

















Job Market Candidates 2011











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Name/Address/Phone <i>(click name for CV)</i>	Fields of Interest	Job Market Paper Title	References
<p><u>Abo Zaid, Salem</u> Economics Department, Ben-Gurion University, P.O. Box 653, Beer-Sheva, 84105, Israel +972-50-7487005</p>  	<p>Primary: Monetary Economics, Macroeconomics</p> <p>Secondary: International Economics, Computational Economics</p>	<p><i>Optimal Long-Run Inflation with Occasionally-Binding Financial Constraints</i></p>	<p>Chugh, Sanjay (Chair) Shea, John Mendoza, Enrique</p>
<p><u>Armenta, Armando J.</u> 31 SE 5th St., Apt. 3011, Miami, FL 202-436-5977</p>  	<p>Primary: International Finance, Macroeconomics</p> <p>Secondary: Financial Economics, Monetary Economics</p>	<p><i>Capital Inflows, Financial Development and Credit Constraints at the Firm Level</i></p>	<p>Vegh, Carlos (Chair) D'Erasmus, Pablo Korinek, Anton</p>
<p><u>Bailey, Paul</u> 327 13th St. SE Washington, DC 20003 202-425-6612</p>  	<p>Primary: Labor Economics, Applied Microeconomics</p> <p>Secondary: Public Finance</p>	<p><i>The Role of Class Difficulty in College Grade Point Averages</i></p>	<p>Hellerstein, Judith (Co-Chair) Wallis, John (Co-Chair) Haltiwanger, John</p>

<p><u>Bandeh-Ahmadi, Aye</u> 603 P Street NW, Washington, DC 20001 530-304-4261</p>  	<p>Primary: Industrial Organization, Financial Economics, Applied Microeconomics</p> <p>Secondary: Computational Finance, Econometrics, Labor Economics</p>	<p><i>Evaluating the Role of Editorial Decisions on Innovation Landscapes</i></p>	<p>Rust, John (Chair) Murrell, Peter Jin, Ginger</p>
<p><u>Bengui, Julien</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 301-792-8082</p>  	<p>Primary: Macroeconomics, International Finance</p> <p>Secondary: Banking, Monetary Economics</p>	<p><i>Macro- Prudential Policy Coordination and Global Regulatory Spillovers</i></p>	<p>Korinek, Anton (Co-Chair) Mendoza, Enrique (Co-Chair) Vegh, Carlos</p>
<p><u>Burkett, Justin E.</u> 1201 East West Hwy. Apt 208, Silver Spring, MD 20910 202-271-6854</p>  	<p>Primary: Auctions, Game Theory</p> <p>Secondary: Industrial Organization, Econometrics</p>	<p><i>Endogenous Budget Constraints in Auctions</i></p>	<p>Ausubel, Lawrence (Chair) Cramton, Peter Vincent, Daniel</p>
<p><u>Chugh, Randy</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 202-297-2425</p>  	<p>Primary: Environmental Economics, Empirical Industrial Organization</p> <p>Secondary: Transportation, Computational Economics</p>	<p><i>Dieselization of the Indian Car Market, an Empirical IO Perspective</i></p>	<p>Cropper, Maureen (Chair) Williams III, Roberton Rust, John</p>
<p><u>Federico, Pablo M.</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 240-595-7580</p>  	<p>Primary: International Finance, Financial Economics</p> <p>Secondary: Macroeconomics, Monetary Economics</p>	<p><i>Addressing Systemic Liquidity Risk- Taking of Banks in Emerging Markets</i></p>	<p>Reinhart, Carmen (Co-Chair) Vegh, Carlos (Co- Chair) Korinek, Anton Kyle, Albert</p>

<p><u>Fendoglu, Salih</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 240-413-7437</p>  	<p>Primary: Macroeconomics, Monetary Economics</p> <p>Secondary: International Finance, Computational Economics</p>	<p><i>Optimal Monetary Policy Rules, Financial Amplification and Uncertain Business Cycles</i></p>	<p>Aruoba, Boragan (Co-Chair) Chugh, Sanjay (Co-Chair) Korinek, Anton</p>
<p><u>Fort, Teresa</u> 1811 Metzert Road, Apt.901, Adelphi, MD 20783 703-727-8890</p>  	<p>Primary: International Trade, Industrial Organization</p> <p>Secondary: Applied Microeconomics, Political Economy</p>	<p><i>Breaking Up Is Hard To Do: Why Firms Fragment Production Across Locations</i></p>	<p>Haltiwanger, John (Co-Chair) Limão, Nuno (Co- Chair) Shea, John</p>
<p><u>Joo, Hyunsoo</u> 7104 Swansong Way Bethesda, MD 20817 240-678-2299</p>  	<p>Primary: International Finance</p> <p>Secondary: Macroeconomics, Econometrics</p>	<p><i>Country Risk Premia and Real Exchange Rates Under Alternative Exchange Rate Regimes</i></p>	<p>Végh, Carlos (Chair) Korinek, Anton D'Erasmus, Pablo</p>
<p><u>Knaup, Amy</u> 505 Roosevelt Blvd., B702, Falls Church, VA 22044 202-657-5178</p>  	<p>Primary: Development Economics</p> <p>Secondary: Labor Economics, Applied Microeconomics</p>	<p><i>Risk, Consumption Insurance, and Migration</i></p>	<p>Betancourt, Roger (Co-Chair) Lafortune, Jeanne (Co-Chair) Guiteras, Raymond</p>
<p><u>Li, Xue</u> 4307 Rowalt Drive, Apt. 103, College Park, MD 20740 301-222-7615</p>  	<p>Primary: Labor Economics, Public Finance</p> <p>Secondary: Development Economics</p>	<p><i>Why Is the Sex Ratio Unbalanced in China? The Roles of the One-Child Policy, Underdeveloped Social Insurance and Parental Expectations</i></p>	<p>Rust, John (Chair) Jin, Ginger D'Erasmus, Pablo</p>

<p><u>McArthur, David</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 512-762-5698</p>  	<p>Primary: Applied Microeconomics, Industrial Organization</p> <p>Secondary: Information Economics, Computational Economics</p>	<p><i>Information Contagion</i></p>	<p>Rust, John (Chair) Jin, Ginger Filiz-Ozbay, Emel</p>
<p><u>Mimir, Yasin</u> 3406 Tulane Dr., Apt 13, Hyattsville, MD 20783 240-429-2675</p>  	<p>Primary: Macroeconomics, Banking</p> <p>Secondary: International Finance, Computational Economics</p>	<p><i>Financial Intermediaries, Credit Shocks and Business Cycles</i></p>	<p>Aruoba, Boragan (Co-Chair) Chugh, Sanjay (Co-Chair) Kalemli-Ozcan, Sebnem Mendoza, Enrique</p>
<p><u>Moore, Timothy J.</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 301-442-1785</p>  	<p>Primary: Public Finance, Health Economics</p> <p>Secondary: Labor Economics</p>	<p><i>The Employment Effects of Terminating Disability Benefits: Insights from Removing Alcohol and Drug Addictions as Disabling Conditions</i></p>	<p>Kearney, Melissa (Chair) Duggan, Mark Evans, William Ham, John</p>
<p><u>Ramesh, Shrayes</u> 8504 16 St. #718, Silver Spring, MD 20910 703-675-1166</p>  	<p>Primary: Political Economy, Public Economics</p> <p>Secondary: Industrial Organization, Public Finance</p>	<p><i>Campaign Contributions: Constituency Concerns or Committee Power?</i></p>	<p>Drazen, Allan (Co- Chair) Jin, Ginger (Co- Chair) Vlaicu, Razvan</p>
<p><u>Sbrancia, M. Belén</u> 3105 Tydings Hall, Department of Economics, University of Maryland, College Park, MD 20742 202-236-9153</p>  	<p>Primary: International Finance</p> <p>Secondary: Political Economy</p>	<p><i>Debt and Inflation During a Period of Financial Repression</i></p>	<p>Reinhart, Carmen (Co-Chair) Végh, Carlos (Co- Chair) Korinek, Anton</p>

<p><u>Sosa-Padilla-Araujo, Cesar</u> 4850 Connecticut Ave. NW, Apt 721, Washington, DC 20008 240-351-1754</p>  	<p>Primary: International Finance, Macroeconomics</p> <p>Secondary: Monetary Economics, Computational Economics</p>	<p><i>Sovereign Defaults and Banking Crises</i></p>	<p>Mendoza, Enrique (Co-Chair) Reinhart, Carmen (Co-Chair) D'Erasmus, Pablo</p>
<p><u>Szott, Aaron</u> 3105 Tydings Hall, Department of Economics, University of Maryland. College Park, MD 20742 917-445-0419</p>  	<p>Primary: Development Economics</p> <p>Secondary: Labor Economics, Public Economics</p>	<p><i>Rainfall Shocks and Human Capital</i></p>	<p>Hellerstein, Judith (Chair) Lafortune, Jeanne Guiteras, Raymond</p>

SALEM ABO ZAID

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ACADEMIC POSITIONS

Post-Doctoral Fellow, Department of Economics, Ben-Gurion University, 2011-2012.

EDUCATION

Ph.D. Economics, University of Maryland, College Park, MD, 2011.
M.A. Economics, Ben-Gurion University, Beer-Sheva, Israel, 2003.
B.A. Economics, Ben-Gurion University, Beer-Sheva, Israel, 2001.

DISSERTATION

“Essays on the Optimal Long-Run Inflation Rate”
Committee: Prof. Sanjay Chugh (Chair), Prof. John Shea, Prof. Enrique Mendoza.

