

THE GEORGE L. ARGYROS SCHOOL OF BUSINESS AND ECONOMICS

SHADOW OPEN MARKET
COMMITTEE
AND CONFERENCE

JUNE 24, 2022



CHAPMAN
UNIVERSITY

**Argyros School of
Business and Economics**

MORNING

Friday, June 24

- 7:30 a.m. - 8:00 a.m. Shadow Open Market Committee Breakfast with Local Business Leaders
- 8:00 a.m. - 8:05 a.m. Opening Remarks by Thomas Turk, PhD, Dean, Chapman University-George L. Argyros School of Business & Economics
- 8:05 a.m. - 9:45 am Ask the Shadow Fed Members
- 9:45 a.m. - 10:00 a.m. Break

PANEL 1: CENTRAL BANKING

10:00 a.m. - 12:00 p.m.

"Fiscal Implications of Federal Reserve Balance Sheet Policies Revisited."
Author: Deborah Lucas, MIT and NBER
Discussant: Lukas Schmid, USC

"The Fed's Balance Sheet: Constraints, Costs, and Risks."
Author: Andy Levin, Dartmouth College and NBER
Discussant: Jeff Lacker, Virginia Commonwealth and Former President of the Richmond Federal Reserve

AFTERNOON

12:00 p.m. - 1:00 p.m. Lunch

1:00 p.m. - 1:35 p.m.

Keynote: Mary Daly, President of the Federal Reserve Bank of San Francisco
Moderator: Michael Bordo, Rutgers University and NBER

1:35 p.m. - 1:45 p.m. Break

PANEL 2: MONETARY POLICY

1:45 p.m. - 3:45 p.m.

"The Recent Surge in Money Growth: What would Milton Friedman Say?"
Author: Peter Ireland, Boston College and NBER
Discussant: Sebastian Edwards, UCLA and NBER

"The Fed's Delayed Exits from Monetary Ease."
Authors: Michael Bordo, Rutgers University and NBER and Mickey Levy, Chief Economist Berenberg
Discussant: Kris Mitchener, Santa Clara University and NBER

MICHAEL D. BORDO



SHADOW OPEN MARKET COMMITTEE MEMBER

Michael D. Bordo is Professor of Economics and Director of the Center for Monetary and Financial History at Rutgers University, New Brunswick, New Jersey.

He has held previous academic positions at the University of South Carolina and Carleton University in Ottawa, Canada. He has been a visiting Professor at the University of California Los Angeles, Carnegie Mellon University, Princeton University, Harvard University, Cambridge University where he was Pitt Professor of American History and Institutions, and a Visiting Scholar at the IMF, Federal Reserve Banks of St. Louis and Cleveland, the Federal Reserve Board of Governors the Bank of Canada, the Bank of England and the Bank for International Settlement.

He also is a Research Associate of the National Bureau of Economic Research, Cambridge, Massachusetts. He has a B.A. degree from McGill University, a M.Sc.(Econ) from the London School of Economics and he received his Ph.D. at the University of Chicago in 1972. He has published many articles in leading journals and ten books in monetary economics and monetary history. He is editor of a series of books for Cambridge University Press: Studies in Macroeconomic History. Recent publications include: with Barry Eichengreen, *A Retrospective on the Bretton Woods International Monetary System*, University of Chicago Press, 1993; with Claudia Goldin and Eugene White, *The Defining Moment: The Great Depression and the American Economy in the Twentieth Century*, University of Chicago Press, 1998; *Essays on the Gold Standard and Related Regimes*, Cambridge University Press, 1999; with Alan Taylor and Jeffery Williamson, *Globalization in Historical Perspective*. University of Chicago Press, 2003.

MARY DALY



KEYNOTE SPEAKER

As President and CEO of the Federal Reserve Bank of San Francisco, Mary C. Daly leads an organization dedicated to building a healthy, inclusive, and sustainable economy in the Federal Reserve System's Twelfth District, the largest and most diverse within the Federal Reserve System (FRS).

Mary has charted a vision of the San Francisco Fed as a premier public service organization, dedicated to helping create unreserved opportunity for all Americans. Emphasizing that opportunity is not a luxury, but a necessity that needs to be accessible to everyone, she works to broaden and deepen engagement with the communities the Bank serves. Mary champions initiatives to make the San Francisco Fed's policies and decision-making more transparent. She actively supports the Bank's commitment to understanding the economic and financial risks of climate change and inequities, issues that materially affect the Fed's mandate and the growth and competitiveness of our nation.

