

Title: Municipal Bankruptcies and Crime

Speaker: Chandan Kumar Jha, Madden School of Business at Le Moyne College

Area: ESS

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Abstract:

While the importance of municipal bonds for the provision of public services is well-documented, the consequences of municipal bankruptcies remain understudied. We contribute to this literature by studying the effects of municipal bankruptcies on crime. Using the staggered difference-in-differences approach and agency-level crime data, we find that violent and property crime rates rise after successful (approved by the bankruptcy courts) Chapter 9 bankruptcy filings. The association between successful municipal bankruptcy and crime remains robust to alternative estimation methods, including a novel empirical technique that allows for the treatment effect heterogeneity and dynamics, and several robustness checks and falsification exercises. Our exploratory evidence suggests that the rise in crime rates is due to lower spending on law and order. Our findings highlight the importance of efficient financial management for local government entities and the need for particular attention to law and order in the local jurisdiction going through bankruptcy.

Speaker Profile:



I am an Associate Professor of Finance in the Madden School of Business at Le Moyne College. I earned a Ph.D. in Economics from Louisiana State University in 2015. Currently, I am serving as the Finance Program Director, Associate Editor of [Studies in Microeconomics](#), and Editorial Board Member of [SN Business & Economics](#). I am also a fellow of the [Global Labor Organization](#).

My current [research](#) explores issues in economic development with an emphasis on [corruption](#), [gender](#), and [finance](#). I also have some papers on [coronavirus](#). [This paper](#) comparing economic behaviors during the COVID-19 and the 1776 London Plague discussing the resiliency of core economic concepts over hundreds of years might be interesting to your undergraduate students in courses like Principles of Economics/Microeconomics and Behavioral Economics. I occasionally write [popular pieces](#), some of which are related to my research.

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