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Education

2015-2021	Ph.D. in Economics, University of Minnesota Job Market Paper: "Bank Regulation: Capital and Liquidity Requirements" 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

Research Interests

Macro-finance, Banking, Monetary Economics, Industrial Organization

Current and Past Positions

2021-Present	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
2016-2017	Teaching Assistant, University of Minnesota, *Intermediate Microeconomics* and *Advanced Game Theory*
2012-2014	Instructor, University of Missouri, *Probability and Statistics I & II*

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

Working Papers and Works in Progress

1. "Evaluating US Pension Policy" with Kurt Winkelmann (*Submitted*)

   Abstract: Recent estimates suggest that U.S. public pension plans have 71 cents in assets for every dollar of future pension benefits. Due to the poor health of these funds, public pension reform has come to the forefront of debate in many states. Proper analysis of public pension reform should account for all constituents involved (directly and indirectly) as well as the funding of current deficits. We develop a lifecycle model to evaluate the welfare impact of particular public pension reforms on relevant constituencies within a state environment. The state environment is populated by a distribution of (i) public and private workers and (ii) different age cohorts within the lifecycle. We define a pension policy as a set of rules governing taxes (contributions), investments, benefits and the funding of existing deficits. The model is tractable for state-by-state analysis in that a subset of model parameters are specific to a particular state's age demographics and fiscal policy. As an example, we calibrate the model and evaluate a reform similar to that which was implemented in the state of Oklahoma in 2015. We find large welfare losses in the public sector which are mostly attributed to cost-of-living adjustment (COLA) freezes while the private sector experienced slight welfare gains due to a reduction in the level and volatility of taxes. In both sectors, young age cohorts fare better due to their ability to self-insure and benefit from lower long run tax rates.

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 are increasing in the monetary policy rate while deposit markups are decreasing in the policy rate. Further, these markup trends move in the opposite direction of rate spreads, which are a common measure of bank pricing power or markups. The business cycle also plays an important role in amplifying (dampening) the effect for loans (deposits). Further, I document that universal banks (those which rely more on non-standard sources of revenue) typically generate higher loan and deposit markups, relative to traditional banks.

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

Heller-Hurwicz Economics Institute Policy Briefs

1. "Pension Policy Reform–A Summary," with Kut Winkelmann, June 2021
2. "Current Workers and Retirees," with Kut Winkelmann, June 2021
3. "Public Pensions and Future Generations," with Kut Winkelmann, June 2021
4. "Comparing DB and DC Plans," with Kut Winkelmann, May 2021
5. "Good Pension Fund Governance," with Kut Winkelmann, November 2020
6. "Pension Obligation Bonds are a Bad Idea," with Kut Winkelmann, September 2020

7. “Revisiting Why Public Pension Reform is So Hard,” with Kut Winkelmann and Cameron Brummund, August 2020
8. “Why is Public Pension Reform So Hard?,” with Kut Winkelmann, August 2019
9. “Public Pension Reforms Can Improve Economic Welfare,” with Kut Winkelmann, July 2019
10. “The Cost of Public Pension Funds to Taxpayers,” with Kut Winkelmann, June 2019
11. “Risk-Taking by Public Pension Funds,” with Kut Winkelmann, Wesley Janson and Matthew Murphy, December 2018
12. “Understanding Retirement Income Risk,” with Kut Winkelmann, July 2018

Presentations

- **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)

Referee Experience

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

Computer Skills

Fortran, Python, R, SAS, Matlab, Stata