

# ASSA COHEN

<https://assacohen.com/>  
assa.cohen@gmail.com ◊ Cell: +1-267-886-0316

## ACADEMIC AND PROFESSIONAL AFFILIATIONS

---

Sy Syms School of Business, Yeshiva University. *August 2023 - present*  
*Visiting Assistant Professor of Finance*

US Census. *February 2019 - present*  
*Special Sworn Status*

## RESEARCH INTERESTS

---

Financial Economics: Market Microstructure, Financial Stability, Banking.  
Macroeconomics: Growth, Technological Innovation, Firm Dynamics.

## EDUCATION

---

Ph.D Economics, University of Pennsylvania *September 2016 - May 2023*  
*Committee: Prof. Guillermo Ordonez (Chair), Prof. Itay Goldstein, Prof. Harold Cole, Prof. Jesus Fernandez-Villaverde, Dr. Benjamin Lester.*

MA Economics, Tel-Aviv University, *2016*  
*Dissertation advisor: Prof. Itzhak Gilboa*

MA Philosophy, Tel-Aviv University, *2016*  
*Summa Cum Laude*

The Adi Lautman Honors Program for Outstanding Students, Tel-Aviv University, *2010 .*

## PROFESSIONAL WORK EXPERIENCE

---

The Federal Reserve Bank of Philadelphia *September 2019 - May 2023*  
*Research Analyst and Research Assistant to Dr. Benjamin Lester*

National Economic Council, Israeli Prime Minister Office *August 2015 - July 2016*  
*Milken Financial Innovation Fellow*

## PUBLICATIONS

---

**Inventory, Market Making, and Liquidity in OTC Markets** *with* Mahyar Kargar, Benjamin Lester, and Pierre-Olivier Weill.  
*Journal of Economic Theory, Volume 222, December 2024, p. 105917.*

## WORKING PAPERS

---

### **Why We Should Start Thinking of Illiquidity Spells in Over-the-Counter Markets in Terms of Monopolistic Inefficiency**

*Presentations: 19th Central Bank Conference on the Microstructure of Financial Markets, IMF MCM Policy Forum, 2025 Eastern Financial Association.*

### **Hard Times Call for Fundamental Questions**

*Presentations: Society of Economic Dynamics 2024, 2024 Federal Statistical Research Data Center Annual Conference, 2024 Midwest Macroeconomics Meeting, 2024 New-York FRB Junior Macroeconomics Workshop.*

### **Small and Disruptive: The Significance of Active Insured Depositors on the Banking System Fragility.**

## REFEREEING

---

*Journal of Economics Theory, International Economic Review.*

## TEACHING EXPERIENCE

---

### **Sy Syms School of Business**

#### **Instructor**

Advanced Corporate Finance (Capstone)	<i>Fall 2024</i>
Portfolio Management	<i>Spring 2025</i>
Investment Analysis	<i>Spring 2024</i>
Principles of Finance	<i>Fall 2023, Spring 2025</i>

### **University of Pennsylvania**

#### **Teaching Assistant**

Money, Credit, and Banking, Professor Harold Cole,	<i>Spring 2019</i>
Family Economics, Professor Jeremy Greenwood,	<i>Spring 2019</i>
Statistics for Economists, Professor Frank Ditraglia,	<i>Spring 2018, Fall 2019</i>
Introduction to Microeconomics, Dr. Anne Duchene,	<i>Fall 2017</i>

### **Tel-Aviv University**

#### **Teaching Assistant**

Microeconomics 2, Professor Ariel Rubinstein	<i>Fall 2013, Fall 2014</i>
Microeconomics 1, Professor Itzhak Gilboa	<i>Spring 2013</i>

## HONORS AND DISTINCTIONS

---

The University of Pennsylvania Dissertation Completion Fellowship (2022).

University of Pennsylvania Graduate Student Fellowship (2016 - 2022).

Tel-Aviv University Economics M.A. Class Speaker (2016).

Tel-Aviv University Adi Lautman Honors Program Fellowship (2008 - 2012).

## SKILLS AND DATASETS

---

**Languages:** (Fluent): English and Hebrew, (Conversational): Mandarin Chinese.

**Coding Languages:** (Advanced) R; (Intermediate) MATLAB, Julia, SQL, Stata, Tex.

**Datasets:** US Census Microdata, including Standard Statistical Establishment Listing (SSEL), Longitudinal Business Database (LBD), and The Survey of Business Research, Development, and Innovation (BRDIS); FINRA's TRACE, US Corporate Bonds Market.

