

Aaa PROfile

Juan M. Licari, Senior Economist

By Amber Katz

Juan M. Licari joined Moody's Economy.com (MEDC) a little over a year ago as a Senior Economist and member of its Credit Risk Group.

The Credit Risk Group helps financial institutions model and forecast consumer and credit risk factors across all types of consumer debt, including consumer loans, mortgages, auto loans, credit cards, installment loans, lines of credit and more.

Specifically, Licari conducts detailed analysis on consumer credit, works on consulting projects with major banks and credit card companies, and uses econometric techniques to model credit risk phenomena.

He also works to incorporate economic stress testing and customized scenarios into existing Moody's products in coordination with the Moody's KMV and Moody's Investors Service research groups.

"The market need for simulations of this type are at an all-time record level," says Licari. "An integrated approach between credit risk and economic modeling can certainly enhance some of Moody's existing and prospective products."

In addition to scenario analysis, stress testing, and sensitivity analysis, Licari has also participated in projects that involved the incorporation of Moody's Economy.com macro and regional models into existing credit risk models. "We have used our expertise in econometric modeling to improve the

outputs of commercial risk modeling software. Analysts are typically asked about economic explanations for their findings when reporting to senior managers."

Why Join Moody's?

Along with Moody's brand recognition, the varied nature of his position is what initially attracted Licari to the firm. "Completely different projects come to our door every week," he explains. "Each involves new methodologies and there is always room for creativity."

Alternative thinking and strong problem-solving skills are also required on a daily basis, which Licari enjoys and keep him "motivated and active." He was particularly interested in joining the Credit Risk Group, which "has potential to become a leading growth driver for MEDC."

Contributing to Growth

Licari's job is directly related to Moody's growth since he brings a combination of expertise in standard credit risk modeling and a solid foundation in economic analysis. This is particularly relevant



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for projects involving the performance of lending portfolios and Basel II regulatory requirements. "Interacting with clients has provided me with precious information — understanding the products that market participants value the most," he says.

Licari holds a Ph.D. in economics from the University of Pennsylvania (Penn), received in only three years — a record for the university — and a master's and bachelor's degree from Penn and The National University of Cordoba, respectively. He was awarded several fellowships and prizes in recognition of his academic performance during his graduate studies.

When he's not at Moody's, Licari enjoys spending time with his wife, Daniela. He also is an avid fly-fisherman and captain of

Penn's alumni soccer team. Additionally, he helps his family run a real estate business in Argentina by being an external counselor for investment decisions and business plans and also helps with the fundraising process.

Helping out with the family business takes much of his spare time, but has provided Licari with first-hand experience with the real value of customer satisfaction, which he applies to his job at Moody's. "Though it cuts into my weekends, I really enjoy it. Not only do I get to help my family, but I am continuing to develop my business and managerial skills," he says. "I've learned that an unhappy investor can do some serious damage to the business, and even more so in an environment where reputation goes a long way!" ■