

Benjamin R. Lester

Federal Reserve Bank of Philadelphia
Ten Independence Mall
Philadelphia, PA 19106

Phone: 215-574-6276
Email: Benjamin.Lester@phil.frb.org
Website: benjaminrlester.com

Employment

Federal Reserve Bank of Philadelphia

Vice President, Economist, and Section Head of Banking and Financial Markets group, 2025-
Senior Economic Advisor and Economist, 2014-24
Economic Advisor and Economist, 2013-2014
Senior Economist, 2011-2012

University of Western Ontario

Associate Professor (with tenure) and Bank of Montreal Professor, 2011-2012
Assistant Professor, 2007-2011

Education

University of Pennsylvania

PhD, Economics, 2007: "Essays on Liquidity and Prices"
Committee: Randall Wright, Ken Burdett, Andrew Postlewaite, Jan Eeckhout

Cornell University

BA, Economics, 2002 (magna cum laude)

Books

The Economics of Over-the-Counter Markets: A Toolkit for the Analysis of Decentralized Exchange, with J. Hugonnier and P.O. Weill, **Princeton University Press**, 2025

Publications in Refereed Journals

- (1) "Settlement Systems," *The B.E. Journal of Macroeconomics*: Volume 9, Issue 1 (Contributions), Article 17, 2009
- (2) "Directed Search with Multi-vacancy Firms," *Journal of Economic Theory*, 145, 2108–2132, 2010
- (3) "Information and Prices with Capacity Constraints," *American Economic Review*, 101 (4), 1591–1600, 2011
- (4) "Information and Liquidity" (with A. Postlewaite and R. Wright), *Journal of Money, Credit, and Banking*, 43 (s2), 355–377, 2011
- (5) "Information Acquisition and the Exclusion of Evidence in Trials" (with N. Persico and L. Visschers), *Journal of Law, Economics, and Organization*, 28 (1), 163–182, 2012.
- (6) "Information, Liquidity, Asset Prices, and Monetary Policy" (with A. Postlewaite and R. Wright), *Review of Economic Studies*, 79 (3), 1208–1238, 2012.
- (7) "Trading Dynamics in Decentralized Markets with Adverse Selection" (with B. Camargo), *Journal of Economic Theory*, 153, 534–568, 2014
- (8) "Meeting Technologies and Optimal Trading Mechanisms in Competitive Search Markets" (with L. Visschers and R. Wolthoff), *Journal of Economic Theory*, 155, 1–15, 2015

- (9) "Competing for Order Flow in OTC Markets" (with G. Rocheteau and P.O. Weill), *Journal of Money, Credit, and Banking*, 47 (s2), 77-126, 2015
- (10) "Information Spillovers, Gains from Trade, and Interventions in Frozen Markets" (with B. Camargo and K. Kim), *Review of Financial Studies*, 29 (5), 1291-1329, 2016
- (11) "Excess Reserves and Monetary Policy Implementation" (with R. Armenter), *Review of Economic Dynamics*, 23, 212-235, 2017
- (12) "Competing with Asking Prices" (with L. Visschers and R. Wolthoff), *Theoretical Economics*, 12, 731-770, 2017
- (13) "Screening and Adverse Selection in Frictional Markets" (with A. Shourideh, V. Venkateswaran, and A. Zetlin-Jones), *Journal of Political Economy*, 1, 338-377, 2019
- (14) "A Model of the Federal Funds Market: Yesterday, Today, and Tomorrow" (with G. Afonso and R. Armenter), *Review of Economic Dynamics*, 33, 177-204, 2019
- (15) "Frictional Intermediation in Over-the-Counter Markets" (with J. Hugonnier and P.O. Weill), *Review of Economic Studies*, 87 (3), 1432-1469, 2020.
- (16) "Corporate Bond Liquidity During the Covid-19 Crisis (with M. Kargar, D. Lindsay, S. Liu, P.O. Weill, and D. Zuniga), *Review of Financial Studies*, 34 (11), 5352-5401, 2021.
- (17) "Heterogeneity in Decentralized Asset Markets" (with J. Hugonnier and P.O. Weill), *Theoretical Economics*, 17, 1313-1356, 2022.
- (18) "Marketmaking with Search and Information Frictions" (with A. Shourideh, V. Venkateswaran, and A. Zetlin-Jones), *Journal of Economic Theory*, 212, 2023, 105714
- (19) "Inventory, Marketmaking, and Liquidity in OTC Markets" (with A. Cohen, M. Kargar and P.O. Weill), *Journal of Economic Theory*, 222, 2024, 105917
- (20) "Sequential Search for Corporate Bonds" (with M. Kargar, S. Plante, and P.O. Weill), *forthcoming, Journal of Finance*

