Winter semester 2025/26

Topics in Financial Economics
Bonn Graduate School of Economics

This version: October 14th, 2025

I. Administrative details

- **Instructor:** Prof. Farzad Saidi, Ph.D. (saidi@uni-bonn.de), ECONtribute & macro group (Kaiserplatz 7-9)
- **Office hours:** after each class and by appointment or e-mail
- **Prerequisites:** Mathematics for Economists, Microeconomics (Econometrics highly recommended)
- **Class meets every Wednesday, from 4:15-5:45pm**

II. Course description and design

- This course covers research topics at the intersection of finance and banking with macroeconomics, monetary policy, and industrial organization. The course will be organized similar to a reading group, complemented with lectures on data, aspects of applied microeconometrics, and research designs. Participants will discuss (mostly empirical) research at the frontier of the discipline, with the ultimate goal of generating new research ideas for their dissertations.
- Course evaluation: presentations of 1-2 research papers (40%) & research proposal (will be discussed in class and handed in at the end of the semester, 60%).
- All course materials will be uploaded to eCampus.

III. Course outline

Lectures on advanced topics in banking and financial intermediation

Lectures on econometric aspects and research designs

Labor, industrial organization, and finance

Papers to be discussed

Cucic, D., R. Iyer, S. Kokas, J.-L. Peydró, and S. Pica (2024), "Distortive Effects of Deposit Insurance: Administrative Evidence from Deposit and Loan Accounts," *Imperial College Working Paper.*

Correia, S. A., S. Luck, and E. Verner (2025), "Supervising Failed Banks," *NBER Working Paper No. 34343*.

Benetton, M., G. Buchak, and C. Robles-Garcia (2022), "Wide or Narrow? Competition and Scope in Financial Intermediation," *CEPR Discussion Paper No. 17497*.

Ewens, M. and X. Giroud (2025), "Corporate Hierarchy," *NBER Working Paper No. 34162*.

Mertz, M., M. Ronchi, and V. Salvestrini (2025), "Female Representation and Talent Allocation in Entrepreneurship: The Role of Early Exposure to Entrepreneurs," *IZA Discussion Paper No. 17801*.

Background papers

Favara, G. and M. Giannetti (2017), "Forced Asset Sales and the Concentration of Outstanding Debt: Evidence from the Mortgage Market," *Journal of Finance*, 72(3), 1081-1118.

Keeley, M. C. (1990), "Deposit Insurance, Risk, and Market Power in Banking," *American Economic Review*, 80(5), 1183-1200.

Saidi, F. and D. Streitz (2022), "Bank Concentration and Product Market Competition," *Review of Financial Studies*, 128(1), 66-85.

Neuhann, D. and F. Saidi (2018), "Do Universal Banks Finance Riskier But More Productive Firms?," *Journal of Financial Economics*, 128(1), 66-85.

Benmelech, E., N. Bergman, and A. Seru (2021), "Financing Labor," *Review of Finance*, 25(5), 1365-1393..

Transmission of monetary policy through banks, to firms, and to households

Papers to be discussed

Albertazzi, U., L. Burlon, T. Jankauskas, and N. Pavanini (2022), "The Shadow Value of Unconventional Monetary Policy," *CEPR Discussion Paper No. 17053*.

Erel, I., J. Liebersohn, C. Yannelis, and S. Earnest (2025), "Monetary Policy Transmission Through Online Banks," *NBER Working Paper No. 31380*.

Selgrad, J. and K. Siani (2025), "Monetary Policy and Investment Plans," *NBER Working Paper No. 31380*.

D'Amico, L. and M. Alekseev (2025), "Capital Market Integration and Growth Across the United States," *Harvard University Working Paper*.

Blickle, K., J. Li, X. Lu, and Y. Ma (2025), "The Dynamics of Deposit Flightiness and its Impact on Financial Stability," *NBER Working Paper No. 34128*.

Background papers

Drechsler, I., A. Savov, and P. Schnabl (2017), "The Deposits Channel of Monetary Policy," *Quarterly Journal of Economics*, 132(4), 1819-1876.

Heider, F., F. Saidi, and G. Schepens (2019), "Life below Zero: Bank Lending under Negative Policy Rates," *Review of Financial Studies*, 32(10), 3728-3761.

Heider, F., F. Saidi, and G. Schepens (2021), "Banks and Negative Rates," *Annual Review of Financial Economics*, 13(1), 201-218.

Kashyap, A. K. and J. C. Stein (2000), "What Do a Million Observations on Banks Say about the Transmission of Monetary Policy?," *American Economic Review*, 90(3), 407-428.

Winter semester 2025/26

Heterogeneity and macroeconomic implications

<u>*Papers to be discussed*</u>

Li, H., C. Lian, Y. Ma, and E. Martell (2025), "Borrowing Constraints, Markups, and Misallocation," *NBER Working Paper No. 33960*.

Ye, L. (2025), "Bank Concentration, Product Market Competition and Productivity Growth," *CUHK Working Paper*.

Doerr, S., T. Drechsel, and D. Lee (2024), "Income Inequality and Job Creation," *NBER Working Paper No. 33137*.

Drechsel, T. and K. Miura (2025), "The Macroeconomic Effects of Bank Regulation: New Evidence from a High-Frequency Approach," *University of Maryland Working Paper*.

Kundu, S., T. Muir, and J. Zhang (2024), "Diverging Banking Sector: New Facts and Macro Implications," *UCLA Working Paper*.

Cespedes, J., E. X. Jiang, C. Parra, and J. Zhang. (2025), "Branching Out Inequality: The Impact of Credit Equality Policies in the Non-Bank Era," *USC Working Paper*.