FIELDS OF SPECIALIZATION

Primary: Monetary Economics, Macroeconomics.
Secondary: International Economics, Computational Economics, Public Economics.

PUBLICATIONS

“Inflation Targeting: a Three-Decade Perspective,” *Journal of Policy Modeling*, forthcoming. (with Didem Tuzemen).
“The Trade–Growth Relationship in Israel Revisited: Evidence from Annual Data, 1960-2004,” *Review of Middle East Economics and Finance*, 2011, Vol. 6 (3), pp. 1-31.
“Sticky Wages, Incomplete Pass-Through and Inflation Targeting: What is the Right Index to Target?” *Journal of Economics and Econometrics*, 2010, Vol. 53 (1), pp. 28-58.

WORKING PAPERS

“Optimal Monetary Policy and Downward Nominal Wage Rigidity in Frictional Labor Markets,” *Revise and Resubmit, Journal of Economic Dynamics and Control*.
“Optimal Long-Run Inflation with Occasionally-Binding Financial Constraints,” *Under Review*.
Presentation: 2010 Computing in Economics and Finance, City University London.
Presentation: 2010 Midwest Macroeconomics Meetings, Michigan State University.
“Optimal Capital-Income Taxation in a Model with Credit Frictions,” *Mimeo, Ben-Gurion Uni*.
“Optimal Monetary Policy with the Cost Channel and Monopolistically-Competitive Private Banks,” *Work in progress*.

TEACHING EXPERIENCE

Instructor, Principles of Macroeconomics, Summer 2008, Winter 2009, Summer 2009, Winter 2010, Summer 2010 and Summer 2011, University of Maryland. Computer Methods in Economics, Summer 2011, University of Maryland. Economic Theory-Macro, Fall 2011, Ben-Gurion University.
Teaching Assistant, Intermediate Microeconomics, Spring 2007; Intermediate Macroeconomics, Fall 2007 and Spring 2008; Principles of Microeconomics, Fall 2008 and Spring 2009; Intermediate Macroeconomics for Economics Majors, Fall 2009 and Spring 2010, University of Maryland.
Teaching Assistant, Undergraduate Courses, 2001-2003, Ben-Gurion University.

RESEARCH/WORK EXPERIENCE

Economist, The Research Department, Bank of Israel, Jerusalem, 2005-2006.
Economist, The Adva Center, Tel-Aviv, 2005-2006.
Economist, The Van-Leer Institute, Jerusalem, 2004-2006.
Research Assistant, for Professor *Dov Chernichovsky*, Ben-Gurion University, 2001-2002.

AWARDS

Graduate Assistantship, University of Maryland, 2006-present.
Jacob K. Goldhaber Award, for Travel to the CEF conference, Summer 2010.

REFERENCES

- | | | | |
|-----------------------|----------------------------|--|----------------|
| Prof. Sanjay Chugh | University of Maryland | chughs@econ.umd.edu | (301) 405-3515 |
| | Boston College (Jan. 2012) | sanjay.chugh@bc.edu | |
| Prof. John Shea | University of Maryland | shea@econ.umd.edu | (301) 405-3491 |
| Prof. Enrique Mendoza | University of Maryland | mendoza@econ.umd.edu | (301) 405-3548 |

THESIS ABSTRACT

Part I: “Optimal Long-Run Inflation with Occasionally-Binding Financial Constraints” (Job Market Paper)

This paper studies the optimal inflation rate in a simple New Keynesian model with occasionally-binding collateral constraints that intermediate-good firms face on hiring labor. For empirically-relevant degrees of price rigidity, the optimal long-run annual inflation rate is around half a percent, whether it is TFP risk or markup risk that is the source of uncertainty in the economy. The shadow value on the collateral constraint is akin to an endogenous cost-push shock. Differently from usual cost-push shocks, however, this shock is asymmetric as it takes non-negative values only. Inflation is positive when the collateral constraint is binding and it is zero when it does not. Since the mean of this asymmetric endogenous cost-push shock is positive, inflation is also positive on average. In addition, a binding collateral constraint resembles a time-varying tax on labor, which the monetary authority can smooth by setting a positive inflation rate. More generally, the basic result is related to standard Ramsey theory in that optimal policy smoothes distortions over time.

Part II: “Optimal Monetary Policy and Downward Nominal Wage Rigidity in Frictional Labor Markets”

Empirical evidence suggests that nominal wages in the U.S. are downwardly rigid. This paper studies the optimal long-run inflation rate in a labor search and matching framework under the presence of Downward Nominal Wage Rigidity (DNWR). In this environment, optimal monetary policy targets a positive inflation rate; the annual long-run inflation rate for the U.S. is around 2 percent. Positive inflation “greases the wheels” of the labor market by facilitating real wage adjustments, and hence it eases job creation and prevents excessive increase in unemployment following recessionary shocks. These findings are related to standard Ramsey theory of “wedge smoothing”; by following a positive-inflation policy under sticky prices, the monetary authority manages to reduce the volatility and the size of the intertemporal distortion significantly. The intertemporal wedge is completely smoothed when prices are fully flexible. Since the optimal long-run inflation rate predicted by this study is considerably higher than in otherwise neoclassical labor markets, the nature of the labor market in which DNWR is studied can be relevant for policy recommendations.

Part III: “Sticky Wages, Incomplete Pass-Through and Inflation Targeting: What is the Right Index to Target?”

This paper studies strict monetary policy rules in a small open economy with Inflation Targeting, incomplete pass-through and rigid nominal wages. The paper shows that, when nominal wages are fully flexible and pass-through is low to moderate, the monetary authority should target the Consumer Price Index (CPI) rather than the Domestic Price Index (DPI). When pass-through is high, an economy with high degrees of nominal wage rigidity and wage indexation should either target the CPI or fully stabilize nominal wages. These results suggest that, by committing to a common monetary policy in a common-currency area, some countries may not be following the right monetary policy rules.

PERSONAL INFORMATION

Nationality: Israeli; Gender: Male.

Languages: Arabic (Native), Hebrew (Fluent), English (Fluent)

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EDUCATION

- Ph.D. Economics, University of Maryland, College Park, expected May 2012
- M.A. Economics, University of Maryland, College Park, May 2010
- M.A. Economics, Universidad de los Andes, Bogotá, Colombia, March 2005
- B.A. Economics, Universidad de los Andes, Bogotá, Colombia, September 2003

DISSERTATION

Financial Development and Credit Constraints at the Firm Level: Theory and Evidence
Committee: Professor Carlos Vegh (Chair), Professor Anton Korinek, Professor Pablo D'Erasmus

FIELDS OF SPECIALIZATION

Primary: International Finance, Macroeconomics
Secondary: Financial Economics, Monetary Economics

PAPERS AND PUBLICATIONS

Capital Inflows, Financial Development, and Credit Constraints at the Firm Level (2011)
Job Market Paper

Relaxing Firms' Financial Constraints in Emerging Markets: Capital Inflow Booms, Exchange Rate Regimes, and Sectoral Tradability (2011)
IMF Working Paper (forthcoming). (With Nicolás Magud and Sebastián Sosa)
Presented at the IMF's WHD Seminar on August 24th, 2011

Historia Monetaria de Colombia en el Siglo XX: Grandes Tendencias y Episodios Relevantes (2006). Chapter in: *Economía Colombiana del Siglo XX. Un análisis cuantitativo*. James A. Robinson, Miguel Urrutia (Eds.). Fondo de Cultura Económica, 2007.
(With Fabio Sanchez and Andres Fernandez) ISBN-10: 9583801399

Balance of Payments Crises under Fixed Exchange Rate in Colombia: 1938-1967 (2006)
Document CEDE No. 8 (With Fabio Sánchez and Andrés Fernandez)

RESEARCH EXPERIENCE

- International Monetary Fund, Western Hemisphere Department, Washington, DC*
Intern, Summer 2011
- Inter-American Development Bank, Southern Cone Department, Washington, DC*
Intern, Summer 2010
- International Monetary Fund, Western Hemisphere Department, Washington, DC*
Research Assistant, Summer 2011
- Universidad de los Andes, Centro de Estudios sobre Desarrollo Económico, Bogotá, Colombia.* Junior Researcher, 2004-2007

TEACHING EXPERIENCE

- Instructor, Introduction to Macroeconomics, University of Miami, Fall 2010*
- Instructor, International Economics, University of Maryland, Summer 2010*
- Teaching Assistant, Intermediate Macroeconomics, University of Maryland, Spring 2010*
- Teaching Assistant, Introduction to Macroeconomics, University of Maryland, Fall 2009*
- Instructor, International Economics, University of Maryland, Summer 2009*
- Teaching Assistant, Introduction to Macroeconomics, University of Maryland, Spring 2009*
- Teaching Assistant, Introduction to Microeconomics, University of Maryland, Fall 2008*

REFERENCES

Carlos Vegh	vegh@econ.umd.edu	University of Maryland	(301) 405-3546
Anton Korinek	korinek@econ.umd.edu	University of Maryland	(301) 405-4536
Carmen Reinhart	creinhart@piie.com	Peterson Institute	(202) 328-9000
Pablo D'Erasmus	derasmo@econ.umd.edu	University of Maryland	(301) 405-3529

THESIS ABSTRACT

*Part I: Capital Inflows, Financial Development, and Credit Constraints at the Firm Level.
[Job Market Paper]*

Large capital inflows are associated with more volatile macroeconomic outcomes in emerging markets relative to developed economies. Financial constraints have been alleged as sources of amplification in macroeconomic aggregates. I explain the different response to large capital inflow periods, both at an aggregate and firm level, as arising from different degrees of financial development and their relation with the pervasiveness of credit constraints. I find empirically, employing firm level data for 42 countries, that firms in emerging economies exhibit a relatively larger loosening in the cost of borrowing, appreciation in equity prices, and decrease in financial constraints during periods of large capital inflow. In the theoretical analysis, I solve a heterogeneous agent model in which the share of borrowing constrained agents depends on the level of financial development. I show that a period of large capital inflow, exogenously caused by easier global financial conditions, causes an increase in the value of firms' collateral that relaxes borrowing constraints and generates an amplified response at the firm and aggregate level.

