2022

Covid-19’s Impact on Financial Markets in Spain

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Department of Entrepreneurship: Connecticut College Senior Integrative Project

ENT 391: Independent Study

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December 20th, 2021

Acknowledgments

I want to thank my Senior Integrated Project advisor Noel Garrett for helping me throughout this journey. For the past few years, Noel has been an integral contributor to my success here at school. I thank him for meeting with me and spending hundreds of hours helping me navigate school, this project, and life. Additionally, I would like the most amazing librarian Andrew Lopez for sitting with me back in March of 2020 to outline this project. Andrew kindly assisted me all semester long by guiding me towards scholarly sources to consider while I conducted my research. I would also like to thank CISLA for an amazing three-year journey. Though the class of 2021 and my class did not get to the live out the traditional CISLA experience, CISLA made tremendous efforts to excel our learning. Furthermore, CISLA created an extensive course filled with a detailed schedule, which really held us all accountable to complete our projects and tasks. I truly appreciate this amazing program. Lastly, I would like to thank my mother, my brothers, and my friends for their continued support. I truly could not have done any of this without them.

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Introduction

What is the role of a marketplace? Who exactly benefits from it? Why do people care about the stock market and is a nation's stock market an accurate representation of their economic status? Fundamentally, it boils down to money. Investors with money want to create opportunities to expand their resources. On the opposite side, borrowers — people lacking capital—have opportunities that can allow them to grow. This relationship creates a market for investment banks to act as middlemen, allowing lenders and borrowers to help each other reach their goals. The government encourages this transaction because they hope these opportunities lead to jobs for civilians. Civilians acquire jobs and start making money, paying taxing, and leading successful lives bolstering the Gross Domestic Product, GDP, of its country. This market, the Financial Markets, historically contains three major asset classes: equities, fixed income, or cash equivalent instruments. In this paper, I will examine the relationship of this market, prior to the onset of the 2019 coronavirus, its impact during the global crisis, and its concurrent affects around the world but specifically in Spain.

The first major asset class and the most known are equities. For instance, borrowers make a company with a profound life changing idea. This idea grows exponentially when an investor puts capital towards the business in exchange for ownership. This ownership is defined as shareholders' equity or equity. Businesses that amass great success might decide to take their business public, through a process called, initial public offering, or IPO. The first round of financing is known as the primary market, where investors are seizing their investment opportunity before the public can participate. Next, comes the secondary market, where the underlying equity securities are bought and sold to public markets. These equity securities are sold in a marketplace called the stock market. The stock market is where retail investors, ordinary investors can buy individuals ownerships of companies they would like to invest in. Contemporary retail investors have recently used Robinhood — a commission-free investing platform— to execute their orders and manage their respective portfolios.

For more than two centuries' people have traded on stock markets. People buy and resell shares of different companies in the hopes to make some money. Investors who want to own a broader macro theme tend to buy, Exchanged Traded Funds, ETFs, which tracks these sectors directly through a collections of equities securities. These transactions are regulated by governing agencies to protect investors and are monitored via monetary policies by central banks. Central banks regulate the money supply and interests' rate to help prevent catastrophes.

The second major asset classes involve fixed income. Fixed income, or bonds, represents a loan from an investor to a borrower. Previously, a borrower had a business idea that resulted in jobs for others but lacked money to get their business running. A borrower could secure a bond which will give him or her the money necessary to start their company, while promising to repay the original capital plus interest. The bond market is significantly larger than equities. According to the Securities Industry and Financial Markets Association, SIFMA, the bond market is valued at $46 trillion in the United States, and $119 trillion worldwide. A key component of the bond market is to closely monitor interest rates.

Thirdly exists money market instruments. These refer to the most liquid instruments and they are debt investments. In the world of finance, short-term investments means less than a year, thus money market instruments are debt investments that mature within 365 days. This market is categorized with a higher degree of safety and a relatively lower rate of return. For instance, a commonly used instrument in this market is a Treasury bill or T-bill. T-bills are U.S government debt securities with a maturity of less than a year (Jason Fernando). Part of their attraction is its simplicity. Another popular money market debt security is commercial paper. These are short-term loans issued by corporations. Their maturities often range to no more than nine months, however, since they are slightly more risker than T-bill, they provided higher rate of return.

