COOPER HOWES

Federal Reserve Bank of Kansas City · 1 Memorial Drive, Kansas City, MO 64198

(303) 596-8242 · cooperhowes11@gmail.com · `www.cooperhowes.com`

CURRENT POSITION

Federal Reserve Bank of Kansas City — June 2020-present
Economist — Kansas City, MO

EDUCATION

University of Texas at Austin — 2014-2020
Ph.D. in Economics

University of Notre Dame — 2007-2011
B.A. in Economics and Mathematics

RESEARCH FIELDS

Macroeconomics, Monetary Economics, Financial Economics

WORKING PAPERS

Why Does Structural Change Accelerate in Recessions? The Credit Reallocation Channel
(Conditionally accepted at Journal of Financial Economics)

The decline of the US manufacturing share since 1960 has occurred disproportionately during recessions. Using evidence from two natural experiments—the collapse of Lehman Brothers in 2008 and US interstate banking deregulation in the 1980s—I document a role for credit reallocation in explaining this phenomenon by showing that losing access to credit disproportionately hurt manufacturing firms, and that the creation of new credit disproportionately benefited nonmanufacturing firms. These results arise endogenously from a model with technology-driven structural change and fixed costs of establishing new financial relationships. The model suggests an important role for long-run industry trajectories in properly accounting for the costs and benefits of policy interventions in credit markets.

Financial Constraints, Sectoral Heterogeneity, and the Cyclicality of Investment

While investment in most sectors declines in response to a contractionary monetary policy shock, investment in the manufacturing sector increases. Using manually digitized aggregate income and balance sheet data for the universe of US manufacturing firms, I show this increase is driven by the types of firms which are least likely to be financially constrained. A two-sector New Keynesian model with financial frictions can match these facts; unconstrained firms are able to take advantage of the decline in the user cost of capital caused by the monetary contraction while constrained firms are forced to cut back. Counterfactual exercises suggest that aggregate investment should become more strongly countercyclical as fewer sectors face financial constraints.

The Aggregate Effects of Targeted Tax Cuts

This paper analyzes how different types of tax changes can have different economic impacts. Using Congressional records, I decompose the plausibly exogenous legislative provisions identified in Romer and Romer (2010) into one of five categories: business marginal rate provisions, business investment incentives, other business provisions, individual marginal rate provisions, and other individual provisions. I find that the effects differ crucially depending on which types of taxes are being cut. I use my results to analyze the effects of the Tax Cuts and Jobs Act of 2017 and find that existing estimates are likely understating its stimulative effects by not fully accounting for its composition.

WORK IN PROGRESS

What Do We Learn from Reading Every FOMC Transcript?
With Olivier Coibion, Marc Dordal i Carreras, and Yuriy Gorodnichenko

We construct a novel dataset to analyze the how the beliefs, preferences, and objectives of individual FOMC participants aggregate into a single monetary policy stance. We manually analyze transcripts for all 268 FOMC meetings from 1966-1990 and for each participant capture: 1) their numerical policy preferences for money growth and the Federal Funds Rate, 2) the justifications (such as output, inflation, or financial markets) that they give for their preferences, 3) pressures exerted by external entities such as Congress or financial markets, and 4) the perceived consequences (in terms of output and inflation) of their policy choices. This detail allows for a much richer characterization of the Fed's monetary policy rule; in the case of the Volcker disinflation in the early 1980s, for example, there is ample evidence that policymakers knew that their actions would result in significant increases in unemployment but felt that it was the necessary price to be paid for reducing inflation.

CONFERENCES AND EXTERNAL PRESENTATIONS

2022: University of Notre Dame*

2021: ASSA Annual Meetings+, Federal Reserve Bank of Boston+, Federal Reserve Board+, Michigan State University+, North American Summer Meeting of the Econometric Society+, Asian Meeting of the Econometric Society*, Society for Economic Dynamics Annual Meeting*

2020: ASSA Annual Meetings (San Diego), Federal Reserve Bank of Kansas City, Federal Reserve Board, Santa Clara University, Clemson University, Goldman Sachs, Norges Bank Central Bank Macro Modeling Workshop+ (poster)

2019: Society for Economic Dynamics Annual Meeting (St. Louis), Federal Reserve Bank of Kansas City, Federal Reserve Bank of Dallas

2018: Federal Reserve Bank of Boston, National Tax Association Annual Meetings (New Orleans)

2016: Congressional Budget Office

(* scheduled, + virtual)

PROFESSIONAL ACTIVITIES

Affiliations: US Census Bureau Special Sworn Status (2021-present)
Referee: Journal of Monetary Economics, Reivew of Economics and Statistics, B.E. Journal of Macroeconomics

AWARDS AND HONORS

University of Texas at Austin dissertation writing fellowship	2020
Federal Reserve Bank of Kansas City dissertation fellowship	2019
Federal Reserve Bank of Boston dissertation fellowship	2018
University of Texas at Austin research fellowship	2017

PREVIOUSLY HELD POSITIONS

Federal Reserve Bank of Kansas City — 2019
Dissertation intern

Federal Reserve Bank of Boston — 2018
Dissertation intern

Congressional Budget Office — 2016
Summer associate

Barclays — 2011-2014
U.S. Economist

REFERENCES

Oli Coibion (Chair)
Department of Economics
University of Texas at Austin
512-475-8537
ocoibion@austin.utexas.edu

Saroj Bhattarai
Department of Economics
University of Texas at Austin
512-475-8539
saroj.bhattarai@austin.utexas.edu

Ayşegül Şahin
Department of Economics
University of Texas at Austin
512-471-3664
aysegul.sahin@utexas.edu

PERSONAL INFORMATION

Citizenship: USA
Languages: English (native), Spanish (intermediate), Russian (beginner)