Unpublished Papers and Work in Progress

- (21) "The Heterogeneous Impact of Referrals on Labor Market Outcomes" (with D. Rivers and G. Topa), *revise and resubmit, Review of Economic Studies*
- (22) "Signals, Interviews, and Discrimination in the Labor Market" (with P. Gottardi, R. Michaels, and R. Wolthoff)

Other Publications

- (1) "Breaking the Ice: Government Interventions in Frozen Markets," *Federal Reserve Bank of Philadelphia Business Review*, Q4, 19-25, 2013
- (2) "Why Ask? The Role of Asking Prices in Transactions," *Federal Reserve Bank of Philadelphia Business Review*, Q4, 1-4, 2015
- (3) "Implementing Monetary Policy in a Changing Federal Funds Market," *Federal Reserve Bank of Philadelphia Economic Insights*, Q2, 15-20, 2019
- (4) "When COVID-19 Reached the Corporate Bond Market," *Federal Reserve Bank of Philadelphia Economic Insights*, Q3, 2-9, 2021
- (5) "It's Not Just Who You Know, It's How You Know Them," *Federal Reserve Bank of Philadelphia Economic Insights*, Q1, 12-17, 2024

Editorial Duties

Associate Editor, *Journal of Economic Theory*, January 2023 – present
 Associate Editor, *Theoretical Economics*, July 2018 – present
 Associate Editor, *International Economic Review*, April 2018 – present
 Guest Editor, *Review of Economic Dynamics*, Special Issue on "Fragmented Financial Markets"

Grants, Honors, and Awards

University of Pennsylvania

Hiram C. Haney Fellowship Award in Economics (best third year paper), 2006
Sidney Weintraub Memorial Fellowship in Economics, 2005–2006
Lawrence Robbins Prize (best first year student), 2003
University of Pennsylvania Fellowship, 2002–2007

University of Western Ontario

Marilyn Robinson Award for Excellence in Teaching, 2011
SSHRC Standard Research Grant, 2010–2013 (\$62,500 CAD)
Nominated for SSHRC Aurora Prize, 2010
John C. Polanyi Prize in Economics, 2010 (\$20,000 CAD)
Bank of Montreal Professorship, 2010–2015 (\$125,000 CAD)
Ontario Undergraduate Student Alliance Award for Excellence in Undergraduate Teaching, 2010
The University of Western Ontario's Award of Excellence in Undergraduate Teaching, 2010
Undergraduate Student Council Teaching Honour Roll, 2009
Professor of the Year, Economics Department, 2008
Academic Development Fund New Research & Scholarly Initiative Award, 2008–9 (\$8,300 CAD)

Teaching

University of Pennsylvania

Search Theory and Applications (PhD): 2019, 2020, 2023, 2024
Search Theory in Financial Markets (PhD): 2015, 2016, 2017

Queens University

Search Theory in Financial Markets (PhD): 2017

University of Western Ontario

Advanced Monetary Theory (undergraduate): 2008
Senior Seminar in Economic Policy (undergraduate): 2008–2009, 2009–2010
Intermediate Microeconomics (undergraduate): 2007, 2008, 2009
Search Theory and Applications (PhD): 2008, 2009, 2010

