Program for Financial Studies (PFS)
Fall 2020 Newsletter

Columbia Business School's Program for Financial Studies

Welcome to our quarterly newsletter!

The Program for Financial Studies (PFS) at Columbia Business School is a partnership between academia and industry whose goal is to support and promote the School's research in financial economics, connecting with internal and external stakeholders - students, alumni, advisory board - and the practitioners operating in the financial services industry. The dropping cost of computational resources, the extraordinary growth in traditional and nontraditional data sets, and constant technological progress coming from the open-source software community have combined to fundamentally transform research in the social sciences. A theme that runs through our research efforts at the PFS is the application of new tools, technology and data sets to traditional problems in finance and economics. The research is interdisciplinary in nature, and our affiliated faculty draw from multiple disciplines at the Business School and the University as a whole. We hope you are all staying healthy and enjoying a productive start to the fall, and please feel free to reach out to us for more information!

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Recent and Upcoming PFS Events

**ESG Developments in the Debt Capital Markets**
*New ESG & Finance seminar series in conjunction with the Earth Institute at Columbia University*
*Featuring Laura Segafredo, Blackrock; Pat Welch, KBRA, Professor Geoffrey Heal, CBS; Melina Denebeim, Program for Financial Studies*
*September 14, 12-1:30pm*

**No Free Lunch Seminar series**
*Laura Boudreau: Protecting Employee Privacy when Asking Sensitive Questions - COVID-19 Applications*
*Yiming Ma: Disruptions in Debt Markets in the COVID-19 Crisis*
*Ted Talk-style research seminars showcasing CBS faculty research to MBA students*
*September 30, 12:30-1pm*

**Crypto Investing seminar**
*Big Data for Better Business seminar series*

**The Persuasive Effect of Fox News**
*News & Finance Initiative*
Featuring Joel Gantcher, CIO Gantcher Family Partners and Gregory Landegger, PE and VC Investor. Educational seminars focusing on the intersection of data science & analytics and business. October 6, 7-8pm

Data Science and Asset Management Platforms

Big Data for Better Business seminar series

Featuring Kunal Vaed, Head of JP Morgan’s “You Invest” and colleagues. Educational seminars focusing on the intersection of data science & analytics and business. November TBD

No Free Lunch Seminar series

Will Ma: Optimizing for Strategy Diversity in the Design of Video Games
Carri Chan: TBD

Ted Talk-style research seminars showcasing CBS faculty research to MBA students November 16, 7-8pm

Latest Business & COVID-19 Research

How to Get Employees to Report Their COVID-19 Risk

Professor Laura Boudreau (Economics) and co-authors

A proposal and assessment of random rotation policies that let employees report potential exposure to COVID-19 while staying safe from stigma or retaliation.

Link to summary

Do Rich People 'Deserve' to Be Rich? Charitable Giving, Internal Attributions of Wealth, and Judgments of Economic Deservingness

Professor Shai Davidai (Management)

People often judge how much “the rich” deserve to be rich by taking into consideration how they made their wealth. This research shows that people draw inferences about how the rich acquired their fortunes from their spending behavior. They make internal attributions of wealth—assume it reflects competence and hard work—when rich people donate to charity, but external attributions—assume they inherited it or married into it—when they spend their money lavishly.

Link to summary

The Persuasive Effect of Fox News: Non-compliance with Social Distancing during the COVID-19 Pandemic

Professor Andrey Simonov (Marketing) and co-authors
How reactions to and beliefs about the COVID-19 pandemic relate to consumption of left- and right-leaning news sources.

*Link to research*

**Disruptions in Debt Markets in the Covid-19 Crisis**

Professor Yiming Ma (Finance), Kairong Xaio (Finance) and co-authors

Traditionally liquid asset markets, such as those for Treasuries and high-quality corporate bonds, were strained by unusually high selling pressures during the Covid-19 pandemic, which contrasts with the flight to liquidity phenomenon observed in past crises. We identify the increased role of mutual funds in liquidity transformation as an important contributing factor to this phenomenon.

*Link to research*

**Optimizing for Strategy Diversity in the Design of Video Games**

Professor Will Ma (Decision, Risk & Operations) and co-authors

A situation common to video games is that a player, with limited resources, must choose a "loadout" of weapons to spend the resources on to maximize firepower. As the video game designer, is it possible to create weapons so that different players, at different stages of the game and possessing different resources, end up wielding different weapons in their loadout, as opposed to some weapons having so much firepower or being so cost-efficient that they are ubiquitous? In this work we show that there is a mathematical limit to the diversity in loadout strategies, and introduce a novel optimized weapon design which approaches this limit.

*Research in progress*

**Optimal Lockdown in a Commuting Network**

Professor Amit Khandelwal (Economics) and co-authors

To fight highly infectious diseases without a vaccine, public authorities must decide how to curtail commuters' movement. How should policy makers weight the benefits
of doing so against the economic costs it introduces? Khandelwal shows we could effectively fight COVID-19 at a much lower economic cost by locking down specific areas of a city, rather than the entire city.

Link to research

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