Discussion of Angela Ma
"The Real Effects of Liquidity Relief: Commercial Rent Forbearance in the Covid-19 Recession"

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RICE | BUSINESS
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Midwest Finance Association, 13th March 2026

The *first* rule of 2020 is…

You do not talk about 2020

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The *second* rule of 2020 is...
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What am I going to do?
Talk about 2020


The *first* rule of 2020 is...
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The *second* rule of 2020 is...
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What am I going to do?
Talk about 2020

Why?
2020 is a seismic economic event to learn from!

My Household Finance Perspective On A Corporate Finance Topic

- ***Households*** often have volatile incomes & limited liquid cash
  - ➡️ Vulnerable to income/expenditure shocks
  - Morduch & Schneider (2017); Ganong et al. (2025); Fulford & Low (2025)
- Growing recognition that ***liquidity*** drives defaults
  - Ganong & Noel (2020 AER; 2023 QJE), Low (2025 RFS R&R; 2026 RESTAT)

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- Many studies on **what policies help recovery** (e.g.,debt or payment relief, stimulus)

  Fiorin, Hall, & Kanz (2023 RFS R&R), Aydin (2024 JFE R&R), Catherine & Yannelis (2022 JFE), Di Maggio, Kalda, & Yao (2026 JF), Dobbie & Song (2020 AER) **COVID-19** Cherry, Jiang, Matvos, Piskorski, & Seru (2021 BPEA); Katz (2024); Dinerstein, Yannelis, & Chen (2024 AER:I); Hamdi, Kalda, & Sovich (2025 MS)

- ***This* paper may benefit linking with literature on *household* eviction moratoriums**

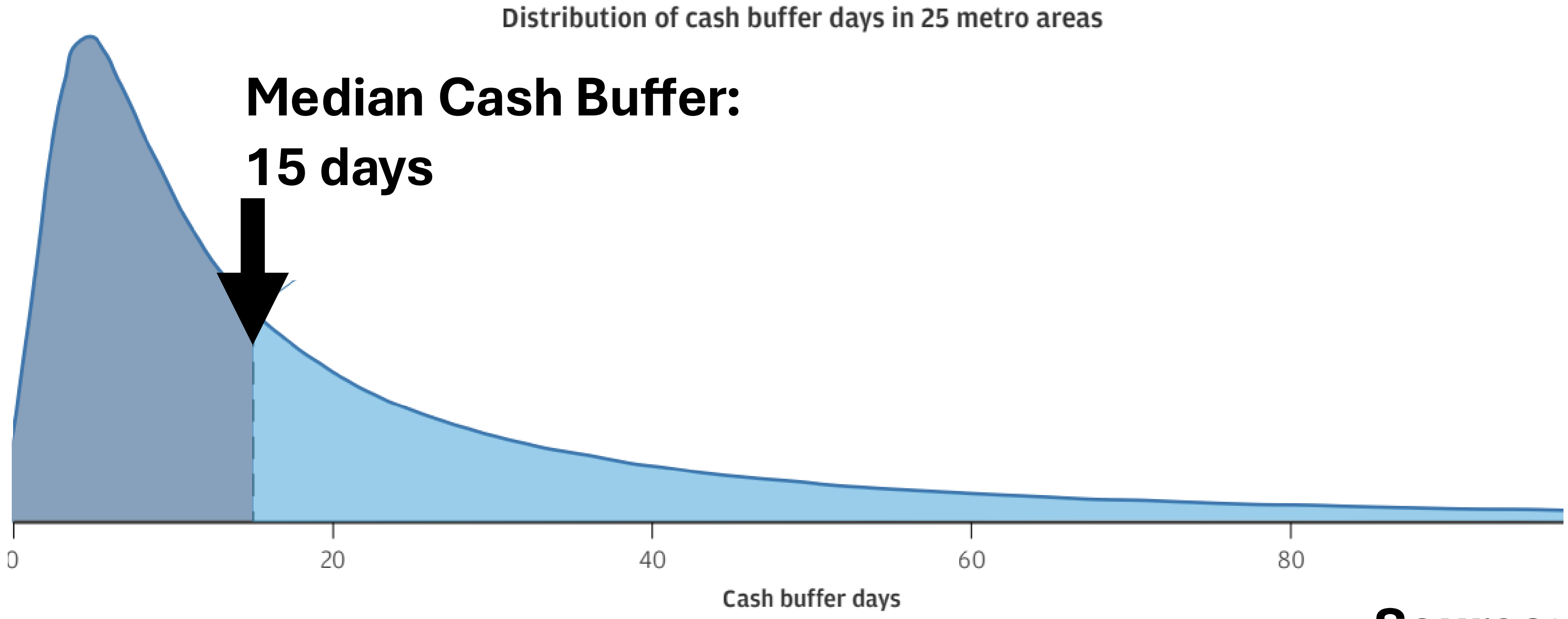
  ⬇️ infections & deaths (Jowers, Timmins, Bhavsar, Hu, & Marshall, 2021)

