Andrea Golfari

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Education

Ph.D. Finance, Baruch College — 2022
Committee: Linda Allen, Lin Peng, Youngmin Choi, Karl Lang

M.Phil. Finance, Baruch College — 2019

B.A. Economics, *Magna Cum Laude*, Columbia University — 2013

M.I.A. International Finance and Economic Policy, Columbia University — 2008

Laurea Communication Sciences, University of Bologna — 2003

Research Interests

Financial Institutions, Investments, Corporate Finance, Capital Markets, Empirical Asset Pricing, Capital Regulation, Systemic Risk, Asset Pricing Anomalies, Fixed-Income and Hybrid Securities, Contingent Convertible Instruments.

Working Papers

ELACs not TLACs: CoCo Design and Troubled Bank Shareholder Loss Mitigation
with Linda Allen and Joonsung Won.

Featured in: FEN Banking & Insurance eJournal (Vol. 14 No. 293, 08/21/2023).

Presentations: Financial Management Association (FMA) 2024 European Conference (Turin, 2024), Eastern Finance Association (EFA) 60th Annual Meeting (St. Petersburg, 2024), Midwest Finance Association (MFA) 2024 Annual Meeting (Chicago, 2024), Baruch College PhD Conference (New York, 2023), Baruch College Brown Bag Seminar (New York, 2023).

Abstract: Using hand-collected data (across 27 countries) on all contingent convertible capital bonds (CoCos) issued during 2009-2021, we identify a shift in design toward nondilutive instruments with low CoCo trigger levels that specify positive wealth transfers from bondholders to stockholders upon bank failure, thereby transforming CoCos from TLACs (Total Loss Absorbing Capacity) to ELACs (Equity-protecting Loss Absorbing Capacity). If Credit Suisse's CoCos had not had ELACs, shareholder payoffs from the March 2023 failure would have declined 36.5%. Abnormal announcement returns for CoCos with ELACs are positive, reflecting ELACs' extreme loss mitigation for stockholders. Systemic risk-reducing, dilutive CoCos without ELACs are more prevalent in common and French-civil law countries and have significantly negative announcement returns, reflecting managerial commitment to recapitalize troubled banks. Banks issuing CoCos without ELACs overperform during periods of high aggregate uncertainty.

Publications

Do CoCos Serve the Goals of Macroprudential Supervisors or Bank Managers?
with Linda Allen. Journal of International Financial Markets, Institutions & Money, Volume 84, April 2023.

Presentations: Bank of Israel (Jerusalem, 2022); 28th Dubrovnik Economic Conference (Dubrovnik, 2022); 5th Edition of International Risk Management Conference (Bari, 2022); Special Theme Conference of the Journal of International Financial Markets, Institutions & Money and Finance Research Letters (Rishon LeTsyon, 2022).

Abstract: Using a hand-collected, comprehensive sample of contingent capital bonds (CoCos) issued by banks over the 2009–2019 period, we identify shifts in CoCo design features that nullify their putative salutary macroprudential benefits. Increasingly, CoCos are issued without punitive wealth transfers from shareholders to bondholders, thereby removing incentives for bank managers to take preemptive, risk-reducing action in order to prevent the CoCo from triggering. That is, CoCos are overwhelmingly issued with conversion ratios of zero (principal writedowns) that do not mitigate bank risk taking. Further, CoCo issuance can be used to circumvent supervisory discretion over bonus and dividend payouts. That is, CoCos issued as Additional Tier 1 capital relax regulatory constraints, particularly for banks close to the Maximum Distributable Amount (MDA) threshold. Bank managers are aware of these loopholes and exploit them to the detriment of financial market stability and macroprudential objectives.

Work in Progress

International Regulatory Frameworks and the Role of CoCo Capital Instruments

Industry Concentration and Momentum Crashes

Discussions

Eastern Finance Association (2024), Financial Management Association (FMA) European Conference (2024).

Teaching Experience

Assistant Professor, Colorado College

Courses:	Investments (BA)	Fa 2024
	Theory of Business Finance (BA)	Fa 2024
	Principles of Financial Accounting (BA)	Fa 2024

Visiting Assistant Professor, Colorado College

Courses:	Macroeconomic Theory (BA)	Sp 2024
	Economics of Money & Banking (BA)	Sp 2024
	International Finance (BA)	Fa 2023
	Principles of Macroeconomics (BA)	Fa 2023

Adjunct Assistant Professor, Baruch College

Courses:	Business Statistics (BA)	Sp 2023
	Business Fundamentals (BA)	Sp 2023, Fa 2022
	Managerial Statistics (MBA)	Fa 2022

Adjunct Lecturer, Baruch College

Courses:	Principles of Finance (BA)	Sp 2020, Fa 2019, Sp 2019, Fa 2018
		Sp 2018, Fa 2017, Sp 2017, Fa 2016
	Business Statistics (BA)	Sp 2022, Fa 2021, Sp 2021, Fa 2020

Teaching Assistant, Baruch College

Courses:	Statistical Analysis for Business Decision (PhD)	Fa 2019
	Macroeconomics (BA)	Sp 2016, Fa 2015
	Investment Analysis (BA)	Sp 2015, Fa 2014

Teaching Assistant, Columbia University

Courses:	International Monetary Theory and Policy (BA)	Sp 2013, Sp 2012
	Economic Analysis for International Affairs (MIA)	Sp 2007, Fa 2006

Other Academic Experience

IT Fellow for the Zicklin's Online Learning and Evaluation Initiative	2019 - 2020
Research Assistant for Professor Xi Dong, Baruch College	2014 - 2015

Honors and Awards

Mills & Tannenbaum Award for Outstanding Scholarship, Baruch College	2022
Graduate Center Doctoral Student Fellowship, CUNY	2015 - 2021
Phi Beta Kappa, Columbia University	2013
Honors in Economics, Columbia University	2013
Dean's List, Columbia University	2009 - 2013

Memberships and Affiliations

Financial Management Association International (FMA), American Finance Association (AFA), American Economic Association (AEA), European Finance Association (EFA), Midwest Finance Association (MFA), Eastern Finance Association (EFA), American Statistical Association (ASA), Phi Beta Kappa.

Non-academic Experience

PianoBi, *Founder and Managing Partner* — 2005 - 2014
Bertelsmann Group, *Corporate Ethics and Compliance Consultant* — Summer 2006

Computer Skills

Programming Languages: R, Python, Stata, SAS, Matlab, SQL, LaTeX.
Machine Learning Frameworks: Scikit-Learn, Tensorflow, Keras, Caret, Tidymodels.

Languages

Italian (Native), English (Fluent), French (Basic), Spanish (Basic).

References

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