The University of Texas
Rio Grande Valley
College of Business
& Entrepreneurship

February 23, 2022

To Whom it may concern,

Please find enclosed my application package to the NBER and Spelman College sponsored mentoring program to support NSF grant proposals by MSI faculty. I am associate professor at the University of Texas Rio Grande Valley. My research explores linkages between financial intermediation and society such as entrepreneurship, income mobility, financial inclusion, and household decisions. Most of my recent work and the proposed project fit this theme. My work appears in well regarded academic journals such as the Journal of Financial Services Research, Journal of Banking and Finance, Small Business Economics, and Journal of Regional Science.

I propose a field experiment that aims to measure individual discount rates (a proxy for impatience) and attempt to modify it by proposing that applied financial knowledge and experience can alter discounting and provide broad household benefits. The implications are quite important. Hispanics (focus of my sample) are less likely to be attached to the formal financial system, lack adequate retirement savings, attain fewer years of educational and go on to earn less when compared to other groups. Household choices that lead to these outcomes may be correlated to how individuals discount the future. If so, understanding mechanisms that may promote lower future discounting may have important social benefits.

I participated in two unsuccessful federal grant applications. One to the Department of Education in 2013 and the second to NSF in 2015. I have not been awarded a research grant by an external organization. It is my expectation that this program will provide me the tools to write a successful application.

The Dean of the College of Business and Entrepreneurship, Dr. Lance Nail will provide a letter of support on my behalf.

I am eager to learn and to be a part of this exciting and important program. My university serves a student body that is 90% Hispanic, half of which are first generation students, and 60% are Pell Grant eligible. The setting is perfect for the proposed study and for this mentoring program. I look forward to hearing from you soon.

Sincerely,



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Salvador Contreras **Curriculum Vitae** **February, 2022**

CONTACT INFORMATION

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EDUCATION

Claremont Graduate University, Claremont, California

Ph.D., Economics, 2007

M.A., Politics, Economics, and Business, 2002

University of La Verne, La Verne, California

B.A., Political Science, 2000

CURRENT POSITIONS

Director September 2015 - Present
Center for Border Economic Studies, The University of Texas Rio Grande Valley

Associate Professor September 2015 - Present
Department of Economics and Finance, The University of Texas Rio Grande Valley

PAST ACADEMIC & ADMINISTRATIVE EXPERIENCE

ADVANCE Administrative Fellow September 2017 - May 2018
Graduate College, The University of Texas Rio Grande Valley

Director February 2014 - August 2015
Center for Border Economic Studies, The University of Texas-Pan American

Director 2012 - 2014
Coca Cola First Generation Scholars program, The University of Texas-Pan American

Assistant Professor September 2009 - August 2015
Department of Economics and Finance, The University of Texas-Pan American

Assistant Professor 2007 - 2009
Department of Accounting, Finance and Economics, McNeese State University

Lecturer 2006 - 2007
Department of Economics, University of Redlands

Lecturer 2005 - 2006
Department of Economics, California State University, Long Beach

REFEREED JOURNAL PUBLICATIONS

[17] "COVID-19 and its impact on minority-owned banks". *AEA Papers and Proceedings*, forthcoming. (With Amit Ghosh)

[16] Local Banking Market Frictions and Youth Crime: Evidence from Bank Failures. *Journal of Financial Services Research*, v. 61, pp. 43-75, 2022. (With Amit Ghosh) doi:https://doi.org/10.1007/s10693-021-00370-z

[15] Financial crisis, Bank failures and corporate innovation. *Journal of Banking & Finance*, v 129, pp. 106161, 2021. (With Joon Ho Kong and Amit Ghosh)
doi:https://doi.org/10.1016/j.jbankfin.2021.106161

[14] Bank failures, local business dynamics, and government policy. *Small Business Economics*, 2021. (With Manthos DELIS, Amit Ghosh, and Iftekhar Hasan)
doi:https://doi.org/10.1007/s11187-021-00478-5

[13] Income inequality and minority labor market dynamics: Medium term effects from the Great Recession. *Economics Letters*, v. 199, n. 109717, pp. 264-284, 2021. (With Amit Ghosh and Iftekhar Hasan)
doi:https://doi.org/10.1016/j.econlet.2020.109717