  ⬆️ spending, especially on food (An, Gabriel, & Tzur-Ilan, 2022 AEA P&P)

  + more broadly (Collinson et al. 2025 AEJ: EP R&R; Humphries et al. 2024 JPE R&R)

My Household Finance Perspective On A Corporate Finance Topic

- **Corporations also** often have volatile incomes & limited liquid cash
  - ➡ Vulnerable to income/expenditure shocks



Note: Profit margin and cash buffer days measured from 2013 to 2017 in the cross-sectional sample.

Source:
JP Morgan Chase Institute (2019)

My Household Finance Perspective On A Corporate Finance Topic

- **Corporations also** often have volatile incomes & limited liquid cash

  ➡️ Vulnerable to income/expenditure shocks
- Motivates policies to provide temporary liquidity relief
  - Aim to **prevent illiquid-but-solvent business failures**
  - Potential **cost** of inefficiently **keeping insolvent firms in business** (zombies)
- This paper studies the trade-offs of one such policy:

Commercial rent forbearance during COVID-19

A Very Well-Polished Graduated JMP! 🎓

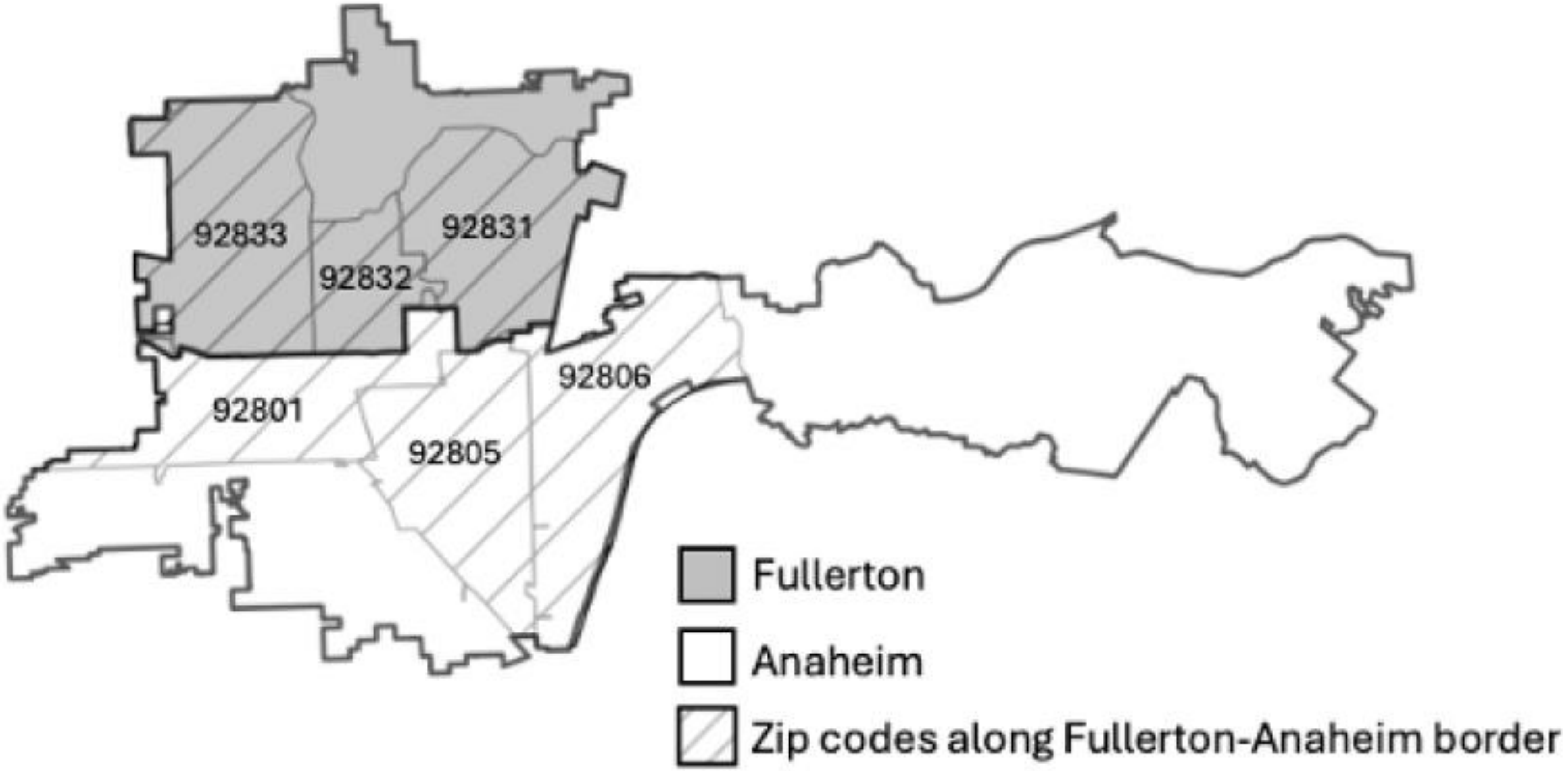
- Studies an important topic ✅
  - First-order classic literatures dating back to Schumpeter!
  - Learn about specific policy & COVID-19
- ***Very*** well-written ✅
- Neat data collection ✅
- I believe the paper's story! ✅
  - Moratorium ⬇️ closure rate of low-liquidity businesses
  - No clear evidence of strategic zombie survival
  - Low reallocation suggests benefit of supporting low-liquidity businesses going

- **My Discussion:** Suggestions to make the results more convincing

#1: COVID-19

General Challenge Of COVID-19 Research: Heterogenous Impacts of Pandemic AND Many Simultaneous Policies Endogenous to Pandemic