Countries enjoy the benefits of the equites, fixed income, money market, foreign exchange markets as it helps them expand their wealth. In fact, many of these countries developed their own exchanges to operates these services. Some of these countries' exchanges include the New York Stock Exchange, London Stock Exchange, Shanghai Stock Exchange, and Madrid Stock Exchange. In a normal day, the volume of a stock market is close to a billion. Large number of volumes ensures that countries that interact with the stock markets are investing in liquid assets.

On average, in the United States, the S&P 500, a common index benchmark comprised of the largest 500 companies, has historically returned 10% per year over the last century. This means that if you invest in the biggest American companies and continuous add more money to these investments, overtime, your returns will increase. Despite some years where markets will be negative and other years where it is exceeding expectation. Thus, for many investors, the stock market has proved to be a sanctuary, if investors seek to hold long-term, they are able to make stellar profits.

Financial markets sound like an amazing place, right? Well, like almost all good things, lie on cautionary tales that one should analyze. There exist some historical concerns investors worry about for example, over the past century, existed five crises: stock market crash of 1929, Black Monday crash in 1987, Dotcom bubble of 1999-2000, the financial crisis of 2008 and most recently the 2020 coronavirus crash. All these crises have entrenched horror into the lives of many investors worldwide. Moreover, these crises create a feeling of shared trauma, however, over time investors tend to learn valuable lessons from these experiences and begin to grow. For me, my most vivid experience began in late Christmas of 2019 while I was at home on break.

December of 2019 in Wuhan, China, emerged a virus that will inevitably change our lives forever. In an ensuing 23-month period, millions of people worldwide died from the novel Corona Virus. Millions lost their respective jobs or changed careers, markets rallied, and interest rates decreased, housing markets soared, and inflation increased due to a dearth of manufacturing chips. Around the world, governments reacted to the constant new developments of rising hospitalization, more confirmed COVID cases, and a never-ending loss of lives. Though the virus continues to affect us all, exactly how impactful will be viewed by historians? For almost 12 years, the world seemed to have flourish from its most recent crisis.

Prior to COVID-19, the most recent global crisis, the housing crisis, occurred in 2008 where millions of individuals defaulted on their mortgage loans, causing them to lose their homes, jobs, and their money. According to George Soros', "The Crash of 2008 and What it Means," the outbreak started in August of 2007. On August 6th, 2007, American Home Mortgage, "one of the largest U.S independent home loan providers," filed for bankruptcy due to being a "victim of the slump in the U.S housing market" (Soros). Consequently, the European Central Bank, ECB, provided 61 billion euros into the market, following a short-term credit market freeze created by BNP Paribas — a large French bank— suspending its investments funds equaling two billion euros. This chain of events eventually spiraled into several more and led to interesting turnouts around the globe.

The European Central Bank, prime component of the EuroSystem, supplied "47.7 billion euros into the money market," central banks in Japan and the United States followed, with smaller injections (Soros). Soros mentioned how, despite this crisis taking place in August, seeds first developed after the dotcom bubble and the 2001 terrorist attacks in New York. According to Soros, in response to both events, the Federal Reserve, the fed (American's central bank), lowered the federal funds rate — the rate at which banks can lend to one another — to about 1 percent. The Fed kept it "there until June 2004," which allowed for the housing bubble to form not only in America, but in the United Kingdom, Spain, and Australia. Ultimately, millions across the world were left ruined, and it took several years for the world to recover.

Countries learned a lot from this crisis, specifically Spain. In a recent Bruegel sponsored event, 2016, Federico Steinberg outlines the fallout of the crisis. First, in 2007 Steinberg states the strength of the Spanish's "solid banking system", when Spain entered the G-20. He proceeds to mentioned that despite the onset of the crisis occurring in Germany and the United States, it did not reach Spain until later. Steinberg further concludes that when the bailout does occur, it becomes costly for Spain, "by putting them in the problem of the Eurozone," the bailout last roughly 18 months (BruegelTV, 4:50).

