

Marianne ANDRIES

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Born: 16 August 1977

Nationality: French (US permanent resident)

Academic Positions

2012- Toulouse School of Economics

Assistant Professor

Education

2006-2012 University of Chicago Booth School of Business

Ph.D. in Finance

Chicago Booth Doctoral Fellowship (2006-2009)

Eugene F. Fama Ph.D. Fellowship (2009-2010)

1998-2001 École Nationale Supérieure des Mines de Paris

MA in Engineering, Mathematics and Physics

Research Interests

Asset Pricing, Behavioral Finance

Working Papers

“Consumption-Based Asset Pricing with Loss Aversion” (with Valentin Haddad, Princeton University)

We propose a theory of inattention solely based on preferences, absent any cognitive limitations, or external costs of acquiring information. Under disappointment aversion, information decisions and risk attitude are intertwined, and agents are intrinsically information averse. We illustrate this link between attitude towards risk and information in a standard portfolio problem. We show agents never choose to receive information continuously in a diffusive environment: they optimally acquire information at infrequent intervals only. In contrast to existing theories, we show the optimal frequency of information acquisition can decrease when risk increases, consistent with empirical evidence. We show information aversion tends to lower significantly the benefits of diversification, leads to a joint evaluation of project gains and their information process, as well as creates scope for the creation of information providers. These results suggest our approach can explain many observed features of decision under uncertainty.

“Consumption-Based Asset Pricing with Loss Aversion” (Job Market Paper)

I incorporate loss aversion in a consumption-based asset pricing model with recursive preferences and solve for asset prices in closed-form. I find loss aversion increases expected returns substantially relative to the standard recursive utility model. This feature of my model improves the ability to match moments on asset prices compared to the standard recursive utility model. Further, I find that loss aversion induces important nonlinearities into the expected excess returns as a function of the exposure to the consumption shocks. In particular, the elasticities of expected returns with respect to the exposure to the consumption shocks are greater for assets with smaller

exposures to the shocks, thus generating interesting predictions for the cross-section of returns. I provide strong empirical evidence supporting this outcome. The model with loss aversion correctly predicts both a negative premium for skewness and a security market line, the excess returns as a function of the exposure to market risk, flatter than the CAPM.

“Social Responsibility and Asset Prices: Is there a Relation?”

Socially responsible investors take into consideration other criteria than risk and returns upon deciding which firms to invest in. If these investors are sufficiently numerous, they can impact the representative utility function and thus affect firms' stock returns. My aim is to test this hypothesis and analyze if there is a relation between the corporate social responsibility of firms and their stock returns. Using the ratings attributed to firms in the S&P 500 index by KLD, a rating agency specialized in social responsibility, I observe that preferences for social responsibility were not reflected in returns prior to year 2000. However, in the more recent 2000-2006 period, I do observe lower returns for the more socially responsible firms in specific criteria of social responsibility.

Presentations

Chicago Booth, UW Madison, TSE, Boston College, Boston University, University of Rochester, Washington University St Louis, Yale SOM, UBC, LSE, Bocconi, HEC Paris, Polytechnique Paris, NY Fed, SED conference, Summer Macro-finance Science Po conference, Stockholm School of Economics, Tokyo University, Miami Behavioral Finance Conference

Teaching Experience

2012-2014 **Asset Pricing** teacher (Ph.D. class, Masters)
2012-2014 **Financial Econometrics** teacher (Masters)
2009,2010 **Math Camp** teacher (Ph.D. class)
2008,2009 **Advanced Macroeconomics** TA for Prof. Lars Hansen (Ph.D. class)
2007 **Corporate Finance** TA for Prof. Morten Sorensen (MBA class)

Work Experience

2006 **Citadel**, consulting for the development of an automatic trading platform on the energy markets
2001-2005 **Morgan Stanley, Commodities Group**
2004-05: Associate, Trading and Quantitative Research, New York
2003-04: Associate, Quantitative Research, London
2001-03: Oil Trader, London
Summer 2000 **Goldman Sachs FICC Internship Program (London)**

References

Lars P. Hansen, University of Chicago (Dissertation Committee Co-Chair)
Pietro Veronesi, Booth School of Business, University of Chicago (Dissertation Committee Co-Chair)
John C. Heaton, Booth School of Business, University of Chicago
Emir Kamenica, Booth School of Business, University of Chicago
Ralph Koijen, Booth School of Business, University of Chicago