

Economics of Payments II

Conference Agenda

Wednesday, March 29

- 8:15 a.m. Continental breakfast
- 8:45 a.m. Introductory remarks by Timothy Geithner, President, Federal Reserve Bank of New York
- 9:00 a.m. Invited Lecture
Central Bank Credit in the Theory of Money and Payments
Jeffrey Lacker, President, Federal Reserve Bank of Richmond
- 10:00 a.m. Break
- 10:30 a.m. **Session I: Payments in a Historical Perspective**
Chair: John A. Weinberg, Federal Reserve Bank of Richmond
- Towards a More Perfect American Payments Union: The Civil War as a Political Economic Watershed*
John James, University of Virginia, and David Weiman, Barnard College, Columbia University
- Discussant: Bruce Champ, Federal Reserve Bank of Cleveland
- Payment Systems and the Collapse of the Banking System during the Great Depression*
Gary Richardson, University of California, Irvine
- Discussant: Joseph Mason, Drexel University
- Noon Lunch
- 2:00 p.m. **Session II: Theoretical Studies of Payments, Past and Present**
Chair: Sujit Chakravorti, Federal Reserve Bank of Chicago
- A Model of Banknote Discounts*
Laurence Ales, Francesca Carapella, Pricila Maziero, and Warren Weber, Federal Reserve Bank of Minneapolis and University of Minnesota
- Discussant: François Velde, Federal Reserve Bank of Chicago

Policy in International Payment Systems with a Timing Friction
James Chapman, University of Iowa

Discussant: Hiroshi Fujiki, Bank of Japan

3:30 p.m. Break

4:00 p.m. **Session III: Studies of Wholesale Payment Systems**
Chair: David Mills, Board of Governors of the Federal Reserve System

A Dynamic Model of Settlement
Thorsten Koepl, Queen's University; Cyril Monnet, European Central Bank; and Ted Temzelides, University of Pittsburgh

Discussant: Nobuhiro Kiyotaki, London School of Economics and Federal Reserve Bank of New York

Optimal Settlement Rules for Payment Systems
Benjamin Lester, University of Pennsylvania; Stephen Millard and Matthew Willison, Bank of England

Discussant: James Bullard, Federal Reserve Bank of St. Louis

5:30 p.m. Reception

Thursday, March 30

8:30 a.m. Continental breakfast

9:00 a.m. **Session I: Choice of Payments by Consumers**
Chair: Richard Porter, Federal Reserve Bank of Chicago

How People Pay: Evidence from Grocery Store Data
Elizabeth Klee, Board of Governors of the Federal Reserve System

Discussant: Joanna Stavins, Federal Reserve Bank of Boston

The Choice at the Checkout: Quantifying Demand across Payment Instruments
Ronald Borzekowski and Elizabeth Kiser, Board of Governors of the Federal Reserve System

Discussant: David Bounie, École Nationale Supérieure des Télécommunications

10:30 a.m.	Break
11:00 a.m.	<p>Invited Lecture</p> <p>Charles Kahn, Bailey Memorial Chair of Money, Banking, and Finance, University of Illinois</p>
Noon	Lunch
1:30 p.m.	<p>Session II: Pricing of Retail Payments Methods</p> <p>Chair: Stuart Weiner, Federal Reserve Bank of Kansas City</p> <p><i>The Effect of Transaction Pricing on the Adoption of Electronic Payments: A Cross-Country Comparison</i></p> <p>Wilko Bolt, De Nederlandsche Bank; David Humphrey, Florida State University; and Roland Uittenbogaard, De Nederlandsche Bank</p> <p>Discussant: Andrew Stone, Reserve Bank of Australia</p> <p><i>The Cost of Being Late: The Case of Credit Card Penalty Fees</i></p> <p>Nadia Massoud, University of Alberta; Anthony Saunders, New York University; and Barry Scholnick, University of Alberta</p> <p>Discussant: Marc Fusaro, East Carolina University</p>
3:00 p.m.	Break
3:30 p.m.	<p>Session III: The Credit Card Debt Puzzle</p> <p>Chair: Paula Hernandez, Texas A&M University</p> <p><i>A Model of Money and Credit with Application to the Credit Card Debt Puzzle</i></p> <p>Irina Telyukova and Randall Wright, University of Pennsylvania</p> <p>Discussant: Ed Nosal, Federal Reserve Bank of Cleveland</p>
4:15 p.m.	Close