COVID

Now, roughly 12 years later, we entered a new crisis, the coronavirus crash. In Mid-March of 2020, "most stock indices worldwide registered one of their worst days of trading history," which intuitively caused panic among investors (Fernando 2020; WEF 2020). That same month, the World Health Organization officially declared COVID-19 as a global pandemic crisis (WHO 2020). On March 23rd, 2020, the VIX, commonly referred as Wall Street's fear gauge, soared to \$67.13, a record since the 2008 crisis. Conversely, the fed lowered the federal funds rate to nearly 0 percent. Originally, the news struck fear, into the minds of many Americans as they dreaded the most recent crisis. Across the globe, countries like China, South Korea, Germany, Australia, and others closed and entered strict lockdowns.

When the coronavirus first struck, Italy became Europe's first epicenter by the numbers of confirmed cases and deceased people. At Connecticut College, there were students abroad living in Italy that had to returned to the United States due to the high increase in cases. Shortly thereafter, Spain became the next European epicenter. My girlfriend and I book tickets to Madrid 3 days before President Trump announced that the United States would not close the border for incoming flights. This major announcement created an intense fear in the markets. People became frighten about the uncertainty of this new virus and it reflected in both the decrease in the 10-year treasury bond yield's interest rates and the sudden increase in the VIX's volatility price.

According to the US National Library of Medicine National Institutes of Health, the first confirmed COVID-19 case in Spain occurred on January 31st, 2020 (Josefa Henríquez). A German tourist visited the island of La Gomera and within a month, there were 100 confirmed cases (Henríquez). During this time, most people did not understand what the coronavirus was nor its implications. We were all unaware of how this virus would soon change our lives forever. Spain declared a state of alarm, on March 14th, 2020, with 7,658 confirmed cases and 285 reported deaths roughly a week after Italy imposed their nationwide lockdown (Henríquez). By March 29th, the number of confirmed cases increased, and Spain imposed tighter lockdown measures. All non-essential activities were completely halted.

Prior to the shutdowns, markets were performing well, especially in the United States. Surprisingly, considering the lower fed fund rate, higher VIX, and overall concerns of markets, it ended up being an exceptional year for equities and fixed income. Many investors feared their markets would be in a down year however it turned out to be one of the best performing 12-months in recent memory. Despite even an overwhelming year: with the onset of COVID-19, George Floyd's protests, 100,000 US COVID-19 deaths, President Trump's positive COVID test, overall presidential elections, and the early 2021 capital insurrection, markets soared.

One of the major hallmarks of 2020 occurred on May 25th, 2020, as George Floyd was murdered by a police officer. This tragic event ignited a series of protests around the United States. These protests, led by the Black Lives Matter movement, changed the financial industries. More firms made an initiative to make changes within their employees and sought more diversity candidates. Across Wall Street, leadership made verbal commitments to invest more in African American talent. More firms looked to start diversifying its employees. Eventually, I became one of the beneficiaries.

Another major component during the onset of the pandemic, was the uproar in confirmed cases around the world. Roughly two months after President Trump announced a lockdown of businesses, various countries implemented their own restrictions to curtail cases. On April 10th, 2020, Spain had 200,000 cases which led to lock-down measures halting economic activity. During this time, President Trump announced that non- US citizens could no longer enter the country. In response, Spain implemented various fiscal changes.

Part of the issue however with Spain implantation of these new changes was where they should allocate its funds. Since Spain was negatively impacted by the virus — having the highest number of confirmed COVID-19 cases in Western Europe— a new problem emerged after they receiving a generous portion of the European Union recovery funds: making use of this new found money, or a someone put it, "This is not a crisis of dough, it is a crisis of ideas," suggesting that changes needed to be implemented but not knowing where to park them (Belen Carreño). Up until September of 2020, Spain had slumped roughly "18.5 percent in the second quarter", which was a "contraction only exceed by Britain (Carreño)."

The major fiscal change Spain implemented came in the form of immediate fiscal impulse, according to the Bruegel, this is defined as "additional government spending," (Bruegel). These sorts of measures, "immediately lead to deterioration of the budget balance without any direct compensation later (Bruegel)." Spain responded with €53.8 billion in immediate fiscal impulse. Some of the larger components included €2.9 billion to regional governments to cover extraordinary medical expenses, €1.4 billion in a contingency fund towards covering urgent medical needs, €11 billion on tranches of the 'Fondo COVID-19'for credits towards regional governments, and €58 million in research funding (Bruegel)." These responses were copied by most European countries as many followed similar actions.