Part II: Relaxing Firms' Financial Constraints in Emerging Markets: Capital Inflow Booms, Exchange Rate Regimes, and Sectoral Tradability (With Nicolás Magud and Sebastián Sosa)

We focus on the microeconomic effect of capital inflow bonanzas in emerging economies by using firm-level data across 17 countries from 1990 to 2009. We show that during capital inflow booms, firms' financial constraints are significantly relaxed, and this effect is (i) stronger in countries with more rigid exchange rates; (ii) more evident in firms in the non-tradable sector; and (iii) present regardless of the composition of capital inflows. These findings suggest that periods of large capital inflows relax borrowing constraints beyond the usual channel of an increase in the supply of equity through an increase in the collateralizable value of firms' assets.

ADDITIONAL INFORMATION

Gender: Male
Languages: English (Fluent), Spanish (Native)
Citizenship: Colombian, US Permanent Resident

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EDUCATION

- Ph.D. Economics, University of Maryland at College Park, expected May 2012
M.S. Statistics, University of Chicago, June 2006
Graduate coursework in Applied Mathematics, New York University, 2001-2002
B.A. Chemistry, Grinnell College, May 2000

DISSERTATION

"Essays on College Student Performance"

Committee: Prof. Judith Hellerstein (Co-Chair), Prof. John Wallis (Co-Chair), Prof. John Haltiwanger

FIELDS OF SPECIALIZATION

Primary: Labor Economics, Applied Microeconomics
Secondary: Public Finance

PAPERS AND PUBLICATIONS

- "The Role of Class Difficulty in College Grade Point Averages," *Job market paper*.
"External Dosimetry in the Aftermath of a Radiological Terrorist Event," 2006. *Radiation Protection Dosimetry*, proceedings of the 14th International Conference on Solid State Dosimetry. (with G. Klemic, K. Miller and M. Monetti)
Invited presentation: 14th International Conference on Solid State Dosimetry, Yale University, New Haven, CT, July 1, 2004.
"Measurement of the Flux and Energy Spectrum of Cosmic-Ray Induced Neutrons on the Ground," 2004. *IEEE Transactions on Nuclear Science*. 51 (6): 3427-24. (with M. Gordon, P. Goldhagen, K. Rodbell, T. Zabel, H. Tang, and J. Clem)
"A New Tool for Analysis of Cleanup Criteria Decisions," 2003 *Health Physics*, 85: S25-S30. (with G. Klemic and D. Elcock).
"Stereochemistry of Platinum Complexes of the Neutral Amino Acids Allylglycine, -S-methylcysteine, Methionine, and Corresponding Sulfoxides," 2003. *Inorganica Chimica Acta*, 346:169-180. (with L. Erickson, T. Kimball, and B. Morgan)

TEACHING EXPERIENCE

Instructor, Computer Methods in Economics, University of Maryland, Fall 2009, Fall 2010, Spring 2011, Fall 2011
Teaching Assistant, Intermediate Microeconomic Analysis, University of Maryland, Spring 2010

RESEARCH/WORK EXPERIENCE

Research Assistant for Prof. John Haltiwanger, U.S. Census, September 2007—July 2009
Research Assistant for Prof. James Heckman, National Opinion Research Center, May 2006—July 2006
Radiation Physicist, U.S. Environmental Measurements Laboratory, New York, NY, July 2000—May 2006.
Research Assistant for Professor Luther Erickson, Grinnell College, Grinnell, IA
September 1999—June 2000.

AWARDS

University of Maryland Fellowship, 2006-2007
Patent No. 7,420,187 “Citizen's dosimeter,” 2008
Patent No. 7,781,747 “Very thin dosimeter filters and low profile dosimeter incorporating the same,” 2010
IEEE/ANSI Standards Committee Membership (N42), 2002-2006
American Institute for Chemists Award, Grinnell College, 2000
ACS Undergraduate Analytical Chemistry Award, Grinnell College, 1999
Luther Erickson Summer Research Fellow, Grinnell College, 1999

REFERENCES

Judith Hellerstein	University of Maryland	hellerst@econ.umd.edu	(301) 405-3545
John Wallis	University of Maryland	wallis@econ.umd.edu	(301) 405-3552
John Haltiwanger	University of Maryland	haltiwan@econ.umd.edu	(301) 405-3504

THESIS ABSTRACT

Part I: The Role of Class Difficulty in College Grade Point Averages. Job market paper.

Grade Point Averages (GPAs) are widely used as a measure of college students' ability. Low GPAs can remove a student from eligibility for scholarships, and even continued enrollment at a university. However, GPAs are determined not only by student ability but also by the difficulty of the classes the student takes. When class difficulty is correlated with student ability, GPAs are biased estimates of students' abilities. Using a fixed effects model on eight years of transcript data from one university with one fixed effect for student ability and another for class difficulty, I decompose grades at the individual student-class level to find that GPAs are largely not biased. Eighty percent of the variation in GPAs is explained by student ability, while only three percent of the variation in GPAs is explained by class difficulty. This estimation is carried out using an ordered logit estimator to account for the ordered but non-cardinal nature of grades. Performing a fixed effects decomposition with a non-linear estimator and two sets of fixed effects is a difficult task, so I employ a Quasi-Newton estimator that efficiently uses computer resources to find the maximum likelihood estimator.

Part II: Are Low Income Students Diamonds in the Rough?

Consider two students who earn the same SAT score, one from a lower-income household and the other from a higher-income household. Since educational expense is a normal good, the lower income student will, on average, have had a less well-resourced primary and secondary education. The lower income student may therefore be stronger than their higher income counterpart because they have earned an equally high SAT score despite a lower quality pre-collegiate environment. If this is the case, once the two students start attending the same college—and school spending becomes more similar—the lower income student's in college performance should be relatively higher. I test this theory by using eight years of data from the University of Maryland to compare students' college grade point averages from various family income levels. Results show that lower income students are in fact “diamonds in the rough”: lower income students have surprisingly high outcomes, conditional on their SAT scores. This result also gives insight into the production function of human capital. Specifically, a common assumption made in the economics of education literature is that first differenced human capital accumulation rates are independent of ability because ability is already represented in the test used as a base period. This result contradicts that assumption, and shows that SAT is not a perfect measure of underlying ability.

ADDITIONAL INFORMATION

Gender: Male

Citizenship: USA

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected June 2012
M.A. Economics, University of Maryland at College Park, December 2008
B.S. Physics & Economics (double major), California Institute of Technology, June 2002

DISSERTATION

Industry Structure of Innovation Landscapes: Case Studies in Public Firms and Editorial Decisions
Committee: Prof. John Rust (Chair), Prof. Peter Murrell, Prof. Ginger Jin

FIELDS OF SPECIALIZATION

Primary: Industrial Organization, Financial Economics, Applied Microeconomics
Secondary: Computational & Network Economics, Econometrics, Labor, Technical Change and R&D

PAPERS AND PUBLICATIONS

“Evaluating the Role of Editorial Decisions on Innovation Landscapes” (Job Market Paper)
“Industry Structure and Its Determinants” (working paper, Presented at Workshop on Information Networks, NYU Stern 2011)
“Defense Firm Mergers and Acquisitions,” Institute for Defense Analyses (IDA) Paper P-4602 Volumes 1 & 2
“Tailoring Active Duty Commitments for Reserve Component Service Members,” IDA Paper NSP-4751.
(Presented at Western Economics Association Meeting 2011)

TEACHING EXPERIENCE

Instructor, Workshop on Empirical Tools for Network Economics, Univ. of Maryland, 2011
Tutor (Game Theory, Adv. Macroeconomics, Microeconomics), Univ. of Maryland, 2006-present
Algebra & Geometry Tutor, Building Better Futures, Alexandria City Public Schools, 2005-2010
Founding Co-Director, IDA Educ Outreach Program (five-time award-winning 50-person program), 2004-present
Teaching Assistant, California State University Sacramento: Algebra I & II, Summer 1995, 1996.

