ANDRÉS SHAHIDINEJAD

Assistant Professor of Finance and Economics

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APPOINTMENTS

Assistant Professor of Finance and Economics, 2022-Present
D'Amore McKim School of Business, Northeastern University
Department of Economics, Northeastern University

EDUCATION

PhD, Economics, 2022
MBA, 2022
The University of Chicago Booth School of Business
Committee: Matthew J. Notowidigdo, Neale Mahoney, Robert H. Gertner, Constantine Yannelis

BA, Economics, 2012
Brandeis University
High Honors, Summa Cum Laude, Phi Beta Kappa, Sydney S. Cohen Thesis Award

RESEARCH INTERESTS

Primary: Household Finance, Public Economics
Secondary: Banking, Nonprofit Organizations

RESEARCH & PROFESSIONAL EXPERIENCE

Research Fellow, Summer 2021
Federal Deposit Insurance Corporation, Division of Insurance and Research

Research Assistant, 2017 – 2018
Research assistant for Ali Hortaçsu, University of Chicago

Pre-Doctoral Fellow, 2015 – 2016
Research assistant for Matthew Gentzkow and Jesse Shapiro, Stanford & University of Chicago

Senior Analyst, Analyst, 2012 – 2015
Analysis Group, Inc., Boston, MA

Research Assistant, Summer 2011 & Spring 2013
Research assistant for Nava Ashraf, Harvard Business School & Innovations for Poverty Action

TEACHING

Financial Management (Undergraduate)
Northeastern University D'Amore McKim School of Business
Instructor: Fall 2022

Topics in Information Economics (PhD)
Northeastern University Department of Economics
Instructor: Fall 2022

Competitive Strategy (MBA)
University of Chicago Booth School of Business
Teaching Assistant for Eric Budish: Spring 2018, Winter 2020 & Winter 2021
Teaching Assistant for Thomas Covert: Autumn 2019

Economics and Regulation of Healthcare Markets (Undergraduate)
University of Chicago Department of Economics
Teaching Assistant for Pietro Tebaldi: Spring 2019

Advanced Microeconomic Analysis (MBA)
University of Chicago Booth School of Business
Teaching Assistant for Kevin Murphy: Autumn 2018

RESEARCH

"Are (Nonprofit) Banks Special? The Economic Effects of Banking with Credit Unions"
Job Market Paper [LINK]

Nonprofit banks in the U.S. are primarily organized as credit unions (CUs) and have grown steadily over the last two decades, increasing their share of total lending to U.S. households. This paper studies the economic effects of banking with CUs using consumer credit report data merged to administrative data on originated mortgages and detailed data on the locations and balance sheets of CUs. To estimate causal effects, I construct a novel instrument for banking with a CU using a distance-weighted density measure of nearby CUs. I find that banking with a CU causes borrowers to have fewer unpaid bills, higher credit scores, and a lower risk of bankruptcy several years later. I find support for several mechanisms behind these results: CUs charge lower interest rates, price in less risk-sensitive ways, and are less likely to resell their originated mortgages in the secondary market. These results are inconsistent with CUs behaving as "for-profits in disguise", and suggest that many consumers experience better outcomes with CUs than with for-profit banks.

"Unraveling of Information Sharing Among Lenders and its Implications for Credit Provision"
with Benedict Guttman-Kenney

We study the consequences of a credit reporting innovation that enhanced the value of credit file data to US credit card lenders. The reporting innovation allowed lenders to observe a history of repayment behavior on each credit card, as opposed to only one month's repayment amount. This paper analyzes lenders' incentives to share data around this innovation and the consequences of resulting changes in data sharing upon individuals' finances.

We document that this credit reporting innovation led to the unravelling of the data sharing equilibrium, with a 50% of US credit cards no longer reporting payment information to credit bureaus. The unraveling of information sharing is inefficient because it increases informational asymmetries between borrowers and lenders. The selection of credit card lenders who stop reporting appears consistent with them having more market power and therefore more to lose from increased competition than other lenders. Lenders who stop reporting have a portfolio of borrowers with $90 (13%) higher spending each month and 13% more likely to repay debt in full than lenders who kept reporting. Without payment information, the borrowers at lenders who stop reporting appear less profitable and riskier than they actually are.

Using a difference-in-difference design, we test the effects of this unraveling on household credit access by comparing individuals whose information stopped being reported with individuals whose information was always or never reported. While the choice of lenders to stop reporting is endogenous, it yields an exogenous source of exposure across cardholders because they cannot anticipate the event. Our preliminary results suggest that the effects of the unraveling of data sharing on credit card credit limits and household borrowing are small. Ongoing work is investigating effects on implied costs of borrowing.

"Nonprofit and For-profit Competition in Banking"
with Jordan van Rijn

Price theory models predict that nonprofit and for-profit firms should respond differently to changes in market power or demand shocks. We test this prediction in small geographic banking markets using quasi-experimental variation in market power induced by mergers of large national banks. Linking list price data on loans and deposits from S&P's Ratewatch to the FDIC's summary of deposits, we compare Credit Unions'(CUs) price response to for-profit banks' response. Findings are interpreted in the context of theories of firm pricing, nonprofit behavior, and debates on tax policy. Preliminary results suggest that the CU's respond to changes in exogenous changes in market concentration similarly to banks, even though they price at lower levels. Ongoing work analyzes differential response on other margins related to quantities and fees.

PROFESSIONAL ACTIVITIES

Referee: *American Economic Journal: Applied Microeconomics*
Seminar Presentations: University of Chicago Booth School; University of Wisconsin Agricultural and Applied Economics; University of Wisconsin Household Finance

OTHER

Languages: Native English & Spanish
Citizenship: United States & El Salvador