The second major response, deferrals: deferring payments, helps companies and investors temporarily improves their liquidity positions. Spain responded with €557 million in 6-month moratorium of social security, €11.6 million in delayed tax debt payments, and €96 million in modified corporate income tax payments (Bruegel). Deferring these payments allow investors to maintain liquidity and essentially provides investors oxygen.

Thirdly, the final response many countries implemented were other liquidity provisions and guarantees including export guarantees liquidity assistance and credit lines through national development banks (Bruegel). One of the responses addressed the tourism sector since people no longer visited some of Spain's famous sites. Roughly €400 million, to support firms and self-employed workers in the tourism sector. Additionally, €1.2 billion in a guarantee program for vulnerable tenants and €100 billion in credit guarantees programs towards companies that were re-financing (Bruegel). Spain's government provided more stability by pumping more liquidity to its sectors.

These fiscal responses were also directly correlated to Spain's unemployment rate. In finance, the unemployment rate represents the percentage of the labor force that is jobless. According to TradingEconomics, Spain's unemployment rate in January 2020 was 13.78 percent and by December 2020, Spain's unemployment rate increased to 16.26 percent (TradingEconomics). Unemployment rate tends to be a great indicator of a country's ability to recover during an economic crisis. Getting more individuals to work means that they will receive more money, which in turn, means that those individuals can purchase items from businesses, thus, helps the economy. Prior to the pandemic jobs were already difficult to come by especially for Spain's youth. Moreover, the pandemic worsens this reality. One of Madrid's benchmark indices is the IBEX, or Índice Bursátil Español, and it tracks the 35 most liquid stocks traded on the Spanish exchange. On February 14th, during the first apex of the pandemic, the IBEX 35 closed at €9,956. Within a month it plummeted to as low as €6,443.

A few months later, the European Commission recommended EU governments spend from the recovery package towards "green energy, transport and investment in digitalization," a decision that would be decided by Spain's Prime Minister Pedro Sanchez (Carreño). Also, Brussels approved a 21-billion-euro soft loan for Spain to finance employment support schemes to alleviate pressure on the Treasury (Carreño).

Mid-COVID-19

You might have seen something on the news regarding Special Purposes Acquisitions Companies, SPACs. It refers to when a company is created "solely to raise capital with the goal of merging or acquiring an existing company" (Julie Young). In 2010, two SPACs came into market. By 2020, "247 SPACs were created with $80 billion," and by May 2021, 295 newly formed SPACs recorded $96 billion. Interestingly, in an environment where the consensus hinted that those markets would be down for a long time, led to the opposite outcome. Markets completely flourished: investors had an incredible record-breaking year.

Throughout this record-breaking year in the markets, protests, and increased worldwide coronavirus cases, President Trump gets a positive result. Now —by this point in early October of 2020— President Trump has continuously derided both COVID-19 virus and people who wore masks. President Trump got infected a month before election day. According to CNBC, historically, markets are volatile leading into elections. Following President Biden's win, European stocks closed "sharply higher" (Elliot Smith and Holly Ellyatt). Interestingly, Paul Craig, portfolio manager at Quilter Investors described Biden's victory as "first major step back to normality," since Biden hinted, he would handle the coronavirus situation differently than President Trump (Smith and Ellyatt). Previously, President Trump did not advocate for mask mandates nor did he use the same lockdown initiatives as other countries around the world did. From a personal perspective, during this time the major outcome I noticed were in his loyal fanbase. His positive test result only further entrenched Trump's supporters' views about the virus. Elsewhere, many countries around the world saw Biden's win as an opportunity for America to restore many of its fallen relationships that occurred under Trump's leadership (Nic Robertson). Many bridges were burned during Trump's reign and for some people the presence of a respectable individual in power was gone. Thus, investors felt hopeful and optimistic that things would return somewhat back to normal.

Under Trump's leadership, many of our relationships with our allies were in jeopardy. President Biden vowed, however, to be more friendly with them. One country however that he did not mentioned was China. Trump's administration had previously bashed China for their practice. Trump wanted America to exert itself as a manufacturer to limit China's growth.

Likewise, President Biden shares similar views with Trump on China and has maintain to qualify their growth.

