

**HILLARY STEIN**

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**HARVARD UNIVERSITY**

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**Undergraduate Studies:**

**Harvard University**, 2014  
B.A. in Applied Mathematics and Economics  
*magna cum laude* and Phi Beta Kappa

**Graduate Studies:**

**Harvard University**, 2016 to present  
Ph.D. Candidate in Political Economy and Government (Economics Track)  
*Joint program: Harvard Economics Department & Harvard Kennedy School*  
Thesis Title: Essays in International Finance and Political Economy  
Expected Completion Date: May 2022

**References:** (all Harvard University)

Professor Kenneth Rogoff  
617-496-2606  
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Professor Pol Antras  
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Professor Jeffrey Frieden  
617-496-2386  
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Professor Jeremy Stein  
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**Teaching Reference:**

Professor Jeffrey Frankel  
Harvard Kennedy School  
617-496-3834  
jeffrey\_frankel@harvard.edu

**Teaching and Research Fields:**

International Finance and Macroeconomics, International Political Economy, International Trade

**Teaching Experience:**

2019 – 2020      Economics Department Undergraduate Thesis Seminar  
Harvard College  
Seminar Leader  
*Evaluation: 4.90/5.00*

- 2019 International Macroeconomics  
Harvard Kennedy School  
Teaching Fellow for Prof. Jeffrey Frankel  
*No instructor-specific evaluation score*
- 2019 Advanced Topics in International Macroeconomics and Finance  
Harvard Economics Department (Second-year Ph.D. course)  
Teaching Fellow for Prof. Matteo Maggiori  
*Evaluation: 4.40/5.00*
- 2018 American Economic Policy  
Harvard College and Harvard Kennedy School  
Teaching Fellow for Profs. Martin Feldstein, Jeff Liebman, and Amitabh Chandra  
*Evaluation: 4.62/5.00*
- 2012 – 2014 Mathematical Methods in the Sciences (Linear Algebra and Differential Equations)  
Harvard College  
Teaching Fellow for Dr. Margo Levine  
*Evaluations: 4.50/5.00, 4.20/5.00, 4.50/5.00*
- 2011 – 2013 Mathematical Methods in the Sciences (Multivariable Calculus)  
Harvard College  
Teaching Fellow for Prof. Evelyn Hu and Dr. Margo Levine  
*Evaluations: 4.60/5.00, 4.10/5.00, 4.30/5.00*

**Research and Professional Experience:**

- 2016 – 2018 Research Assistant for Matteo Maggiori, Harvard University and NBER
- 2016 – 2018 Research Assistant for Jesse Schreger, Harvard University and NBER
- 2014 – 2016 Emerging Market Fixed Income Sales Analyst, Morgan Stanley

**Honors, Scholarships, and Fellowships:**

- 2021 AEA Summer Economics Fellowship, Federal Reserve Bank of Richmond
- 2021 The Institute for Quantitative Social Science (IQSS) Research Grant
- 2020 – 2021 Weatherhead Center for International Affairs  
Dissertation Writing and Research Fellowship
- 2021 10th Annual Government Department Poster Session Audience Choice Award  
(with research grant)
- 2019, 2021 Molly and Domenic Ferrante Economics Research Fund Fellowship
- 2011, 2012,  
2014, 2018,  
2019 Harvard University Certificate of Excellence in Teaching

### **Professional Activities:**

**Referee service:** *Quarterly Journal of Economics*

### **Other professional service:**

- |             |  |
|-------------|--|
| 2019 – 2020 | Student Coordinator, International Economics Workshop<br>Department of Economics, Harvard University |
| 2018 – 2019 | Student Coordinator, Political Economy Workshop<br>Department of Government, Harvard University      |

### **Presentations (including upcoming):**

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| 2021 | Federal Reserve Bank of Richmond, Oberlin Economics Department Danforth-Lewis Speakers Series |
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### **Research Papers:**

