

# Yasar Ersan

Department of Economics  
University of Michigan  
Lorch Hall  
611 Tappan Avenue  
Ann Arbor, MI, USA 48109

E-mail: [yasare@umich.edu](mailto:yasare@umich.edu)  
Website: <https://sites.google.com/umich.edu/yasarersan>  
Tel: +90-537-297-0122

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## RESEARCH INTERESTS

**Fields of Specialization:** Development Economics, Economic History

**Fields of Interest:** Human Capital, Historical Institutions, and Household Finance

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## EDUCATION

**University of Michigan, Department of Economics** *Aug. 2017 - 2023 (expected)*  
Ph.D. Candidate, Economics

**Sabanci University, Istanbul, Türkiye** *Sept. 2011 - June 2013*  
M.A. Economics

**Sabanci University, Istanbul, Türkiye** *Sept. 2006 - June 2011*  
B.A. in Economics with a minor in Mathematics

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## WORKING PAPERS

**Education and Savings for Retirement: Evidence from Pension Portfolios in Turkey** 2022  
(Job Market Paper)

### Abstract

I study the causal impacts of education on participation and wealth in defined contribution pension plans, using the 1997 Education Reform in Turkey that led to the substantial exogenous variation in schooling across birth cohorts. Employing a regression discontinuity design with an administrative data set spanning the universe of individual retirement accounts in Turkey, I find that the education reform increasing schooling by around half a year does not improve participation in defined contribution pension plans. Despite the strong positive correlation between education and the propensity to participate in defined contribution pension plans, I fail to find any causal evidence. However, I find that education reform improves pension wealth by around 3% for females but no improvement for males. I also examine financial channels through which education can potentially drive the wealth effects. Yet, I find no overall significant education impacts on equity participation and the share of wealth invested in equities. The increase in schooling does not impact financial sophistication, behavioral biases common in pension plans, also investment performance. Thus, education promotes wealth accumulation through the labor market channels rather than encouraging financial skills.

**Once Upon a Time in Anatolia: The Long Run Development Effects of American Missions in Anatolia** (with Can Ozen) 2022

### Abstract

The American Board of Commissioners for Foreign Missions (ABCFM) had a significant foothold in Anatolian geography for the majority of the early 19th century, through their sizeable human capital intervention. Through extensive archival work, we study the impact of this human capital intervention on present-day economic development. Using the spatial variation in the built and functional mission stations, we find areas closer to ABCFM missions have presently higher income by 5%-17%, and higher general development index by 0.07-0.12 standard deviation in 10 km proximity. We identify the mission

impact by exploiting a placebo set from the group that was conceived but not carried out, and also an exogenous re-partition of the working region as an instrumental variable strategy. The underlying mechanisms are labor productivity in the agriculture sector, which allows for greater skill differentiation and structural transformation. Gender roles in education are also significantly transformed through the transmission of cultural norms.

**Schooling and Stock Market Portfolios: Evidence from a Major Policy Reform in Turkey**  
(with Abdurrahman Aydemir) 2022

#### **Abstract**

Financial decisions determine how agents smooth consumption throughout their lifespan. These decisions impact both economic growth and inequality. Using a highly detailed restricted dataset of the universe of investors in Turkey (Turkish Stock Exchange, Borsa Istanbul), we test whether schooling plays a role in their financial decisions. We exploit the exogenous substantial variation in schooling across birth cohorts brought about by the 1997 Turkish Education Reform of compulsory schooling within a regression discontinuity design. Our findings reveal that schooling has limited effects on stock market participation. After quantifying whether schooling changes stock market participation, we examine the effects of schooling on the share of wealth invested in equities and risky assets. Yet, our results suggest no overall significant impacts of schooling on the share of wealth invested in equities and risky assets. Overall, general education is at best a minor input to construct financially desirable portfolios.

**An Empirical Examination of Layering Behavior** (with Uday Rajan, Guzhan Gulay, and Emil Lakkis) 2021

#### **Abstract**

We analyze the prevalence of layering behavior on a particular stock exchange, the Borsa Istanbul in Turkey. A unique advantage of our novel dataset is that the activity of each trader can be tracked. We use a heuristic approach to detect layering events. We find that such events are relatively frequent — a small number of traders are responsible for a layering event on average every three trading days during 2018. The profits from each layering event are large relative to traders' daily trading profits. About 72% of the events are initiated by high-frequency traders (HFTs), despite HFTs being associated with only 17% of transactions. Layering is more common in large and liquid stocks and is more likely on days on which the stock price increases. Overall, our results demonstrate that layering can be a profitable strategy for traders and point to a potential downside of HFT activity.