[12] The racial/ethnic gap in financial literacy in the population and by income. *Contemporary Economic Policy*, v. 39, i. 3, pp. 524-536, 2021. (With Marco Angrisani, Sergio Barrera, and Luisa R. Blanco)
doi:https://doi.org/10.1111/coep.12507

[11] Organizational change and work stress, attitudes, and cognitive load utilization: a natural experiment in a university restructuring. *Personnel Review*, v. 50, n. 1, pp. 264-284, 2020. (With Gorge Gonzalez)
doi:https://doi.org/10.1108/PR-06-2018-0231

[10] For Economic Advantage or Something Else? A Case for Racial Identification Switching. *Review of Black Political Economy*, v. 43, i. 3, pp. 301-323, 2016.
doi:10.1007/s12114-016-9238-5

[9] Looking for status appeal? Act interested in your child's education. *International Journal of Social Economics*, v. 44, n. 3, pp. 377-399, 2017.
doi:10.1108/IJSE-09-2015-0241

[8] An Alternative View to the Cause of Market Failures: A Dynamic Approach. *Theoretical Economics Letters*, 4, 548-557, 2014.
doi:10.4236/tel.2014.47069

[7] The Influence of Migration on Human Capital Development. *International Economic Journal*, v. 27, i. 3., pp. 365-384, 2013.
doi:10.1080/10168737.2012.659277

[6] Peer Effects on Undergraduate Business Student Performance. *International Review of Economics Education*, v. 11, i.1, pp. 57-66, 2012. (With Francisco Badua, and Mitchell Adrian)

[5] A theoretical exposition of migration enforcement on existing migrant and domestic households. *Journal of Regional Science*, v. 51, i. 4, pp. 821-835, 2011.
doi:10.1111/j.1467-9787.2011.00720.x

[4] Parental Quality Investment, Child Effort, and Human Capital Accumulation. *International Economic Journal*, v. 25, i. 3, pp. 387-417, 2011.
doi:10.1080/10168737.2010.505246

[3] Documenting and Explaining Major Field Test Results Among Undergraduate Students. *Journal of Education for Business*, v. 86, i.2, pp. 64-70, 2011. (With Francisco Badua, Jiun Shiu Chen, and Mitchell Adrian)
doi:10.1080/08832323.2010.480987

[2] A Major Choice: Differential Effects of Academics, Demographics, and Effort-Tolerance on Major Selection. *The Journal of Academic Administration in Higher Education*, v.4, pp. 41-48, 2008. (With Francisco Badua)

[1] Child Labor Participation, Human Capital Accumulation, and Economic Development. *Journal of Macroeconomics*, v.30, i. 1, pp. 499-512, March 2008. doi:10.1016/j.jmacro.2007.01.005

Other Publications

[25] April's toll on Texas. *Border Business Briefs*, Summer 2020

[24] Texans in their twenties: a window into the state's future. *Border Business Briefs*, Spring 2020

[23] Texas manufacturing and innovation jobs could use more education. *Border Business Briefs*, Winter 2019

[22] Texas Inequality. *Border Business Briefs*, Fall 2019

[21] Where have the criminals gone? Negative crime growth in South Texas. *Border Business Briefs*, Summer 2019

[20] The health of the region's banking sector and implications for financial inclusion. *Border Business Briefs*, Fall 2018

[19] Trade, Trade War, Texas, and the Border Region. *Border Business Briefs*, Summer 2018

[18] The coveted high skill millennials: An analysis of the Border/South Texas stock. *Border Business Briefs*, Spring 2018

[17] The Rio Grande Valley's four millimeter foe: citrus industry in fight for survival. *Border Business Briefs*, Winter 2017 (With Jon Dale)

[16] Quality and Access to Medical Care in the Border/South Texas Region. *Border Business Briefs*, Fall 2017 (With Ruth Cano)

[15] An Analysis of Border/South Texas employment and sector growth. *Border Business Briefs*, Summer 2017 (With Jacob Almaguer)

[14] 2017 Economic Outlook for Border / South Texas Region. *Border Business Briefs*, Spring 2017 (With Jacob Almaguer and Jose Vazquez)

[13] Financial Intermediation in the Border / South Texas Region. *Border Business Briefs*, Winter 2016 (With Jose Vazquez)

[12] K-12 Education outlook of Border/South Texas region. *Border Business Briefs*, Fall 2016.