Mary's leadership is underpinned by her belief in "3D public service," the need for public servants to be fully human—vulnerable, compassionate, optimistic, and pragmatic—to help solve the most pressing issues of our time.

Mary became president and CEO in October 2018, building on a distinguished career at the Bank that began in 1996. Starting as an economist specializing in labor market dynamics and economic inequality, she went on to become the San Francisco Fed's executive vice president and director of research. She has also held multiple leadership positions at the Bank and within the Federal Reserve System more broadly, including Chair of the SF Fed Diversity and Inclusion Council and Executive Chair of the FRS Committee on Research Management.

As a leader dedicated to raising the profile of public service, Mary has served on numerous advisory boards, including the Congressional Budget Office, the Social Security Administration, the Office of Rehabilitation Research and Training, the Institute of Medicine, and the Library of Congress. She currently serves as an advisor to the Center for First-generation Student Success and the Maxwell School of Citizenship and Public Affairs at Syracuse University.

As an economist, Mary has published widely on topics such as wage growth and income inequality, disability insurance and policy, and indices of happiness. She has held visiting research positions at the Congressional Budget Office, Cornell University's School of Public Policy, and multiple universities and research institutes in California. She is a research associate at the IZA Institute of Labor Economics, a research institute and international network in labor economics affiliated with the University of Bonn, Germany.

Mary earned a bachelor's degree from the University of Missouri-Kansas City, a master's degree from the University of Illinois Urbana-Champaign, and a Ph.D. from Syracuse University. She also completed a National Institute of Aging post-doctoral fellowship at Northwestern University.

SEBASTIAN EDWARDS



DISCUSSANT

Sebastian Edwards is the Henry Ford II Professor of International Business Economics at the Anderson Graduate School of Management at the University of California, Los Angeles (UCLA). From 1993 until April 1996, he was the Chief Economist for the Latin America and Caribbean Region of the World Bank. He is also a research associate of the National Bureau of Economic Research (NBER), a member of the advisory board of Transnational Research Corporation and co-chairman of the Inter American Seminar on Economics (IASSE). He has been President of the Latin American and Caribbean Economic Association (LACEA), an international professional association of economists with academic interests in Latin America and the Caribbean region. He is a member of the Scientific Advisory Council of the Kiel Institute of World Economics, Kiel-Germany, and a member of California Governor Arnold Schwarzenegger's Council of Economic Advisors.

PETER IRELAND



SHADOW OPEN MARKET COMMITTEE MEMBER

Peter Ireland is the Murray and Monti Professor of Economics at Boston College, a Research Associate at the National Bureau of Economic Research, and an Editor of the Berkeley Electronic Journal of Macroeconomics.

Before joining the faculty at Boston College, Professor Ireland held positions at Rutgers University and at the Federal Reserve Bank of Richmond. He received his Ph.D. in economics from the University of Chicago in 1991.

Professor Ireland's teaching and research focus on macroeconomics and monetary economics, particularly Federal Reserve Policy and its effects on the United States economy.

JEFF LACKER



DISCUSSANT

Jeffrey M. Lacker became the seventh president of the Federal Reserve Bank of Richmond on August 1, 2004. He retired on April 4, 2017.

Lacker is a native of Lexington, Kentucky. He received a bachelor's degree in economics from Franklin & Marshall College in 1977. Following graduation, he joined Wharton Econometrics in Philadelphia, Pennsylvania, and went on to earn a doctorate in economics from the University of Wisconsin in 1984.

Lacker was an assistant professor of economics at the Krannert School of Management at Purdue University from 1984 to 1989 before joining the Richmond Fed in 1989 as an economist in the banking area of the Research Department. He was named research officer in 1994, vice president in 1996, and senior vice president and director of research in May 1999. While at the Richmond Fed, he taught at The College of William and Mary from 1992 to 1993, and was a visiting scholar at the Swiss National Bank in 1997.

As Richmond Fed president, Lacker had four rotations as a voting member of the Federal Open Market Committee 2015, 2012, 2009, and 2006. He cast eight dissenting votes during the FOMC meetings in 2012.

Lacker has authored numerous articles on monetary, financial, and payment economics, which have been published in professional journals. He also has presented papers and speeches at universities and central banks worldwide, on topics such as financial stability and central banking policy.

