
CURRICULUM VITAE

SATHIAVANE VEERAMOOHOO

PERSONAL INFORMATION

Office Address: 3220 Market Street
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EDUCATION

Ph.D. in Economics, Drexel University, Philadelphia, PA, USA, 2019

M.B.A. in Finance, Coventry University, Coventry, UK, 2013

B.S. in Actuarial Mathematics, Bryant University, Smithfield, RI, USA, 2009

ACADEMIC AND PROFESSIONAL HONORS AND AWARDS

Drexel University

Doctoral Teaching Fellowship, 2015-2018

Research Assistantship, 2013~2015

Teaching Assistantship, 2013~2015

Selected amongst all Economics PhD students to teach the Masters Level Math Camp, 2016~2018

University of Pennsylvania

PIER Workshop Merit Graduate Student Scholarship, 2015

Bryant University

William E. Truehart Scholarship, 2006~2009

Honors Program, 2006~2009

Diversity Council of Champions Member, 2006~2009

Omicron Delta Kappa Honor Society, 2008

New England Peer Tutor Association Level II Certification, 2008

PROFESSIONAL AND ACADEMIC EXPERIENCE

Teaching as an Independent Instructor at Drexel University

INTB334 International Trade, Fall 2018~2019

ECON301 Intermediate Microeconomics, Fall 2018~2019

ECON201 Principles of Microeconomics, Summer 2017~2018

ECON301 Intermediate Microeconomics, Spring 2017~2018

ECON202 Principles of Macroeconomics, Fall and Spring 2016~2017

Workshop Participant at the University of Pennsylvania

Penn Institute for Economic Research (PIER) Workshop on Quantitative Tools for Macroeconomic Policy Analysis, May 2015

Teaching Assistant at Drexel University from 2013~2018

INTB200 International Business Management

ECON360 Time Series Econometrics

INTB440 Seminar in International Business

ECON321 Macroeconomics

INTB334 International Trade

ECON548 Mathematical Economics (graduate level)

ECON550 Econometrics (graduate level)

ECON601 Managerial Economics (graduate level)

Research Assistant at Drexel University from 2013~2018

Dr. Bijou Lester: decision-making processes, bounded rationality and satisfice.

Dr. Vibhas Madan: transfer pricing.

Dr. Teresa Harrison: Data work with Stata on Drexel's LeBow College of Business courses' learning outcomes for the university's AACSB accreditation renewal report.

Peer Tutor at Bryant University from 2007-2009

Mathematics and French peer tutor, Academic Center for Excellence

PROGRAMMING SKILLS

Matlab, R, Stata, Dynare, Latex, SAS (beginner), Maple and Eviews

RESEARCH

Main Job Market Paper

Factors that Do Affect Bank Capital Structure Decisions and Those that Surprisingly Do Not: A Panel Data Analysis with Error Cross Section Dependence

Abstract

I use quarterly U.S. bank level data on depository institutions from 2012 through 2017 to study the factors that affect a bank's capital structure. I test and find cross section dependence in the data and accordingly conduct unit root tests that accommodate cross dependence to determine stationarity. I confirm that, when I ignore cross section dependence, the four factors widely identified in the literature as determinants of firm and bank leverage, namely, the market-to-book ratio, collateral, profitability and size, are significant. This is no longer true when I account for the cross-section dependence of errors since only profitability remains a significant determinant of bank leverage. I propose retained earnings, non-interest expenses, sovereign bond holdings and federal funds bought as new determinants of capital structure in addition to profitability and estimate the model using five estimation methods that account for cross section dependence, namely, the Common Correlation Effects (CCE) model, the Common Correlation Effects Pooled (CCEP) model, the Dynamic Common Correlation Effects (DCCE) model, the Dynamic Common Correlation Effects Pooled (DCCEP) model and the Cross Section Distributed Lags (CS-DL) model. Sovereign bond holdings and federal funds bought are included as proxies for internal and external risk perception, respectively. Interestingly, they are not significant. The three factors that I retain as determinants of bank leverage are therefore retained earnings, non-interest expenses and profitability. This study shows that the current models of capital structure lead to the erroneous conclusion that some factors are significant determinants of bank leverage when they are not. More work in other industries can be done to determine whether this conclusion holds more generally or is only true of financial firms.

Second Job Market Paper

The Impact of the Great Recession on Liquidity Supply in the United States: Did Disaggregated Loans and Deposits Series Change in a Similar Manner Prior to, During and After the Crisis?

Abstract

This paper provides an in-depth look at bank liquidity supply in the United States by focusing on disaggregated series of loans and deposits, by type and by maturity, using quarterly bank-level data from 2005 through 2017. I explain that the apparent non-consensus in the bank liquidity literature regarding whether banks hoarded liquidity during the 2007-2009 financial crisis is due to wrongly focusing on aggregate loans and deposits or a single type of loan or deposit instead of focusing on disaggregated series. I graphically document the varied trajectories of the disaggregated loans and deposits series. I then test whether banks who were perceived as riskier based on their unused commitments and capitalization, had more difficulty in attracting different types of deposits and issuing different types of loans before, during and after the Great Recession. I find that there are differences pre, during and post crisis and the coefficients for the same explanatory variable vary in sign (positive and negative) in different specifications using different types and maturity levels of both loans and deposits. I use a Wald Test to conclude that, in addition to different signs, the estimated coefficients are also statistically different across specifications, thus showing empirically that the disaggregated components of bank loans and bank deposits behave very differently. Accurately understanding bank liquidity demand and supply helps policy makers target specific classes of assets and liabilities by shedding light on how different types of loans, deposits and the latter by maturity levels are affected differently when market conditions tighten.

