



## Ethan Cohen-Cole

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### **Biography**

Ethan Cohen-Cole is a Senior Advisor of Vega Economics. Dr. Cohen-Cole is an expert in banking, financial regulation, consumer credit, structured finance (RMBS, CMBS, CDS, CDO, ABS, etc.), financial markets, econometric methods, capital markets, analysis of networks, and systemic risk. Dr. Cohen-Cole is a former finance professor and has taught executives, MBA, and Masters in Finance candidates and undergraduates in a range of topics including corporate finance, macroeconomics, valuation, financial risk management, banking, and financial institution management.

Dr. Cohen-Cole has more than 17 years of experience in financial services, litigation consulting and bank supervision, including experience with the Federal Reserve Bank of Boston as a bank regulator and as a policy and regulation expert. Dr. Cohen-Cole has worked with clients across the world such as central banks, including the Bank of France, the Bank of Austria, the Central Bank of Brazil, and the Bank for International Settlements ("BIS"). His financial sector clients have included the largest multinational banks in the US and Europe. Dr. Cohen-Cole has worked on client engagements in more than 25 countries in Europe, Asia, Africa, and the Americas.

Dr. Cohen-Cole has also been an invited visitor or speaker at more than 75 professional and academic seminars and training sessions. These have included programs sponsored by the U.S. Federal Reserve System, Central Bank of Chile, BIS, Bank of France, Bank of Austria, European Economic Association, Chicago/London Conferences on Financial Markets, Financial Management Association (US and Europe), RiskMinds Europe, University of California – Berkeley, Harvard University, FDIC, European Central Bank, Bank of Italy, American Finance Association, American Economic Association, and Cambridge University.

Dr. Cohen-Cole has worked in the banking sector in roles related to risk management. As financial economist in the Supervision and Regulation function of the Federal Reserve System, Dr. Cohen-Cole led quantitative reviews of large bank risk modeling efforts and was a designated system quantitative expert on risk management and Basel II. Dr. Cohen-Cole evaluated the credit, market, and operational risk models for many top-20 financial institutions and evaluated bank-wide risk management systems from a technical as well as a policy and governance perspective.

Dr. Cohen-Cole has also been closely involved with the creation of financial sector regulations. He was a steering committee member of the Center for Financial Policy at the University of Maryland, where he served on an advisory committee to the BIS in the drafting of Basel I and II, and served as an advisor to three central banks on systemic risk management.

He has written widely on topics including commodities markets, municipal bond markets, systemic risk, and financial markets in general. He has been published in *The Journal of Financial Economics*, *The Journal of Banking and Finance*, *Review of Economics and Statistics*,

*The Journal of Macroeconomics, American Law and Economic Review, The Journal of Health Economics, and Economic Letters.*

### **Education**

BA, History, Harvard University

MPA, Public Policy, Princeton University

MA, Economics, University of Wisconsin-Madison

Ph.D., Economics, University of Wisconsin-Madison

### **Professional Experience**

Vega Economics, Managing Director, 2017-2019; Senior Advisor, 2019-present

Econ One Research, Managing Director, Financial Services Practice Lead, 2014-2017

Alvarez & Marsal, Managing Director, 2012-2013

NERA Economic Consulting, Special Consultant, 2010-2012

University of Maryland, Finance Professor, 2009-2012

Federal Reserve Bank of Boston, Financial Economist, Bank Supervisor, 2006-2009

### **Board Membership**

Legal Momentum, Board of Directors, 2015-present

El Camino Hospital, Investment Committee, 2012-2015

### **Select Areas of Expertise**

Bank Regulation and Supervision  
Structured Finance (CDO, RMBS, CLN)  
Derivatives  
Risk Management  
Pricing Models  
Systemic Risk  
OTC Markets  
High Frequency / Algorithmic Trading  
Advisor to BIS for Basel II Creation  
Market Risk  
Operational Risk  
Foreign Exchange

Capital Markets  
Macroeconomics  
Merchant Acquiring  
Consumer Payments  
Payment Systems  
Consumer Credit  
Credit Cards  
Commodities Markets  
Macro Prudential Regulation  
Repo Markets  
Securities Lending  
Credit Risk

## **Publications (2007-Present):**

2007

Banerjee, Ritesh, Ethan Cohen-Cole, and Giulio Zanella. "Demonstration Effects in Preventive Care." Working Paper No. QAU07-7, Federal Reserve Bank of Boston (2007).

Cohen-Cole, Ethan. "Asset Liquidity, Debt Valuation, and Credit Risk." Working Paper No. QAU07-5, Federal Reserve Bank of Boston (2007).

