

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: TBA

Tentative Course Syllabus

Instructor: Viral Acharya, KMEC 9-65

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 three books and related essays and articles. Students should expect to read 50 pages per week in preparation for class.

The full reading list will be determined prior to the start of the semester, but two of the book likely to be included are

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.

Bruno, R., and Carr, S. (2023), The Panic of 1907: Heralding a New Era of Finance, Capitalism, and Democracy, 2nd edition, Wiley.

Quizzes and Grading

The grade in the class will be determined by the average of two 1-hour in-class quizzes, likely on March 4 and April 15, and a final quiz during the exam period of May 8 to May 14.