Advising

PhD Students with First Placement (=main advisor)*

Joonbae Lee, Penn, 2019 (Placement: Korea Institute for Information Society and Development)
Junyuan Zou, Penn, 2019 (Placement: INSEAD)
Ni Wang, Penn, 2021 (Placement: IMF)
Sean McCrary, Penn, 2023 (Placement: Ohio State University)
Assa Cohen, Penn, 2023 (Placement: Yeshiva University)
Joao Ritto, Penn, 2024 (Placement: University of Toronto)
Juan Sagredo, Penn, 2024 (Placement: Keystone AI)

Other Professional Activities

Short-term Visits

Cowles Foundation, Yale University, April, 2018

Becker-Friedman Institute, University of Chicago, March, 2018
Princeton University, January-May, 2018
European University Institute, October, 2017
Queens University, June, 2017
Federal Reserve Bank of New York, March, 2011
Federal Reserve Bank of St. Louis, March, 2011
Federal Reserve Bank of Richmond, February, 2011
Federal Reserve Bank of Minneapolis, August, 2010
University of Michigan, October, 2009

Conference Committees and Workshop Coordinator

Program committee, "Financial Stability Considerations for Monetary Policy," Federal Reserve Bank of New York, September 2022
Program committee, "Summer Workshop on Money, Banking, Payments and Finance," 2022, 2023
Program Committee, SFS Cavalcade, 2021, 2022, 2023
Co-organizer, "Liquidity in Fixed Income Markets," August, 2020
Co-organizer, "The Impact of Post-Crisis Regulation on Financial Markets," March, 2020
Co-organizer, Special Issue of *Review of Economics Dynamics* on "Fragmented Financial Markets," March 2018
Co-organizer, Philadelphia Macro Workshop, 2017-
Workshop coordinator, Federal Reserve Bank of Philadelphia, 2016-2019
Co-organizer, Search and Matching Workshop, 2011-present
Program Committee, Society for Economic Dynamics, 2012, 2014
Co-organizer, Canadian Macro Study Group, 2010
Money/macro workshop coordinator, Western Ontario, 2007-8, 2009-11

Other Service at University of Western Ontario

Member, Graduate Studies Awards Committee, 2007-2008
Member, Appointments Committee, 2009-2010, 2010-2011
Faculty-at-Large, Committee on Academic Policy, 2009-2010

Referee

American Economic Review, Econometrica, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies*, Journal of Finance, Review of Financial Studies, Journal of Monetary Economics, International Economic Review, Journal of Economic Theory, Review of Economic Dynamics, RAND Journal of Economics, American Economic Journal: Microeconomics, American Economic Journal: Macroeconomics, Games and Economic Behavior, Management Science, Economic Theory, B.E. Journal of Macroeconomics, Theoretical Economics, Canadian Journal of Economics, Journal of Economic Dynamics and Control, European Economic Review, Scandinavian Journal of Economics, Journal of Economics, National Science Foundation, Social Sciences and Humanities Research Council of Canada
(*Awarded 2014 Excellence in Refereeing Award)

Seminars, Conference Presentations, and Discussions

Invited Seminars

Pre-2017: FRB New York, Bank of Canada (2), FRB Cleveland, Penn, Washington University in St. Louis, Michigan (Finance), Western Ontario, Queens, Fed Board, Michigan (Econ), Rochester, UCLA, FRB Minneapolis, Toronto, Wisconsin, Waterloo, Simon Fraser, FRB Richmond, FRB St. Louis, FRB New York (2), Financial Econ Workshop at NYU, FRB Philadelphia, Georgetown, UC-Irvine, UC- Davis, Universidad Carlos III, Iowa, Wharton Brownbag, Rutgers, Penn State (2), Western Ontario, NYU, Princeton, Iowa, Yale, Carnegie-Mellon,