Cohen-Cole, Ethan, and Nick Kraniger. "Multiple Bank Mergers and Rational Foresight." Working Paper (2007).

Cohen-Cole, Ethan, and Todd Prono. "Loss Distribution Estimation, External Data and Model Averaging." Working Paper No. QAU07-8, Federal Reserve Bank of Boston (2007).

2008

Cohen-Cole, Ethan. "Is Obesity Contagious? Social Networks vs. Environmental Factors in the Obesity Epidemic." *Journal of Health Economics* 27.5 (2008).

Cohen-Cole, Ethan, and Burcu Duygan-Bump. "Household Bankruptcy Decision: The Role of Social Stigma vs. Information Sharing." Working Paper No. QAU08-6, Federal Reserve Bank of Boston (2008).

Cohen-Cole, Ethan, Burcu Duygan-Bump, Jose Fillat, and Judit Montoriol-Garriga. "Looking Behind the Aggregates: A Reply to 'Facts and Myths about the Financial Crisis of 2008.'" Working Paper No. QAU08-5, Federal Reserve Bank of Boston (2008).

Cohen-Cole, Ethan, and Jason M. Fletcher. "Detecting Implausible Social Network Effects in Acne, Height, and Headaches: Longitudinal Analysis." *British Medical Journal* (2008): 337: a2533.

---. "Estimating Peer Effects in Health Outcomes: Replies and Corrections to Fowler and Christakis." Working Paper, Social Science Research Network (2008).

Cohen-Cole, Ethan, and Enrique Martinez-Garcia. "Housing Prices Property Taxes and Neighborhood Relocation." Working Paper, Federal Reserve Bank of Boston and Federal Reserve Bank of Dallas (2008).

---. "Systemic Risk, Banking Regulation and Optimal Monetary Policy." Working Paper (2008).

Cohen-Cole, Ethan, and Giulio Zanella. "Unpacking Social Interactions." *Economic Inquiry* 46.1 (2008): 19-24.

Cohen-Cole, Ethan, and Giulio Zanella. "Welfare Stigma or Information Sharing? Decomposing Social Interactions Effects in Social Benefit Use." Working Paper (2008).

2009

Cohen-Cole, Ethan. "Can Monetary Policy Fix a Broken Siv? Understanding the Response to the Crisis of 2007." Working Paper, Social Science Research Network (2009).

- . "The Option Value of Consumer Bankruptcy." Working Paper No. QAU09-1, Federal Reserve Bank of Boston (2009).
- Cohen-Cole, Ethan, and Burcu Duygan-Bump. "Social Influence and Bankruptcy: Why Do So Many Leave So Much on the Table?" Working Paper (2009).
- Cohen-Cole, Ethan, Burcu Duygan-Bump, and Judit Montoriol-Garriga. "Access to Credit After Bankruptcy: Does it Pay to be a Deadbeat?" Working Paper (2009).
- . "Forgive and Forget: Who Gets Credit after Bankruptcy and Why?" Working Paper (2009).
- Cohen-Cole, Ethan, Enrique Martinez-Garcia, and Jonathan Morse. "Systemic Shocks, Banking Spreads and the External Finance Premium." Working Paper, Federal Reserve Bank of Boston and Federal Reserve Bank of Dallas (2009).
- Cohen-Cole, Ethan, and Enrique Martinez-Garcia. "The Balance Sheet Channel." Central Bank of Chile Working Papers, No. 537 (2009).
- Cohen-Cole, Ethan, Steven Durlauf, Jeffrey Fagan, and Daniel Nagin. "Model Uncertainty and the Deterrent Effect of Capital Punishment." *American Law and Economics Review*, 11.2 (2009): 335-369.

## 2010

- Cohen-Cole, Ethan. "Consumer Credit Delinquencies: Why Do Some Choose Credit Cards over Mortgages?" *File Research Institute* (2010).
- . "Consumer Protection and Regulatory Changes in the Dodd-Frank Bill." *NERA Economic Consulting* (2010).
- . "Risk and Default: Understanding Macro Drivers of Bankruptcy." Working Paper, Social Science Research Network (2010).
- . "Redlining." *The New Palgrave Dictionary of Economics*. Eds. Steven N. Durlauf and Lawrence E. Blume. Palgrave Macmillan (2010).
- Cohen-Cole, Ethan, Andrei Kirilenko, and Eleonora Patacchini. "Are Networks Priced? Network Topology and Systemic Risk in High Liquidity Markets." Working Paper, Einaudi Institute for Economics and Finance (2010).
- Cohen-Cole, Ethan, and Chris Laursen. "Institution-Specific Systemic Risk Assessment Methodology." *NERA Economic Consulting* (2010).
- Cohen-Cole, Ethan, and Jonathan Morse. "Your House or Your Credit Card, Which Would You Choose?: Personal Delinquency Tradeoffs and Precautionary Liquidity Motives." Working Paper No. QAU09-5, Federal Reserve Bank of Boston (2010).
- Cohen-Cole, Ethan, Judit Montoriol-Garriga, Gustavo Suarez, and Jason Wu. "The Financial Sector and the Real Economy during the Financial Crisis: Evidence from the Commercial Paper Market." Working Paper (2010).