[11] Trade flows through Border/South Texas ports. *Border Business Briefs*, Summer 2016 (With Abdelhamid Riani)

[10] South Texas keeps pushing ahead. *Border Business Briefs*, Summer 2015 (With Abdelhamid Riani)

[9] Book it: Hotel Revenues are up at RGV cities. *Border Business Briefs*, Spring 2015 (With Abdelhamid Riani)

[8] Where the jobs are in South Texas. *Border Business Briefs*, Spring 2015 (With Jose Clemente)

[7] Getting a Cut: Local Municipalities See Upward Trend in Sales and Use Tax Revenues. *Border Business Briefs*, Spring 2015 (With Jose Clemente)

[6] 2015 Business Outlook and Economic Forecast: Annotated Forecast Report. *Center for Border Economic Studies*, January 2015. (With Jose Clemente and Abdelhamid Riani)

[5] The Ups and Downs of Entrepreneurial Activity in South Texas. *Border Business Briefs*, Fall 2014. (With Armando Valero)

[4] A not so hot South Texas labor market. *Border Business Briefs*, v.10, i.2, Spring 2014.

[3] Valley house prices on neutral. *Border Business Briefs*, v.10, i.1, Winter 2014.

[2] Transition at the Fed. *Border Business Briefs*, v.10, i.1, Winter 2014.

[1] An Insight into Academic Motivation. *Hispanic Economic Outlook*, Spring 2013. (With Sara K. Ray)

GRANTS & CONTRACTS

[6] **Contract**: Economic Impact Analysis of the Hidalgo County Loop Project. *Hidalgo County Regional Mobility Authority*, 2014. (Co-PI - Penny Simpson and Co-PI Salvador Contreras)

[5] **Grant**: A study of the RGV Entrepreneurial environment. Undergraduate Research Initiative (Armando Valero), *University of Texas-Pan American*, 2014.

[4] **Contract**: Hidalgo county tract level socioeconomic forecasts. *C & M Associates*, 2014. (PI - Diego Escobari and Co-PI Salvador Contreras)

[3] **Grant**: Reframing academic engagement: A case for status priming. Faculty Research Council Award, *University of Texas-Pan American*, 2012.

[2] **Grant**: Reframing academic engagement: A case for status priming. Undergraduate Research Initiative (Sara Ray), 2011. *University of Texas-Pan American*

[1] **Grant** : Reframing academic engagement: A case for status priming. Undergraduate Research Initiative (Charles Danso), *University of Texas-Pan American*, 2011.

HONORS

Featured in "The Economics of Race & Migration." Taylor & Francis Group, April 2014.

Mellon Fellow, Future of Minority Studies (FMS). *Cornell University*, 2010.

Fellow, Emerging Scholars Interdisciplinary Network (ESIN) Summer Fellowship Program in Applied Multi-Ethnic Research at ICPSR. *University of Michigan*, 2010.

Fellow, Diversity Initiative for Tenure in Economics (DITE). *Duke University*, 2008 - 2011.

New Connections Research and Coaching Clinic Participant, *Robert Wood Johnson Foundation*, San Diego, California, 2008.

RESEARCH CONFERENCE PRESENTATIONS

Allied Social Science Associations Meetings
2022 (forthcoming), 2021, 2020, 2019, 2016, 2012 (discussant), 2010, 2009

Economic Issues Affecting Hispanic and African-American Communities Conference
2017, 2015, 2014, 2013, 2011, 2010

Federation of Business Disciplines
2008

Fellowship Program in Applied Multi-Ethnic Research Mini-Conference 2010
2010

Freedom and Justice Conference
2018

Future of Minority Studies
2012, 2010

Southern Economics Association meetings
2009

Western Economic Association International Annual Meetings
2019, 2017, 2015, 2014, 2013, 2011, 2006

Invited Presentations

The RGV economy. *Leadership McAllen*, McAllen, Texas, April 2019.

