

# Tuomas Tomunen

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## Employment

Visiting Assistant Professor of Finance, Massachusetts Institute of Technology, Sloan School of Management, 2024-2025.

Assistant Professor of Finance, Boston College, Carroll School of Management, 2020-present.

## Education

Ph.D. in Finance, **Columbia Business School**, 2020.

M.Phil. in Finance, **Columbia Business School**, 2018.

M.Sc. in Economics and Business Administration, **Aalto University**, 2015.

B.Sc. in Economics and Business Administration, **Aalto University**, 2013.

## Fields of Research Interest

Asset Pricing, Climate Finance, Insurance Markets, Financial Intermediation.

## Research

### *Publications*

**Taking the Cochrane-Piazzesi Term Structure Model Out of Sample: More Data, Additional Currencies, and FX Implications**, with Robert J. Hodrick, *Critical Finance Review*, 2021, vol 10 (1), 83-123.

**Beta Bubbles**, with Petri Jylhä and Matti Suominen, *The Review of Asset Pricing Studies*, 2018, vol. 8 (1), 1-35. Editor's choice. Best Paper Award.

### *Working Papers*

**Failure to Share Natural Disaster Risk**, Accepted, *The Review of Financial Studies*

I test whether asset prices reflect risk-exposures of financial intermediaries in a setting well suited to tackling concerns about omitted risk factors. I analyze catastrophe bonds whose cash flows are linked to natural disasters and find that 71% of security-level variation in expected returns can be explained by a theoretically-motivated measure of intermediaries' marginal utility. Assuming natural disasters are independent of aggregate wealth, this result is inconsistent with any alternative explanation based

on unobserved macroeconomic risks. I also show that the aggregate premium decreases and becomes less sensitive to the occurrence of disasters when intermediaries' access to outside capital improves.

**Is physical climate risk priced? Evidence from regional variation in exposure to heat stress**, with Viral V Acharya, Tim Johnson, and Suresh Sundaresan. Jack Treynor Prize (2022).

We exploit regional variations in exposure to heat stress to study if physical climate risk is priced in municipal bond, corporate bond and equity markets. We find consistent evidence across asset classes that local exposure to heat stress is associated with higher yield spreads for bonds and higher conditional expected returns for stocks. These results are observed robustly starting in 2013–15. The fact that heat stress premium is (a) positive, (b) economically substantial, and (c) present across comprehensive samples of multiple asset classes is consistent with macroeconomic models where climate change has a direct negative impact on aggregate consumption.

**Green Labeling** with Livia Yi

We use a natural experiment in U.S. municipal bond markets to study why issuers choose green-labeled bonds and whether the label adds value beyond regular capital markets. Labels attract more (fewer) ESG (non-ESG) funds but have limited effects on yields and issuance sizes. Labeled governments are more inclined to make subsequent sustainability pledges, indicating social signaling rather than financial benefits as primary motivation. While labeled issuers improve environmental performance after issuance, there is no differential improvement compared to unlabeled issuers. Our findings suggest that, historically, financing green projects through green bonds has had no incremental environmental impact beyond regular markets.

**Do firms mitigate climate impact on employment? Evidence from US heat shocks** with Viral V Acharya and Abhishek Bhardwaj.

Using establishment-level data, we show that firms operating in multiple counties in the United States respond to heat-related damages by reallocating employment from affected to unaffected locations. This reallocation is also observed as an increase in job postings in unaffected locations, and at the extensive margin as opening of new establishments. The reallocation response intensifies with heat-related damage severity being acute, chronic and compound (with other natural disasters), and is especially pronounced among larger, financially stable firms with ESG-oriented investors. This firm-driven reallocation affects how heat shocks impact aggregate outcomes at the county level, including employment growth, wage growth, labor force participation, and establishment entry rate. Specifically, mitigation behavior by multi-establishment firms acts as a “heat insulator” for the economy, reducing the impact of heat shocks on aggregate employment and wage growth while redistributing economic activity across locations.

