Humberto Martínez

Contact Information

Rutgers University, New Brunswick
Department of Economics
75 Hamilton Street,
New Brunswick, NJ 08901

https://www.humbertomartinezb.com
Mobile: +1 (929) 441 2435
E-mail: hm409@economics.rutgers.edu
Citizenship: Colombia

Doctoral Studies

RUTGERS UNIVERSITY, NEW BRUNSWICK, NJ
Ph.D., Economics (Expected) 2022
Dissertation Title: "Essays on Foreign Reserves, Liquidity and Pledgeability"
Committee: Roberto Chang (Chair), Michael D. Bordo, Todd Keister

Prior Education

UNIVERSIDAD DE LOS ANDES, BOGOTA, COLOMBIA
M.A. in Economics 2011
B.A. in Economics (Cum Laude Graduate) 2009

Fields

International Macroeconomics (Primary Field), Monetary Economics

References

ROBERTO CHANG
Distinguished Professor
Department of Economics
Rutgers University
chang@economics.rutgers.edu

MICHAEL DAVID BORDO
University Professor
Department of Economics
Rutgers University
bordo@economics.rutgers.edu

TODD KEISTER
Professor
Department of Economics
Rutgers University
keister@economics.rutgers.edu

RHIANNON SOWERBUTTS
Senior Economist
Bank of England
rhiannon.sowerbutts@bankofengland.co.uk

Research Experience

Research Assistant, Hoover Institution, Stanford University — In progress

Research Assistant, Professor Michael D. Bordo — 2018-21

Ph.D. Internship, Banco Central de Chile, Programa de Visitas — Summer 2021

Participant, The Fields Institute, CQAM Focus Program on Systemic Recovery — Spring 2021

Ph.D. Internship, Banco de México, Programa Interno de Verano — Summer 2020

Research Assistant, Professor Roberto Chang — Spring 2020

Ph.D. Internship, Bank of England — Summer 2019

Teaching Experience

RUTGERS UNIVERSITY, NEW BRUNSWICK, NJ
Teaching Assistant

Economics of Globalization (307)	*2021*
Global Financial Crises (411)	*2020*
Global Monetary and Financial History (614); Global Financial Crises (411); Economics of Globalization (307)	*2019*
Macroeconomic Theory II (605); Global Financial Crises (411); Introduction to Econometrics (322)	*2018*
Macroeconomic Theory I (604); Introduction to Econometrics (322)	*2017*

UNIVERSIDAD DE LOS ANDES, BOGOTA, COLOMBIA

Instructor, Stata Workshop	2011-14
Teaching Assistant, Microeconomics III	2011
Teaching Assistant, Advanced Macroeconomics – Long Run	2010
Teaching Assistant, Introduction to Macroeconomics	2009

Conferences, Seminars and Workshops

AEA Poster Session	2022
The Fields Institute (Extended Problem Solving Program), Banco Central de Chile (GEF); Banco Central de Chile (GEE, DAE); Money, Macro and Finance Society (Annual Conference); Rutgers University (Macroeconomic Theory Workshop); LACEA/LAMES (Annual Meeting); Southern Economic Association (Annual Meeting - Scheduled); Bolivian Conference on Development Economics (Scheduled);	2021
Banco de México (Programa de Verano)	2020
Bank of England (MSSD); Rutgers University (Macroeconomic Theory Workshop)	2019

Professional Experience

Advisor to Deputy Minister, Ministry of Finance, Colombia	2014-16
Economist, EConcept AEI, Colombia	2012-14
Research Assistant, Fundación Ideas para la Paz	2010-11
Short-Term Consultant, the World Bank	2009-10

Honors and Awards

Hiroki Tsurumi Graduate Dissertation Award, Rutgers University	2021
Dorothy Rinaldi Graduate Student Award, Rutgers University	2020
Sydney Brown Prize in Economics, Rutgers University	2018
Excellence Fellowship, Rutgers University	2016-21
Augusto Cano Scholarship, Universidad de los Andes, Colombia	2009

Skills

Computational: Stata, Matlab, ArcGis, Python
Languages: English (fluent), Spanish (native), French (conversational)

Working Papers

FOREIGN RESERVES, FISCAL CAPACITY AND LENDER OF LAST RESORT
(Job Market Paper)

Why do some countries accumulate foreign reserves for precautionary purposes while others do not? I argue that, in contrast to advanced economies, emerging countries accumulate reserves because they lack the sufficient fiscal capacity to provide liquidity during crises successfully. Thus, by accumulating reserves, emerging countries can emulate advanced economies and eliminate any exposure to a sudden stop. However, since accumulating reserves is costly, a country might choose to remain exposed to sudden stops. This decision depends on the trade-off between the expected welfare losses of a sudden stop, and the cost of accumulating the necessary amount of reserves to eliminate this exposure which is a function of the level of fiscal capacity. To show this argument, I develop a three-period model of small open economy whose funding costs are driven by a global financial cycle. Moreover, I present empirical evidence for a sample of 100 countries between 1991 and 2016 consistent with this argument. In terms of policy, this paper shows that overcoming currency mismatch, without improving fiscal capacity, is not sufficient to eliminate the need for foreign reserves.

