

University of Southern California  
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University of Southern California  
 Academic Director 2013-2015  
 Master of Science in Finance Program  
 Finance and Business Economics

## EDUCATION

University of Chicago	Ph.D.	Economics	1989
University of Chicago	A.M.	History	1988
University of Chicago Booth Graduate School of Business	M.B.A.	Finance	1981
University of Notre Dame	A.B.	History	1978

## EXPERIENCE

### Academic

University of Southern California Marshall School Department of Finance and Business Economics	Associate Professor of Clinical Finance and Business Economics	2008-present
University of California, Los Angeles Economics Department	Visiting Associate Professor	2007-2008
Chapman University – Argyros School of Business and Economics	Assistant Professor	2005-2007
Loyola University, Chicago	Visiting Assistant Professor	1996-2005
North Central College	Visiting Assistant Professor	2003-2004
Benedictine University	Visiting Assistant Professor	2001-2002
University of Notre Dame	Visiting Assistant Professor	1994-2000

A memorable course was one in which I helped a legally blind student who had severe focusing problems learn Macro by giving him very large type copies of lecture note and tests, and by using a software program which reads text aloud.

DePaul University	Instructor	1994-1996
Loyola University Law School	Lecturer	1991-1996
University of Notre Dame	Visiting Scholar	1991-1992
Roosevelt University, Chicago	Instructor	1988-1989

Courses taught: Accounting, Corporate Finance, Health Economics, Health Finance, Principles of Microeconomics, Principles of Macroeconomics, Intermediate Microeconomics, Intermediate Macroeconomics, International Trade Economics, Managerial Economics, Money & Banking, PM Globe, EMBA Theme VI.

Service: USC CFA review coordinator; Panel member, economic forecast on “Finance in the Ever Changing Economy,” for the Re-Charge Your MBA series with the USC Executive Education Program; Chapman University Academic Integrity Committee, Chapman Economic Forecast, Notre Dame Finance Club.

### Non-Academic

Mariscal, Weeks, McIntyre & Friedlander	Expert Witness (Statistics)	2006
In an employment age discrimination case, I did analysis of hiring and promotion data and critiqued the other side’s expert witness testimony. Our side won the case. Memorably, the judge said that he would not believe anything that the expert witness for the other side said.		
Katten, Muchin & Zavis	Consulting (Antitrust)	1990-1998
I performed analysis of the extent of markets in hospital mergers, and did analysis of dumping in international trade cases.		
American Hospital Association	Economist (Health Economics)	1990-1991
I cowrote a paper which was published on hospital closures.		
Bank One, Chicago	Economist (Forecasting)	1989-1990
A team of which I was part did regional forecasting.		
Merabank, Phoenix, Arizona.	Financial Analyst	1981-1983
Our team hedged a \$600 million mortgage loan portfolio with financial futures. I also did analysis for a merger with another S & L instate, an acquisition of an S & L in Texas, origination of an Edge Act subsidiary in California, and for a primary offering of stock when the institution converted from mutual to stock form of ownership.		
Action Agency-Vista	Vista Volunteer	1978-1979
This is a program of the federal government similar to the Peace Corps. I worked with convicts at two state prisons: the Minnesota State Prison (maximum security facility for men) at Stillwater and the Minnesota Women’s Correctional Facility (maximum and medium security) at Shakopee.		

**Dissertation Title:** Determinants of U.S. State Debt. University of Chicago Economics Department.

The thesis develops and tests a theory of debt and taxes. The conventional pricing models for debt are shown to be incomplete since they lack a term for a risk premium for the effect of tax rates on stochastic income. Using both cross sectional and time series analysis, the thesis finds a strong link between government size and debt on the state level, adjusted for personal income. Discriminatory taxation of out of state debt is found to cause persistent differences among states in the cost of capital and in the use of debt. Marginal tax rates are found to be strongly linked to debt through a demand for tax exempt debt by the rich.

#### **ADMINISTRATION SERVICE:**

I was the founder and Academic Director in the first two years of the new Master of Science in Finance program. I recruited, marketed and teach in the program. In our first two years the program became ranked 5<sup>th</sup> out of 94 MSF programs by TFE. Our admitted applicants (50 or less out of more than 1,000) had GPAs of 3.50, and GMATs of a mean 700. They came from undergraduate institutions like USC, UCLA, UC Berkeley, California Institute of Technology, Johns Hopkins, the Naval Academy, and Columbia. We are the best MSF program on the Pacific Rim. Our first year graduates had job offers with a mean salary of \$68,000. I also serve on the USC Marshall Undergraduate Curriculum Committee. I have recently written the curriculum for our new Real Estate Minor. I am currently updating the Marshall Finance and Business Economics Website.

#### **PUBLICATIONS**

“The Jesuit Letters,” an appendix published in Asia in the Making of Europe (University of Chicago Press, 1993, in print 2007), by Donald Lach and Edwin Van Kley. Contemporaneous reports on conditions in various countries of Asia in the seventeenth century. Reports were in Latin, Italian, Spanish, French, Portuguese, Dutch, Chinese and Japanese.

“Spice Appendix,” economic history published in Asia in the Making of Europe (University of Chicago Press, 1993, in print 2007), by Donald Lach and Edwin Van Kley. Prices for spices from Asia, which are storable, tradable goods, show the integration of the European and Asian markets.

