

JORDAN PANDOLFO

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Current and Past Positions

2023-Present	Economist, Research Department, Federal Reserve Bank of Kansas City
2021-2023	Financial Economist, Center for Financial Research, Federal Deposit Insurance Corporation
2017-2021	Research Assistant, Department of Economics, University of Minnesota
2019	Research Assistant, Federal Reserve Bank of Minneapolis

Research Interests

Macro-finance, Banking, Monetary Economics, Industrial Organization

Education

2015-2021	Ph.D. in Economics, University of Minnesota Committee: Ellen McGrattan, VV Chari, Anmol Bhandari, Robert Goldstein
2013-2015	M.A. in Economics, University of Missouri
2013-2015	M.A. in Statistics, University of Missouri
2009-2013	B.S. in Economics & Political Science, University of Missouri

Academic Publications

1. "The Transitional Impact of State Pension Reform," with Kurt Winkelmann, *Journal of Economic Dynamics and Control*, March 2024

Working Papers

1. "Monetary Policy Transmission, Bank Market Power, and Income Source", with [Isabel Gödl-Hanisch](#)

Abstract: We provide empirical evidence on banks' market power in financial services and its implications for monetary policy transmission through deposit rates. Banks with market power in financial services charge higher fees for their service and also offer lower deposit rates with less pass-through from monetary policy. We argue that this is the result of product tying: consumers must open a deposit account to access a bank's financial services. We develop and calibrate a quantitative model of the U.S. banking industry where banks generate non-interest income from services in addition to a standard loan-deposit model. Counterfactuals emphasize the importance of non-interest income for credit supply, financial stability, and deposit pricing.

2. "Bank Regulation: Capital and Liquidity Requirements"

Abstract: The 2010 Dodd-Frank Act introduced a new set of capital and liquidity standards for U.S. commercial banks. Given the novelty of liquidity regulation, less work has focused on the joint role of capital and liquidity requirements in achieving policy objectives, as well as their interaction. To address this, I develop a quantitative general equilibrium model with a heterogeneous banking sector in which banks are subject to endogenous default (insolvency and liquidity), must satisfy multiple regulatory constraints, and hold a portfolio of assets and liabilities. I find that policy interactions exist and are relevant: capital requirements improve bank liquidity while liquidity requirements lead to a deterioration of bank equity. Further, I evaluate the impact of the Dodd-Frank Act and find it led to a threefold reduction in bank default rates (from 0.93% to 0.23%) and was welfare improving with capital requirements accounting for most of the gains. In addition, I solve for the joint optimal policy and find that capital requirements should be set at 6.75% and liquidity requirements 95%, relative to the Dodd-Frank levels of 6% and 100%, respectively.

3. “Bank Markups and Monetary Policy”

Abstract: Using the production approach of De Loecker and Warzynski [2012], I document a novel set of empirical facts relating loan and deposit markups to monetary policy for the US banking sector. Specifically, I find that loan markups increase in the monetary policy rate while deposit markups decrease in the policy rate. Further, these markup trends move in the opposite direction of rate spreads, which are another common measure of bank pricing power. I utilize a simple theoretical model with two-sided bank pricing power and find it cannot rationalize the co-movement of spreads and markups when marginal costs are constant. I examine several model ingredients which introduce bank cost variation and can rationalize the empirical trends of spreads, markups and the policy rate.

4. “Bank Profitability by Line of Business”

Abstract: Many commercial banks are universal in the sense that they operate multiple lines of business (e.g. different lines for retail bank, commercial bank and investment bank activities). Using quarterly FR Y-9C reports, I examine how profitability covaries across business lines for U.S. commercial bank-holding companies (BHCs) over the period 2002-2020. Specifically, I partition bank revenue activity into commercial and investment bank business lines. While revenue line items are quite granular in the regulatory data, key expense categories (such as total compensation for employees) are aggregated at the BHC-level. I develop an empirical method to infer expenses by business line and therefore net income by business line, which is my main metric for profitability. Using this method, I find that commercial bank net income accounts for 55% of the aggregate banking sector net income, and this share has declined over time. In the aggregate, I find that commercial and investment bank net income are positively correlated (0.66). While commercial bank net income is pro-cyclical with the business cycle (0.44), investment bank net income is counter-cyclical (-0.09), suggesting some diversification benefit. Counter to aggregate measures, bank-level measures of net income correlation yield mixed results as to the sign and magnitude over the sampling period.

