Valerie Boctor
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March 20, 2023

To the NBER Hank Workshop Selection Committee,

My name is Valerie Boctor, and I am a fifth year PhD Candidate and advisee of Yuriy Gorodnichenko (ygorodni@econ.berkeley.edu) in the Economics Department at UC Berkeley. My main fields are macroeconomics and household finance, and my research interests span empirical issues related to financial stability and household wealth, as well as macroeconomic conditions and policies that promote financial well-being, particularly for low- and middle-income households. As a college student, learning about the Federal Reserve's crucial role in mitigating the financial crisis during the Great Recession inspired me to pursue a PhD in Economics at Berkeley. In the wake of the COVID recession and more recent, unexpected macroeconomic fluctuations, the importance of monetary policy in staving off crises continues to motivate my scholarly interest in policy transmission to financial markets and households, as well as the aggregate implications of household financial behavior under varying economic conditions. Admission to the NBER HANK Workshop would provide me with a valuable opportunity to refine my practical modeling skills and incorporate the empirical findings of my prospective job market paper in a HANK model to assess monetary policy counterfactuals.

At the NBER HANK Workshop, I would be especially grateful for the opportunity to discuss the empirical results and macroeconomic implications of my job market paper with Adrien Auclert, since my research agenda draws much inspiration from his seminal work on household heterogeneity and the theory-based macroeconomic implications. As I describe in the attached proposal, one of the main goals of my job market paper is to empirically estimate heterogenous MPCs and potential complementarities resulting from recent changes to monetary and household debt relief policies. At this stage, the project is mainly focused on using a relatively novel dataset to identify causal effects of policy changes dataset that merges loan level information from Fannie Mae, Moody's Analytics, and an administrative credit bureau. The practical skills and theory-based knowledge I would learn in the HANK workshop would help me to sharpen the implications of my empirical findings and potentially generate new ideas for future projects, using my relatively novel data.

Thank you for your consideration, and please do not hesitate to contact me with any inquiries.

Kind regards,

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Motivation

I am a prospective job market candidate in the UC Berkeley Economics department focusing on empirical macroeconomics and household finance. While I consider myself to be mainly an empirical researcher, I consider the cutting-edge tools used by structural modelers to be essential for any macroeconomist's skillset and our ability to communicate with non-macroeconomists and other policy experts. My main motivation for attending the workshop is to sharpen my practical modeling skills in order to incorporate a structural model in my job market paper. This research focuses on estimating the household balance sheet effects (including heterogenous MPCs) and complementarities of the mortgage forbearance provision of the CARES Act, as well as 2022-2023 federal funds rate hike. Below, I include a brief summary of the project and dataset, which is intended to shed light on potential applications of a HANK model, which I hope to clarify while attending the workshop. At this stage, the project includes two separate studies on a panel of households, estimating the balance sheet effects of mortgage forbearance under the CARES act and the federal funds rate hike, respectively. Incorporating a structural model based on the skills I would acquire at the workshop would be extremely useful in terms of providing a unifying theory to explain the empirical effects and (potential) complementarities, and to analyze policy counterfactuals.

Project Proposal: "Between Recessions: Household Financial Stability, Mortgages, and the Role of Policy"

In the wake of the COVID recession and more recent, unexpected macroeconomic fluctuations, policymakers have enacted a variety of measures aimed to stabilize aggregate conditions and alleviate the financial burden on households. How should policymakers optimally respond to recessionary fears and stubbornly high inflation while maintaining stability across financial markets? In this research, I weigh in on this question by examining the effects of two major, mortgage-related policy responses on household financial stability, as well as the consequences for the wealth distribution. In particular, I study the household balance-sheet effects of 1.) the mortgage forbearance provision of the CARES Act. 2.) the ongoing federal funds rate hike. The first study uses a regression discontinuity design to estimate the effect of eligibility for mortgage forbearance under the CARES Act on debt repayment patterns, MPCs (proxied by auto loans and spending on retail and other credit cards), and risk of delinquency, default and bankruptcy. The second study on exploits natural variation in the timing of ARM interest rate adjustments to estimate the transmission of monetary policy to household balance sheets via mortgage payments. For both studies, I use the same panel of households and examine the role of wealth heterogeneity on policy effects, as well as the debt/wealth distributional consequences of each policy, depending on forbearance eligibility requirements and differential interest rate exposure across the wealth distribution.

