UNIVERSITY of MARYLAND
EASTERN SHORE

SCHOOL of BUSINESS AND TECHNOLOGY
Department of Business, Management & Accounting

Salisbury Maryland February 3, 2023

C/O: Program Administrator at National Bureau of Economic Research
Dr. Elisa Pepe

Re: Mentoring Program to support NSF Grant Proposal Development by Faculty Members at Minority-Serving Institutions

Dear Dr. Pepe,

With great interest and enthusiasm, I apply for the mentoring program supporting NSF grant proposal development by faculty members at Minority-Serving Institutions. I am faculty member at the University of Maryland Eastern Shore with a diverse set of professional qualifications and personal characteristics.

You can reach me at: Isaac Marcelin, 2060 EASC Building, College Backbone RD, University of Maryland Eastern Shore, Princess Anne, MD 21853. Tel: 410-651-7884, e-mail: imarcelin@umes.edu.

My research interests focus on the relationship between climate change and finance, financial institutions and political institutions, the economics of aging, financial inclusion and economic mobility, financial literacy and wealth creation, Etc. I explore methods for mitigating climate change-induced risks, applicable by policymakers, financial regulators, international organizations, and market participants who need timely information on risk channeled by climate change, inhibiting efficient asset allocation and, potentially, economic well-being. My research can lead to new strategies to minimize the effects of climate change and, perhaps, a more rational response to climatic threats to lives, livelihoods, welfare, and retirement security.

I publish in top-tier or exceptional journals such as the Journal of Banking and Finance, International Review of Financial Analysis, Finance Research Letters, Research in International Business and Finance, Contemporary Studies in Economics and Financial Analysis, United Nations University-World Institute for Development and Economic Research (UNU-WIDER), Governance for Structural Transformation in Africa, Etc. Concerning my contribution to higher education, several B schools, including George Washington University and Ohio State University, have assigned my paper on privatization and property rights as required in their graduate programs.

IM

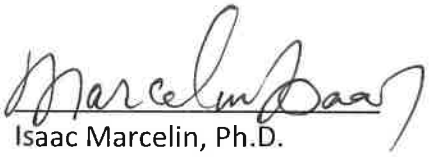
I currently have several major research projects, including building a U.S.-based financial inclusion index in collaboration with the National Bureau of Economic Research (NBER) and the Social Security Administration (Grant RDR18000003). I recently applied for an NSF grant under the Build and Broaden (B2) Program.

My supervisor, Dr. Leesa Thomas-Banks, can attest to institutional support for grant applications to the NSF and other entities. You can reach her at:

Leesa Thomas-Banks, JD
Department Chair and Assistant Professor
Department of Business, Management & Accounting
University of Maryland Eastern Shore
Email: lpthomasbanks@umes.edu
Tel. 410-651-7591

I am thrilled at the possibility of being a mentee. With your support, I will learn the ropes for successful grant applications, bringing much-needed resources to my institution. Such grants will broadly affect teaching and research outcomes among faculty and students of underprivileged backgrounds, which would otherwise be lacking. I appreciate your consideration and look forward to hearing from you.

Respectfully yours,



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REFEREED PUBLICATIONS

1. The Russo-Ukrainian war and financial markets: the role of dependence on Russian commodities. With G.-D., Lo, T., Bassène, Sène, B. 2022. Finance Research Letters, 50, 103194.

2. Financial inclusion and bank risk taking: the effect of information sharing. With W. Sun, M. Teclezion, and Jurnasin, E.J. 2022. Finance Research Letters, 50, 103182.

3. Financial inclusion, bank ownership, and economy performance: Evidence from developing countries. With Egbendewe, Y.G.A., Oloufade, K.D., and W. Sun. 2021. Finance Research Letters, 46 (A), 102322.

4. Foreign bank entry and poverty in Africa: Misaligned incentives? With Nanivazo, M.J., Egbendewe, Y.G.A., and Sun, W. 2021. Finance Research Letters, 101963.