WORK EXPERIENCE

Research Assistant, Prof. John Rust, University of Maryland, September 2006 – present
Research Assistant, Prof. Robert Axtell, George Mason Univ. Center for Social Complexity, 2009-2010
Adjunct Research Staff, Institute for Defense Analyses (IDA), 2002 - present
Led development of economic models and optimal contracts for managing military labor force, estimating terrorism risks in financial sector, and advising on competition/innovation effects of mergers & acquisitions for research sponsors including Depts of State, Treasury, Homeland Security, Defense, NSF & White House.
Senior Scientist & Advisor, Quid Inc. (formerly YouNoodle), 2009 - present
Developed algorithms for identifying and analyzing multi-sided industries & competitors among startups and innovation industries as well as their investors, attracting \$10M investment, featured in BusinessWeek, Harvard Business Review, and briefed to Prime Minister of UK, Office of Secretary of Defense, & others.
Consultant, MergeGlobal Inc., 2002
Physicist, Lawrence Livermore National Lab, 1996 - 1999

AWARDS

Graduate Assistantship, University of Maryland 2006-2011
NIST Technology Innovation Program Scholarship, 2010-2011
Robert Noland Leadership Award & Scholarship, Caltech 2002
John Isaacs Scholarship, Calif State Science Fair (\$10,000), 1998
Richard Hayman Scholar, Caltech 2001-2002
Robinson Scholarship, Caltech 1999-2001
Kanel Foundation Scholar, Caltech, 1999-2002

REFERENCES

John Rust	University of Maryland	jrust@gemini.econ.umd.edu	(301) 405-3489
Peter Murrell	University of Maryland	murrell@econ.umd.edu	(301) 405-3476
Ginger Jin	University of Maryland	jin@econ.umd.edu	(301) 405-3484

SELECTED PAPERS*“Evaluating the Role of Editorial Decisions on Innovation Landscapes” (Job Market Paper)*

Through semantic and econometric analysis of paper revisions, referee reviews, and citations from editorial databases covering 2004-2009, I study the determinants of editorial and referee decisions as well as the information content of referee review. I disambiguate referee language that are significant predictors of referee scores versus predictors of eventual citations, developing an estimator of potential impact for all reviewed submissions, published or unpublished. I also measure submissions' textual overlap with past accepted articles in the same journal. Using these metrics, I develop and estimate a model of editorial decision-making over submissions' impact potential, accuracy, fit within a journal's niche and other characteristics. I present results on editorial and referee preferences over these characteristics as well as bias for mentions of the editors' own work throughout the evaluation process.

“Industry Structure and Its Determinants” (working paper, Presented at WIN, NYU Stern 2011)

Using textual analysis of business descriptions from public filings of over 24,000 companies in the CRSP/COMPUSTAT merged database, this work develops a network representation of relationship strength between firms. The study findings together with past work on textual determinants of firm competitors make a strong case for the networked nature and complex structure of relationships between companies rather than distinct markets or even isolated multi-sided market relationships typically studied in economic literature. This complexity of relationships between firms and markets raises questions about the nature of concentration and the role of a firm's environment in determining positive/negative spillovers it experiences, incentives for innovation and other firm behavior, as well the lifecycle and dynamics of firms and markets. Here, I extend past work on industry structure by decomposing the economic factors that contribute to the strength of textual overlap. By estimating an econometric model of co-movement amongst various firm factors, I identify and decompose textual factors associated with different types of firm relationships including co-movement of growth in R&D, sales, advertising, and labor force. I show that these factors are independent of each other and significant for understanding market structure and predicting innovation outcomes. Finally, I develop a theoretical framework for studying why such multi-sided relationships between firms emerge and evolve.

“Mortgage Markets with Lender Competition and Asymmetric Information” (working paper)

This analysis introduces a theoretical framework for assessing empirical discussion of asymmetric information amongst mortgage lenders and adds the idea of lender competition into this framework. Results are generally consistent with previous findings that diversified lenders will act as uninformed investors, selling most of their mortgages and making less profit off each mortgage while concentrated lenders do the opposite. However, if lenders can resell mortgages in a setting (either directly or via securitization) where information-sharing is allowed, diversified lenders will still be able to extract full profit.

“How do Navy Officers Respond to Changes in Pay & Commitments: A Dynamic Retention Model for Evaluating Changes in the Critical Skills Retention Bonus” (working paper, IDA)

This paper offers a dynamic retention model of the Navy Surface Warfare Officer population. I estimate officers' annualized decisions to stay in the military, leave, or make additional commitments in exchange for a Critical Skills Retention Bonus using a thirty-year time horizon, random-effects expected utility model incorporating a taste distribution for military service that is fitted to data on actual stay and leave rates. Results show significant expected variation between retention of officers with different levels of prior enlisted service, which points to the potential for meeting labor demand with prior-enlisted officers at mid-career levels, and show significant potential cost-savings may be possible by increasing bonuses associated with additional commitments.

PERSONAL INFORMATION

Citizenship: U.S. **Gender:** Female **Languages:** English, Farsi (native); German (int); Arabic, Spanish (basic)

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EDUCATION

Ph.D. Economics, University of Maryland, College Park, expected May 2012
M.A. Quantitative Economics and Finance, University of St.Gallen, Switzerland, November 2005

DISSERTATION

“Essays in Financial Market Imperfections and Macro-Prudential Policy”
Committee: Prof. Anton Korinek (Co-Chair), Prof. Enrique Mendoza (Co-Chair),
Prof. John Shea, Prof. Carlos Vegh

FIELDS OF SPECIALIZATION

Primary: Macroeconomics, International Finance
Secondary: Banking, Monetary Economics

PAPERS

“Macro-Prudential Policy Coordination and Global Regulatory Spillovers,” (Job Market Paper)
Presentations: Federal Reserve Bank of New York, Federal Reserve Board (scheduled)
“Systemic Risk and Inefficient Debt Maturity”
Presentations: 2011 European Meeting of the Econometric Society, Bank for International Settlements, 2011 American Economic Association Annual Meeting, 2010 Latin American and Caribbean Economic Association Annual Meeting, 2010 ECB-CFS Conference on Macro-Prudential Issues
“A Theory-Based Measure of Cross-Country Differences in Financial Development,” with Enrique Mendoza and Vincenzo Quadrini (in progress, for *April 2012 Carnegie-Rochester Conference on Public Policy*)
“Consumption Baskets and Currency Choice in International Borrowing,” with Ha Nguyen (in progress)
“Segmented Prudential Regulation and Systemic Risk: Spillovers and Amplification” (in progress)

TEACHING EXPERIENCE

Teaching Assistant, International Macroeconomics with Incomplete Markets and Financial Frictions, UMD, Spring 2010 (PhD Level, taught by Prof. Enrique Mendoza)
Instructor, Money and Banking, UMD, Winter 2010
Teaching Assistant, Globalization and Capital Markets, UMD, Fall 2009
Teaching Assistant, Financial Markets and the Macroeconomy, UMD, Spring 2009
Teaching Assistant, Money and Banking, UMD, Fall 2008
Teaching Assistant, Mathematics for Economic Analysis, UMD, Spring 2008
Teaching Assistant, Principles of Macroeconomics, UMD, Fall 2007

RESEARCH EXPERIENCE

Dissertation Intern, Federal Reserve Bank of New York, Summer 2011
Research Assistant for Prof. Enrique Mendoza, Fall 2009, Spring 2010, Spring 2011
Research Assistant for Prof. Anton Korinek, Spring 2009
Research Assistant, Swiss National Bank, Research Department, Zurich, April 2006 to June 2007

AWARDS

Anne G. Wylie Dissertation Fellowship, Graduate School, University of Maryland, 2011
Summer Research Fellowship, Graduate School, University of Maryland, 2010
1st prize Fellowship for best third-year paper, Department of Economics, University of Maryland, 2010
Summer Research Fellowship, Department of Economics, University of Maryland, 2010
Janggen-Poehn Foundation Scholarship (Swiss private foundation), 2008
Graduate Assistantship, University of Maryland, 2007-present

REFERENCES

Prof. Anton Korinek	University of Maryland	akorinek@umd.edu	(301) 405-4536
Prof. Enrique Mendoza	University of Maryland	mendozae@econ.umd.edu	(301) 405-3548
Prof. Carlos Vegh	University of Maryland	vegh@econ.umd.edu	(301) 405-3546

THESIS ABSTRACT

Part I: Macro-Prudential Policy Coordination and Global Regulatory Spillovers. (Job Market Paper)

This paper analyzes the extent to which achieving the financial stability objective of banking regulation requires international policy coordination. A two-country model of systemic liquidity risk-taking is studied, where pecuniary externalities and financial market imperfections provide a rationale for macro-prudential regulation. Curbing risk-taking via regulation lowers the price of liquidity during crises and thereby reduces the costs associated with market incompleteness, but it also distorts productive investment decisions. Optimal regulation therefore trades off an improvement in exchange efficiency with a deterioration in production efficiency. But while the production efficiency costs are incurred domestically, the exchange efficiency benefits are global in nature due to pecuniary externalities operating across borders. Absent international coordination, this results in national authorities regulating their financial systems too lightly in an attempt to free-ride on foreign liquidity provision when a crisis materializes. The theory also outlines a channel by which tighter regulations in a given country induce more risk-taking abroad and implies that national macro-prudential policies are strategic substitutes across countries.

Part II: Systemic Risk and Inefficient Debt Maturity.

This paper analyzes private debt maturity choices in a dynamic macroeconomic model in which financial frictions give rise to systemic risk in the form of amplification effects, and shows that decentralized maturity decisions may result in a socially excessive reliance on short-term debt. Long-term liabilities provide insurance against shocks to the asset side of the balance sheet, but they come at an extra cost. The debt maturity structure therefore maps into an allocation of aggregate risk between lenders and leveraged borrowers, and fundamental shocks propagate more powerfully in the economy when the maturity is shorter. The market equilibrium is not constrained-efficient as borrowers fail to internalize their contribution to systemic risk and take on too much short-term debt in a decentralized economy. Macro-prudential policy in the form of a tax on short-term debt can lead to Pareto improvements and result in less volatile allocations and asset prices. A tax amounting to half of the term premium reduces the long-run probability of crises by a factor of eight.

