

## Senior Seminar: Empirical Macro-Finance

BC3033, Fall 2020

INSTRUCTOR: Professor Martina Jasova

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OFFICE HOURS: M 8–10am, W 4–6pm, Zoom.

Please register online at <https://calendly.com/jasova>

CLASS HOURS: W 9–10:50 am

CLASS ROOM: Zoom

**Course Description:** This seminar introduces students to the research at the intersection of macroeconomics and finance. We will study how big data can help answer questions related to economic crises, central banks' policies, banking, household finance and inequality.

**Learning Objectives:** The course has three principal learning objectives: (1) to introduce students to the frontier research in macro-finance, (2) to become familiar with quantitative data and statistical methods used in applied research, and (3) to discuss and examine how researchers use big data to analyze connections between finance and the macro economy.

**Evaluation:** The final grade will be based on

- Weekly participation (in class and on Canvas) (15%)
- Class presentations on assigned topics (10%)
- Research proposal (10%)
- Presentation of your preliminary findings (15%)
- Final paper (50%)

**Readings:** The seminar has no textbook. Together we will cover a selection of articles at the frontier of the latest research in empirical macro-finance. All required readings will be available on Canvas.

**CARDS:** If you are a student with a documented disability and require academic accommodations in this course, you must register with the Center for Accessibility Resources & Disability Services (CARDS) for assistance. Students requesting accommodations will need to first meet with an CARDS staff member. Once registered, students are required to request accommodation letters each semester to notify faculty. Accommodations are not retroactive, so it is best to contact CARDS early each semester to access your accommodations. If you are registered with CARDS, please see me to schedule a meeting outside of class in which you can bring me your faculty notification letter and we can discuss your accommodations for this course. Students are not eligible to use their accommodations in this course until they have met with me. CARDS is located at 101 Altschul Hall.

**Wellness:** It is important to recognize and identify the different pressures, burdens, and stressors you may be facing, whether personal, emotional, physical, financial, mental, or academic. We as a community urge you to make yourself—your own health, sanity, and wellness—your priority throughout this term and your career here. Sleep, exercise, and eating well can all be a part of a healthy regimen to cope with stress. Resources exist to support you in several sectors of your life, and we encourage you to make use of them. Should you have any questions about navigating these resources, please visit these sites:

- <http://barnard.edu/primarycare>
- <http://barnard.edu/counseling>
- <http://barnard.edu/wellwoman/about>
- Stressbusters Support Network

**The Honor Code** The honor code will be strictly enforced. Approved by the student body in 1912 and updated in 2016, the Code states:

*We, the students of Barnard College, resolve to uphold the honor of the College by engaging with integrity in all of our academic pursuits. We affirm that academic integrity is the honorable creation and presentation of our own work. We acknowledge that it is our responsibility to seek clarification of proper forms of collaboration and use of academic resources in all assignments or exams. We consider academic integrity to include the proper use and care for all print, electronic, or other academic resources. We will respect the rights of others to engage in pursuit of learning in order to uphold our commitment to honor. We pledge to do all that is in our power to create a spirit of honesty and honor for its own sake.*

## Course outline and weekly readings

### Week 1: Introduction (September 9)

What is macro-finance? Assignment of topics. Course overview.

### Week 2: Structural Distortions of Crises (September 16)

Student presentations #1

- Ulrike Malmendier and Stefan Nagel. 2011. “Depression Babies: Do Macroeconomic Experiences Affect Risk Taking?” *Quarterly Journal of Economics*, 126(1), 373–416
- Charles Kerwin Kofi, Erik Hurst, and Matthew J. Notowidigdo. 2018. “Housing Booms and Busts, Labor Market Opportunities, and College Attendance.” *American Economic Review* 108 (10): 2947–94

### Week 3: COVID-19 Pandemic and Consumer Behavior (September 23)

Student presentations #2

- Cox, Natalie and Ganong, Peter and Noel, Pascal and Vavra, Joseph and Wong, Arlene and Farrell, Diana and Greig, Fiona. 2020. “Initial Impacts of the Pandemic on Consumer Behavior: Evidence from Linked Income, Spending, and Savings Data” *University of Chicago, Becker Friedman Institute for Economics Working Paper* No. 2020-82.
- Chetty, Raj and Friedman, John and Hendren, Nathaniel and Stepner, Michael. 2020. “How Did COVID-19 and Stabilization Policies Affect Spending and Employment? A New Real-Time Economic Tracker Based on Private Sector Data”, *The Opportunity Insights Team Working Paper*

### Week 4: COVID-19 Pandemic and the Federal Reserve (September 30)

Student presentations #3

- Stein, Jeremy. 2020. “An Evaluation of the Fed-Treasury Credit Programs”. [[video lecture](#)]
- Dudley, Bill. 2020. “The Fed’s Longer Term Challenges: After the Pandemic”. [[video lecture](#)]

### Week 5: Feedback: Proposals (October 7)

### Week 6: Gender and Finance (October 14)

Student presentations #4

- Hazan, M., Weiss, D. and Zoabi, H. (2019). “Women’s Liberation as a Financial Innovation.” *The Journal of Finance*, 74: 2915–2956
- Goldsmith-Pinkham, Paul and Shue, Kelly (2020). “The Gender Gap in Housing Returns.” *Working paper*.

**Week 7: Labor-Finance and Discrimination (October 21)**

Student presentations #5

- Mark Egan, Gregor Matvos, and Amit Seru. 2018. “When Harry Fired Sally: The Double Standard in Punishing Misconduct.” *Harvard Business School Working Paper* No. 19-07
- Bertrand, Marianne and Sendhil Mullainathan. (2004). “Are Emily and Greg More Employable Than Lakisha and Jamal? A Field Experiment on Labor Market Discrimination”, *American Economic Review*

**Week 8: Corporate Finance (October 28)**

Student presentations #6

- Mortan Bennedsen, Kasper Meisner Nielsen, Francisco Perez-Gonzalez, Daniel Wolfenzon. 2007. “Inside the Family Firm: The Role of Family Succession Decisions and Performance.” *Quarterly Journal of Economics* 122(2), 647–691
- Robert, Michael and Chava, Sudheer. 2008. “How Does Financing Impact Investment? The Role of Debt Covenants.” *Journal of Finance* 63, 2085 – 2121.

**Week 9: Household Finance (November 4)**

Student presentations #7

- Sumit Agarwal, Souphala Chomsisengphet, Neale Mahoney and Johannes Stroebel. 2015. “Regulating Consumer Financial Products: Evidence from Credit Cards.” *Quarterly Journal of Economics* 130(1)
- Atif Mian and Amir Sufi. 2014. “What Explains the 2007-2009 Drop in Employment?” *Econometrica* 82 (6): 2197–2223

**Week 10: Macro-Finance, Labor and Inequality (November 11)**

Student presentations #8

- Jae Song, David J Price, Fatih Guvenen, Nicholas Bloom, Till von Wachter. (2019). “Firming Up Inequality.” *The Quarterly Journal of Economics* 134(1): 1–50
- Mian, Atif and Straub, Ludwig and Sufi, Amir. 2020. “The Saving Glut of the Rich”, *Working paper*

**Week 11: Progress Updates and Discussion of Preliminary Results (November 18)**

**Week 12: No class (November 25) Academic holidays**

**Week 13: Class Presentations of Research Papers I (December 2)**

**Week 14: Class Presentations of Research Papers II (December 9)**