5. Political systems, institutions, electoral uncertainty and corporate investment. With Stephen, S., Fanta, F., and Teclezion, M. 2019. Research in International Business and Finance, 47, 580-599.

6. Financial sector development and dollarization in emerging economies. With Ike Mathur. 2016. International Review of Financial Analysis, 46, 20-32.

7. Institutional failure or market failure? With Ike Mathur. 2015. Journal of Banking & Finance, 52, 266-280.

8. Privatization, financial development, property rights and growth. With Ike Mathur. 2015. Journal of Banking & Finance, 50, 528-546.

9. Financial Development, Institutions, and Banks. With Ike Mathur. 2014. International Review of Financial Analysis, 31, 25-33.

REFEREED CHAPTERS

10. Can Export Promotion Agencies Stem the Deindustrialisation in Sub-Saharan Africa? In: Elhiraika A., Ibrahim G., Davis W. (eds.) With Nanivazo MJ. 2019. Governance for Structural Transformation in Africa. Palgrave Macmillan, Cham, pp. 189-220.

11. Unlocking Credit, in Jonathan A. Batten, Niklas F. Wagner (eds.) Risk Management Post Financial Crisis: A Period of Monetary Easing (Contemporary Studies in Economic and Financial Analysis, Volume 96). With Ike Mathur. 2014. Emerald Group Publishing Limited, pp. 221 – 252.

WORKING PAPERS & CONFERENCE PROCEEDINGS

1. Bank capital, credit risk and performance around national election cycles: The role of ownership, Proceedings of Financial Management, FMA Atlanta, 2022. With M. Teclezion, W. Sun, and G.-D., Lo, T. Bassène. Under review (Journal Money Credit and Banking).

2. Financial intermediation around national elections: can we put all banks in the same basket? State-owned banks as credit smoothers over national election cycles. With Gaye Del Lob, Babacar Sene, Théophile Bassène.

3. Wildfires spreads and agricultural commodity markets. With T. Bassène, G.-D., Lo. Under review (Economic Modelling).

4. Risk spillovers between African and MENA stock markets: A quantile connectedness approach in COVID-19 era. With G.-D., Lo, T. Bassène.

5. Elections and the banking sector. Proceedings of Financial Management, FMA San Diego CA, 2018. With Wei Sun and M. Teclezion.

6. Minority owned-banks' resilience to COVID-19: performance, risk, and capital. With Mussie, T., Sun, W., Jurnasin, E.J. Under review (Journal Money Credit and Banking).

7. Firm's Resilience to Financial Constraints: The Role of Trade Credit. With D. Brink and W, Sun (2021). UNU-WIDER Working Paper, 2021/78.

8. National elections and bank risk-taking behavior. With Egbendewe, Y.G.A., and S. Wei (2020).

9. Subsidized labour and firms: Investment, profitability, and leverage. D. Brink, D.O. Fadiran, and H.A. Amusa. 2019. UNU- WIDER Working Paper 2019/50. https://doi.org/10.35188/UNU-WIDER/2019/684-5

10. Banking sector control and the economy performance around national elections. With M. Teclezion, and S. Wei (2020).

11. Bankers' options and risk-taking behavior around national elections. With W. Sun, Zhang, Y., and G. Del Lo, T. Bassène.

12. Dynamic correlation analysis between investor sentiment to climate change and climate shocks. With T. Bassène, G.-D. Lo.

WORKING-IN-PROGRESS

1. National elections and the stability of the banking sector. With W. Sun.

2. Imported risk: The effect of foreign bank risk-taking in host country on parent's performance in election years. With W. Sun.

3. Marcelin, I. (2021). Blockchain, corporate governance, and option backdating (Work-in-Progress).

4. Diversification, Earnings Management at U.S. Bank Holding Companies. Proceedings of Financial Management -- FMA 2014. With M. Teclezion

5. Bank Lending and Electoral Uncertainty. Proceedings of Midwest Finance Association, MFA -- New Orleans LA, February 2012. Keynote Paper: http://www.instituteglobalfinance.org/articles/fourth-international-conference-global-prosperity- global-finance, Sydney, Australia, August 27, 2015. With Ike Mathur.