ADDITIONAL INFORMATION

Gender: Male
Languages: French, English, German (fluent), Spanish (fair knowledge)
Citizenship: Switzerland
US Visa: J1 (not subject to two year rule)

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012
B.A. Economics and Philosophy *Summa Cum Laude*, Washington Univ. in St. Louis, 2004

DISSERTATION

"Essays on Auction Theory"
Committee: Prof. Lawrence Ausubel (Chair), Prof. Peter Cramton, Prof. Daniel Vincent

FIELDS OF SPECIALIZATION

Primary: Auctions, Matching, Game Theory
Secondary: Industrial Organization, Econometrics

PAPERS

"Endogenous Budget Constraints in Auctions," *job-market paper*
Presented at the 2011 North-American ESA Conference
"Allocative Externalities in Multi-Unit Auctions," *working paper*
"An Ascending Auction Game with Budget Revisions," *work in progress*
"Endogenous Budget Constraints in Auctions: An Experiment," *work in progress*
(with Emel Filiz-Ozbay)

TEACHING EXPERIENCE

University of Maryland:

Instructor, Methods and Tools for Econ. Analysis, Summer, Spring 2011; Fall, Summer 2010
Teaching Assistant, Economic History and Modern Development, Spring 2010
Teaching Assistant, American Economic History Before the Civil War, Fall 2009, Fall 2008
Teaching Assistant, Intermediate Microeconomic Analysis, Spring 2009
Teaching Assistant, Principles of Microeconomics, Spring 2008, Fall 2007

WORK EXPERIENCE

Consultant, Power Auctions, Washington D.C., 2009 – present.
Consultant, Burns & Associates, Washington D.C., 2006 – 2007
Consultant, EP&P Consulting, Inc., Washington D.C. 2004 – 2006

AWARDS

Roger and Alicia Betancourt Fellowship in Applied Economics, 2011
National Science Foundation Fellow at the Lindau Meetings of Nobel Laureates in Economic Science, 2011
Graduate Assistantship, University of Maryland, 2007 – present
Frank W. Taussig Award, 2005
Olin Prize for Economics, 2004
Phi Beta Kappa, 2004

REFERENCES

Prof. Lawrence Ausubel University of Maryland ausubel@econ.umd.edu (301) 405-3495
Prof. Peter Cramton University of Maryland pcramton@gmail.com (240) 479-9345
Prof. Daniel Vincent University of Maryland dvincent@umd.edu (301) 405-3485

DISSERTATION ABSTRACT

Part I: "Endogenous Budget Constraints in Auctions," Job-Market Paper

Budget constraints in auctions for valuable assets introduce strategic considerations for the bidders that are not present in the standard auction models. The existing literature argues that they are significant, in that important results from the standard auction literature no longer apply when budget constraints are present. A textbook example is that the well-known revenue equivalence theorem fails to hold in the presence of budget constraints. However, the models generating these results assume that the process generating the budget constraints is unaffected by a change in auction rules (i.e. the budget constraints are exogenous).

This paper investigates the consequences of modeling budget constraints as an endogenous choice. In my model, endogenous budget constraints lead to qualitative comparisons that closely resemble standard auction results without budget constraints. For example, when an independence condition is satisfied, revenue equivalence is restored between the first- and second-price auctions. The model builds upon the standard symmetric model of auctions for a single good to include principals responsible for deciding on the bidder's budget. Each principal optimally constrains its bidder in order to mitigate an agency problem. The model is also extended to consider situations where the principal sets hard and soft budget constraints and to allow for the signals in the model to be affiliated.

Part II: "Allocative Externalities in Multi-Unit Auctions"

When an auction's outcome affects the structure of some downstream market, the bidders' or firms' expectations about this downstream interaction presumably affect their valuations of the good being auctioned. For example, the auction may determine whether or not a new entrant is able to enter a market. This paper studies the consequences on revenue and efficiency of two auction formats when bidders' valuations depend on the identities of the other winners. Measured by total valuations of the firms, a sequential auction is shown to be more efficient than a sealed-bid uniform-price auction, because the information revealed after the first round of the sequential auction eliminates the externalities in the second round. However, one could argue that this is not the correct measure of efficiency in this situation, and I suggest an argument for the sealed-bid auction in this case. Comparative statics on the severity of the externality show two countervailing effects on revenue in the sequential auction. On the one hand, a more severe externality enables the first-round winner to discourage rival firms from winning in the second round and this motive raises bids; on the other hand, less severe externalities raise overall valuations and this raises bids. The two effects lead to ambiguous revenue rankings between the two auctions.

PERSONAL INFORMATION

Citizenship: U.S. Gender: Male

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012
M.S. Mechanical Engineering, SUNY at Buffalo, June 2003
B.S. Mechanical Engineering, SUNY at Buffalo, June 2001

DISSERTATION

“Fuel Economy Regulation in the Indian Car Market”
Committee: Professor Maureen Cropper (Chair), Professor John Rust, Professor Robertson Williams III

FIELDS OF SPECIALIZATION

Primary: Environmental Economics, Empirical Industrial Organization
Secondary: Transportation, Computational Economics

PUBLICATIONS AND PAPERS

“Dieselization of the Indian Car Market, an Empirical IO Perspective” [Job Market Paper]
Presented research sketch at NBER Summer Institute, 2011
“The Cost of Fuel Economy in the Indian Passenger Vehicle Market”
[*Energy Policy*, November 2011] (with Maureen Cropper and Urvashi Narain)
Presented at ASSA Annual Meeting, Atlanta, GA 2010
Presented at Camp Resources, 2011
“A Modified Contraction Mapping for Mixed Logit Demand Models” [Work in Progress]

TEACHING EXPERIENCE

Instructor, Game Theory, University of Maryland, Summer 2009, Fall 2009, Spring 2010, Fall 2010, Summer 2011
Teaching Assistant, Health Economics, University of Maryland, Spring 2011
Teaching Assistant, Intermediate Macroeconomics, University of Maryland, Spring 2009
Teaching Assistant, Intermediate Microeconomic Theory, University of Maryland, Fall 2008
Teaching Assistant, Economic History, University of Maryland, Fall 2007, Spring 2008

RESEARCH/WORK EXPERIENCE

Short Term Consultant, World Bank, June 2008-June 2009
Aerospace Engineer, Orbital Sciences Corporation, October 2003-June 2006

AWARDS

Data Collection Grant (\$24,000), World Bank, February 2011 (with Maureen Cropper and Urvashi Narain)
Departmental Teaching Award, Teaching Assistant, Health Economics, Spring 2011
Departmental Teaching Award, Instructor, Game Theory, Spring 2010
Departmental Teaching Award, Instructor, Game Theory, Fall 2010
Jacob K. Goldhaber Award, for Travel to the WEAI conference, Summer 2009
Graduate Assistantship, Fall 2007-Spring 2011
Graduate Fellowship, Fall 2006, Spring 2007

REFERENCES

- Prof. Maureen Cropper University of Maryland mcropper@umd.edu (301) 405-3483
Prof. Robertson Williams III University of Maryland rwilliams@arec.umd.edu (301) 405-1284
Prof. John Rust University of Maryland jrust@gemini.econ.umd.edu (301) 405-3489

THESIS ABSTRACT

Part I: “Dieselization of the Indian Car Market, an Empirical IO Perspective” [Job Market Paper]

The Indian car market is the fastest growing in the world. With increased mobility, however, has come increased foreign oil dependence, fuel consumption, and associated externalities. In response to this, the Indian government is contemplating fuel economy standards, but at the same time continues to subsidize diesel fuel. The result of this policy has been a diesel discount of 30%, relative to petrol, and *dieselization*, the increasing market share of diesel cars. This paper uses a model of vehicle choice and kilometers driven to compare the welfare impacts of two possible policy responses: diesel subsidy elimination and diesel vehicle taxation. Using data comprised of household-level vehicle purchase and driving distance observations from the 2006 JD Power APEAL survey, I estimate a theoretically consistent model of discrete-continuous choice which explicitly accounts for unobserved household and vehicle characteristics and correlation between vehicle choice and driving distance. I find the effect of eliminating the diesel subsidy to be a reduction of the market share of diesel cars from 32% to 28%; a diesel car tax of 20% would achieve the same result. The diesel car tax option, however, does relatively little to change intensive margin incentives and would result in a reduction of diesel fuel consumption of only 12% compared to 30% for diesel subsidy elimination. In addition to being less effective, the diesel car tax option is found to be more costly in terms of consumer welfare. Expected compensated variation for a diesel car tax of 20% is found to be Rs. 40,600 (\$903) compared to Rs. 36,300 (\$807) for diesel subsidy elimination. Because of consumers’ ability to substitute among the wide variety of cars now available in the Indian market, neither policy imposes a welfare cost of more than 2% of average annual income.

Part II: “The Cost of Fuel Economy in the Indian Passenger Vehicle Market”
[Energy Policy, November 2011] (with Maureen Cropper and Urvashi Narain)

The idea that consumers undervalue fuel economy—that they will not pay an extra dollar in purchase price to save a dollar in fuel costs—is a frequent justification for fuel economy standards. To investigate the validity of the undervaluation hypothesis in India, we use hedonic price functions to calculate the cost of purchasing an additional unit of fuel economy and compare it to the benefit of lower fuel costs over the life of the vehicle. Evaluated at sales-weighted average vehicle characteristics and annual driving distances, we find the present value of fuel savings falls within the 95 percent confidence interval of the implicit price of fuel economy for the almost all specifications. This result is consistent across all four market segments considered (petrol hatchbacks, diesel hatchbacks, petrol sedans, and diesel sedans) for the years 2002 through 2006. Thus, we fail to consistently reject the hypothesis that consumers appropriately value fuel economy. In most cases where we do reject the null hypothesis, the marginal cost of additional fuel economy exceeds the present value of fuel savings, suggesting that consumers may, in fact, be overvaluing fuel economy.

PERSONAL INFORMATION

Citizenship: U.S.

