Mai Hakamada

University of California, Santa Cruz

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Contact Information
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Nationality: Japanese (F-1 Visa)
Gender: Female

Research Interests

Primary: Monetary Policy, Macro-finance, Macroeconomics
Secondary: International Macroeconomics

References

Professor Carl Walsh (Chair)	walshc@ucsc.edu	(831) 459-4082
Professor Galina Hale (Chair)	gbhale@ucsc.edu	(831)-459-4745
Professor Michael M. Hutchison	hutch@ucsc.edu	(831)-459-2600
Professor Hikaru Saijo (Teaching Reference)	hsaijo@ucsc.edu	(831)-459-4453

Education

Ph.D. in Economics, University of California, Santa Cruz	June 2022 (expected)
M.A. in Economics, University of California, Santa Cruz	June 2017
M.A. in Economics, Waseda University, Japan	June 2016
B.A. Law, Keio University, Japan	April 2013

Job Market Paper

"Risk Taking, Banking Crises, and Macroprudential Monetary Policy"
Conference: 2021 AEA (Macroprudential Policies paper session), 2021 CEA, 2021 WEAI, 2021 EEA, 2021 24th Central Bank Macroeconomic Modelling Workshop

Should a central bank address buildups of bank risk taking and associated financial crisis resulting from banks' endogenous search for yield? I address this question by evaluating the macroprudential role of monetary policy when banks' portfolio risk taking and the resulting vulnerability to bank runs are endogenous, in an otherwise standard New Keynesian model. Consistent with my empirical findings from bank-level balance sheet data, my model predicts that holding riskier assets generate self-fulfilling vulnerability to a financial panic, as increased risk taking causes depositors to expect a higher probability of a bank run. In this environment, a higher interest rate during a financial boom can reduce vulnerabilities to a bank run by unwinding the compression of the risk premium and, hence, excessive risk taking by banks. I analyze an augmented Taylor rule that responds to bank risk taking. This augmented Taylor rule trades off the loss from a curtailed credit supply during booms and the gain from the lowered probability of financial panic amid recessions. Under reasonable parameterizations, the net welfare gain from implementing the augmented Taylor rule is larger than the net gain from having a standard Taylor rule policy.

Working Paper

"Financial Crises, Investment Slumps, and Output Hysteresis (with Valerie Cerra, and Ruy Lama)," IMF Working Paper (WP/21/170)
Conference: 2020 AEA (presented by co-author), 2019 IMF ICD seminar

One of the most puzzling facts in the wake of the Global Financial Crisis (GFC) is that output across advanced and emerging economies recovered at a much slower rate than anticipated by most forecasting agencies. This paper delves into the mechanics behind the observed slow recovery and the associated permanent output losses in the aftermath of the crisis, with a particular focus on the role played by financial frictions and investment dynamics. The paper provides two main contributions. First, we empirically document that lower investment during financial crises is the key factor leading to permanent losses of output and total factor productivity (TFP) in the wake of a crisis. Second, we develop a DSGE model with financial frictions and capital-embodied technological change capable of reproducing the empirical facts. We also evaluate the role of financial policies in stabilizing output and TFP in response to a financial crisis.

"The Effects of Financial Heterogeneity on the Bank-Lending Channel of Monetary Policy in a Monetary Union"
Conference: 2020 Central Bank Macroeconomic Modelling Workshop, poster session, 2022 AEA, poster session (scheduled)

In this study, I investigate the impact of heterogeneity in financial frictions across the Eurozone on bank balance sheet dynamics and the bank-lending channel of monetary policy. The bank-lending channel of monetary policy means the transmission channel of monetary policy through the banks' balance sheet. In particular, when banks' net worth is high due to easing monetary policy, banks supply more credit into the loan market. Using country-level bank balance sheet data, I estimate financial frictions in a two-country, monetary union New Keynesian model with banks. The results indicate that financial frictions in core countries are significantly smaller than those in peripheral countries in the Eurozone. My model predicts financial shocks cause more severe recessions in peripheral countries than in core countries, under the financial heterogeneity between the two regions. In addition, the bank-lending channel has a weaker stimulus effect in peripheral countries. In light of financial heterogeneities, these research findings have important policy implications for the single monetary authority in the Eurozone. Using numerical simulations, I find that asset purchase policies, particularly region-specific asset purchases, can complement the bank-lending channel's unequal outcomes inside a region.

Works in Progress

"The Effect of Housing Prices on Mortgage Choice (with David Zink)"

"International Monetary Policy Spillover, Search for Yield, and Financial Stability"

Conference And Seminar

2022: AEA (poster, scheduled)
2021: AEA, CEA, WEAI, UTokyo, EEA, 24th Central Bank Macroeconomic Modeling Workshop
2020: AEA (by co-author), 23rd Central Bank Macroeconomic Modeling Workshop (poster)
2019: IMF ICD seminar

Research Experience

BIS Ph.D. Fellowship Program (Jun. – Sep 2020)
- Bank for International Settlements
- Advisors: Dr. Fiorella De Fiore, Dr. Giovanni Lombardo, Dr. Paolo Cavallino
- Project: "Policy Regimes at the Effective Lower Bound"

IMF Fund Internship Program (Jul. – Sep 2019)
- International Monetary Fund
- Advisors: Dr. Valerie Cerra and Dr. Ruy Lama
- Project: "Financial Crises, Investment Slumps, and Output Hysteresis"

Work Experience

Citi Group Global Markets Inc., Full-Time Analyst 2013 – 2014
- Research, FX dealing, bank treasury and money market trading, derivative

Referee Service

Referee for: Economics Journal

Grants and Awards	**Chancellor's Dissertation-Year Fellowship** • Department of Economics, University of California Santa Cruz	2021 – 2022
	BIS Ph.D. Fellowship Program • Bank for International Settlements, Switzerland	2020
	Dissertation Research Grants • Department of Economics, University of California Santa Cruz	2020
	Eileen Brooks Memorial Award for the best second-year paper • University of California Santa Cruz	2019
	Tuition and Stipend Teaching Assistantship • Department of Economics, University of California Santa Cruz	2018 – present
	Japan–IMF Scholarship • International Monetary Fund, Washington D.C.	2016 – 2018
Teaching Experience	**Teaching Assistant** Department of Economics, University of California Santa Cruz *Graduate Level* • Advanced Macroeconomics/Microeconomics Theory (Ph.D.) • Macroeconomic Analysis (MS) *Undergraduate Level* • Introduction to Microeconomics • Introduction to Macroeconomics • Intermediate Macroeconomics • Corporate Finance	2018 – 2021
Computer Skills	MATLAB, Stata, R, Fortran, Python	
Language	English (Fluent), Japanese (Native)	