6. Elections, institutions and investment intangibility. Proceedings of Paris Financial Management, IPAG 2017. With Ike Mathur.

GRANTS:

1. Financial Inclusion, Inequality, and Retirement Trends among Older Workers. National Bureau of Economic Research Retirement and Disability Research Center. Social Security Administration Grant RDR18000003. With W. Sun.
2. PERI: Developed a framework for Renewable Energy Course for Business Department University of Maryland Eastern Shore. Economies of Renewable Energy Management (Grant Funded: $90,000). In Collaboration with Brown, K., and Abaidoo, R. (UMES); and Dan Ancova, Princeton University. 2012.

EMPLOYMENT

2018 – Present: Associate Professor of Finance, University of Maryland Eastern Shore (UMES), Princess Anne, MD 21853.
2016 – 2018: Assistant Professor of Finance, University of Maryland Eastern Shore (UMES), Princess Anne, MD 21853.
January 2015 – 2016: Financial Advisor to the Prime Minister of Haiti – Prime Minister's Office. Oct. 2014 – January 2015: Senior Analyst in Public Policy – Haiti's Prime Minister's Office.
July 2014 – Sept. 2014: UNDP consultant at the Ministry of Commerce and Industry of Haiti, MCI
2010 –August 2014: Assistant Professor of Finance. University of Maryland Eastern Shore (UMES), Princess Anne, MD 21853.
Sept 2012 –Jun- 2013: Consultant at Ministry of Commerce and Industry, MCI Haiti.
2002 –2004: Assistant Professor of Mathematics. University Notre Dame of Haiti (UNDH), Cap - Haitien, Haiti. 1997-1999: President of Electoral Communal Bureau. Organized legislative elections.
2002 – 2005: Manager of Royal Distribution (Bookstore: selling computers, office supplies, cellular communication, car rental, and other services), Cap-Haitian, Haiti.

COMMITTEE ASSIGNMENTS

2022 -- Chair of Search Committee for Chair, Built Environment
2018-2019 – Faculty Handbook Review Committee
2010—Present Coach Students' Investment Club Coach
2010– Advisor Federal Reserve Challenge

PROFESSIONAL ENGAGEMENTS

January 2020-Present: Member of Presidential Commission for Public Sector Reform (Haiti)
June 2018 – Mai 2019: Vice President – Toastmasters International Area 71, Division 8: Delmarva

OTHER PROFESSIONAL SERVICES: REVIEWER

Journal of Banking & Finance
Journal of Business Research
International Review of Economics and Finance
Borsa İstanbul Review
International Review of Financial Analysis
Research in International Business and Finance
Economics Bulletin
Emerging Markets Finance and Trade
Financial Innovation
Finance Research Letters
Journal of International Financial Markets, Institutions, and Money

CONSULTANCY

1. Marcelin et al. (2021): RTAC (2021). Haiti Market Analysis: Centre and Nord-Est Departments. Research Technical Assistance Center: Washington, DC. (Marcelin et al.)
2. Marcelin et al. (2021): RTAC (2021). Haiti Market Analysis: Sud and Grand'Anse Departments. Research Technical Assistance Center: Washington, DC.
3. Marcelin, I. (2019). Data Quality Assurance Plan and Data Management and Analysis Plan. DAI/USAID water and sanitation project in Haiti. Senior Survey Specialist. Ayiti Nexus/DAI/USAID
4. Marcelin, I. (2018). Impact evaluation, Hope on a String Project. This study evaluates impact of music, performing arts education on communities and various regions of Haiti. OAS – Ayiti Nexus
5. Jaunay, P., Marcelin, I., and Bécoulet, P. (2017). Cartography of Haiti Music Sector. Impact evaluation. UNESCO - Ayiti Nexus & Ayiti Mizik
6. Marcelin, I. (2016). Impact evaluation & M&E plan, Peace project by LAKOU LAPE and World Concern, Haiti. The project promoted peace to prevent violence in unruly areas in Haiti.
7. Luzinkourt, K., and Marcelin, I. (2015). Impact evaluation, Peace project by Finland Aid, Haiti. The project promoted peace to prevent violence in unruly areas in Haiti. FIN AID
8. Jean-Charles, W., Griff, P.K., and Marcelin, I. (2015). CAP I study on inclusive

