

# COOPER HOWES

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## CURRENT POSITION

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**Federal Reserve Bank of Kansas City**  
Economist

June 2020-  
Kansas City, MO

## EDUCATION

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**University of Texas at Austin**  
Ph.D. in Economics

2014-2020

**University of Notre Dame**  
B.A. in Economics and Mathematics

2007-2011

## RESEARCH FIELDS

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Macroeconomics, Monetary Economics, Financial Economics

## WORKING PAPERS

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**Why Does Structural Change Accelerate in Recessions? The Credit Reallocation Channel**  
*(Job market paper)*

Credit reallocation accelerates structural change during recessions. Using evidence from two natural experiments—the collapse of Lehman Brothers in 2008 and US interstate banking deregulation in the 1980s—I document that losing access to credit disproportionately hurt manufacturing firms, and that the creation of new credit disproportionately benefited nonmanufacturing firms. These results arise endogenously from a model with technology-driven structural change and fixed costs of establishing new financial relationships. The model highlights substantial misallocation costs of policies which respond to crises by providing credit to declining industries such as the automaker bailout during the Great Recession.

**Financial Constraints, Sectoral Heterogeneity, and the Cyclicity of Investment**

While investment in most sectors declines in response to a contractionary monetary policy shock, investment in the manufacturing sector increases. Using manually digitized aggregate income and balance sheet data for the universe of US manufacturing firms, I show this increase is driven by the types of firms which are least likely to be financially constrained. A two-sector New Keynesian model with financial frictions can match these facts; unconstrained firms are able to take advantage of the decline in the user cost of capital caused by the monetary contraction while constrained firms are forced to cut back. Counterfactual exercises suggest that aggregate investment should become more strongly countercyclical as fewer sectors face financial constraints.

**The Aggregate Effects of Targeted Tax Cuts**

This paper analyzes how different types of tax changes can have different economic impacts. Using Congressional records, I decompose the plausibly exogenous legislative provisions identified in Romer and Romer (2010) into one of five categories: business marginal rate provisions, business investment incentives, other business provisions, individual marginal rate provisions, and other individual provisions. I find that the effects differ crucially depending on which types of taxes are being cut. I use my results to analyze the effects of the Tax Cuts and Jobs Act of 2017 and find that existing estimates are likely understating its stimulative effects by not fully accounting for its composition.

## WORK IN PROGRESS

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### **What Do We Learn from Reading Every FOMC Transcript?**

*With Olivier Coibion, Marc Dordal i Carreras, and Yuriy Gorodnichenko*

We construct a novel dataset to analyze the how the beliefs, preferences, and objectives of individual FOMC participants aggregate into a single monetary policy stance. We manually analyze transcripts for all 268 FOMC meetings from 1966-1990 and for each participant capture: 1) their numerical policy preferences for money growth and the Federal Funds Rate, 2) the justifications (such as output, inflation, or financial markets) that they give for their preferences, 3) pressures exerted by external entities such as Congress or financial markets, and 4) the perceived consequences (in terms of output and inflation) of their policy choices. This detail allows for a much richer characterization of the Fed's monetary policy rule; in the case of the Volcker disinflation in the early 1980s, for example, there is ample evidence that policymakers knew that their actions would result in significant increases in unemployment but felt that it was the necessary price to be paid for reducing inflation.

## CONFERENCES AND EXTERNAL PRESENTATIONS

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**2021:** ASSA Annual Meetings\* (virtual), Society for Economic Dynamics Annual Meetings\* (Barcelona)

**2020:** ASSA Annual Meetings (San Diego), Federal Reserve Bank of Kansas City, Federal Reserve Board, Santa Clara University, Clemson University, Goldman Sachs

**2019:** Society for Economic Dynamics Annual Meeting (St. Louis), Federal Reserve Bank of Kansas City, Federal Reserve Bank of Dallas

**2018:** Federal Reserve Bank of Boston, National Tax Association Annual Meetings (New Orleans)

**2016:** Congressional Budget Office

(\* Denotes scheduled)

## PROFESSIONAL ACTIVITIES

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**Referee:** Reivew of Economics and Statistics, B.E. Journal of Macroeconomics

## AWARDS AND HONORS

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University of Texas at Austin dissertation writing fellowship 2020

Federal Reserve Bank of Kansas City dissertation fellowship 2019

Federal Reserve Bank of Boston dissertation fellowship 2018

University of Texas at Austin research fellowship 2017

## PREVIOUSLY HELD POSITIONS

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**Federal Reserve Bank of Kansas City** 2019  
Dissertation intern

**Federal Reserve Bank of Boston** 2018  
Dissertation intern

**Congressional Budget Office** 2016  
Summer associate

**Barclays** 2011-2014  
U.S. Economist

## REFERENCES

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Oli Coibion (Chair)	Saroj Bhattarai	Ayşegül Şahin
Department of Economics	Department of Economics	Department of Economics
University of Texas at Austin	University of Texas at Austin	University of Texas at Austin
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## PERSONAL INFORMATION

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Citizenship: USA  
Gender: Male