One aspect of growth that continues to increase is Trump's core fan base. In President's Trump final month in office a riot broke out in Washington D.C. Many views this capital riot as the erosion of American democracy, however, around the world markets were unbothered. For the most part, the 10-yield interest rate remained relatively low, markets rallied, and investors kept looking forward. Moreover, cemented investors optimists towards possibly returning to normality once Biden official took over.

Reopening

When Biden's turn did finally come in late January, more coronavirus cases were confirmed, and more lockdowns worldwide continued. Undoubtably, people realized that this virus was not going anyone, and investors' fears shift from the virus to two things: the unemployment rate and inflation. Additionally, a new problem emerged which originated during the pandemic: a dearth of labor and manufacturing chips. The pandemic caused governments to implement stimulus into their economies and get money in the hands of businesses and its citizens so that they can spend it back onto the economy. Unfortunately, to help millions of Americans survived, the United States government was also giving aid through its unemployment benefits. Citizens were receiving enough money at home, not working, then if they had performed labor. Thus, Americans did not feel incentivize to seek work. In an environment where residents do not want to work because they are receiving assistance from the government makes it difficult for things to get done. Thus, prices of normal goods and services slowly but surely start to rise. Workers who developed and manufacture vital items such as chips start to delay their outputs. Eventually, fewer chips' leads to yet again rises in overall prices of items such as gaming devices, cell phones, cars, washing machines and refrigerators. Over time, an "increase of average price level in a basket of normal goods," occurs or inflation, and if not handled correctly can be detrimental to global markets (Fernando).

Meanwhile, during Biden's first few months in office, President Biden made a big announcement: his goal of reaching 70 percent of American adults to be fully vaccinated by July 4th. This news came roughly a month after both Pfizer and Moderna received emergency approval to distribute their mRNA vaccines. Countries worldwide sought to receive the new mRNA vaccine. This announcement set the tone around the world as many countries attempted to vaccinate its citizens to bolster their economies to hopefully return to normality. Normality includes no virtual contact. No zoom or virtual gatherings. Despite, the fact that banks on Wall Street flourished virtually in 2020 people missed the idea of going back to their offices to make business transactions and work on different trading ideas in person. What people did not foresee was that a virtual-hybrid model would become the world's new norm.

According to USA Facts, during March of 2021, in the United States roughly 50,000,000 million people or 15 percent of the adults were fully vaccinated (USA Facts). As American citizens, I felt thrilled about the possibility of returning to a time where COVID-19 did not exist. Originally, I planned to study abroad in Seville, Spain to learn more about the unemployment rate and the markets from a first-hand perspective. Unfortunately, that did not transpire, however, my friends and I felt joyful and optimism since we had all received our vaccination shots and for the most part there was beginning to feel like there was an end in sight. Though, I did not get to go to Spain to learn in person about their financial markets, I did get the opportunity to work at a sales and trading internship for a ten-week internship. During my time at this internship, I got to learn more about the financial products I mentioned earlier.

Additionally, I got to see what sorts of information drove markets and how different investors viewed financial concepts. One of the many big themes prevalent all throughout the country that summer became the Fed's chairman and his navigation on inflation and the supply chain.

Across the Atlantic Ocean in Spain, inflation and the unemployment also served to be major important components as more coronavirus cases increased. According to Camilo Ulloa of BBVA, "inflation returned after nine months of falling prices," which led to overall annual decline of -.3% in 2020 (Camilo Ulloa). They placed on sudden rise of these prices due to "economic downturn, fear of infection, and specific restrictions on movement," which limit social interactions (Ulloa). Sequentially, in Spain there has also been a decline in demand for fuels and services that are linked to leisure, hospitality, transport, and tourism, meanwhile the demand for food increased. Food's price increased whilst the fuels and services' price dropped.

According to Bank of Spain Governor Pablo Hernandez, he foresees Spain's economy being hit by supply bottlenecks, continued rising inflations and more coronavirus outbreaks across Europe (Jesús Aguado and Emma Pinedo). This does not surprise me as the new infamous strain is still in its infancy. Although, we've seen multiple mutations before, there's not much certainty around Omicron. Thus, it is reasonable for investors to continue to have fears on inflation rising, continued shortages of workers, and continued supply bottlenecks. I believe Spain will be able to reflect on how it handled the previous year's variant and will execute a strategy to buoy their economy.