Bordering Zip Codes Is A Nice Way To Address

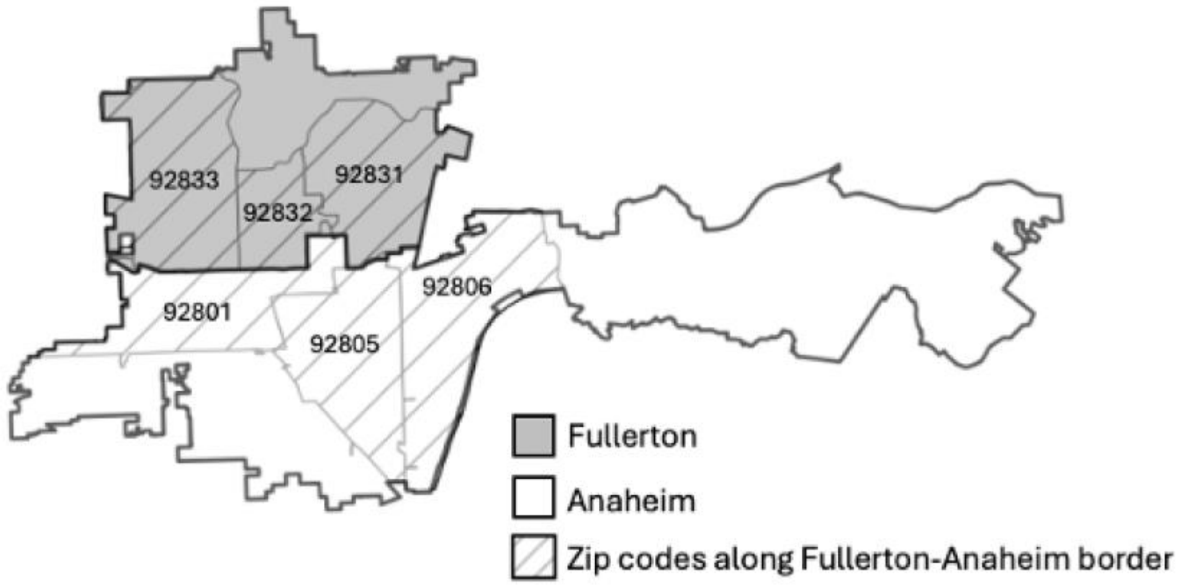


Do COVID-19 Impacts Vary Across Pairs?

- Would like to see COVID-19 impacts estimated over time
