

LATEST NEWS

- The Report about the DNB Research Programme 2011 and the Research Programme 2012 are available online, please follow this [link](#).
- A paper by [Maarten van Rooij](#) (joint with Annamaria Lusardi of the George Washington University and Rob Alessie of the University of Groningen) entitled "Financial Literacy, Retirement Planning, and Household Wealth" got accepted for publication in the Economic Journal. In this paper, the authors find a strong positive association between financial literacy and net worth, even after controlling for many determinants of wealth. They explore two channels through which financial literacy facilitates wealth accumulation. First, financial knowledge increases the likelihood of investing in the stock market, allowing individuals to benefit from the equity premium. Second, financial literacy is positively related to retirement planning, and the development of a savings plan boosts wealth holdings.
- A paper by [Steven Poelhekke](#) (with Rick van der Ploeg of the University of Oxford) entitled "Do Natural Resources Attract Non-Resource FDI?" has been accepted for publication in The Review of Economics and Statistics. Foreign direct investment (FDI) is an important driver of technology transfer, economic growth and development, but many resource-rich countries do not attract as much FDI as resource-poor countries. This paper shows for the first time, using detailed sector level data, that resource-rich countries attract resource FDI (which is no surprise), but attract less non-resource FDI. The net effect is even negative. This is a problem, because resource FDI is very capital intensive and we conjecture that it leads to fewer spill-over effects into the non-resource sectors of the host economy because it relies less on local subcontractors or suppliers. First, for those countries which were not a resource producer before, a resource discovery causes non-resource FDI to fall by 16% in the short run and by 68% in the long run. Second, for those countries which were already a resource producer, a doubling of resource rents induces a 12.4% fall in non-resource FDI. Third, on average, the contraction in non-resource FDI outweighs the boom in resource FDI. Aggregate FDI falls by 4% if the resource bonanza is doubled.
- A paper by [Neeltje van Horen](#) (with Ralph De Haas of the EBRD) entitled "International Shock Transmission after the Lehman Brothers Collapse: Evidence from Syndicated Lending" has been accepted for publication in the American Economic Review (Papers & Proceedings). In this paper the authors extend their earlier work in which they study the impact of the recent financial crisis on cross-border lending by large global banks. The paper shows that banks that had to write down sub-prime assets, refinance large amounts of long-term debt, and experienced sharp declines in their market-to-book ratio, transmitted these shocks across borders by curtailing their lending abroad. While shocked banks differentiated between countries in much the same way as less constrained banks, they restricted their lending more to small borrowers.

- On February 1, 2012 Division Director at the Economics & Research Division [Jan Marc Berk](#) has been appointed as professor of Money and Banking at the University of Groningen. Berk will give the course Money and Banking which was taught by Klaas Knot, who has been appointed honorary professor at the University of Groningen after he became the President of DNB.
- On 27 oktober 2011, [Jan Willem van den End](#) defended his PhD thesis at the University of Groningen, titled "Credit and liquidity risk of banks in stress conditions. Analyses from a macro perspective" (supervisor prof. dr. Jakob de Haan). The thesis brings together research on credit and liquidity risks of banks in stress conditions. It investigates banks' reactions to those risks, presents macro stress-testing models and analyses policy measures to contain the risks during the 2007-2009 financial crisis. First it analyses how Dutch banks adjusted their credit and liquidity risk management during the crisis by empirical indicators and time series models. The results provide evidence on the time and cross-sectional dimensions of bank behaviour and on banks' responses to funding liquidity shocks. Second, the impact on banks of tail events that involve credit and liquidity risk and banks' reactions to those risks is modelled in a stress-testing framework. The framework is operationalised by a suite of models, such as reduced form satellite models, vector autoregressive (VAR) models and calibrated simulation tools. It shows that shocks to the liquidity position of banks entail systemic risk through behavioural responses and that tail risks of stress scenarios are substantially lower if banks would adjust to Basel III. Third, the thesis analyses the policy responses to the credit and liquidity risks of banks in the crisis, by assessing the short-term crisis measures taken by central banks and governments in 2007-2009 and the macroeconomic effects of Basel III. Simulation

outcomes of reduced form satellite models and a structural macroeconomic model indicate that the negative impact of Basel III on real GDP will be limited and be outweighed by the benefits of more financial stability in the new steady state.