- FRB Chicago (2), Wisconsin (Finance), UNC-Duke, UBC, Bern, Lausanne, Purdue, Arizona State, Fed Board, Yeshiva, EUI, Einuadi, Bocconi, Villanova, Ohio State
- 2017-19: University of Calgary, San Francisco Fed, Queens, EUI, Cornell, Wharton Brownbag, Carnegie Mellon, Princeton brownbag, NY Fed, University of Chicago, Yale University, Boston College, Stony Brook, Oxford, UCL, Royal Holloway, Princeton brownbag, NY Fed, University of Chicago, Yale University, Boston College, Stony Brook, Toronto, Waterloo, Bank of Canada, Federal Reserve Board, Johns Hopkins, Western Ontario
- 2020-23: Search and Matching in Macro and Finance, University of Georgia, Wharton Brownbag lunch, UC-Irvine, Emory, Universidad Diego Portales, Wharton Brownbag lunch, FRB St. Louis, Vanderbilt, INSEAD, UCL, Bank of Canada, FRB Philadelphia, FRB Richmond, Wharton Brownbag lunch, Drexel
- 2024: Ohio State, National University Singapore, Singapore Management University, University of Virginia

Conference Presentations

- Workshop on Money, Banking, and Payments, Federal Reserve Bank of Cleveland, 2005 & 2006
- Meetings of the Society for Economic Dynamics, Vancouver, 2006
- Search and Matching Workshop; University of Pennsylvania, 2007
- Conference on Trading Frictions in Asset Markets, University of California-Santa Barbara, 2007
- National Bureau of Economic Research Summer Institute, Cambridge, Massachusetts, 2008
- Meetings of the Society for Economic Dynamics, Cambridge, Massachusetts, 2008
- Midwest Macroeconomics Meetings, University of Pennsylvania, 2008
- North American Summer Meetings of the Econometric Society, Carnegie Mellon, 2008
- Search and Matching Workshop, University of Pennsylvania, 2008
- Research on Money and Markets Conference, University of Toronto, 2008
- Cowles-Carress Conference on General Equilibrium and Applications, Yale University, 2009
- Midwest Macroeconomics Meetings, Michigan State University, 2010
- Canadian Economic Theory Conference, McGill, 2010
- Meetings of the Society for Economic Dynamics, Montreal, 2010
- Summer Workshop on Money, Banking, and Payments, Federal Reserve Bank of Chicago, 2010
- Search and Matching Workshop; Federal Reserve Bank of Philadelphia, 2011
- Meetings of the Society for the Advancement of Economic Theory, Portugal, 2011
- Meetings of the Society for Economic Dynamics, Belgium, 2011
- Canadian Macro Study Group, University of British Columbia, 2011
- Canadian Economic Theory Conference, University of Toronto, 2012
- Search and Matching Workshop, Federal Reserve Bank of Philadelphia, 2012
- Essex Economics Workshop, University of Essex, 2012
- Advances in Macro-Finance, Tepper/LAEF Conference, UC Santa Barbara, 2012
- Housing-Urban-Labor-Macro Conference, Federal Reserve Bank of St. Louis, 2013
- NBER Summer Institute, Cambridge, Massachusetts, 2013
- Meetings of the Society for the Advancement of Economic Theory, Paris, 2013
- Summer Workshop on Money, Banking, and Payments, FRB Chicago, 2013
- Wharton Conference on Liquidity and Financial Crises, Wharton, 2013
- Conference on Money and Banking, University of Wisconsin-Madison, 2013
- QED Frontiers of Macroeconomics Workshop, Queens University, 2014
- European Search and Matching Conference, Edinburgh University, 2014
- Meetings of the Society for Economic Dynamics, Toronto, 2014
- Kiyotaki-Wright 25th Anniversary Conference, UC Santa Barbara, 2014
- NYU Search Theory Workshop, NYU, 2015
- Norges Bank Conference on Banking and Financial Intermediation, Oslo, 2015
- Monetary Policy Implementation and Transmission in the Post-Crisis Period, Fed Board, 2015
- Money, Banking, and Asset Markets Conference, University of Wisconsin-Madison, 2016
- 5th Rome Conference on Macroeconomics, EIEF, Rome, 2016
- Meetings of the Society for Economic Dynamics, Toulouse, France, 2016
- Montreal Workshop on Markets with Frictions, Montreal, Canada, 2017
- Meetings of the Society for Economic Dynamics, Edinburgh, Scotland, 2017
- Money, Banking, and Asset Markets Conference, University of Wisconsin-Madison, 2017
- Review of Economic Dynamics* conference, special issue on Fragmented Financial Markets, Philadelphia, 2018
- Wharton Conference on Liquidity and Financial Fragility, Philadelphia, 2018
- Macro Workshop at the University of Chile, Santiago, Chile 2018
- DC Search and Matching Workshop, Washington DC, 2019
- NYU Financial Theory and Experiments Conference, New York, 2019
- NBER Summer Institute, Cambridge, Massachusetts, 2019
- Conference in honor of Ken Burdett, University of Wisconsin-Madison, 2019
- Search and Matching in Macro and Finance, Virtual, 2020
- Financial Stability and the Coronavirus Pandemic, Virtual, 2020
- Meetings of the Society for Economic Dynamics, Minneapolis, 2021