## 2011

- Cohen-Cole, Ethan. "Credit Card Redlining." *The Review of Economics and Statistics* 93 (2011): 700-713.
- Cohen-Cole, Ethan. "How Your Counterparty Matters: Using Transaction Networks to Explain Returns in CCP Marketplaces." Working Paper (2011).
- Cohen-Cole, Ethan, Judit Montoriol-Garriga, Gustavo Suarez, and Jason Wu. "The Transmission of Financial Shocks: The Case of Commercial Paper Dealers during the 2007-2009 Crisis." Working Paper (2011).
- Cohen-Cole, Ethan, and Shuchi Satwah. "Understanding Municipal Bond Arbitrage." *NERA Economic Consulting* (2011).
- Cohen-Cole, Ethan, and Paul Hinton. "Is Mortgage Underwriting To Blame For Subprime Losses? Disentangling The Effects Of Poor Underwriting From The Economic Downturn." *NERA Economic Consulting* (2011).

## 2012

- Banerjee, Ritesh, and Ethan Cohen-Cole. "Competition and the Cost of Health Care." *Applied Economics* 44.10 (2012): 1201-1207.
- Cohen-Cole, Ethan, Eleonora Patacchini, and Yves Zenou. "Systemic Risk and Network Formation in the Interbank Market." Working Paper (2012).
- Cohen-Cole, Ethan, Steven N. Durlauf, and Giacomo Rondina. "Nonlinearities in Growth: From Evidence to Policy." *Journal of Macroeconomics* 34:1 (2012): 42-58.

## 2013

- Cohen-Cole, Ethan, Burcu Duygan-Bump, and Judit Montoriol-Garriga. "Who Gets Credit after Bankruptcy and Why? An Information Channel." *Journal of Banking & Finance* 37.12 (2013): 5101-17.
- Cohen-Cole, Ethan, and Jonathan Morse. "Monetary Policy and Capital Regulation in the US and Europe." *International Economics*, 134 (2013).
- Cohen-Cole, Ethan, Andrei Kirilenko, and Eleonora Patacchini. "Chapter 12: Strategic Interactions on Financial Networks for the Analysis of Systemic Risk." *Handbook on Systemic Risk*. Eds. Jean Pierre Fourque and Joseph A. Langsam. Cambridge University: New York (2013): 306-326.
- Cohen-Cole, Ethan, Matt Sekerke, and James Zuberi. "Stress Testing and Economic Capital: An Integrated Framework." *Global Association of Risk Professionals* (2013).

## 2014

- Cohen-Cole, Ethan, Andrei Kirilenko, and Eleonora Patacchini. "Trading Networks and Liquidity Provision." *Journal of Financial Economics* 113.2 (2014): 235-51.

Cohen-Cole, Ethan, and Faten Sabry. "The Use of ABX Derivatives in Credit Crisis Litigation." *The Journal of Structured Finance* 19.4 (2014): 22-34.

2015

Cohen-Cole, Ethan, Eleonora Patacchini, and Yves Zenou. "Static and Dynamic Networks in Interbank Markets." *Network Science* 3:1 (2015): 98-123.

2016

Cohen-Cole, Ethan, Kyle Henkenhoff, and Gordon Phillips. "The Impact of Consumer Credit Access on Employment, Earnings and Entrepreneurship." National Bureau of Economic Research. Working Paper 22846 (Nov. 2016).

Herkenhoff, Kyle, Gordon Phillips, and Ethan Cohen-Cole. "How Credit Constraints Impact Job Finding Rates, Sorting & Aggregate Output." National Bureau of Economic Research. Working Paper 22274 (May 2016).

2018

Cohen-Cole, Ethan, Xiaodong Liu, and Yves Zenou. "Multivariate Choice and Identification of Social Interactions." *Journal of Applied Econometrics* 33 (2018): 165-178.