Gender: Male

PABLO M. FEDERICO

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012
M.A. Economics, Universidad del CEMA, Buenos Aires, Argentina, March 2007
B.S. Economics, Universidad del CEMA, Buenos Aires, Argentina, December 2003

DISSERTATION

Essays in Systemic Liquidity-Risk Exposure

Committee: Professor Carmen Reinhart (Co-Chair), Professor Carlos Vegh (Co-Chair), Professor Anton Korinek, Professor Albert Kyle (Finance Department)

FIELDS OF SPECIALIZATION

Primary: International Finance, Financial Economics

Secondary: Macroeconomics, Monetary Economics

PAPERS

“Addressing Systemic Liquidity Risk-Taking of Banks in Emerging Markets,” *Job Market Paper*.

“Development of Liquidity-Risk Indexes for Latin American and Caribbean Banking Systems,”
IADB Technical Notes

“Banks Funding Structure and Risk: Evidence from the Global Financial Crisis” (with Francisco Vazquez), *IMF working paper series (forthcoming)*

“Capital Flows, Financial Intermediaries and Monetary Policy in Emerging Markets,” *third year paper*. Presented at the LACEA Meeting, Nov. 2010.

TEACHING EXPERIENCE

Instructor, Mathematical Economics (undergraduate), UMD, 2009 and 2011

Visiting Professor, Summer School - Dynamic Programming, UCCEMA, 2008-present

Teaching Assistant, Microeconomics (undergraduate), UMD, 2008

Teaching Assistant, Econometrics (MA Economics), UCCEMA, 2007

Teaching Assistant, Statistics (MA Finance), UCCEMA, 2006 and 2007

Teaching Assistant, Fixed Income Securities (undergraduate), UCCEMA, 2004-2006

Teaching Assistant, Portfolio Theory (undergraduate), UCCEMA, 2004-2006

RESEARCH EXPERIENCE

Consultant, IADB – Research Department, Summer 2011

Visiting Student, International Monetary Fund – European Department, Fall 2010

Summer Intern, International Monetary Fund – European Department, Summer 2010

Research Assistant, Prof. Carmen Reinhart, Peterson Institute for International Economics, 2010

Research Assistant, Prof. Edgardo Zablotsky, UCCEMA, 2007

Research Analyst, LECG Economics & Finance, Buenos Aires office, 2004-2006

AWARDS

University of Maryland Graduate Fellowship

University of CEMA Undergraduate & Graduate Fellowship

University of CEMA Undergraduate & Graduate Honors Diploma

REFERENCES

Prof. Carmen Reinhart	Peterson Institute (PIIE)	creinhart@piie.com	(202) 454-1325
Prof. Carlos Vegh	Department of Economics, UMD	vegh@econ.umd.edu	(301) 405-7371
Prof. Anton Korinek	Department of Economics, UMD	akorinek@umd.edu	(301) 405-3480
Prof. Albert Kyle	RH Smith School of Business, UMD	akyle@rhsmith.umd.edu	(301) 405-9684

THESIS ABSTRACT

Part I: “Addressing Systemic Liquidity Risk-Taking of Banks in Emerging Markets” [Job Market Paper]

I study the welfare properties of competitive equilibria in a framework where banks invest in short-duration and long-duration assets by borrowing local (stable) and external (non-stable) financing. A potential disruption in external financing constitutes the only source of aggregate risk. The model features a pecuniary externality, due to frictions and competitive markets for returns, that can derive in inefficiency. The proposed setup allows the model to distinguish between excessive external borrowing, an inefficient credit boom and excessive exposure to liquidity risk, making the framework suitable to evaluate a wide range of policies designed to contain banking sector inflows in emerging markets. The model supports addressing the systemic exposure to liquidity risk of banks at inefficient equilibria. In this framework policymakers must complement liability-side instruments, as unremunerated reserve requirements, with asset-side instruments, as taxes on short-duration assets, to restore efficiency. The model produces a testable implication: the systemic exposure to liquidity risk of banks is the key vulnerability explaining output collapse after an external financing shock. By extending a methodology recently introduced by Basel III, I design an index that captures such exposure. The index is constructed for a sample of 40 emerging markets and developing countries, and covers the financial statements of 5,200 banks. I show that the index is a robust explanatory variable of unexpected output declines, after the Lehman's bankruptcy, across emerging markets.

Part II: “Banks’ Funding Structure and Risk: Evidence from the Global Financial Crisis” (with Francisco Vazquez) [IMF working paper series - forthcoming]

This paper analyzes the evolution of bank funding structures in the run up to the global financial crisis and studies the implications for financial stability, exploiting a bank-level dataset that covers about 11,000 banks in the U.S. and Europe during 2001-09. The results show that banks with weaker structural liquidity and higher leverage in the pre-crisis period were more likely to fail afterward. The likelihood of bank failure also increases with bank risk-taking. In the cross-section, the smaller domestically-oriented banks were relatively more vulnerable to liquidity risk, while the large cross-border banks were more susceptible to solvency risk due to excessive leverage. The results support the proposed Basel III regulations on structural liquidity and leverage, but suggest that emphasis should be placed on the latter, particularly for the systemically-important institutions. Macroeconomic and monetary conditions are also shown to be related with the likelihood of bank failure, providing a case for the introduction of a macroprudential approach to banking regulation.

Part III: “Capital Flows, Financial Intermediaries and Monetary Policy in Emerging Markets” [mimeo]

Financial institutions in emerging market economies are the main intermediators of capital flows, often relying on foreign borrowing to finance their assets. I show that this is a robust empirical finding among major emerging market blocs. The resulting currency mismatch that arises when their assets are denominated in local currency can help explain why the monetary authorities of those countries react to exchange rate movements. The recent literature on optimal monetary policy in emerging markets has focused on models with financial frictions and liability dollarization at the level of non-financial corporations. It is extremely difficult for this class of models to find intervention as an optimal response of the monetary authority. I develop a monetary business cycle model with an explicit financial sector. Financing frictions coupled with high exposure to nominal risks make the balance sheet of financial institutions a powerful source of endogenous amplification of capital flows shocks. I show that the monetary authority optimally chooses to react to exchange rate movements in the modeled environment.

PERSONAL INFORMATION

Citizenships: Argentina, Italy Gender: Male Visa: F1

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EDUCATION

- Ph.D. Economics, University of Maryland, College Park, expected May 2012
- M.A. Economics, University of Maryland, College Park, MD, 2008
- B.A. Economics, French minor, (with distinction) University of Virginia, 2000

DISSERTATION

"Firms' Organization of Global Production: Theory and Evidence"

Committee: Prof. John Haltiwanger (Co-Chair), Prof. Nuno Limão (Co-Chair), Prof. John Shea

FIELDS OF SPECIALIZATION

Primary: International Trade, Industrial Organization

Secondary: Applied Microeconomics, Political Economy

PAPERS

"Breaking Up Is Hard To Do: Why Firms Fragment Production Across Locations," *Job Market Paper*
Presentations: *Midwest Trade Conference* (November 2011), *European Trade Study Group*
(September 2011), *Georgetown Center for Economic Research* (June 2011), *Rocky Mountain*
Empirical Trade Conference (May 2011), *International Industrial Organization Conference*
(April 2011), US Census Bureau (December 2010)

"Foreign Direct Investment, Outsourcing, and Firm Productivity Conferment"

Presentations: U.S. Census Bureau (April 2009)

"Who Creates Jobs and When: How Firms Respond to Business Cycles and Credit Conditions,"
with John Haltiwanger, Ron Jarmin and Javier Miranda

Presentations: *Census Research Data Center Conference* (November, 2010)

"Firms' Motives for Foreign Mergers and Acquisitions and Their Domestic Employment Effects"
with Wenjie Chen, *work in progress*

TEACHING EXPERIENCE

Instructor, International Economics, University of Maryland, Summer 2009 and 2010

Instructor, Introduction to STATA for graduate students, University of Maryland, Fall 2009, 2010, 2011

RESEARCH EXPERIENCE

Research assistant, Professor John Haltiwanger, U.S. Census Bureau, Fall 2007-present

Research assistant, Dr. Norman Loayza, World Bank, Summer 2008

Research assistant, Princeton Economics Group, Princeton, NJ, June 2004-July 2006

AWARDS

Top Ph.D. submission, Rocky Mountain Empirical Trade Conference, May 2011

Second prize, 3rd year paper competition, Department of Economics, University of Maryland, 2009

Jacob K. Goldhaber Award, for travel to conference, Fall 2011

International Conference Student Support Award, Fall 2011

Graduate Fellowship, University of Maryland, 2006-2007

Dean's List, University of Virginia, all semesters

REFERENCES

Prof. John Haltiwanger	University of Maryland	haltiw@econ.umd.edu	(301) 405-3504
Prof. Nuno Limão	University of Maryland	limao@econ.umd.edu	(301) 405-3508
Prof. John Shea	University of Maryland	shea@econ.umd.edu	(301) 405-3491

THESIS ABSTRACT

Part I: Breaking up is hard to do: Why firms fragment production across locations. [Job market paper]

It is increasingly common for firms to break up their production process across different regions and countries. While the existing literature credits improvements in communication technology with enabling fragmentation, there is almost no empirical evidence on the determinants of firms' sourcing strategies. I provide such evidence by constructing a new fragmentation dataset based on U.S. manufacturing plants' decision to contract for manufacturing services from domestic or foreign suppliers in 2007. The data provide a rich set of stylized facts that show fragmentation: (i) is 13 times more prevalent from domestic than foreign suppliers; (ii) is done mostly by larger and more productive plants; and (iii) varies substantially within industries.

