1.	Record Nr.	UNINA9910813692103321
	Autore	Tong Hui
	Titolo	Real Effects of the Subprime Mortgage Crisis : : Is it a Demand or a Finance Shock? / / Hui Tong, Shang-Jin Wei
	Pubbl/distr/stampa	Washington, D.C. : , : International Monetary Fund, , 2008
	ISBN	1-4623-3258-7 1-4527-6219-8 9786612841378 1-4518-7044-2 1-282-84137-8
	Edizione	[1st ed.]
	Descrizione fisica	1 online resource (39 p.)
	Collana	IMF Working Papers IMF working paper ; ; WP/08/186
	Altri autori (Persone)	WeiShang-Jin
	Disciplina	338.542
	Soggetti	Financial crises - Economic aspects Liquidity (Economics) Subprime mortgage loans - Economic aspects - United States Finance: General Investments: Stocks Macroeconomics Price Level Inflation Deflation Portfolio Choice Investment Decisions Commodity Markets Pension Funds Non-bank Financial Institutions Financial Instruments Institutional Investors Finance Investment & securities Asset prices Liquidity Commodity prices Stocks Liquidity indicators Prices Economics

	United States
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	Description based upon print version of record.
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	
Sommario/riassunto	We develop a methodology to study how the subprime crisis spills over to the real economy. Does it manifest itself primarily through reducing consumer demand or through tightening liquidity constraint on non-financial firms? Since most non-financial firms have much larger cash holding than before, they appear unlikely to face significant liquidity constraint. We propose a methodology to estimate these two channels of spillovers. We first propose an index of a firm's sensitivity to consumer demand, based on its response to the 9/11 shock in 2001. We then construct a separate firm-level index on financial constraint based on Whited and Wu (2006). We find that both channels are at work, but a tightened liquidity squeeze is economically more important than a reduced consumer spending in explaining cross firm differences in stock price declines.