education in Haiti. The project is a joint effort between University Notre Dame of Haiti, the Ministry of Education and the UNESCO. UNESCO

9. Marcelin, I. (2015). External Evaluator. CAP II survey on nutritional and hygiene practices across three cities in Haiti. Ayiti Nexus (Oxfam)
10. Marcelin, I. (2015). External Evaluator. Impact evaluation, Project Villa Rosa Tap Tap Painting Project and Work sequence. CordAid, Port-au-Prince, Haïti
11. Marcelin, I. (2014). Impact evaluation, Livelihood project. Study the effect of project on hunger and poverty reduction, and rural community and family resiliency in Roche-à-Bateau, Haiti.

EDUCATION

2007-2010: PhD in Finance, Southern Illinois University at Carbondale. Dissertation examined political and institutional constraints on banking in third-world countries and on privatization of State-Owned Enterprises.
2006-2007: Master's in business administration. Southern Illinois University at Carbondale. Fall 2005: Master's in economics and Finance, Southern Illinois University at Edwardsville.
2001-2003: Bachelor of Law, University Institute of Law and Regional Development (INUJED), Cap-Haitien, Haiti.
1997-2001: Bachelor's in finance, University Notre Dame of Haiti (UNDH), Cap-Haitien, Haiti.

CONTINUING EDUCATION

2012-2013: Postgraduate Studies in Public Policy. University of Maryland College Park, MD. (Unfinished)

CERTIFICATION

Fall 2019: Certified Blockchain Analyst, The Linux Foundation.

TEACHING EXPERIENCE

2010-2014 and 2016 – present: University of Maryland Eastern Shore:
FINA 440 – Advanced Financial Management FINA 441 – Insurance and Risk Management FINA 488C – Options and Futures
FINA 448G – Real Estate Finance and Housing Policy FINA 499 – Project Finance
FINA 341 – Investments and Markets FINA 498 – Research in Finance BUAD 353 – Statistics
BUAD 414 – Business Law FINA 342 – Money and Banking FINA 448 – International Finance
2007-2010: Southern Illinois University Carbondale:
Fin 200 – Personal Financial Planning Fin – 330 Corporate Finance
2008-2010: Mid-Continent University Mayfield, KY: Fin 3123 – Advanced Practical Financial Management
2002- 2005: University Notre Dame of Haiti: Math 400/401 Advanced Calculus

HUMANITARIAN

1993-1997: Vice-Coordinator of the Agency for Education and Community Development (ADEC). This agency promoted youth awareness of AIDS, community health education, and adult literacy. ADEC ran projects for PSI-Haiti, an arm of the

World Health Organization.

ACHIEVEMENTS

Fulbright Recipient, 2005-2007, Outstanding MBA Student of the Year,
2006-2007 University Notre Dame of Haiti, Summa cum Laude,