I incorporate these new facts into a model of heterogeneous firms that decide where to locate the various stages of their production process. Firms fragment production to access cheaper labor, but breaking up production is costly. Firms incur a fixed cost to establish a supply network and additional per-task costs to coordinate production and transport inputs. The fixed costs deliver standard productivity sorting predictions, while the marginal costs add a new dimension of heterogeneity in firms' organization of production. In particular, firms with access to better communication technology, or in locations closer to their potential suppliers, will find fragmentation relatively more profitable. The model also shows that firms in high wage locations have more to gain from fragmentation, while firms in low wage states must offshore to access cheaper wages.

Guided by the theory, I estimate the relative importance of labor cost savings, technology, and distance to suppliers in a plant's decision to fragment production. The estimates indicate that plant use of electronic networks (as a proxy for communication technology) is associated with an 18 percentage point increase in the probability of fragmentation, and a ten point increase in the probability of locating fragmented production offshore. While wage differences and distance to suppliers also have statistically significant relationships with plants' sourcing strategies, communication technology accounts for five times more of the explained variation than wages and distance combined. In contrast, for the decision about how *much* to offshore, wage differences are relatively more important than distance, and technology explains almost none of the observed variation. Because plant technology may be endogenous, I estimate the differential impact of plants' use of electronic networks on fragmentation in industries whose production process can be codified electronically more easily. As expected, plant use of electronic networks has a bigger impact on fragmentation in industries that are better able to specify production processes electronically. However, plants that use networks in industries with high electronic codifiability are less likely to locate their fragmented production offshore. Estimates from firm-country level import data suggest that successful electronic communication depends upon suitable technology in the sourcing location. The results support the premise that technology facilitates production fragmentation, but uncover substantial heterogeneity in technology's effectiveness across firms, industries, and sourcing locations.

Part II: Foreign direct investment, outsourcing, and firm productivity conferment

A firm's decision on whether to procure inputs from inside or outside the firm is often believed to depend on hold-up problems that arise from incomplete contracts and a firm's ability to pay higher the fixed costs of integration. This paper investigates a new determinant of firms' vertical integration decision: the ability to transfer productivity to new plants. High productivity firms will be more likely to integrate production when they have a higher probability of transferring their productivity to their affiliates. I use U.S. establishment-level data to estimate an industry measure of productivity conferment and assess the relationship between the share of intra-firm imports and productivity conferment. Consistent with a productivity transfer motive, an increase in industry productivity conferment is associated with a higher share of intra-firm imports.

ADDITIONAL INFORMATION

Languages: English (native), Spanish (native), French (fluent), Russian (basic)
 Citizenship: United States Gender: Female

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012

M.A. Economics, Seoul National University, 2000

B.A. Economics, Seoul National University, 1998

DISSERTATION

Part I. "Country Risk Premia and Real Exchange Rates Under Alternative Exchange Rate Regimes"

Part II. "The Impact of Macroeconomic Announcement on Real Time Foreign Exchange Rate in Emerging Markets"

Committee: Prof. Carlos Vegh (Chair), Prof. Anton Korinek, Prof. Pablo D'Erasmus

FIELDS OF SPECIALIZATION

Primary: International Finance

Secondary: Macroeconomics, Econometrics

PAPERS

"Country Risk Premia and Real Exchange Rates Under Alternative Exchange Rate Regimes,"
Job Market Paper

"The Impact of Macroeconomic Announcement on Real Time Foreign Exchange Rate in Emerging Markets," (with Fang Cai and Zhiwei Zhang), International Finance Discussion Papers (973), Board of Governors of the Federal Reserve System, May 2009.

Presentation: EFMA (European Finance and Management Association) 2009 Annual Meetings

Presentation: (with Fang Cai) Federal Reserve Board of Governors, Washington, DC, August 2008

"A Parametric Approach to Developing an Early Warning System for ASEAN+3 Countries"
Asian Development Bank (ADB), Regional Technical Assistance 5986, December 2002

"An Analysis of KOSPI200 Option Market Using GARCH and Implied Volatility Model,"
(Korean language) Seoul National University, 2000

TEACHING EXPERIENCE

Teaching Assistant, University of Maryland: Econometrics II, 2010, Principles of Microeconomics, 2009, Graduate Computer Lab Assistant, 2005-2007.

RESEARCH/WORK EXPERIENCE

Research Assistant, International Monetary Fund, Washington, DC, 2007-2008

Exchange Rate Issues Division, Research Department

Project: The Impact of Macroeconomic Announcement on Real Time Foreign Exchange Rate in Emerging Markets

Project: Can Demand from China Shield East Asian Economies from Global Slowdown?

Project: China's Exporters and Importers: Firms, Products, and Trade Partners

Quantitative Analyst, Tong Yang Investment Bank, Seoul, Korea, 2002-2004
Research Center

Analyst, Korea Center for International Finance, Seoul, Korea, 2000-2002
Early Warning System Team for financial crises

AWARDS

Jacob K. Goldhaber Award, for travel to conference, 2009.

Graduate Assistantship, University of Maryland, 2005-2007, 2009-2010.

REFERENCES

Carlos Vegh	University of Maryland	cvegh@econ.umd.edu	(301) 405-3546
Anton Korinek	University of Maryland	akorinek@umd.edu	(301) 405-4536
Pablo D'Erasmus	University of Maryland	derasmo@econ.umd.edu	(301) 405-3529

THESIS ABSTRACT

Part I. "Country Risk Premia and Real Exchange Rates Under Alternative Exchange Rate Regimes"
(Job Market Paper)

This paper analyzes the relationship between country risk premium and exchange rate regimes. I came to the conclusion that the fixed exchange regime is preferred to the flexible regime, and the risk premium is lower under the fixed regime when the wage is divided into a conventional wage and a deferred wage. I analyze this problem with the friction in the wage structure where there are two types of wages; a conventional wage available to the current period of consumption and a deferred wage that is paid at the end of the period. When the share of wage that is deferred increases, the real exchange rate and capital used for the next period production is higher under the flexible exchange regime. Since the production in the current period can be defined as a negative function of real exchange rate, higher increase of real exchange rate leads into lower production in the period when a positive deferred wage shock occurs under the flexible exchange regime. Even though the production at the next period is higher under the flexible exchange regime, that does not cover initial loss of welfare at the current period. As a result, the fixed regime is preferred to the flexible regime thanks to lower volatility in consumption. In addition to facing sharp drop of production at the current period under the flexible regime as well as higher level of capital for the next period's production, the remaining wealth that will be used for the next period of capital production is further reduced. The reduce of remaining wealth, increase of real exchange rate, and a surge of capital for the next period lead into the increase of leverage ratio, which is defined by value of money for capital production to own capital. Therefore, the risk premium under the flexible regime is higher. When I replace a deferred wage shock with other real shocks, such as technology shock and world interest rate shock, still the risk premium under the flexible regime is higher than under the fixed regime. The addition of the asset holders and inclusion of sticky wage do not change these results.

Part II. "The Impact of Macroeconomic Announcement on Real Time Foreign Exchange Rate in Emerging Markets"

This paper utilizes a unique high-frequency database to measure how exchange rates in nine emerging markets react to macroeconomic news in the U.S. and domestic economies from 2000 to 2006. We find that major U.S. macroeconomic news have a strong impact on the returns and volatilities of emerging market exchange rates, but many domestic news do not. Emerging market currencies have become more sensitive to U.S. news in recent years. We also find that market sentiment could sway the impact of news on these currencies systematically, as good (bad) news seems to matter more when optimism (pessimism) prevails. Market uncertainty also interacts with macroeconomic news in a statistically significant way, but its role varies across currencies and news.

PERSONAL INFORMATION

Nationality: Korean (H-2 VISA)

Gender: Male

Language Skills: Korean (native), English (fluent).

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012
M.A. Economics, University of Missouri, Columbia, MO, December 1998
B.S. Economics and Political Science, University of Missouri, Columbia, MO, December 1995

DISSERTATION

Essays on Migration and Health Insurance

Committee: Prof. Roger Betancourt (Co-chair), Prof. Jeanne Lafortune (Co-chair), Prof. Raymond Guiteras

FIELDS OF SPECIALIZATION

Primary: Development Economics
Secondary: Labor Economics, Applied Microeconomics

PAPERS AND PUBLICATIONS

“Risk, Consumption Insurance, and Migration,” *Job Market Paper*
“Should I stay or should I go? Estimating the probability of return to origin,” *work in progress*
“Health Service Use Among the Previously Uninsured: Is Subsidized Health Insurance Enough?,”
with Sandra Decker, Jalpa Doshi, and Dan Polsky, *Health Economics, forthcoming*
“Business Employment Dynamics data: survival and longevity, II,” with Merissa C.
Piazza, *Monthly Labor Review*, September 2007
“Survival and Longevity in the Business Employment Dynamics Data,” *Monthly Labor
Review*, May 2005

TEACHING EXPERIENCE

Instructor, Computer Methods for Microeconomics, University of Maryland, Spring 2008 and 2009.
Teaching Assistant, Computer Methods for Microeconomics, University of Maryland, Fall 2007.
Teaching Assistant, Labor Economics, University of Maryland, Fall 2006.
Instructor, Economics for Educators, University of Missouri, Columbia, MO, 1998-1999.
Teaching Assistant, Principles of Macroeconomics, University of Missouri, Columbia, MO, 1996-1998.

RESEARCH/WORK EXPERIENCE

Research Assistant, for Sandra Decker, National Center for Health Statistics, 2008.
Research Assistant, for Prof. Christopher McKelvey, University of Maryland, Spring 2007.
Economist, Bureau of Labor Statistics, June 2002 – August 2006.

