

Experience and Accountability in Municipal Debt Management Networks

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Findings suggest important implications for the \$4 trillion USD municipal bond market, and for the growing \$150 billion USD market for China local government bonds

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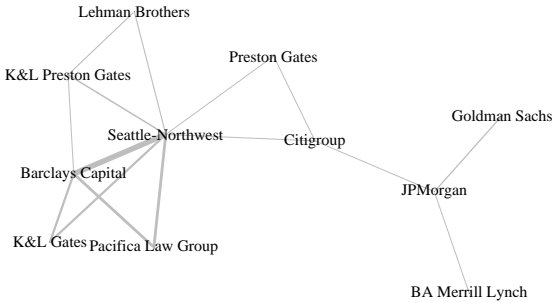
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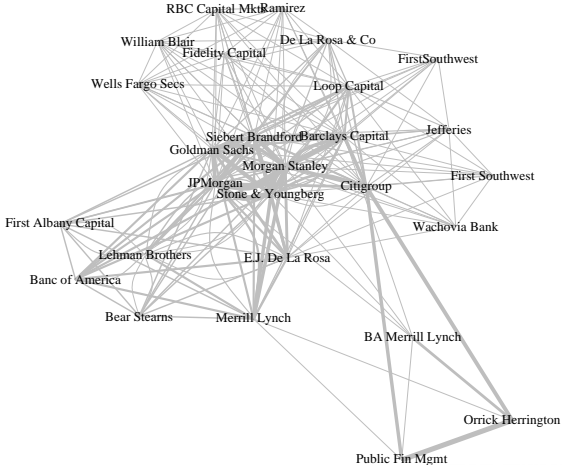
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Martin Nelson & Co Siebert Brandford

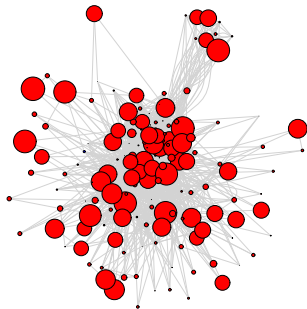
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Bay Area (CA) Toll Authority

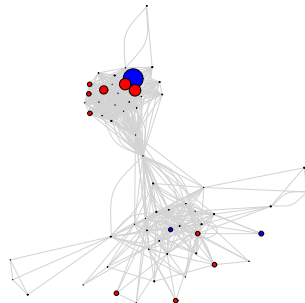


Statewide Debt Management Networks

California



Washington



Centrality Metrics

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Computed annually by state, weighted by par value, for "undirected" networks. Then standardized against the empirical conditional distribution function.

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- "Post-Sale Spread" - present value (in \$) difference between pre-sale and post-sale yield spreads (not covered here)

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To the standard model I add the three year moving average each weighted, standardized intermediary centrality measure

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I also provide comparison estimates for the effect of an intermediary's market share instead of centrality

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No clear pattern in any of the sub-sample evidence

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Future questions:

- What about network stability? Network cohesion?
- Should issuers be more or less central in networks?
- How does the structure of the statewide network affect statewide sale execution?