SELECTED CONFERENCES

- FMA 2022 Annual Meeting – 2022 Financial Management Conference (Oct 19-22, 2022, Atlanta GA)
- National Bureau of Economic Research (NBER) Summer Institute, (July 2022, Boston, MA)
- NAREA 2022 Annual Meeting – 2022 NAREA conference (Jun 12-14, 2022, Mystic CT) – Economics and Social Justice Scholarship
- FRL 2022 Annual Meeting – 2022 Financial Research Letters (February 2022, Mexico City, Mexico)
- Global Workshop Finance and Development in Africa (December 2020)
- Financial Management Association, Boston, MA (Oct-2017)
- MFA Annual Meeting 2018 – San Diego, CA (October 2018)
- United Nations University World Institute for Development and Economic Research (UNU-WIDER, Pretoria, South Africa November 2018)
- Paris Financial Management – IPAG (Dec 2017)
- Financial Management Association, Boston (Oct-2017)
- Financial Management Association, Las Vegas (Oct-2016)
- United Nations University World Institute for Development and Economic Research (UNU-WIDER, Helsinki Finland June 2013)
- American Finance Association, Chicago, IL (Jan-2012)
- American Finance Association, Denver, CO (Jan-2011)
- American Finance Association, San-Francisco, CA (Jan-2008)

PROFESSIONAL ORGANIZATION MEMBERSHIP

2016 - Onward: Founder of Haitian Center for Public Policy
2009 - Present: Global Development Network (GDN)
2011- Onward: Analyst/Editorialist of Leliberalnews.com

OTHER QUALIFICATIONS, SKILLS & COMPETENCES

Expert level in statistical packages: STATA, R, SPSS, EVIEWS Intermediate level: SAS, S-Plus

REFERENCES:

Wei Sun, Ph.D. Department of Finance, Insurance and Real Estate, University of Memphis,
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Climate change, bank risk-taking, and the economy's performance

Investors have become increasingly concerned about the financial implications of climate risk (Choi et al., 2020; Engel et al., 2020; Krueger et al., 2020; Dafermos et al., 2018). Climate hazards, including extreme weather, cyclones, floods, wildfires, tornadoes, earthquakes, and heatwaves, can create cross-border speculative runs, shift expectations, and cause financial instability, destroying capital stocks with adverse effects on growth. Climate-induced risks can permeate rapidly throughout the banking system, distorting efficient asset allocation. These apparent linkages warrant an investigation into the effects of climate change risks on bank's risk-taking, efficient capital allocation, and the implications for productivity, growth, and sustained prosperity.

Intellectual merit

This project will analyze whether climate change risk exacerbates bank risk-taking behavior, inhibiting efficient asset allocation and growth. Despite the mounting evidence of the risk channeled by climate risks, the literature still needs to investigate how it affects bank risk-taking behavior and the economy's performance. Climate disasters may increase banks' vulnerability, harming the overall economy and compelling policymakers to choose second-best socially preferable outcomes, such as taxpayers' bailouts to stabilize credit, assuming the government internalizes the benefits of a stable macroeconomic environment. Despite the potential adverse effects of climate shocks for banks and the economy, the literature has yet to investigate the effect of climate change risks and ensuing disasters on banks' safety, soundness, and the economy's performance. This project proposes to fill this significant research gap across two studies.

Broader impact

On January 17th, 2023, the Federal Reserve required that the six leading U.S. banks produce climate change risk-related analysis by July 31st on par with the stress tests performed on the banking system to assess the banking system's resilience to climate shocks (Schneider & Saphir, 2023). Leading banks have even introduced new models to capture climate change risk in financing costs (PNC, 2020; BOA, 2020). Although climate change increases financial stability risks, there is a need for more research and analysis to incorporate these risks fully into financial stability monitoring, including improvements in data and models (Brunetti et al., 2021). This study is timely for bank safety. Specifically:

- Climate change ranks among economies' most pressing challenges, potentially affecting risk distribution across firms, industries, and regions. It constitutes a prominent source of risk to the economy, with complex and widespread economic and social consequences, including deaths, destruction of capital stocks and public infrastructure, loss of outputs and productivity, operation disruptions, and levying hefty tolls on communities, firms, and households. The climate-induced financial risk may lead to systematic defaults, destroying investments with positive spillovers, with far-reaching consequences for growth-enhancing activities and risk insurability, particularly for agents in disaster-prone areas. Eventually, climate change financial risks can affect the safety of banks, inhibiting efficient risk distribution across viable projects and weighing down economic growth and well-being.
- Policymakers, financial regulators, international organizations, and market participants need timely information on risk channeled by climate change to the banking sector for bank safety and enhanced prudential norms. The social purpose of the financial system is to allocate an economy's savings to their highest value uses (Schumpeter, 1912, 1942; Tobin, 1989; Aghion & Howitt, 1997; Wurgler, 2000). Less efficient capital allocation leads to lower economic growth, implying reduced fiscal resources, higher budget deficits, and a weaker economy. Natural disasters in one region may have a domino effect if they weaken the balance sheets of the affected banks, inhibiting their ability to fulfill their obligations as payees. Thus, other institutions may curtail lending to some firms, industries, and regions to reduce their exposure to climate risk and avoid full-scale insolvency, thereby impairing the banking system's ability to provide credit to finance economic activity and growth.

Study 1: Study 1 will examine whether climate change-induced risks influence banks' risk-taking behavior and how it affects the economy's performance. Risk measures include systematic, total return, idiosyncratic, insolvency, interest rate, and tail risks, and nonperforming loans and potential spillovers across banks, industries, and regions. Performance measures include real GDP, total factor productivity, capital accumulation, growth rate volatility, Etc.

Study 2: Study 2 will further explore potential *systemic risk* in the banking sector and whether this risk relates to climate change risk. Thus, it will assess whether climate change risk drives the connectedness of banks and whether there could be contagion effects across the sector if the financial strength of large banking groups deteriorates. This study has relevance for climate change-induced risk weighing and compliance monitoring in the sector. Due to climate-induced systematic risks, we can recover the joint probability of default for pairs of banks within clusters and regions. Study 2 identifies how climate shocks amplify vulnerabilities and resulting adverse economic impacts.

References cited:

Aghion, P., Howitt, P., 1997. Endogenous Growth Theory. MIT Press.

BOA (2020). 2020 TCFD Report: Task Force on Climate-related Financial Disclosures Report.

Brunetti, C., Dennis, B., Gates, D., Hancock, D., Ignell, D., Kiser, K.E., Kotta, G., Kovner, A., Rosen, J.R., Tabor, K.N. 2021. Climate Change and Financial Stability. FEDS Notes. Washington: Board of Governors of the Federal Reserve System, March 19, 2021, https://doi.org/10.17016/2380-7172.2893.

Choi, D., Gao, Z., Jiang, W. 2020. Attention to Global Warming. Review of Financial Studies, 33(3), 1112–1145. https://doi.org/10.1093/rfs/hhz086

Dafermos, Y., Nikolaidi, M., Galanis, G. 2018. Climate Change, Financial Stability and Monetary Policy. Ecological Economics 152, 219-234.

Engle, R.F, Giglio, S., Kelly, B., Lee, H., and Stroebel, J., 2020, Hedging Climate Change News, Ed. Andrew Karolyi. Review of Financial Studies 33, 1184–1216.

Krueger, P., Sautner, Z., Starks, L.T., 2020. The importance of climate risks for institutional investors. Review of Financial Studies 33, 1067-1111.

PNC (2020). 2020 TCFD Report: Task Force on Climate-related Financial Disclosures Report.

Schneider, H., and Saphir, A., 2023. Fed wants climate risk analysis from 6 largest U.S. banks by July 31. Reuters.

Schumpeter, J., 1912. Theorie der Wirtschaftlichen Entwicklung. Duncker and Humblot, Leipzig.

Schumpeter, J., 1942. Capitalism, Socialism, and Democracy. Harper & Brothers, New York and London.

Tobin, J., 1989. On the efficiency of the financial system. In: Johnson, C. (Ed.), The Market on Trial. Columbia University Press, New York, pp. 125–138.

Wurgler, J., 2000. Financial markets and the allocation of capital. Journal of Financial Economics 58, 187–214.