Khushboo R. Thakkar

Doctoral Candidate, University of North Carolina, Chapel Hill
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Education

University of North Carolina at Chapel Hill — May 2025 (expected)
  Ph.D. in Economics
University of Texas at Austin, USA
  M.A., Economics
Madras School of Economics, CUTN, India
  M.Sc., Financial Economics
Narsee Monjee College, University of Mumbai, India
  Bachelor of Management Studies

Research Interests

Empirical Corporate Finance, Bankruptcy and Financial Intermediation, Macroeconomics, Fiscal Policy

Working Papers

Trade Credit under a Pro-Creditor Bankruptcy Regime *(Draft available on request)*

Conference Presentations: Southwestern Finance Association (2024), University of Florida Statistics Annual Winter Workshop (2024), WashU Economics Graduate Student Conference (2024), Financial Management Association Annual Conference (2024), Carolina Region Empirical Economics Day (Scheduled), Southern Economics Association (Scheduled), AFA Poster Session (Scheduled)

This vs. That: The Economic Effects of Fiscal Spending Shifts
with Neville Francis and Michael T. Owyang *(Draft available on request)*

Conference Presentations: Wake Forest University, University of North Carolina at Greensboro (Scheduled), Southern Economics Association (Scheduled)

The Macroeconomic Consequences of Government Spending (Re)Allocation
with Neville Francis and Michael T. Owyang *(Draft coming soon)*

Conference Presentations: Wake Forest University, University of North Carolina at Greensboro (Scheduled), Southern Economics Association (Scheduled)

Work in Progress

Downstream Effects of Private Equity during Crisis *(Data analysis stage)*

Selected Awards & Honors

John Stewart Research Accelerator Award	Summer 2024
Carolina Graduate Student COVID-19 Impact Award	Fall 2021
Joseph M. Kampf Summer Fellowship	2020-2021
Competitive Scholarship, UT Austin	2018-2019
Gold Medalist, Madras School of Economics	2014-2016
Dean’s List Fellowship, Madras School of Economics	2014-2016

Updated: October, 2024

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Teaching

Course Instructor (UNC Chapel Hill)	Summer 2021
Econ 410: Intermediate Microeconomics	
Teaching Assistant (UNC Chapel Hill)	
Econ 101: Introduction to Economics	Spring - Fall 2024
Econ 423: Financial Markets and Economic Fluctuations	Fall 2023
Econ 520: Advanced Macroeconomics Theory	Spring 2023 – Fall 2023
Econ 573: Machine Learning and Econometrics	Spring 2023
Econ 125: Introduction to Entrepreneurship	Fall 2022
Econ 410: Intermediate Microeconomics	Fall 2020 – Spring 2022

Research Experience

Research Assistant, Prof. Nandini Gupta, Indiana University Bloomington
Research Assistant, Madras School of Economics

Professional Experience

High School Teacher, Non-Profit
Senior Credit Analyst, J.P. Morgan Services India Private Limited
Graduate Trainee, Morgan Stanley India Private Limited

Technical Skills

MATLAB, R, STATA, LaTex

Additional Information

Languages known: English (Fluent), Hindi (Fluent), Gujarati (Native)
Citizenship: Indian

References

Neville Francis (Chair)
Professor
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University of North Carolina at Chapel Hill
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Michael T. Owyang
Senior Economic Policy Advisor
Research Division
Federal Reserve Bank of St. Louis
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Aymeric Bellon
Assistant Professor of Finance
Kenan-Flagler Business School
University of North Carolina at Chapel Hill
Email: aymeric_bellon@kenan-flagler.unc.edu

Nandini Gupta
Professor of Finance
Kelley School of Business
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Selected Abstracts

Trade Credit under a Pro-Creditor Bankruptcy Regime

Trade credit provides customers the flexibility to procure goods from their suppliers without immediate cash payment, serving as a fundamental form of short-term financing. If suppliers are granted increased legal protection, but financial creditors gain greater protections in bankruptcy, does the availability of trade credit increase or decrease? This is an important consideration since an increase in the rights of both groups of creditors can influence the lending behavior (supply) of suppliers and also the borrowing behavior (demand) of debtors. Leveraging a recent bankruptcy reform in India which strengthened creditor rights, I find an uptick in trade credit usage of firms closer to default. Furthermore, these firms do not experience a corresponding drop in profitability or bank borrowing indicating a supply driven increase in trade credit. Therefore, strengthening creditor rights increases the willingness of suppliers to extend more trade credit which plays a role in sustaining distressed firms.

This vs That: The Economic Effects of Fiscal Spending Shifts

In this paper, we investigate how redistributing government spending across different spending categories influences the economy. An exogenous increase in spending on a component results in a change in total spending and also a shift in the distribution of spending. Our VAR model decomposes this composite shock into a level shock and a reallocation shock. This allows us to estimate the macroeconomic implications of redistributing spending between two components without a corresponding increase in total spending. We find that a reallocation towards government investment from government consumption increases output and private investment. Conversely, a shift in spending towards military expenditures crowds out private investment. Additionally, a higher share of state and local government purchases is beneficial in the short-term.

The Macroeconomic Consequences of Government Spending (Re)Allocation

Does government spending multiplier depend on the allocation of spending on different types of government spending and investment? Using data on the different components of total government spending and Bayesian estimation of FAVAR, we attempt to extract two latent factors – a level factor which increases or decreases with the total level of spending and a slope factor which represents the cross-sectional allocation amongst the components. The aim is to understand how only a redistribution of spending from one component to several other components can impact the economy.

Downstream Effects of Private Equity during Crisis

During the 2008 financial crisis, Private Equity (PE)-backed companies saw greater inflows of both equity and debt (Bernstein et al., 2018). According to the redistribution hypothesis of trade credit, cash-rich firms extend credit to their liquidity-constrained customers. Utilizing data extracted from Capital IQ on PE deals active prior to the financial downturn, combined with financial information from Orbis, preliminary analyses suggest that while PE-backed firms saw a marked rise in inflows from their PE partners, their accounts receivable did not change significantly when compared to non-PE-backed firms. This indicates that the additional liquidity is not shared with their downstream customers. Instead, this additional capital appears to have been directed toward investment. The investment increased by approximately 10% for PE-backed firms relative to their non-PE counterparts.