“Impact of Hospital Closures on Travel Time to Hospitals,” with S. Samuels et al., *Inquiry* (Summer, 1991), 194-199. The paper finds that hospital closures have little effect on morbidity or mortality because of improved transportation and the presence of substitute care providers.

#### **WORKING PAPERS AND ARTICLES UNDER REVIEW**

“Microeconomic Tests of Ricardian Equivalence,” an empirical paper testing the hypothesis with U.S. consumption data, using both binomial tests and Zellner’s Seemingly Unrelated Regressions system of equations. Co-written with Arnold C. Harberger. Presented at the American Economic Association convention. Submitted to *Review of Economic Inquiry*. The paper is in the revise and resubmit stage. The paper uses residential electricity as a proxy for general consumption, since its quality is constant over time, and it is consumed everywhere. The seemingly unrelated regression system allows us to pick up effects on demand from all other states, thus we treat the U.S. economy as an integrated market and do not have to assume, but can rather measure, the cross-state effects on consumption.

“The Miller Hypothesis and the Tax Code,” a paper which examines the municipal bond puzzle. The puzzle, variously called the implied tax rate problem and the Miller hypothesis, began with Merton Miller’s A.F.A. presidential address (“Debt and Taxes”), in which he asserts that the difference in nominal yields between corporate and municipal debt should equal the corporate tax rate. The puzzle is that this difference, the implied tax rate which would make the marginal investor indifferent between holding either type of bond, holds for short term debt, but not for long term debt. This paper examines 67 years of bond data, and finds that there was a significant period, ignored in the literature, when the implied tax rate was greater, not less, than the corporate rate. The explanation for why the implied tax rate could be greater than, equal to, or less than the corporate rate relies on details in the Internal Revenue Code and a callable bond price constraint.

“Tax Duration,” a paper explaining why tax changes have a finite life. Tax changes are likened to other discrete changes of state, such as changes from employed to unemployed, which have durations, survivor functions, and hazard functions. This paper and the two papers above use a large data set which gives tax rates for all income levels and states.

“Unobserved Heterogeneity in Taxes,” an econometric paper measuring a problem arising in duration data. Pooling data derived from heterogeneous sources may give a spurious measure of the hazard function. The solution is to separately calculate the hazard function for each time series.

## **REFeree REPORTS: Marshall and Outside Marshall**

Ratings for 3 Papers for Marshall Ph.D. Conference:

“The Foundations of Corporate Social Responsibility,” by Hao Liang and Luc Renneboog.

“Suffrage Institutions and Financial Development: Does the Middle Class Have a Say?,” by Hans Degryse, Thomas Lambert and Armin Schwienbacher.

“The Downside of Increased Shareholders’ Rights: A Corporate Culture Channel,” by Jillian Popadak

## **Solicited Referee Reports:**

“Assessing the cost of contemporary pituitary care,” by McLaughlin, Martin and Bergsneider, all of Department of Neurosurgery, David Geffen School of Medicine, UCLA, for *Neurosurgical Focus* (2014).

“Clinical Trends Affecting the Economics of Deep Brain Stimulation,” David Rowell, PhD. Asia-Pacific Centre for Neurostimulation, University of Queensland, Australia, for *Neurosurgical Focus* (2014).

“Contemporary Healthcare Economics: An Overview,” by McLaughlin and Martin, Department of Neurosurgery, David Geffen School of Medicine, UCLA, for *Neurosurgical Focus* (2014).

“Time-driven activity based costing: A driver for provider engagement in cost containment initiatives and value-based redesign,” by N. McLaughlin, N. Martin, Department of Neurosurgery, David Geffen School of Medicine, UCLA, and R. Kaplan, Harvard Business School, for *Neurosurgical Focus* (2014).

## **WORK IN PROGRESS**

“Effects of Standardized Test Scores and Attendance on Performance in Undergraduate Economics Courses.” A study of ability and effort in Chapman University students.

## **PRESENTATIONS**

“Microeconomic Tests of Ricardian Equivalence,” an empirical paper testing the hypothesis with U.S. consumption data, using both binomial tests and Zellner’s Seemingly Unrelated Regressions system of equations. Co-written with Arnold C. Harberger. Presentation at the American Economic Association convention.

“The Miller Hypothesis and the Tax Code,” presentation at the University of Southern California, October 2008.

## **HONORS AND AWARDS**

Golden Apple Teaching Award for 2010 for the USC Marshall MBA PM Core

Par for the Course Teaching Award for 2010 for the USC Marshall San Diego EMBA program

National Merit Scholar

Winner of the George Coppers National Merit Scholarship.

Illinois State Scholar

Equivalent to Regents’ Scholar in other states.

Listed in *Who’s Who in America*, various years.

Listed in *Who’s Who in the Midwest*, various years.

Listed in *Who’s Who in Finance*, various years.

## **OTHER SCHOLARLY ACTIVITIES**

Reviewer, J. William Fulbright Commission in the Czech Republic

Referee, *Resource and Energy Economics*

Referee, *Journal of Health Economics*

Referee, *Neurosurgical Focus*

## References

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