Currently, in December 2021, we are in the midst of, yet another variant mutation dubbed by the World Health Organization as Omicron. As of right now, in Madrid, the Omicron variant accounts for 30% of diagnosed cases (Isabel Valdés and Güell Oriol). Catalan governments are enforcing close contacts to quarantine even if they are fully vaccinated. This percentage drops to between 7 and 13 percent in other healthcare centers in Andalusia (Valdés and Oriol). Moreover, Juan Carlos Galán, chief virologist at the Ramón y Cajal Hospital, said “The speed with which the omicron strain is spreading is much greater than what we detected with delta or alpha,” suggesting that this new strain is far more contagious than its predecessors. Nonetheless, almost two years after the first confirmed case, we find ourselves in a similar position as before. The only difference is that although the uncertainty of these coronavirus remain, society seems to come to acceptance that it is not going anywhere. Markets are going to continue to move forward and decline. Investors have bounced back their investments will continue to flourish.

Conclusion

In a 23-month period, beginning in January of 2020 until December of 2021, so much has happened. Most notably, the emergence of a global pandemic that would ultimately change the lives of everyone in the world. Prior to this pandemic, the world has generally been prospering from the most recent 2008 housing bubble crisis. US markets recovered and soared since early 2010. Unfortunately, at the very start of the coronavirus outbreak, markets crashed, interests rate plummeted, countries went on strict lockdowns and thousands of people became infected. It would have been very plausible however to assume that markets would mirror the housing bubble crisis and continue to contract, however, it ended up being an amazing year in equities led by a rise in SPACs.

Despite an epic year in the SPAC market, more countries obtain higher confirmed cases of COVID-19. Eventually, multiple variants developed which would consequentially erode markets and create more fear. Two of the biggest developments from the virus became a shortage of labor and semiconductor chips. These chips are used for everyday items and a dearth of workers led to goods and services not being provided. This combination led to a slow rise in inflation in many countries around the world. Throughout this stretch, Spain implemented a series of new fiscal changes to eases peoples' worries. Nonetheless, in December of 2021 exist yet another contagious mutation of the coronavirus variant called Omicron. This new strain places fears in the hearts of many investors worldwide. Investors now find themselves in similar positions to January of 2020. My prediction is that the coronavirus is likely here to stay for the foreseeable future. Intuitional investors, retail investors, and countries are going to have to buoy their earnings.

The reason I make this prediction is because humans have always found a way to bounce back. We strived for our goals, fail, get up and learn from our mistakes and move on. Reminiscing back to 2008 housing bubble, millions of people lost their job, livelihood, and their homes. Companies went bankrupt, some governments lost a lot of capital and markets contracted. With that being said a few years later many countries, people and investors around the world were able to recover. I believe the same will occur this time around. Yes, at the time of this research there is not much certainty surrounding the Omicron variant. However, I can assure you in a few months' time, there will be yet another more contagious, deadly variant, followed by another one. For the foreseeable future it is reasonable to assume that our world's current dearth of semiconductor chips will linger. But history has taught us is that humans are resourceful, gritty, determined and are resilient. Spain will continue to recovery just like other countries around the world. Some countries may take longer than others but eventually there will be a light at the end of this very dark tunnel. I like to share with you a quote, by Christine Caine which reads, "Sometimes when you're in a dark place you think you've been buried, but you've actually been planted," and I believe this to be our case. Countries around the world will recover. Spain's unemployment rate will continue to drop, and inflation will eventually decrease. Strict lockdowns will be lifted, the workforce will come back, and society will eventually return to a stable normality.

CISLA Addendum

CISLA Questions:

1. How do the multiple origins and power dynamics of contemporary society impact us today?
2. How can one's History (personal, national, institutional) shape possibilities for the future?
3. How can we address the material, spiritual, and ethical challenges facing us today?