Active in the local community, Lacker serves as director for the boards of the Council for Economic Education and the World Affairs Council of Greater Richmond. He is also a member of the advisory board of ROSMY, and serves on the University of Richmond board of trustees. Lacker previously served as a member of the executive committee of Venture Richmond and as director for the board of Richmond's Future.

ANDREW LEVIN



SHADOW OPEN MARKET COMMITTEE MEMBER

Andrew Levin is a professor of economics at Dartmouth College. His research on monetary economics has been highly influential, with a citation count that ranks among the top 200 economists worldwide.

Professor Levin received his Ph.D. in economics from Stanford University in 1989. He was an economist at the Federal Reserve Board for two decades, including two years as a special adviser to the Board on monetary policy strategy and communications. He subsequently served as an adviser at the International Monetary Fund and is now a regular visiting scholar at the IMF.

He has also served as a consultant to the European Central Bank, an external adviser to the Bank of Korea, and a visiting scholar at the Bank of Canada, Bank of Japan, and Dutch National Bank, and he has provided technical assistance to the national banks of Albania, Argentina, Ghana, Macedonia, and Ukraine.

MICKEY D. LEVY



SHADOW OPEN MARKET COMMITTEE MEMBER

Mickey D. Levy is Chief Economist for the Americas and Asia for Berenberg Capital Markets. He conducts research on a variety of US and global economic and macroeconomic topics.

Dr. Levy is an advisor to several Federal Reserve Banks and has testified before U.S. Congressional committees on topics concerning the Federal Reserve and monetary policy, fiscal and budget policies, economic and credit conditions and the banking industry.

Prior to his current position, Dr. Levy was Chief Economist at Bank of America and Blenheim Capital Management. He has also conducted research at the American Enterprise Institute and the Congressional Budget Office.

DEBORAH LUCAS



SHADOW OPEN MARKET COMMITTEE MEMBER

Dr. Lucas is the Sloan Distinguished Professor of Finance at the MIT Sloan School of Management and Director of the MIT Golub Center for Finance and Policy. Her current research focuses on developing and applying improved methods for valuing and accounting for government real and financial investment activities and their risks. She is also widely published in the fields of asset pricing and corporate finance.

Lucas is a Research Associate at the National Bureau of Economic Research, and serves on advisory boards for the Federal Reserve Bank of New York, the Urban Institute, and the Census Bureau. She is on the editorial board of the Annual Review of Financial Economics, and an associate editor for the American Economic Journal: Policy. She is a board member of the Chicago Mercantile Exchange, a trustee of the NBER pension plan, a term professor at the PBC School of Finance at Tsinghua University, and a member of the Shadow Open Market Committee. She is an elected member of the National Academy of Social Insurance and the National Academy of Public Administration.

Previous appointments include chief economist, and subsequently assistant and associate director at the U.S. Congressional Budget Office, member of two Social Security Technical Advisory Panel, senior staff economist on the U.S. Council of Economic Advisers, Professor at the Kellogg School of Management at Northwestern University and co-editor of the Journal of Money Credit and Banking. An expert on federal credit programs, she has testified before Congress on Fannie Mae and Freddie Mac, student loans, and strategically important financial institutions.

She received her BA, MA, and a Ph.D. in economics from the University of Chicago.

LUKAS SCHMID

DISCUSSANT



Lukas Schmid is Professor of Finance and Business Economics at the Marshall School of Business, University of Southern California, and a CEPR Research Fellow. Before joining Marshall, Lukas spent a decade at the Fuqua School of Business at Duke University. He currently serves as an Editor for the Finance Area at Management Science. Lukas' research interests are in dynamic quantitative modeling and structural estimation applied at the intersection of macroeconomics and financial economics. His most recent work was concerned with corporate and sovereign default and credit risk, as well as links between innovation, long-run growth and financial market performance. Lukas' research has been published in outlets such as the American Economic Review, the Journal of Finance, the Journal of Financial Economics, the Review of Financial Studies and the Journal of Monetary Economics. His work on capital structure and asset returns was awarded a Smith-Breeden Award (First Prize) for the best paper in the Journal of Finance, 2010. At Marshall, he teaches investments to undergraduate students and advanced asset pricing to PhD students. Lukas obtained a master's degree in mathematics from ETH Zurich and a PhD in Finance from the University of Lausanne & Swiss Finance Institute.

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