5. “Bank Business Lines: Diversification or Economies of Scope?”, with [Conor B. Ryan](#)

Kansas City Fed Publications

1. “Monetary Policy Transmission, Bank Market Power, and Income Source”, with [Isabel Gödl-Hanisch](#), Research Working Paper Series, RWP 25-02, 2025
2. “Interest Rates and Nonbank Market Shares in the U.S. Mortgage Market,” with Chris Acker and Philip An, *Federal Reserve Bank of Kansas City Economic Review*, 2025
3. “Subprime Credit Card Delinquencies have Fallen,” *Federal Reserve Bank of Kansas City Economic Bulletin*, 2025
4. “Consumer Credit Cards Show Few Signs of Financial Stress,” *Federal Reserve Bank of Kansas City Economic Bulletin*, 2024
5. “Banks’ Commercial Real Estate Risks are Uneven,” with Blake Marsh, *Federal Reserve Bank of Kansas City Economic Bulletin*, April 2024

Other Publications

1. “Pension Policy Reform—A Summary,” with Kut Winkelmann, *HHEI Policy Brief*, June 2021
2. “Current Workers and Retirees,” with Kut Winkelmann, *HHEI Policy Brief*, June 2021
3. “Public Pensions and Future Generations,” with Kut Winkelmann, *HHEI Policy Brief*, June 2021
4. “Comparing DB and DC Plans,” with Kut Winkelmann, *HHEI Policy Brief*, May 2021
5. “Good Pension Fund Governance,” with Kut Winkelmann, *HHEI Policy Brief*, November 2020
6. “Pension Obligation Bonds are a Bad Idea,” with Kut Winkelmann, *HHEI Policy Brief*, September 2020
7. “Revisiting Why Public Pension Reform is So Hard,” with Kut Winkelmann and Cameron Brummund, *HHEI Policy Brief*, August 2020
8. “Why is Public Pension Reform So Hard?,” with Kut Winkelmann, *HHEI Policy Brief*, August 2019
9. “Public Pension Reforms Can Improve Economic Welfare,” with Kut Winkelmann, *HHEI Policy Brief*, July 2019

10. "The Cost of Public Pension Funds to Taxpayers," with Kut Winkelmann, *HHEI Policy Brief*, June 2019
11. "Risk-Taking by Public Pension Funds," with Kut Winkelmann, Wesley Janson and Matthew Murphy, *HHEI Policy Brief*, December 2018
12. "Understanding Retirement Income Risk," with Kut Winkelmann, *HHEI Policy Brief*, July 2018

Presentations

- **2025:** Society for Economic Dynamics Summer Conference (Copenhagen), Wisconsin/Queen's IO-Finance Workshop, Interagency Risk Quantification Forum (discussant)
- **2024:** Fall Midwest Macroeconomic Meeting (Purdue), System Committee on Financial Institutions, Regulation and Markets Conference, Southern Economics Association Meeting
- **2023:** Wisconsin/Queen's IO-Finance Workshop, USC Marshall, Federal Reserve Bank of Kansas City, Federal Deposit Insurance Corporation Working Paper Series, DC Area Juniors Finance Conference, System Energy Meeting (Discussant)
- **2022:** Federal Reserve Bank of Kansas City, Interagency Risk Quantification Forum (FDIC, Philly Fed, OCC), Midwest Macro Fall Conference (SMU), Young Economist Seminar Series by IBEFA
- **2021:** Federal Reserve Bank of Richmond, Federal Deposit Insurance Corporate (FDIC), Federal Reserve Bank of New York, Office of the Comptroller of the Currency, Office of Financial Research
- **2020:** Federal Reserve Bank of St. Louis, Washington University Economics Graduate Students Conference
- **2019:** Heller-Hurwicz Practice Issues in Public Pension Design (University of Minnesota), Midwest Economists Association Annual Conference (St. Louis), Midwest Macro Fall Conference (Michigan State), Trans-Atlantic Doctoral Conference (UCL)
- **2018:** Midwest Economics Association Annual Conference (Northwestern)

Fellowships and Awards

2020	Summer Dissertation Internship, Federal Reserve Bank of St. Louis
2017-2018	Participant, Becker-Friedman Macro Financial Modeling Group Session, University of Chicago and MIT
2016	Distinguished Teaching Assistant, Department of Economics, University of Minnesota
2016	Einar Hardin Fellowship, Department of Economics, University of Minnesota
2015	Mary and Robert Litterman Fellowship, Department of Economics, University of Minnesota
2012	University Graduate Fellowship, University of Missouri

Referee Experience

Review of Economic Dynamics, Journal of Economic Dynamics & Control, FDIC Center for Financial Research Working Paper Series, International Journal of Central Banking

Computer Skills

Fortran, Python, R, SAS, Matlab, Stata