# Working Papers

## Hard Times Call for Fundamental Questions

*Conference Presentations: Society of Economic Dynamics 2024, 2024 Federal Statistical Research Data Center Annual Conference, 2024 Midwest Macroeconomics Meeting, 2024 New-York FRB Junior Macroeconomics Workshop.*

Using restricted firm-level data from the US Census, I show that private investment in basic research is counter-cyclical. At the aggregate level, I observe significant increases in private sector basic research investment during economic downturns: a 55% rise during the 1991 recession, a 20% during the 2001 dot-com bubble burst, and a 60% cumulative growth during the 2008-2009 financial crisis. At the micro level, I find a statistically significant negative correlation between a firm's basic research investment and the growth rate of its industrial sector. This growth of basic research spending in downturns seems to be funded by reallocating resources from applied research. Focusing on the 2008-2009 period, I show that this pattern is widespread across US industries. I also demonstrate that firms that increased basic research also more likely to retain Ph.D.s and scientists compared to other firms. Consistent with Schumpeter's theory of business cycles, I suggest that low returns encourage firms to shift their R&D efforts away from product development and towards building capacity for future innovation by exploring broader questions. This shift promotes rapid innovation in subsequent periods. To examine this mechanism, I calibrate a novel semi-endogenous growth model that distinguishes between two types of R&D activities: generating new knowledge (basic research) and applying existing knowledge (applied research and development).

## Why We Should Start Thinking of Illiquidity Spells in Over-the-Counter Markets in Terms of Monopolistic Inefficiency.

*Conference Presentations: 19th Central Bank Conference on the Microstructure of Financial Markets, IMF MCM Policy Forum, 2025 Eastern Financial Association (scheduled)*

I employ Regulatory TRACE data on the US Corporate Bonds Market to reveal that the market is notably segmented, with a few dealers dominating the trade in each bond. I establish a correlation between this concentration and a pronounced increase in spreads during times of crisis. I suggest a theory in which dealers take advantage of their customers' acute liquidity needs by imposing higher spreads. The monopolistic inefficiency contributes to the decline in trade volume ("Illiquidity Spell"). I study this claim by calibrating a structural model to the COVID-19 Crisis and the preceding period. The calibration demonstrates that the rise in risk-premiums played a critical role in raising the markups that informed dealers charged for facilitating trade during the crisis.

## Small and disruptive: Non-Sticky Insured Deposits and Banking System Stability

Recent empirical work documented that banks facing failure compensate for departing depositors by attracting insured deposits. This run-in reduces the bank's liability cost and enhances its chances of weathering distress. However, it also weakens the discipline imposed by depositors and leads banks to take more risks. This paper introduces a theoretical model assessing the impact of insured deposit flows on the overarching stability of the banking system. The model underscores that sophisticated insured depositors seeking to maximize returns amplify the gravity of a banking crisis. Remarkably, even a minimal fraction of these non-sticky depositors can introduce destabilizing effects. In this context, I argue that regulatory measures limiting insured deposit flows, like strict controls on brokered deposits, are an all-or-nothing game. Unless they drastically reduce the activity of insured depositors, they are ineffective in sustaining the discipline deposits impose on bank risk-taking.

## Publications

**Inventory, Market Making, and Liquidity in OTC Markets (joint with Mahyar Kargar (UIC Urbana-Champaign), Benjamin Lester (FRB of Philadelphia), and Pierre Olivier-Weill (UCLA)).**

*Journal of Economic Theory, Volume 222, December 2024, 105917 (Forthcoming).*

We develop a search-theoretic model of a dealer-intermediated over-the-counter market. Our key departure from the literature is to assume that, when a customer meets a dealer, the dealer can sell only assets that it already owns. Hence, in equilibrium, dealers choose to hold inventory. We derive the equilibrium relationship between dealers' costs of holding assets on their balance sheets, their optimal inventory holdings, and various measures of liquidity, including bid-ask spreads, trade size, volume, and turnover. Using transaction-level data from the corporate bond market, we calibrate the model to quantitatively assess the impact of post-crisis regulations on dealers' inventory costs, liquidity, and welfare.