Working Paper

Profitability of Banks and Climate Change

Abstract

I answer the research question: How does the weather impact the performance of U.S. commercial banks? No paper has recently studied the profitability of U.S. banks and climate change empirically. There are

theoretical macroeconomic models, for example, the dynamic ecosystem finance economy (DEFINE) model which is itself based on the stock-flow consistent (SFC) model, on how climate change impacts the market value of firms. I provide a first step to allow us to empirically understand how the performance of the financial sector is dependent on weather and more specifically, on temperature. By using data on only U.S. banks and including fixed effects and controls, I ascertain that the changes that I note are due to the weather and not regulatory changes since all banks are subject to the same regulations and macroeconomic factors like the growth rate of gross domestic product. For example, a bank in New York City is likely to be different from a bank in rural Idaho. Using two sets of banks and accounting for bank fixed effects ensures that the results are based on weather and not on geographic location or cultural underpinnings. I use quarterly bank level data from the U.S. Call Reports post Great Recession, from 2010-2017, to avoid capturing some recessionary effects which may skew the results. My three objectives are: to find the determinants of profitability, to determine whether climate has an impact on profitability and to determine whether climate in different quarters has different impacts on profitability. To do so, I use panel data methods with time and bank fixed effects and the cross section distributed lags estimation model.

Work-in-Progress Paper

Do Excess Reserves for Banks Amplify Business Cycles or Do They Instead Provide a Means for Banks to Smooth the Impact of a Negative Technology Shock?

Abstract

In 2007, the required reserves in the United States averaged \$43 billion and the excess reserves averaged \$1.9 billion. For the first six months of 2012, the required reserves averaged \$100 billion while the excess reserves averaged \$1.5 trillion (Source: San Francisco Fed, 2013). My research question is as follows: Do excess reserves for banks amplify business cycles or do they instead dampen them following a shock to aggregate productivity? A negative shock will weaken the bank's position since entrepreneurs can default on the loans they took from banks. I am concerned with how this event could affect the real economy when banks have the outside option of holding reserves? A dynamic stochastic general equilibrium model, with five sectors, namely households, firms, banks, the central bank and capital manufacturing entrepreneurs, is a good environment to study the effect of banks' access to excess reserves on their lending and in particular, to study equilibrium conditions, dynamics and perform counterfactual exercises. Specifically, I develop a DSGE model with financial intermediaries and endogenous default on bank debt held by entrepreneurs. The model extends Carlstrom and Fuerst's 1997 AER paper on "Agency costs, net worth, and business fluctuations: A computable general equilibrium analysis" and incorporates a non-trivial banking sector in which a representative (commercial) bank can choose to keep excess reserves at the Central Bank. Banks earn a higher return on loans to entrepreneurs compared to the return they earn on reserves since entrepreneurs can default on their debt. Agency costs arise because entrepreneurs are the only ones that observe the realization of their technology at no cost. This creates an information asymmetry and hence a potential wedge between the actual and the reported realization of the technology by entrepreneurs. Banks therefore weigh their profitability objective which equates lending more to entrepreneurs against acting cautiously by holding reserves that offer a set guaranteed return.

Published Paper

"Macroeconomic Determinants of Worker Remittances for Latin American and Caribbean Countries."
Joint with Dr. Richard Glass and Dr. Ramesh Mohan, *Journal of International Business and Economics*, 2009, volume 9 (4), pp. 173-184.

Abstract

This paper develops a stepwise regression model to explore how changes in macroeconomic factors affect the magnitude of worker remittances for thirty Latin American and Caribbean countries (LACs). About 57% of LACs receive a higher capital inflow from remittances than they do from foreign direct investment. This paper explores determinants of worker remittances in LACs', and provides insights into unofficial capital flows from developed to developing countries. Governments of both remittance-supplying and remittance-receiving countries can benefit from paying attention to the remittance process by understanding the full impact of these transactions on domestic economies as well as on the global economy.

SELECTED PRESENTATIONS

“Macroeconomic Determinants of Worker Remittances for Latin American and Caribbean Countries.”
International Academy of Business and Economics Conference, Las Vegas, NV, October 2009.

WORKSHOPS ATTENDED

Debit and Banking Conference, Federal Reserve Bank of Philadelphia, PA, December 2016

Philadelphia Workshop on Macroeconomics, Philadelphia, PA, April 2015

Philadelphia Search and Matching Workshop, Philadelphia, PA, March 2015

American Economic Association Annual Meeting, Philadelphia, PA, January 2014

LANGUAGE SKILLS

French (native speaker), Mauritian Creole (native speaker) and Italian (beginner)

REFERENCES

Dr. Shawkat Hammoudeh (Advisor and Dissertation Committee Chair)

Professor of Economics and International Business

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Dr. Mehmet Balcilar (Dissertation Committee Member)

Professor of Economics and Department Chair

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Eastern Mediterranean University
Famagusta 98000, Northern Cyprus
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Dr. Rolph Anderson (Dissertation Committee Member)

Royal H. Gibson, Senior Professor

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