#### **Got Milk? The Effect of Export Price Shocks on Exchange Rates**

*Job Market Paper*

I examine the effect of exogenous terms-of-trade shocks on an exchange rate by turning to New Zealand's dairy auctions. Dairy is New Zealand's largest export category, making up almost 20% of exports. Specifically, whole milk powder accounts for between 6 and 11% of total exports, and its price is determined in twice-monthly auctions. I use event studies to quantify the impact of surprise auction results on the New Zealand Dollar on a high-frequency basis. I find that a 1% increase in whole milk powder prices has a modest, but nevertheless significant, effect on the nominal exchange rate that does not seem to be explained by interest rate movements. Rather, the effect seems to be driven by a combination of two channels: a financial flows channel and an expenditure switching facilitation channel. I model this last channel by incorporating a non-traded sector into a small open-economy New Keynesian model, and I illustrate how nominal exchange rate changes can persist following a temporary export price shock, depending on the monetary policy rule. The methodology developed here can potentially be applied to other commodity exporters.

#### **Narrow Framing and Risk Management**

with Vicente García Averell, Gabriel Levin Konigsberg, Calixto López Castañón

Even though financial risk management can generate value, the use of financial derivatives among non-financial corporations remains limited. We explore this phenomenon among importing firms in Mexico. We use the universe of USD-MXN derivative transactions in Mexico along with customs data to construct a dataset on FX operational exposure and financial hedging. Contrary to a rational and frictionless benchmark, we find that the performance in previous derivative transactions predicts future derivative use. Firms are less likely to take a new position after incurring losses in the previous position as compared to those that incurred gains. These effects are also present in the intensive margin. We use a regression kink design to find that this predictability is due to narrow framing on the firms' side. Given this behavioral bias, firms are 18 p.p. less likely to take a new position after experiencing the average loss. We further provide evidence consistent with narrow framing and rejecting a net-worth channel.

## **Research Papers in Progress:**

### **Currency Hedging of International Trade: Effects on Firm Outcomes**

with Vicente García Averell, Gabriel Levin Konigsberg, Calixto López Castañón

When firms engage in international trade or foreign-currency loans, they may expose themselves to currency mismatch. They can manage this mismatch either by optimally combining foreign-currency revenues and liabilities or by buying financial derivatives. We seek to show, first, that firms that undergo a negative currency shock experience lower future sales, and second, that firms with more currency mismatch will face lower future sales than otherwise. Importantly, we seek to show that currency derivatives can positively affect future firm outcomes. We do this using a novel dataset that combines transaction-level customs data, loan data, and derivatives data from Mexico.

### **Bargaining in Municipal Default: Evidence from Bond Yields**

US state, county, and city governments have accumulated pension obligations that three-times outweigh their net long-term bond debt. As both pension and debt commitments come due, municipal governments may have to decide which they are more inclined to honor. I take a political-economy perspective to examine when the government is more likely to honor the pensioners over the bond holders. I first consider the conditions in which the executive is most likely to be swayed by electoral pressures. I next turn to the influence of pensioners and city workers, which would be relevant in a political process. I provide evidence for my theory using transaction-level data of all US municipal bond purchases since 2005.

### **Still Got Milk? The Medium-Term Effects of Export Price Shocks**

I examine how lasting the effects of export price shocks are using an exogenous instrument from a natural experiment in New Zealand. Dairy is New Zealand's largest export category, making up almost 20% of exports. Specifically, whole milk powder accounts for between 6 and 11% of total exports, and its price is determined in twice-monthly auctions. I use surprise auction results to instrument for whole milk powder price changes in SVARs, building off recently developed methods. I look at the effect of export price shocks on relevant policy variables such as nominal exchange rates, CPI, wages in different sectors, and labor quantity.

## **Community Engagement:**

2021	Women in Economics / Diversity & Inclusion Undergraduate Mentor Department of Economics, Harvard University
2018 – 2021	Economics Peer Support Network (Peer Mental Health Counselor) Department of Economics, Harvard University
2017 – 2018	Economics Graduate Student Peer Mentor Department of Economics, Harvard University

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