As I write this, roughly three weeks before I graduate from Connecticut College, I am reminiscing back to the spring of 2020, when 30 of my peers and I enrolled into IS 201. Life often shares its many lessons in a variety of ways. One of which that deeply humbled me came from that course. We spent two weeks discussing and understanding the intricacies of our positionalities. I grew up in the Bronx, as a first-generation Latino, living below the poverty line in a single mother household. As our professor asked us to reflect on our positionalities, I could not help but ponder if I had any privileges? Most of my life I constantly had to battle to strive upward, yet here I was struggling to come up with any sort of inherit privileges. Eventually, I did jot down some of my disguised privileges. The lesson I learned from this activity, however, ultimately changed my mindset towards life: everyone is shaped by their positionalities and everyone's unique backgrounds are the factors that lead people off to their incredible journeys.

My peers began to discuss some of their privileges. Some mentioned that simply being a male in this world was an advantage in the work environment. Men do not have to consider their work salaries being different from women. Others mentioned how simply being an American can be seen as a privilege. For instance, Americans do not have to worry about their visas when they apply for work opportunities within the states. As a sophomore, I originally questioned "how does this activity related to what we will do in CISLA," then I realized that soon, we will be off in our respective countries. Each country has their specific history, customs, and traditions that differ from ours. Therefore, it became clear we will have to deeply respect, appreciate, and understand the places we will travel to. In this reflection, I will address the following question: How can one's history (personal, national, institutional) shape possibilities for the future? I will discuss my personal, national, and institutional history and address how they have shaped my future.

Personal

The more I reflect about one's history shaping your future, the more I ponder over my life journey and how it has affected me. I grew up in the Bronx, New York, in a single-mother household with two older brothers. I did not grow up with my father, nor did I have any relationship with him, however, that did not matter to my mother. My mom often tells me, "hijo, soy tú mama y tú papa en está casa," which means, son, I am both your mother and father in this household. Additionally, we did not grow up with much, we remained under the poverty line and lived in government assisted section 8 housing. Every day, I saw her get up at 6am to walk a few miles to work where she's a house attendant taking care of the elderly. She would always return home by 6pm and every day I was always fed. If you were to ask me then, I wouldn't have said that I was poor, in fact, I felt like any other ordinary kid in my neighborhood.

Judging by my personal experience, it is not unreasonable to assume my future could have been limited. Statistically, most low-income students from the Bronx do not get offers to attend boarding schools, NESCACs, nor receive full-time offers to prominent investment banks. It would be more reasonable to assume that I wouldn't receive a college education or more likely end up hanging out with the wrong crowd. Thankfully, that was not the case for me, or a few of my closest friends in similar situations. If anything, I learned that one's personal experiences are what makes one's future opportunities possible. For instance, from a young age my mother instilled in me positive values such as hard-work, grit, and having a vision. If I grew up in different circumstances, perhaps, I would be more content in life and not be as motivated to go after new experiences.

National

As a Dominican-American, it is important that I address my privileges. First, I have an American passport. I can travel to 180 countries for short term trips without a visa and travel abroad with relative ease. Part of what drew me into CISLA is the study abroad component. When I speak with my friends who are international students, they tell me how difficult it is for them to travel here or obtain visas. Most of them must find a job that will sponsor them if they would like to stay in this country after graduation. My next privilege is that I can apply for green cards for my relatives. Millions of people leave their homes that are filled with violence to venture to the United States knowing there's a possibility they might not be permitted in. What happens then for their futures? It is important for me to realize that if I ever decided to pursue international business for a career, my future's possibilities exist, whereas, for other people sometimes this is not the case.

One of the biggest privileges that America provides me is the opportunity to do whatever it is I desired. I live in a country where someone with my background can run for president. In a country such as Saudi Arabia for example, women are not even allowed to vote, let alone hold a public office. I live in a country where a good portion of the world's Black billionaires are Americans, and where our vice president is a female. The biggest take away from my time with

CISLA is that I need to not only be aware of my current positionality in this world, but also recognize what it means for me in terms of my possibilities and how to be an effective contributor to society.

Institutional

I will forever be grateful for the opportunities Connecticut College has given me. When I decided to transfer from SUNY Buffalo State to here, I valued Conn's holistic profile. A liberal arts education develops vital skills needed to be successful in life such as communication, critical thinking, problem solving, analytical, and being able to apply these tools in real life situations. I'm thankful that I did not attend a school where I would be limited to one trait. Moreover, I am simply grateful that Connecticut College has allowed me to be an independent learner, capable of trying new things and doing the best that I can.