- I expect Anaheim's economy is more adversely affected (fewer tourists to Disney) than Fullerton ***irrespective of moratorium***

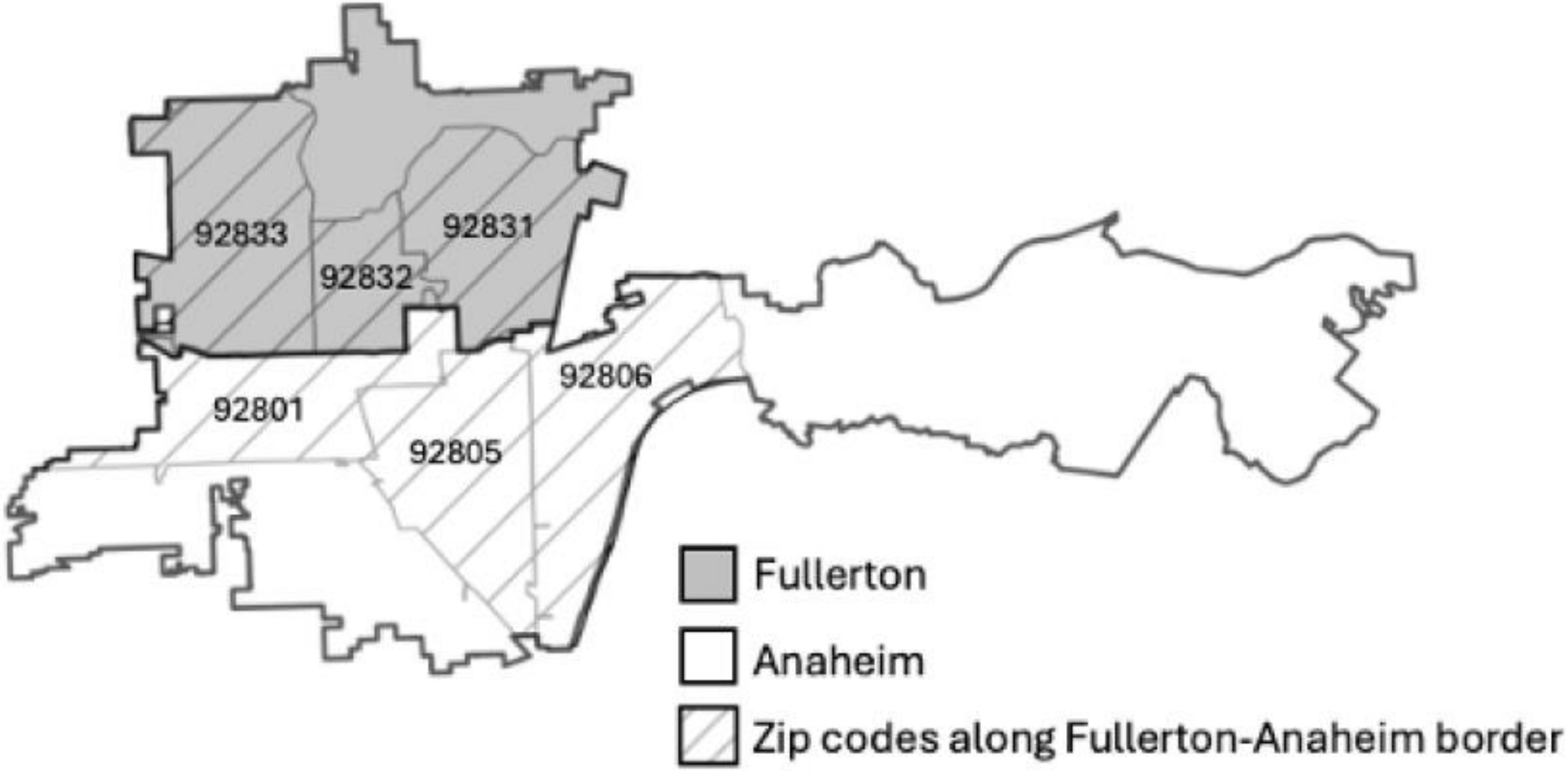
Suggestions?

