

NEW YORK UNIVERSITY STERN SCHOOL OF BUSINESS  
**Financial History of the US: From the Panic of 1907 to Silicon Valley Bank**  
Spring 2023, Mondays, 9:00-11:50am, Location: KMC 3-65

[Course Syllabus](#)

**Instructor: Prof Viral Acharya, KMEC 9-65 (content jointly developed w/ Prof Bruce Tuckman)**

**Course Overview**

This goal of this course is for students to understand how people and events of the past shaped the present-day financial system in the United States, which encompasses its markets, institutions, and regulatory frameworks.

The course follows the evolution over time of four segments of the financial system: currency and monetary policy; loans and banking; securities and investment banking; and derivatives. The course begins with an overview of the financial system in the United States at the turn of the twentieth century, as a backdrop to the Panic of 1907, and ends with the failure of Silicon Valley Bank in 2023.

Two themes will be woven through the segments and across time. First, financial markets in the United States have mobilized great quantities of capital from individual savers and investors to consumer and corporate borrowers. Second, there have been several iterations of boom-and-bust, which can be traced to permutations of monetary policy, leverage-taking by individual and businesses, and regulatory postures.

**Readings**

Readings for the course will include extensive excerpts from five books (three major, two supplementary) and related essays and articles. Students should expect to read 50 pages per week in preparation for class. The full reading material (specific chapters to read) will be determined prior to the start of the semester, but the books to be covered are

1. (Major) Bruno, R., and Carr, S. (2023), The Panic of 1907: Heralding a New Era of Finance, Capitalism, and Democracy, 2nd edition, Wiley.
2. (Major) Rajan, Raghuram G. and Luigi Zingales (2004), Saving Capitalism from the Capitalists, Princeton University Press.
3. (Supplementary) Smith, Roy C. (2010), Paper Fortunes, St. Martin's Press New York, First Edition.
4. (Major) Acharya, V., Richardson, M., Van Nieuwerburgh, and White, L. (2011), Guaranteed to Fail: Fannie Mae, Freddie Mac, and the Debacle of Mortgage Finance, Princeton University Press.
5. (Supplementary) Silicon Valley Bank and Beyond: The Banking Stress of 2023, NYU Stern, freely downloadable at <https://drive.google.com/file/d/1M067WVllogb0JtrsI33ggpbHIAAtVjIR6/view?usp=sharing> OR [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=4513276](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=4513276)

## Guest lectures

1. Professor Richard (Dick) Sylla, Professor Emeritus of Economics, NYU Stern – Jan 29<sup>th</sup>, 930-1030am – Introduction to Financial History of the United States (ZOOM)
2. Professor Arvind Krishnamurthy, Stanford GSB – Feb 26<sup>th</sup>, 1030-1150am – How did Central Banking Arrangements Evolve Other than in the United States (ZOOM)
3. Professor Bruce Tuckman, NYU Stern – March 4<sup>th</sup> (entire class) – The Birth of Glass-Steagall
4. Professor Charles Calomiris, Columbia Business School – March 11<sup>th</sup>, 1030-1150am – “Fragile by Design” nature of US Banking and possibly also the Evolution of Deposit Insurance in the United States (ZOOM)
5. Professor Lawrence White, NYU Stern – April 15<sup>th</sup> (time to be confirmed) – On the Ever-evolving Government Footprint in the US Mortgage Markets
6. Professor Anusha Chari, UNC Chapel Hill (to be confirmed) – May 6<sup>th</sup>, 9-1020am – Global History of Fighting Inflation at the Last Mile and Relevance for the US (ZOOM)
7. Professor Josh Younger, Columbia Law School and Federal Reserve Bank of New York (to be confirmed) – May 6<sup>th</sup>, 1030-1150am – Money, Public Debt and Treasury Market Liquidity

There will also be a couple of historians in Financial Economics visiting NYU Stern’s Kaufman History Program during March 2024. The details of their seminars will be announced in due course.

## Quizzes and Grading

The grade in the class will be determined by the MAXIMUM of two 1-hour in-class quizzes, on March 11 and April 15, and a final quiz during the exam period of May 8 to May 14.

Quizzes will be a mix of multiple choice questions, true/false with justifications, and explanation-based responses to questions posed.