### *Work in Progress*

**Catastrophe Risk Sharing and Insurance Pricing in the Face of Climate Change**, with Shan Ge

## Teaching

Instructor (Managerial Finance), MIT, 2024.

Average instructor rating 4.6/5.0.

Instructor (Investments), Boston College, 2021-present.

Average instructor rating 4.5/5.0.

Carroll School Teaching Stars Award (2022, 2024).

Teaching Assistant (Capital Markets) for Kent Daniel & Paul Tetlock, Columbia Business School, 2017.  
Teaching Assistant (Introduction to Finance) for Peter Nyberg, Aalto University, 2014.

## Professional Activities

Referee for *The Journal of Banking and Finance*, *The Journal of Financial and Quantitative Analysis*, *The Journal of Finance*, *The Journal of Risk and Insurance*, *Management Science*, *The Review of Asset Pricing Studies*, *The Review of Financial Studies*.

Seminar Presentations at Paris December Finance Meeting (2024), OU-RFS Climate and Energy Finance Research Conference (2024), EFA (2024), NYU Stern VRI Conference (2024), Central Bank of Brazil (2024), McMaster University (2024), Texas Finance Festival (2024), MARC (2024), Finance Down Under (2024), NY Fed (2023), EFA (2023), NBER Summer Institute (2023), SFS Cavalcade North America (2023), E-axes Young Scholar Webinar on Climate Finance and Economics (2023), MFA (2023), Philadelphia Fed (2023), Jackson Hole Finance Group Conference (2023), AFA (2023), Boston College (2022), Tulane University (2022), S&P Global's Methodologies Forum (2022), University of Illinois Urbana-Champaign (2021), Quantitative Finance and Econometrics Seminar Series at New York University (2021), Boston College (2021), Triangle Macro-Finance Workshop at Duke University (2021), Arizona State University (2020), Boston College (2020), EFA Annual Meeting (2020), Imperial College London (2020), Indiana University Bloomington (2020), London School of Economics (2020), New York University (2020), Ohio State University (2020), University of California Los Angeles (2020), University of Notre Dame (2020), University of Oklahoma (2020), University of South Carolina (2020), Yale University (2020), Columbia Business School Finance Free Lunch (2019), NYU Finance PhD Seminar (2019), Transatlantic Doctoral Conference at London Business School (2019), Columbia University Financial Economics Colloquium (2018, 2019), Columbia Finance PhD Program Admit Day (2019), Columbia Business School Finance PhD Seminar (2018), Aalto University (2017).

Discussant at Paris December Finance Meeting (2024), Nordic Finance Workshop (2024), Fixed Income and Financial Institutions Conference (2024), NFA (2024), Helsinki Finance Summit (2024), Columbia Business School Non-Market Effects of Market Power Conference (2024), Fed Board Financial Stability Climate Committee Conference (2024), Helsinki Finance Summit (2023), SFS Cavalcade North America (2023), MARC (2023), MFA (2023), Nordic Finance Workshop (2020), Transatlantic Doctoral Conference at London Business School (2019).

Program Committee for SFS Cavalcade North America (2022 – 2025), EFA Annual Meeting (2021 – 2025), the FIRS Conference (2021, 2022).

Track Chair at MARC (2025).

## Honors, Awards, and Fellowships

Jack Treynor Prize, 2022.

Arora-Naldi Doctoral Fellowship for Best 4th Year Paper, 2019.

Best 4th Year PhD Paper in Finance, Columbia Business School, 2019.

*The Review of Asset Pricing Studies* Best Paper Award (with Petri Jylhä and Matti Suominen), 2019.

AFA Student Travel Grant, 2019.

Best 3rd Year PhD Paper in Finance, Columbia Business School, 2018.

Foundation for the Development of Finnish Securities Markets Scholarship, 2017.

Finlandia Foundation National Scholarship, 2017.

Paul and Sandra Montrone Doctoral Fellowship for High Potential PhD Student at Columbia Business School, 2016, 2018.

Yrjö Jahnesson Foundation PhD Grant, 2015.

Columbia Business School PhD Scholarship, 2015-2019.

Last updated: February 18, 2025