

Research Statement

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I enjoy conducting research on a wide range of issues and topics, communicating with scholars all over the world and across disciplines, and answering important research questions in international economics. I have a solid foundation of economic theory and knowledge of econometrics that allows me to conduct empirical work. I have presented my research at workshops, conferences, and symposiums for economists and non-economists in the United States and overseas and look forward to continuing my research in understanding the global economy.

I. My Dissertation

a. Job Market Paper “U.S. Monetary Expectations and Emerging Market Debt Flows”

My job market paper examines the effect that changes to U.S. monetary expectations have on emerging market debt flows since the Global Financial Crisis. First, I use daily interest rate expectations measured by federal fund futures and a shadow rate model to classify Federal Reserve announcements as easing (unexpected), tightening (unexpected), easing (expected), and tightening (expected). Second, I use the announcements classified by the shadow rate model for an event study on daily emerging market debt flows classified by currency (all currencies, hard currency, local currency, mixed currency), investor (all investors, active investors, passive investors), and region (Asia excluding Japan, Europe Middle East and Africa (EMEA), Latin America, and Global Emerging Markets (Global EM)). The results show that tightening (unexpected) announcements cause emerging market debt outflows, hard currency debt flows respond more to announcements than local currency debt flows, and that passive investors respond more than active investors. Debt flows to Latin America respond more to announcements than debt flows to Asia ex-Japan, EMEA, and Global EM.

b. Monetary Surprises and Portfolio Flows: A Case Study of Latin America

This paper examines the effect of Federal Reserve announcements on global financial flows to Latin America since the Global Financial Crisis. First, the announcements are classified using daily measures of expectations from a shadow rate term structure model as easing (unexpected), tightening (unexpected), easing (expected), and tightening (expected). Second, the announcement classifications are used for an event study on daily global financial flows classified by asset class (debt, equity), currency (all currencies, hard currency, local currency), and region (Latin America, Brazil, Mexico). The results suggest that easing (unexpected) and tightening (unexpected) announcements cause debt outflows but have no effect on equity flows to Latin America. Local currency debt flows to Latin America are more sensitive than the hard currency debt flows and Brazil is the country in Latin America that responds most to these announcements.

c. Bank Avalanche Model of Systemic Risk (with Robert Logan, Judith Samson)

This paper examines systemic risk and the emergence of financial contagion in bank networks. First, the paper describes the behavioral rules of an agent based model with banks and non-financial transactors. Second, the paper conducts simulations to analyze bank lifespan,

profitability and bank avalanches with good and bad economic conditions in a complete network, unconnected network, circle network, and a star network. The simulation results suggest there is greater dispersion in network performance in good economic conditions than bad economic conditions and that the circle network is the most profitable and has longest bank lifespan of these financial networks.

II. International Economic Policy Research

Through my summer internships at the U.S. Department of the Treasury, I have shared the insights from my work and provided support on a variety of short term research assignments. In the Europe and Eurasia Office, I developed a timeline of key events in the Eurozone crisis used by senior Treasury leadership, drafted a memo on the financial stability of the Greek banking system, and researched international assistance to Ukraine to recommend policies for engagement. In the Middle East and North Africa Office, I drafted a memo on local capital and bond markets in the MENA region, drafted a memo loan guarantee strategy, drafted a memo on the effect of Iran sanctions on the region, and wrote a memo on restrictions on movement and access in the West Bank. I have also provided analytical support to the Millennium Challenge Corporation in Morocco, the Revenue Watch Institute, and Stanford University's Freeman Spogli Institute (PESD) on development and political economy issues in North Africa.

III. Presentations

One of the things that I enjoy most about research is presenting to a variety of audiences and getting feedback to improve my work. At University of California, Santa Cruz I have presented in our macro and experimental workshops, brownbag seminar, and international finance/macro seminar. I have also presented in Europe at the Trento Summer School on "Financial Crises" and the Dresden Summer School on "Individual- and Agent Based Modeling". I have also presented to the San Francisco Economic Roundtable, Capital Group Research, and a variety of interdisciplinary research event days at the University of California, Santa Cruz. In addition, I incorporate my research into my teaching to provide students with insights into the ways we can use economics for research.

IV. My Future Research Agenda

My dissertation research is about monetary policy, global financial flows and financial stability. In the future, I will continue to use the EPFR Global data to explore a number of issues in international finance that are of critical importance. I am familiar with how this data is used in academia, financial sector, and in policy and see how it can answer many relevant questions. I will also continue my research on banking and financial stability. Also, my time at the U.S. Department of the Treasury, Office of International Affairs has opened the door to many important questions and my language skills (Arabic, German, and Russian) provides me with access to scholars and writings that are in important areas for the United States. Overall, my graduate coursework and my dissertation research has given me the tools and experience in international finance that I plan to explore further in the future.