

Professional Training Course

Empirical methods in sustainable finance



10 - 12 November 2021

Format: **Hybrid**

Instructors:

Steven Ongena | University of Zurich

Andrada Bilan | Swiss National Bank

Programme

10 November

13.15 - 13.45 *Welcome Coffee*

13.45 - 14.00 **Introduction by the Florence School of Banking and Finance and *tour de table***

14.00 - 15.30 **Session 1. Introduction**

- Empirical methods in sustainable finance
- Evaluation of changes in regulation, and exploration of other sustainable topics

15.30 - 16.00 *Coffee break*

16.00 - 17.30 **Session 2. Event Study Methodology and Applications**

- Event study methodology, bootstrapping
- Bank distress and regulatory announcements

After the course *Social Activities outside the EUI (TBD)*



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11 November

09.30 - 11.00 **Session 3. Saturation with Fixed Effects**

- Panel estimation
- Monetary conditions and risk-taking

11.00 - 11.30 *Coffee Break*

11.30 - 13.00 **Session 4. Matching, and Difference-in-Differences Part 1**

- Exact versus propensity score matching, difference-in-differences methodology
- Banks and sustainable loan terms for small firms; sustainable collateral

13.00 - 14.00 *Lunch break*

14.00 - 15.30 **Session 5. Difference-in-Differences Part 2**

- Intensity of treatment, managing the control sample
- Towards a sustainable financial system: Macro prudential regulation of banks

15.30 - 16.00 *Coffee break*

16.00 - 17.15 **Session 6. Practical Session: Analyzing Panel Data in STATA (Part 1)**

- Clustering
- Probit models
- Fixed effects
 - *xtreg* command

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12 November

09.15 - 10.30 **Session 7. Instrumentation Part 1**

- Instrumentation strategies
- Banks and credit constrained firms; banks, finance and sustainable growth

10.30 - 11.00 *Coffee Break*

11.00 - 12.30 **Session 8. Practical Session 2: Analyzing Panel Data in STATA (Part 2)**

- Fixed effects
 - *areg* command
- The *reghdfe* command by Sergio Correia
- Difference-in-differences exercise

12.30 - 13.30 *Lunch break*

13.30 - 15.00 **Session 9. Instrumentation Part 2 and Modelling Dispersion**

- Instrumentation with historical land and climate information; heteroskedastic model
- Wealth inequality and entrepreneurship; sustainable business models

15.00 - 15.15 *Coffee Break*

15.15 - 16.30 **Session 10. Randomized Experiments**

- Applied experimental methodology
- Banks and household welfare

16.30 - 16.35 Closing remarks