RGV workforce, employment, and trends. *Leadership McAllen*, McAllen, Texas, April 2017.

Active learning in the classroom: The consequences of money creation. *College of Business Administration, University of Texas-Pan American*, Edinburg, Texas, April 2011.

The Obama Promise: Election Analysis and Policy Implications. *The Republican Round Table of Lake Charles*, Lake Charles, Louisiana, November 2008. (With Daryl Burckel and Mike Kurth)

The collateral damage of the 2008 financial crisis: a brief summary?. *Kiwanis Club of South Lake Charles*, Lake Charles, Louisiana, October 2008. (With Daryl Burckel and Mike Kurth)

The demise of the Dollar?. *Kiwanis Club of Lake Charles*, Lake Charles, Louisiana, November 2007.

Professional Service

Editorial Board
- Estudios Fronterizos, 2014-2018

Referee Service: Ensayos Revista de Economía, International Journal of Population Research, International Journal of Social Economics, International Review of Economics Education, Journal of Economics, Journal of Macroeconomics, Migration Studies, Review of Black Political Economy

Service to University

Chair (University of Texas Rio Grande Valley)
- Economics Faculty Search 2018 - 2019

Co-Chair (University of Texas Rio Grande Valley)
- Promotion & Tenure Committee 2018 - 2019

Committee Member (University of Texas Rio Grande Valley)
- Promotion & Tenure Committee 2016 - , College Strategic Planning Committee 2020 - 2021

Chair (University of Texas-Pan American)
- MBA committee 2011 - 2012

Committee Member (University of Texas-Pan American)
College of Business Engagement Steering Committee 2013 - 2015, College of Business My Achievement Progress (MAP) committee 2010 - 2014, AACSB assurance of learning (AOL) Economics program committee 2010 - 2015, MBA committee 2010 - 2012, Department of Economics and Finance Lecturer search committee 2010 - 2011

Co-Chair (McNeese State University)
- AACSB assurance of learning (AOL) committee 2007 - 2009

Committee Member (McNeese State University)
Write to Excellence Faculty Advisory Group 2008 - 2009, Faculty Senate 2008 - 2009, MBA Director search committee 2007 - 2008, Freshman foundations 2007 - 2009, Student writing in business 2007 - 2009, and AACSB assessment of faculty qualifications 2007 - 2009

Professional Development

Career

- *ADVANCE Associate to Full Program*. The University of Texas Rio Grande Valley, September 16 2016 - April 28 2017.

Leadership

- *Texas Academic Leadership Academy*. Sam Houston State University, August 2019 - July 2020.
- *ADVANCE Leadership Institute*. The University of Texas-Pan American, February 14 - May 2 2013.
- *Redesigning the MBA: A Curriculum Development Symposium.* Led by Srikant Datar and David A. Garvin, AACSB Seminar, March 26-27 2012.
- *Leadership Education Accelerated Program (LEAP).* Led by Susan Franzen, University of Texas System Leadership Institute, Spring 2011.

Pedagogy

- *"Teaching Economics with Excel workshop."* Led by Humberto Barreto, DePauw University, June 21-24 2011.
- *"Fostering deep learning."* Led by Ken Bain, University of Texas-Pan American, March 22 2011.
- *"What the best college teachers do."* Led by Ken Bain, University of Texas-Pan American, February 19 2010.

Teaching & Advising Experience

Undergraduate Courses

Development Economics, Intermediate Macroeconomics, Intermediate Microeconomics, Managerial Economics, Principles of Macroeconomics, Principles of Microeconomics

Graduate Courses

Economic Analysis (MBA), Managerial Economics (MBA), Principles of Economics (MBA), Seminar in Economics Topics [Introduction to Financial Theory] (PhD)

Thesis Committee (member)

Klaus Beckmann (PhD). "Essays on the Performance, Earnings Management and Information Efficiency." May 2013. placement: University of South Dakota, SD.

Weifang Yang (PhD). "Three Essays on Hedge Fund Flow, Regulation, and Economic Geography." May 2013. placement: Shandong University, Shandong.

Yongli Luo (PhD). "Executive Compensation, firm performance and liquidity under imperfect corporate governance." July 2012. placement: Houston Baptist University, TX.