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CV

Education

University of California, Berkeley, Ph.D. in Economics, (2018-2024 [anticipated])
Research Areas: Macroeconomics and Household Finance
Advisors: Yuriy Gorodnichenko (Main), Emi Nakamura, David Romer, Amir Kermani
Macroeconomics Coursework: Macroeconomic Theory (First Year Sequence: 202A-202B), Advanced Macroeconomics (Second Year Sequence: 236A – 236B), Empirical Asset Pricing (PHDBA 239C)

Syracuse University, B.S. in Economics with Distinction, Political Science, & Modern Foreign Language. Minor in Mathematics, summa cum laude (2014-2018)

Work Experience

Senior Associate: Bank for International Settlements – Monetary and Economic Department
Centralbahnplatz 2, 4002 Basel, Switzerland

Graduate Student Instructor: U.C. Berkeley – Department of Economics
Evans Hall, Berkeley, CA, 94702 | Fall 2019
- Financial Economics (ECON 136) International Trade (ECON C181), and Macroeconomic Policy from the Great Depression Till Now (ECON 134), and Economic Analysis – Macro (ECON 100B), Honors Introduction to Economics (ECON 2)

Compliance Risk Policy Analyst: U.S. Department of Treasury – Office of the Comptroller of the Currency
400 7th Street SW, Washington, D.C. 20219 | June - August 2017
- Performed statistical analyses to identify heightened risk banks, significant risk factors
- Prepared ad hoc reports for the Acting Comptroller
- Revised supervisory memoranda and OCC bulletin boards

Peer Tutor: Syracuse University – Center for Learning and Student Success
348 Bird Library, Syracuse, NY 13244 | Fall 2016 – Spring 2018
- Tutored Economic Ideas and Issues, Intermediate Mathematical Microeconomics, Intermediate Macroeconomics, Calculus I-II, Arabic I-IV

English Language Instructor: Voice of the Refugees
622 N Gilbert St. #200, Anaheim, CA 92801 | June-August 2014; June-August 2016
- Instructed adult intermediate English classes for native Arabic speakers

Working Papers

"Fiscal Deficits and inflation risks: the role of fiscal and monetary policy regimes" with Ryan Banerjee, Aaron Mehrotra, and Fabrizio Zampolli (Bank for International Settlements)
SUERF Policy Brief, BIS Working Paper

"Fiscal sources of inflation risk in EMDEs: the role of the external channel" with Ryan Banerjee, Aaron Mehrotra, and Fabrizio Zampolli (Bank for International Settlements)

"Survey Design Sensitivity in Household Inflation Expectations Data: Micro-Level Inconsistencies and Policy Implications" with Olivier Coibion, Yuriy Gorodnichenko, and Michael Weber

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Slides, Draft

Awards and Honors

- UC Berkeley Economics Doctoral Research Grant on Monetary Policy, Spring 2023
- California Policy Lab Graduate Fellowship, Fall 2022 | Spring 2023
- California Policy Lab Seed Grant, Fall 2022
- Graduate Fellowship, UC Berkeley Department of Economics, 2018-2023
- JoAnn Heffernan Heisen Award for Outstanding Undergraduate Achievement in Economics
- James F. Reynold Award for Outstanding Undergraduate Achievement in Political Science
- Phi Beta Kappa, May 2017
- Dean's List, all semesters Fall 2014-May 2018
- Syracuse University Scholars Nominee *highest undergraduate honor,* Spring 2018
- Certificate of Outstanding Achievement in Economics, April 2017, May 2018
- Certificate of Outstanding Achievement in Political Science, April 2015, May 2016, May 2017, May 2018
- Certificate of Outstanding Achievement in Arabic, April 2015, April 2016, April 2018

UC Berkeley Economics Department Service

- Grant Officer for Economists for Equity at Berkeley (BEE) grant program | 2020, 2021
- Finance Lunch Seminar (ECON 235) Coordinator | Spring 2020 - Spring 2023
- Student Review Committee member for UCB Econ graduate admissions | 2019, 2020

Research Assistance

Research Assistant to Benjamin Schoefer: *Wage Growth from a Macroeconomic Perspective*
Fall 2020 | U.C. Berkeley Department of Economics

Research Assistant to Yuriy Gorodnichenko: based on the paper *Monetary Policy Communications and Their Effect on Household Inflation Expectations*
Summer 2019 | U.C. Berkeley Department of Economics

Research Assistant to Anastassia Fedyk: based on the paper *Trading on Talent: Human Capital and Firm Performance*
Summer 2019 | U.C. Berkeley Haas School of Business

Economics Distinction Thesis: *A Reassessment of the Life Cycle – Permanent Income Hypothesis: Evidence from the Consumer Expenditure Survey*
May 2018 | SU Department of Economics | Supervisor: Perry Singleton

Coding Skills:

- Python
- Stata
- R
- MATLAB
- Excel
- LATEX

Languages: Arabic (Native/ Bilingual, studied 4 yrs.), French (Proficient, studied 8 yrs.), German (Beginner)