- Examine COVID-19 outcomes
  - If no, effect. Reassuring!
  - If an effect, include time-varying COVID-19 and/or economics controls



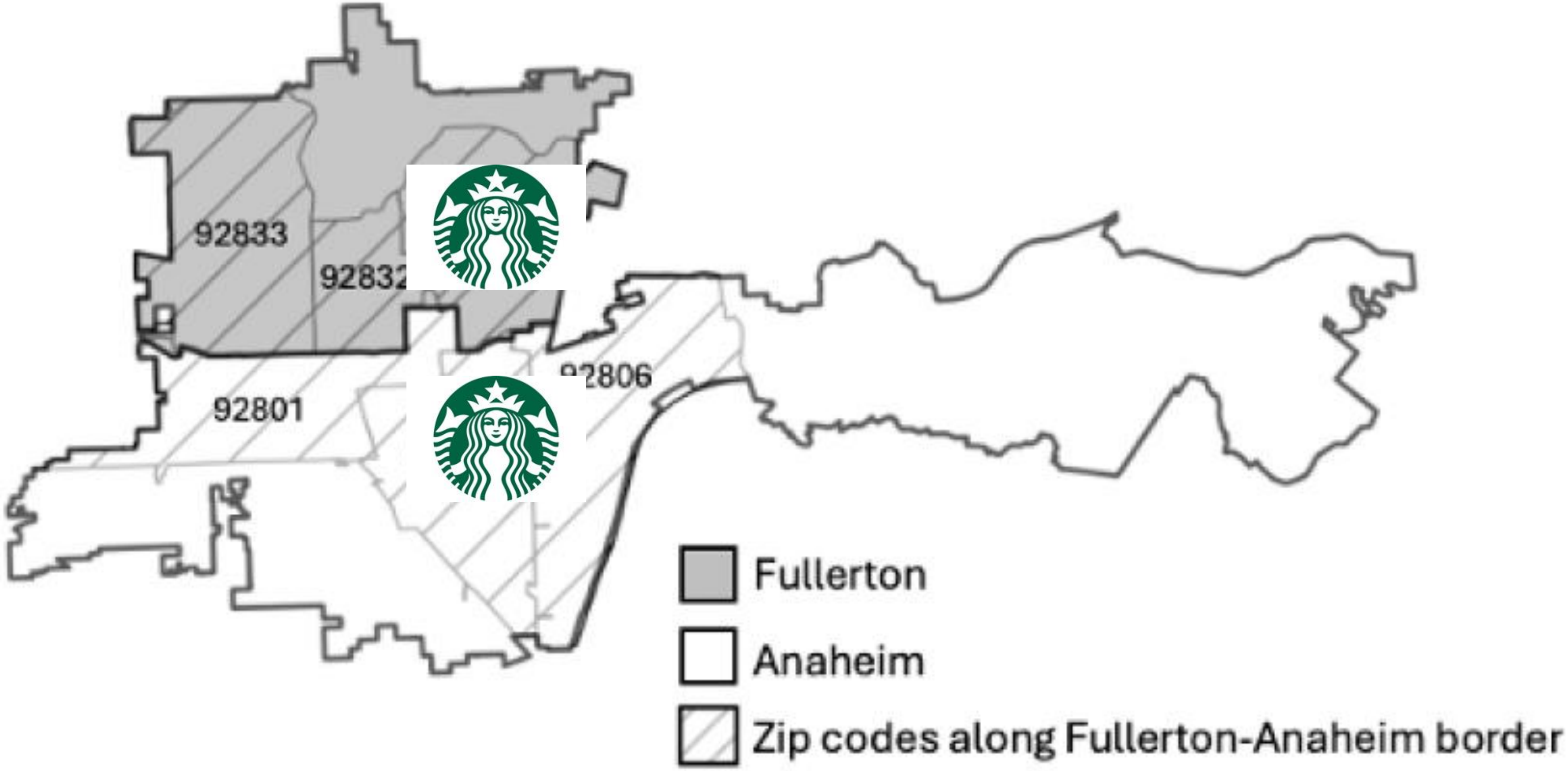
#2: Finer Comparison

Variation Compares Businesses In Same NAICS Sector Within City-City Pair e.g., “Accommodation & Food Services” Is 1 Group



Compare "Branded Businesses" e.g., Anaheim Starbucks vs. Fullerton Starbucks

- Applying same approach used for store openings
- Discuss how spillover effects may attenuate estimates here & existing designs



#3: Specifications

Business Closure Is Hard-to-Predict

	More liquidity-constrained sectors			Less liquidity-constrained sectors		
	Quarterly business closure (bps)			Quarterly business closure (bps)		
	(1)	(2)	(3)	(4)	(5)	(6)
Treated x Post	-8.729**	-8.777**	-8.803**	2.110	2.208	2.269
	(3.716)	(3.719)	(3.732)	(5.243)	(5.264)	(5.279)
Treated	Yes	Yes	Yes	Yes	Yes	Yes
Post	Yes	Yes	Yes	Yes	Yes	Yes
Fixed effects:						
City-city border	Yes	Yes	Yes	Yes	Yes	Yes
NAICS sector	No	Yes	Yes	No	Yes	Yes
Controls	No	No	Yes	No	No	Yes
Observations	2,586,512	2,586,512	2,586,512	835,148	835,148	835,148
R-squared	0.001	0.003	0.003	0.001	0.002	0.002

What Are The Baseline Business Closure Rates?
- Baselines Important To Interpret Magnitudes
- Expect Very Different Baselines Across Sectors

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Ideas To Tighten Analysis

Data Structure

- Is business no longer observed after closing? Suggest creating balanced panel
  - Binary only takes 1 in quarter of closing. Rare event! Closure is an absorbing state so in a balanced panel you could classify closures as 1s in quarters after closing
  - The less rare you make the binary outcome, the more power you have to detect

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Tighter Empirical Specifications

- **More granular time F.E**. instead of Post**:** Quarter or city-pair-by-quarter F.E.
- **More granular geographic F.E**. instead of additive city-city & sector**:** Industry-by-city-pair F.E. or create stacked DiD dataset (F.E. for each business)

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Scale up to get Treatment-on-the-Treated

- Any rough estimates of how many firms took up policy to delay rent?
- You are estimating ITT, but if low compliance then TOT may be much larger

Thank You!

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