FORTHCOMING RESEARCH SEMINARS

(Please follow this [link](#) to read how you can attend)

23 February 2012: Daniel Paravisini Joint Cifra/ DNB at UVA

26 April 2012: Giovanni Dell'Ariccia Joint Cifra/ DNB at UVA

22 May 2012: Charles Goodhart

19 June 2012: Luisa Farinha

CALL FOR PAPERS

15th Annual Research Conference

De Nederlandsche Bank

Amsterdam, 25-26 October 2012

HOUSEHOLD FINANCES AND BEHAVIOUR IN TIMES OF CRISIS

This conference aims to bring together researchers and policymakers to discuss the effects of the financial crisis on household finances and behaviour. In recent years, household income and wealth have been severely affected by simultaneous adverse conditions in the labour, housing and stock market. The goal of this conference is to explore the consequences of the financial crisis on the household sector at a disaggregated level and in particular on vulnerable groups such as single households, elderly and low income households. This conference welcomes both theoretical and empirical papers on a variety of topics and country datasets. One particular interest lies in papers that use household surveys and administrative data.

INVITED SPEAKERS:

Karen Dynan (Brookings Institution)

Tullio Jappelli (University of Naples Federico II & CSEF)

PAPER SUBMISSION & IMPORTANT DATES:

We prefer full papers, but extended abstracts will be also considered. Please send your submission to:

DNB_ResearchConference@dnb.nl

The submission deadline is **11 June 2012**.

FORTHCOMING DNB CONFERENCES

- 19-20 April 2012: [Financial Infrastructures Research Conference 2012: Payments and Plumbing of Financial Markets: is there a common ground?](#)
- 28-29 June 2012: [Conference on Post-Crisis Banking](#), jointly organised with the European Banking Centre of Tilburg University and the Journal of Money, Credit and Banking.
- 25-26 October 2012: [15th Annual DNB Research Conference: Household Finances and Behaviour in times of crisis](#)

WORKING PAPERS 2011

[\(please click on the title to open pdf\)](#)

- No.276 - Ronald Heijmans, Richard Heuver and Daniëlle Walraven, Monitoring the unsecured interbank money market using TARGET2 data
- No.277 - Jakob Bosma, Communicating Bailout Policy and Risk Taking in the Banking Industry
- No.278 - Jakob de Haan and Fabian Amtenbrink, Credit Rating Agencies
- No.279 - Ralph de Haas and Neeltje van Horen, Running for the Exit: International Banks and Crisis Transmission
- No.280 - I Kadek Dian Sutrisna Artha and Jakob de Haan, Labor Market Flexibility and the Impact of the Financial Crisis
- No.281 - Maarten van Oordt and Chen Zhou, Systematic risk under extremely adverse market conditions
- No.282 - Jakob de Haan and Tigran Poghosyan, Bank Size, Market Concentration, and Bank Earnings Volatility in the US
- No.283 - Gabriele Galati, Peter Heemeijer and Richhild Moessner, How do inflation expectations form? New insights from a high-frequency survey
- No.284 - Jan Willem van den End, Statistical evidence on the mean reversion of interest rates
- No.285 - Marco Hoeberichts and Ad Stokman, Price dispersion in Europe: Does the business cycle matter?
- No.286 - Cai Cai Du, Joan Muysken and Olaf Sleijpen, Economy wide risk diversification in a three-pillar pension system
- No.287 - Theoharry Grammatikos and Robert Vermeulen, Transmission of the Financial and Sovereign Debt Crises to the EMU: Stock Prices, CDS Spreads and Exchange Rates
- No.288 - Gabriele Galati, Federica Teppa and Rob Alessi, Macro and micro drivers of house Price dynamics: An application to Dutch data
- No.289 - Rob Alessie, Maarten van Rooij and Annamaria Lusardi, Financial Literacy, Retirement Preparation and Pension Expectations in the Netherlands
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- No.291 - Enrico C. Perotti and Javier Suarez, A Pigovian Approach to Liquidity Regulation
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