**The Long Run Effects of Tracking on Immigrant and Native Outcomes: Cognitive Skills and Labor Market Outcomes** (with Abdurrahman Aydemir) 2021

#### **Abstract**

This paper estimates the long-run effects of school tracking on immigrant and native outcomes. We first report estimates for pupil and adult cognitive skill outcomes using cross-country regressions that exploit variation in track systems across countries. We then report instrumental variable (IV) estimates of tracking for adult cognitive skills and labor market outcomes using track reform-induced changes in the duration of exposure. While the pupil results suggest —similar to earlier literature— that tracking is associated with higher inequality in achievement between immigrants and natives, neither cross-country regressions nor IV estimates indicate a long-run effect on inequality. In general, our results indicate no evidence of an effect of tracking on adult cognitive skills and labor market outcomes of either group.

# Too Large, Too Narrow? Causal Effects of Tick Size on Market Quality

(with Guzhan Gulay)

2021

## Abstract

Tick size, or the minimum price increment, is a market design feature that influences trading strategies and market outcomes. Several recent attempts by exchanges around the world to right-size their tick sizes have been made. However, the role of the tick size regime on market quality has not been systematically examined with a quasi-random methodology in the literature. To fill this gap, we set out to study the relationship between tick size and market quality in a quasi-random framework. We employ a regression discontinuity design exploiting an institutional rule in Borsa Istanbul. The institutional rule makes stocks whose volume-weighted average price of the previous trading session is above a cutoff to be traded with a larger tick size. We find that a larger tick size leads to a higher spread and a higher relative spread. A larger tick size increases the aggregate depth and the depth at the best bid offer. Moreover, a larger tick size increases volatility in stock prices. Finally, our results suggest that tick size has no impact on trading volume and turnover. Our results have implications for optimal tick size regimes and suggest that one-size-fits-all tick size arrangements are unlikely to be optimal.

## WORK IN PROGRESS

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**Nudge at Scale? Evidence from Turkey's Automatic Enrollment to Pension Policy** (with Hoyt Bleakley)

**Agricultural Subsidies, Wealth Transfers and Long Run Human Capital Effects**

## HONORS AND AWARDS

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Lisa and Tim Sloan Graduate Fellowship	2023
SYLFF Fellowship, University of Michigan	2022
LSA Tuition Only Fellowship, University of Michigan	2021
Summer Research Apprenticeship, University of Michigan	2018-19
Rackham Graduate Fellowship, University of Michigan	2017-2018

## WORK EXPERIENCE

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Borsa Istanbul, Researcher, Istanbul	2014-17
Research Assistant to Marlous van Waijenburg	2019
Research Assistant to Uday Rajan	2020
Research Assistant to Nejat Seyhun	2020
Research Assistant to Dean Yang	2021
Research Assistant to Hoyt Bleakley	2022

## TEACHING

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**University of Michigan-Graduate Student Instructor**

Introduction to Macroeconomics	W17, F18, W18, F19, W20, W21
Introduction to Statistics and Econometrics II	W22

**Sabanci University, Istanbul-Teaching Assistant**

Financial Institutions and Markets	F10, F18, W18, F19, W20, W21
Growth and Development	W10
Statistical Modeling	F11, F12
Games and Strategies	W12
Econometrics	S12

## PRESENTATIONS

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2022 Economic History Seminar, University of Michigan  
2020 Borsa Istanbul Market Microstructure Workshop (Istanbul)

## SKILLS

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Stata, R, Python, Matlab, SQL, ArcGIS

## PERSONAL INFORMATION

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**Languages:** Turkish (Native), English (Fluent)

**Citizenship:** Turkey

**US Status:** F-1 Student Visa

## REFERENCES

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Hoyt Bleakley (Co-chair)  
Department of Economics  
University of Michigan  
hoytb@umich.edu

Uday Rajan (Co-chair)  
Stephen M. Ross School of Business  
University of Michigan  
urajan@umich.edu

Dean Yang  
Department of Economics  
University of Michigan  
deanyang@umich.edu

Maciej Dudek (Teaching)  
Department of Economics  
University of Michigan  
mkdudek@umich.edu

Jung Hwan Koh (Teaching)  
Department of Economics  
University of Michigan  
jkoh@crai.com