1988, 1990-1992.

Consulting:

Normality of the Forward Series, 1999, with Jim Greenleaf, Vladimir Dobric and Wei-Min Huang. Energy Research Center, Lehigh University. Prepared for the New York State Electric & Gas Company.

Expeditors International of Washington, Inc. vs Direct Line Cargo Management Services, Inc., 1996-1998. United States District Court, District of New Jersey, Civil Action No. 93-CIV 5450 (HLS). Served as an expert witness for *Direct Line* in a countersuit against *Expeditors International*. Developed a methodology to measure lost profits due to pirated customers; see “A Statistical Methodology for Measuring Lost Profit Resulting from a Loss of Customers,” with Laura Bonanomi and Patrick Gaughan, in *The Journal of Forensic Economics*. The case was settled out of court to the satisfaction of *Direct Line*.

GAF v. Center for Claims Resolution, 1997-1998. Served as an expert witness for the plaintiff in which I critiqued and rendered an opinion on the process of liability allocation by the CCR; this is an ongoing court matter.

LDDS/WorldCom, Inc. (formerly LDDS Communications, Inc.), and Dial-Net, Inc. v. Automated Communications, Inc., and Judy Van Essen; No. 3:93-CV-463 (WS) in the United States District Court for the Southern District of Mississippi, Jackson Division, 1996. Served as an expert witness for the defendant in which I critiqued and rendered an opinion on the econometric analysis of the opposing expert witness. Part of my testimony has appeared in a book by Patrick A. Gaughan entitled, *Measuring Commercial Damages*, John Wiley and Sons, New York, 2000, pp. 160-166. The testimony also appears in *Measuring Business Interruptions Losses and other Commercial Damages*, John Wiley, 2003.