My brother often tells me, "If you want to make God laugh, tell him your plans." If someone told me back in middle school where I would be in 10 years, I would have looked at you and laughed. That is to say, no one truly knows where life will ever take them. However, it is best to be adequately prepared so that you can jump on any and every opportunity that comes your way. That's what my liberal arts education has provided me. My institutional experience has opened a variety of doors for me that I am not sure would have been possible elsewhere.

One of the many doors I plan on exploring is postgraduate education, specifically, MBAs. One of the schools I plan to apply to mission's statements reads, "We educate leaders who make a difference in the world." I have always wanted to make an impact in the world through business and through my professors, peers, and advisors' help, I believe that I can. And what better way to start than to get more education to sharpen your tools.

The lessons I learned at school also serves as pillars in my ability to become a contributing member in my community. In anticipation for my CISLA abroad experience and internship in Spain I took several Spanish courses. I took a class my fall semester of 2020 that really resonated with me called SPA 334: "Undocumented Hispanic Immigrants". During this time, President Trump and Biden competed in a contentious presidential election. In this class, we watched several documentaries about ICE police officers raiding immigrants' homes. My classmates and I quickly understood our positionality as American citizens. We understood that those immigrants' families, simply wanted to have a better life. I can remember in one of the Netflix series, an Israelian father, whose visa expired, watched his mother died on her hospital bed, he watched as her eyes closed for the last time on facetime because he realized if he left the country, he risks not ever coming back in. As an American, I have the privilege of having more life opportunities. My possibilities are shaped by my American identity and for me they are vast.

Professional

Understanding my positionality became a crucial component during my summer internship. This past summer, I interned at an investment bank, UBS, where I spent 10 weeks rotating across multiple divisions within the bank. Historically, Wall Street has been home to affluent white men. Over the years, different diversity candidates have entered the field, however, the overwhelming majority remains white men. Thankfully, my intern class this summer was very diverse in terms of ethnicities, genders, and sexual orientations. Investment banking overall is a relationship driven business. Fundamentally, banks on Wall Street all give essentially the same services and products. What separates each bank apart are its people. My unique background contributed value to my coworkers. For instance, my peers attended ivy league institutions such as Wharton and Harvard, while I at attend Connecticut College. Those schools are target schools since their curricula covers a lot of the components needed to succeed in finance. My college experience, specifically with CISLA, gave me the tools I needed to contribute meaningfully.

The tools CISLA gave me were becoming culturally sensitive, a politically informed, and being socially engaged leader in society. Our world is constantly evolving, and life can sometimes be a sink or swim atmosphere. Thus, for me, I chose the latter. One of the projects I had during my summer internship was to conduct a mock pitch to a hypothetical start-up. This hypothetical start-up hedge fund was comprised of my co-workers, a solid ten individuals will over 15 years of experience each. Now, I have givens hundreds of presentations before but this one felt different. It was different because, essentially, I was selling the bank’s products to my co-workers who were all professional salesmen. I couldn’t con my way out of this, and everything I said had to be on point and on target. All my critical thinking skills, analytical, and communication skills were really being put to the test here. Thankfully, I went back to the basics that CISLA taught me. I researched, planned, and detailed every possible thing I could present and gave a stellar final presentation.

Conclusion

No one truly knows where their lives will take them, but this is not necessarily a bad thing. In fact, if there is anything that I have learn is that one’s history can be a guiding blueprint of their future possibilities. For me, as a Bronx Native, Dominican-American, and Connecticut College CISLA scholar has led me to where I am today and where I will go in the future. I would urge you to reflect on your past experiences and how have they shaped you today. Where do you envision yourself five years from now and have your past journeys helped prepare you for that potentially journey? Though, it is important to recognize one's positionality, as it can be an obstacle towards that path, don't let it discourage you from exploring new things.

As I reflect on my life's journey, I now realized that every decision I have made has undoubtably led me to where I am at. The discussion my 30 classmates and I shared in early spring of 2020, shaped my perspective on what it means to be an informed leader. It made me realize that everyone's positionality is unique to them and it acts as our distinct DNA building blocks that has shaped our respective paths. Moving forward, I plan on continuing this incredible journey and exploring what else is out there for me. I hope to remain a learner, and I know that where I will go is a tribute to where I have been, and I am beyond exciting to see what is in store for me.

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