PANDEMICS, INCENTIVES, AND ECONOMIC POLICY: A DYNAMIC MODEL
(with Roberto Chang, Rutgers University and NBER, and Andrés Velasco, LSE; NBER WP No.28636*)*

The dynamics of a pandemic depend on individual decisions about, for instance, social distancing. In making these decisions, individuals respond to the incentives they face, including economic ones. This implies that economic policy can help not only by alleviating economic losses due to the pandemic but also by influencing the pandemics trajectory itself via incentives. To investigate this idea, we develop a dynamic equilibrium model of an economy subject to a pandemic. In the model, individuals choose whether to work in the market or stay at home; market participation yields higher current pay but also a higher risk of infection. In turn, infection rates depend on the extent of market participation, as in dominant SIR models. We use the model to investigate how pandemic dynamics depend on aspects of the model which have no bearing in typical SIR models. In particular, forward looking behavior and expectations can result in multiplicity of equilibria. A practical lesson is that incentives embedded in fiscal policy can influence the evolution of the pandemic. To illustrate, we show that a fiscal package resembling the U.S. CARES Act can result in two waves of infection.

Research in Progress

STOCK VERSUS FLOW? FOREIGN RESERVES AND THE GLOBAL FINANCIAL CRISIS

Central banks in emerging markets argue that they accumulate foreign reserves, in part, to meet balance of payments financing needs. However, this explanation is at odds with several countries' reluctance to deplete their foreign reserves stock during acute liquidity episodes. I argue that reserves not only provide a country with liquidity services, but they also increase a country's solvency. Thus, facing a liquidity shock, a monetary authority will only sell foreign reserves if by doing so, it doesn't jeopardize its' solvency. I provide empirical evidence for 38 countries that solvency concerns, measured by external balance sheet exposure, drove the depletion of foreign reserves during the Global Financial Crisis.

LIQUIDITY REGULATION: THE LAST TAXI AT THE STATION?
(with Rhiannon Sowerbutts, Bank of England)

Usability of liquidity requirements, such as the Liquidity Coverage Ratio, during periods of stress is yet to be tested. Using a unique UK bank level dataset between 2011 and 2014, we take advantage of increased uncertainty caused by the European sovereign debt crisis and a back then active liquidity regulation in the UK, to provide empirical evidence to Goodhart's last taxi at the station puzzle. Five different empirical results suggest that banks during this stress period in the UK didn't consider their liquidity buffer to be completely usable. This evidence strengthens concerns on whether liquidity requirements make banks more resilient.

RULES VERSUS DISCRETION: A TEXTUAL ANALYSIS OF FOMC TRANSCRIPTS
(with Michael D. Bordo, Rutgers University, and Klodiana Istrefi, Banque de France)

COVID-19 AND ECONOMIC LOSSES: THE ROLE OF POLICIES AND STRUCTURAL CONDITIONS
(with Pêdra Andrade, Center of Investigation of Mathematics; Carla Coburger, National Institute for Economic and Social Research; Maria Cristina Barbieri Goes, Roma Tre University; Ettore Gallo, New School University; Andrea Gurgone, University of Bamberg; Adam Kerenyi, Institute of World Economics, Hungarian Academy of Sciences Centre of Excellence; Enrico Maria Turco, University of Amsterdam; and Weichen Wang, University of Bath)

Other Policy Activities

FOCUS PROGRAM ON SYSTEMIC RECOVERY: LESSONS FROM COVID-19, MODELING, ANALYSIS, AND POLICY IMPLICATIONS.
The Fields Institute. Extended Problem Solving Program. April 23rd, 2021. See final presentation here

COVID-19 IN COLOMBIA: IMPACT AND POLICY RESPONSES
(with Mauricio Cárdenas S.)
Center for Global Development, CGD Notes July 24th 2020. To have access to the full document see here, and to its blog entry see here

DE AISLAMIENTOS Y CURVAS: SE DESPLAZA LA EPIDEMIOLÓGICA, MAS NO SE APLANA, MIENTRAS QUE LA ECONÓMICA SE HUNDE
(with Mauricio Santa María, Carlos Prada and Ekaterina Cuéllar) ANIF Weekly Report April 28th, 2020. To have access to the full document (behind a paywall) see here, and to an op-ed entry see here

EL IMPACTO DEL COVID-19 EN EL MERCADO LABORAL COLOMBIANO – Webinar organized by elempleo.com; July 9th, 2020. For the YouTube recording click here