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EDUCATION

Washington University in St Louis – Olin Business School *St Louis, MO*
Ph.D. in Finance, 2013-2018 (Expected)

Indian Institute of Technology (IIT) *Kharagpur India*
Integrated Bachelors and Masters in Economics, 2012
Minors in Mathematics and Computing

RESEARCH INTERESTS

Empirical Household Finance, Financial Intermediation, Corporate Finance

JOB MARKET PAPER

1. **“Peer Financial Distress and Individual Leverage: Evidence from 30 Million Individuals”**

- Best Paper Award (CAF Summer Conference 2017)

- CAF Summer Conference 2017, Whitebox Advisors Graduate Student Conference (Yale) 2017, Northern Finance Association 2017

Using a detailed credit and employment dataset covering over 30 million individuals in the U.S., I examine the effect of peer experiences of financial distress on individual leverage and borrowing behavior. I use health shocks to identify financial distress situations that are plausibly exogenous to peer financial conditions and find asymmetry in individual response to such peer shocks. Individuals with low ex-ante leverage increase borrowing while those with high ex-ante leverage decrease borrowing following peer distress. The negative effect dominates on average as individual leverage declines by 4.2% for the entire sample. This response leads to lower delinquency rates. The estimates suggest a social multiplier of -0.16 for defaults, and that these peer effects can explain a decline of up to \$213.31 billion in household debt between 2011 and 2015, corresponding to 1.82% of total household debt in 2011. Overall, the results suggest an important role for distress spillovers in determining the demand for individual leverage.

WORKING PAPERS

2. **“Hub-and-Spoke Regulation and Bank Leverage”**, with Yadav Gopalan and Asaf Manela [Link]

- American Finance Association (AFA) 2018 (scheduled), FIRS 2017 (co-author), FDIC/JFSR Conference 2017, Chicago Financial Institutions Conference (CFIC) 2017

Hub-and-spoke regulation, where a central regulator delegates monitoring to local supervisors, can improve information collection, but can also lead to agency problems and capture. We document that following the closure of a US bank regulator's field offices, the banks they previously supervised distribute cash, increase leverage, and increase their risk of failure, more than similar banks at the same time and place, while banks regulated by other agencies are unaffected. Newly-assigned supervisors upgrade their rating of bank asset quality, which facilitates these leverage increases. Supervisor proximity is a channel through which these effects operate. Our findings suggest that local supervision is an important part of regulation, and that distancing supervisors from banks to prevent regulatory capture can increase bank risk.

3. **“House Prices, Mortgage Debt, and Labor Mobility”**, with Radhakrishnan Gopalan, Barton Hamilton and David Sovich [Link]

- *American Finance Association (AFA) 2018 (scheduled), SFS Calvacade 2017 (co-author)*

Using detailed credit and employment data for millions of individuals in the United States, we estimate the effect of mortgage debt on labor mobility. We find a robust negative relation between the loan-to-value ratio (LTV) of the primary residence and labor mobility. Individuals with negative home equity are 3.6 percentage points less likely to move in a year. This effect is stronger for sub-prime and liquidity-constrained borrowers. We also find that diminished labor mobility owing to higher LTVs depresses labor income growth, especially for individuals with less access to liquidity and longer tenure in their current job. Consistent with a housing-lock explanation, we find that individuals with higher LTVs have higher intra-ZIPcode job mobility. Overall we document significant spillover from the housing market to the labor market.

4. **“State Minimum Wage Changes and Employment: Evidence from 2 Million Hourly Wage Workers”**, with Radha Gopalan, Barton Hamilton and David Sovich [Link]

- *Media: Fox Business, ABC, St Louis Dispatch, St Louis Business Journals, WashU Source*

We use detailed wage data on 2 million hourly wage employees from over 300 firms spread across 22 two-digit NAICS industries to estimate the effect of six minimum wage changes on employment. The effect of minimum wages on employment is nuanced. While the overall amount of low wage employees within firms in states that increase the minimum wage declines, existing minimum wage employees are no less likely to remain employed. We find that firms are more likely to reduce hiring rather than increase turnover or close locations to rebalance their work force. We also document significant heterogeneity in the employment effect across industries. While firms in the non-tradable goods industries do not reduce head-counts or hours, firms in the tradable goods industries reduce employment and substitute lower wage employees with marginally higher skilled labor.

5. **“Options Listing, Limited Attention and Peer Firm Value”** [Link]

- *Outstanding Paper Award in Behavioral Finance (MFA 2017)*

- *American Finance Association (AFA) Poster Presentation 2017, Midwest Finance Association (MFA) 2017, Risk Management Conference-Singapore 2016, Research in Behavioral Finance Conference 2016*

- *Media: International Financing Review – Thomson Reuters*

This paper studies the effect of listing of equity options on industry peer stock prices and firm value. I find that options listing leads to a decline in information acquisition on peer firms as investors reallocate more resources towards listed stocks at the expense of peer stocks following listing. This reallocation leads to a decline in

informational efficiency and market quality for peer stocks. Further, lower informational efficiency negatively affects firm value and profitability for peer firms. Contrary to the extant literature, these findings highlight a negative externality generated by options listing on the stock market which have important implications for industry peer firms.

SELECTED AWARDS AND HONORS

Best Paper Award, CAF Summer Conference, 2017

Outstanding Paper Award in Behavioral Finance, MFA, 2017

AFA Travel Grant Award, 2017

MFA Travel Grant Award, 2017

Moog Scholar Award, Olin Business School, Washington University in St Louis, 2017

Doctoral Fellowship, Olin Business School, Washington University in St Louis, 2013-2018

Rank Certificate (3rd), Indian Institute of Technology (IIT), Kharagpur, 2012

National Talent Scholarship (NTS), Government of India, 2004

TEACHING ASSISTANTSHIPS

Advanced Corporate Finance I, II & III (MBA/PMBA/MS)

Advanced Financial Management (BSBA)

Capital Markets and Financial Management (BSBA)

Options, Futures and Derivative Securities (BSBA)

Stochastic Foundations in Finance (MSF)

Quantitative Risk Management (MSF)

Derivatives Securities (MSF)

REFERENCES

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