William Pratt (PhD). "Is capital structure relevant? An empirical examination of capital structure choices." July 2012. placement: Clarion University of Pennsylvania, PA.

Pooja Chopra (MBA). "The Use of Preventive Health Care Services in Hispanic Workers in Manufacturing Sector in South Texas." December 2011. placement: Phonon.in, Gujarat.

Mentoring

Diversity Initiative for Tenure in Economics (DITE) 2017-2018 cohort, Duke University

Christine Strong - PhD Student, University of Oklahoma

Yu Liu - Assistant Professor, The University of Texas Rio Grande Valley

Research Interests

Economic Development, Education, Financial Intermediation, Migration, and Race

Professional Associations

Membership: American Economic Association, American Society of Hispanic Economists, Western Economic Association

SELECT MEDIA APPEARANCES

Hansi Lo Wang, Despite Low Employment, Millennials Hold Key To Reviving South Texas, NPR (November 20, 2014).

Cynthia Vaquera, Efectos del aumento a salario minimo, KTLM-TV Telemundo 40 (March 15, 2014).

Kevin Lu, Economic Impact of Immigrants, KVEO News Center 23 (May 31, 2013).

Michael Lopez, Gas prices continue to drop, KVEO News Center 23 (March 11, 2013).

Fiscal Cliff Negotiations Worry Valley Business Owners, KRGV Channel 5 News (December 10, 2012).

Coupling discounting with long term planning: A case for financial inclusion

Salvador Contreras (PI) – University of Texas Rio Grande Valley
February 23, 2022

In a working paper we show that blacks and Hispanics attachment to the financial sector are more sensitive to financial frictions than other groups. We show that part of our result is driven by access to bank branches. When banks are forced to make business decisions of where to operate their branches, they are more likely to first close branches in poorer communities, likely exacerbating a lack of attachment to the formal financial system and toward more costly financial services like pay-day loans, pawnshops, and cashier checks. The Rio Grande Valley (south Texas) has among the nation's lowest rates of bank account ownership and highest cash only rates. Attachment to the formal financial sector is important as it facilitates long-term planning, budgeting skills, and protection against theft.

The literature shows that an individual's discount rate (a measure of an individual's discount of the future) is correlated with measures of future planning, savings, debt, and education attainment. Our aim in this study is to uncover factors that influence an individual's discount rate. A mechanism that lowers an individual's discount rate should lead to better use (internalization) of financial knowledge (delivered by our research team), have household financial sophistication spillovers, and be observed in long-term planning activities. Our identification strategy is to run a field experiment in an area of the country with low attachment to the formal financial sector. We hypothesize that discount rates are in part associated to financial sophistication. We expect that randomly assigning treatment of bank account products through a network of participating local financial institutions to unbanked/underbanked parents will influence participating student discount rates 1 year after the program and drive the likelihood to enroll in a post-secondary institution and affect academic performance.

In collaboration with community banks, local high schools, and local University, we will help organize a series of financial literacy outreach programs to upper grade High School students. Students will be randomly assigned to within school treatment groups. All students will participate in financial literacy workshops. All willing students will participate in a survey where we will measure demographic information, baseline financial knowledge, and estimate discount rates. Of these, we will also contact parents and ask them to participate in our project. Parents will be placed in 1 of 3 treatment groups. Group 1 & 2 will participate in a financial literacy workshop, group 3 will receive a flyer with said information. Group 1, in addition, will be offered program subsidized financial services (cover ATM, minimum balance, overdraft fees). Our priors, and consistent with financial literacy literature, is that these programs do not enhance financial knowledge. However, we expect that children of parents exposed to financial experience (program products) should have positive spillovers on financial knowledge and planning activities.

As a second experiment we will identify first year students at the University who are work study eligible. In general students in this region are unlikely to own a bank account. However, work-study students are strongly encouraged open an account to facilitate payment. At the university students are scored based on academic performance and financial need. Our approach will be to identify student along the cutoff and estimating the effect that bank account ownership has on financial literacy, discount rates, and possible academic spillovers. Participating students will be asked to take part on our surveys and invited to participate in our financial literacy workshops.