System Conference on Financial Institutions, Regulations, and Markets, Virtual, 2021
Barcelona School of Economics Summer Forum, Barcelona, 2022
Workshop on Financial Networks, University of Essex, 2022
North American Winter Meeting of the Econometric Society, New Orleans, 2023
18th Central Bank Conference on the Microstructure of Financial Markets, Washington D.C., 2023
NYU Search and Matching Conference, New York, December 2023
Meetings of the Society for Economic Dynamics, Barcelona, 2024
Determinants and Consequences of Labor Market Mobility, Konstanz, Germany, 2024

Discussions

AEA Annual Meeting, New Orleans, 2008: "Elastic Money, Inflation, and Interest Rate Policy" by A. Head and J. Qiu
Federal Reserve Bank of St. Louis, 2009: "The Hot Potato Effect" by E. Nosal
Conference on Money and Banking, University of Wisconsin-Madison, 2009: "Collateral Policy in a World of Round-the-Clock Payment" by C. Kahn
Advances in Macro-Finance, Tepper/LAEF Conference, Carnegie Mellon, 2010: "Liquidity and Asset Market Dynamics" by G. Rocheteau and R. Wright
Conference on Money and Banking, University of Wisconsin-Madison, 2011: "Liquidity and the Threat of Fraudulent Assets" by Y. Li, G. Rocheteau, and P.O. Weill
Conference on Money and Banking, University of Wisconsin-Madison, 2012: "Information, Tranching, and Liquidity" by E. Farhi and J. Tirole
Multiple Equilibria and Financial Crises, NYU, 2016: "A Simple Model of Monetary Exchange with Sticky and Dispersed Prices" by K. Burdett, A. Trejos, and R. Wright
AFA Annual Meeting, Chicago, 2017: "Endogenous Specialization and Dealer Networks" by A. Neklyudov and B. Sambalalbat
Day Ahead Conference on Financial Markets and Institutions, Philadelphia, 2018, "Can the US interbank market be revived?" by Antoine Martin, Kyungmin Kim, and Ed Nosal
Review of Economic Dynamics conference, special issue on Fragmented Financial Markets, Philadelphia, 2018, "Posted Prices, Search and Bargaining" by Derek Stacey
Stern/Salomon Microstructure Meeting, 2021, "Monetary Policy Transmission in Segmented Markets" by J. Eisenschmidt, Y. Ma, and A. Zhang
SFS Cavalcade, 2021, "Information Chasing versus Adverse Selection in Over-the-Counter Markets" by C. Wang, G. Pinter, and J. Zou
3rd Junior Search and Matching Workshop, 2023. "Trading Relationships in Over-the-Counter Markets" by Alex Maciocco.
MacroFinance Society meeting, 2024, "Liquidity and Investment in General Equilibrium" by N. Caramp, J. Kozlowski, and K. Teeple
Third Fischer-Shain Center Research Conference, 2024. "Nonbank Fragility in Credit Markets: Evidence from a Two-Layer Demand System" by O. Darmouni, K. Siani, K. Xiao

* = scheduled