AWARDS

Graduate Assistantship, University of Maryland, 2006-2009.
Graduate Assistantship, University of Missouri, Columbia, 1996-1998

REFERENCES

Prof. Roger Betancourt	University of Maryland	betancourt@econ.umd.edu	(301) 405-3479
Prof. Jeanne Lafortune	University of Maryland	lafortune@econ.umd.edu	
Prof. Raymond Guiteras	University of Maryland	guiteras@econ.umd.edu	(301) 405-3480

THESIS ABSTRACT

Part I: "Risk, Consumption Insurance, and Migration" [Job market paper]

Immigration often involves trading a safer outcome in one's home for a higher, but riskier return in one's destination, implying that migration is a risk-taking behavior. On the other hand, migration has been empirically linked through remittances to insurance mechanisms (Rosenzweig and Stark, 1989; Paulson, 2000; Yang and Choi, 2007). By modeling the migration decision as an income diversification problem within a household which weighs both the risks and returns of migration, I show that one framework can account for both the insurance seeking and the risk-taking behaviors of migration if we allow for multiple agents within a household to decide whether or not to migrate. I test this unified framework by estimating the probability of each migration strategy (no migration, single migration, and full household migration) for households in Indonesia during the period 1993-1998. The results indicate that households do respond to risk when deciding how many household members will migrate, supporting this framework. That is, the results show that some households are using migration as insurance while others are not.

Part II: "Should I stay or should I go? Estimating the probability of return to origin" [Work in Progress]

Recent political debate on immigration to the US generally ignores the fact that many immigrants choose to return home rather than staying permanently in the US. However, research estimates that the rate of return may be as high as 50% for some countries. Using data from the Mexico National Rural Household Survey (*Encuesta Nacional a Hogares Rurales de México*, or ENHRUM) for 2002, I estimate the probability of both international and intra-country return based upon individual characteristics. The results confirm that regional GDP is a determining factor in the probability of return except for international migrants originating in border states. Costs are a significant factor in the return to Mexico from the US, while individual characteristics have a significant impact on the decision to return home from a different location in Mexico. This suggests that immigration control policies may be well complemented by policies which raise GDP within Mexico.

Part III: "Health Service Use Among the Previously Uninsured: Is Subsidized Health Insurance Enough?" (with Sandra Decker, Jalpa Doshi, and Daniel Polsky) [Forthcoming in *Health Economics*]

While it has been shown that gaining Medicare coverage at age 65 increases health service use among the previously uninsured, it is unknown whether health service use under Medicare differs by previous insurance status. Difficulty in changing habits or differences in characteristics of previously uninsured compared to insured individuals may mean that the previously uninsured continue to use the health care system differently from the previously insured. This study uses Medicare claims data linked to two different surveys – the National Health Interview Survey and the Health and Retirement Study - to describe the relationship between insurance status before age 65 and the use of Medicare-covered services beginning at age 65. Although we do not find statistically significant differences in total Medicare expenditures or number of hospitalizations by previous insurance status, we do find that individuals who were uninsured before age 65 continue to use the health care system differently from those who were privately insured. Specifically, they have 16% fewer visits to office-based physicians, while making 18% and 43% more visits to hospital emergency and outpatient departments, respectively. A key question for the future may be why the previously uninsured appear to continue to use the health care system differently from the previously insured. This question may be important to consider as health coverage expansions are implemented.

PERSONAL INFORMATION

Gender: Female

Citizenship: U.S.

Languages: English (native); French (basic); Spanish (basic); Tashelheet (basic)

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EDUCATION

- Ph.D. Economics, University of Maryland, College Park, MD, August 2011
- M.A. Economics, University of Maryland, College Park, MD, December 2007
- M.A. Economics, Peking University, Beijing, China, 2004
- B.A. International Economics, Nankai University, Tianjin, China, 2001

DISSERTATION

Essays on Demographic Issues in China

Committee: Prof. John Rust (Chair), Prof. Ginger Jin, Prof. Pablo D'Erasmus

FIELDS OF SPECIALIZATION

Primary: Labor Economics, Public Finance
Secondary: Development Economics

PAPERS

“Why Is the Sex Ratio Unbalanced in China? The Roles of the One-Child Policy, Underdeveloped Social Insurance, and Parental Expectations,” *Job Market Paper*

Presentations:

- 2012 Population Association of America Annual Meeting, San Francisco, May 2012 (*scheduled*)
- 2011 North American Summer Meeting of the Econometric Society, St. Louis, MO, June 2011
- Midwest Economics Association 2011 Annual Conference, St. Louis, MO, March 2011
- Eastern Economic Association 2011 Annual Conference, New York, NY, February 2011
- “Risky Child Investment, Fertility and Social Insurance in China,” April 2011
- “International Trade, Foreign Direct Investment and Wage Inequality in China,” September 2011

RESEARCH/WORK EXPERIENCE

Consultant, Independent Evaluation Group, The World Bank, Washington D.C., October 2011-present

Project: “*Youth Employment and Skills Development Evaluations*”

Summer Intern, International Monetary Fund, Washington D.C., Summer 2010

Projects: “*Investment in Human Capital: the Effects of Health Spending on Mortality Rates*”
“*The Impact of Misallocation of Resources on Total Factor Productivity*”

Consultant, MNSD, The World Bank, Washington D.C., February - May 2010

Project: “*Poverty Assessment for the West Bank and Gaza Strip*”

Consultant, DECPI, The World Bank, Washington D.C., April - May 2010

Project: “*Average and Marginal Returns to Upper Secondary Schooling in Indonesia*”

Research Assistant, Interindustry Forecasting Project at University of Maryland (INFORUM), 2006-2009. Enhanced and maintained a dynamic macro-econometric input-output model of China. Improved import forecasts in the US-China bilateral trade model. Estimated import and export in LIFT (Long-term Interindustry Forecasting Tool) model for the US economy.

Research Assistant, China Center for Economic Research, Peking University, China, 2002-2004

Project: “*Income Convergence and Migration in China*”

TEACHING EXPERIENCE

Instructor, Advanced Macroeconomics, University of Maryland, Fall 2011

Teaching Assistant, Money and Banking, University of Maryland, Fall 2005

Teaching Assistant, Labor Economics, Peking University, Spring 2003

AWARDS

Jacob K. Goldhaber Travel Grant, University of Maryland, Spring 2011

Department of Economics Travel Grant, University of Maryland, February, March and June 2011

Graduate Assistantship, University of Maryland, 2005-2009

Graduate Fellowship, University of Maryland, 2004-2005

Award for Excellent Students in Science and Engineering, Tianjin City, 2000

University First-Class Scholarships, Nankai University, 1998, 1999 and 2000

REFERENCES

Prof. John Rust	University of Maryland	jrust@gemini.econ.umd.edu	(301) 405-3489
Prof. Ginger Jin	University of Maryland	jin@econ.umd.edu	(301) 405-3484
Prof. Pablo D'Erasmus	University of Maryland	derasmo@econ.umd.edu	(301) 405-3529

THESIS ABSTRACT

Part I. "Why Is the Sex Ratio Unbalanced in China? The Roles of the One-Child Policy, Underdeveloped Social Insurance, and Parental Expectations" (Job Market Paper)

The sex ratio imbalance in China has reached such an alarming level that, by 2020, men of marriageable age are estimated to outnumber women by 24 million. Using a calibrated life-cycle model, this paper examines the rising sex ratio through three linked but different perspectives: one-child policy, social insurance program, and parental expectation. In a dynamic fertility choice framework, a couple's decision on sex selection is motivated by better returns from investing in a son than in a daughter. I also consider the largely overlooked effect of expected sex imbalance on current fertility choices.

The benchmark calibration demonstrates three results. First, moving to a one-and-half-child policy (second allowed if the first is a girl) would dramatically decrease the sex ratio at birth from 125 to 106. Second, if parents are adaptive and take the "can-not-marry" risk into consideration, then the sex ratio under the one-child policy will drop from 125 to 110, while the change in population growth is negligible. Third, when social insurance coverage is universal, the sex ratio only changes by a small amount if parents do not modify their expectation on children's transfer. I also investigate the equilibrium sex ratio when couples are fully rational and forward-looking. If more couples behave in such a manner, the sex ratio would fall; this suggests that publicity and education could help alleviate the sex imbalance problem in China. In a similar spirit, I consider the issue of endogenizing children's transfer to parents. In an infinite-horizon dynastic model, the equilibrium level of transfer is positively related to the attention parents place on grandparents' welfare. Finally, I show that if social insurance could change the social attitude on expected child transfer, then it has the potential to significantly reduce the sex ratio.

Part II. "Risky Child Investment, Fertility and Social Insurance in China"

This paper explains the decline in total fertility rate in China by investigating the quantitative effect of social insurance on peoples' fertility choice when investment in children is risky. The price and income effects are heterogeneous: low-income people tend to raise more children due to the reinforcing income and price effects, whereas for rich families the income effect dominates the price effect so that their fertility declines when social insurance is in place. Through decomposing calibration results and simulating TFRs for various parameter values, we show that liquidity constraints created by a public pension program plays a significant role in reducing fertility rate. Factors related to the rate of return on child investment, such as a slowing economic growth, a rise in the cost of childbearing, and potential social attitude changes such as expectations of lower transfers, also contribute to the long-term declining trend in fertility observed in the data.

Part III. "International Trade, Foreign Direct Investment, and Wage Inequality in China"

This paper examines the effects of international trade and foreign direct investment (FDI) on the relative employment and wage of the skilled worker in China using the third industrial census conducted in 1995. Applying factor-content analysis of trade and FDI, we find that their impacts on the employment of skilled and unskilled workers are limited. Using OLS and IV methods, our results show that international trade has a trivial effect on the relative wage of skilled worker, while FDI tends to increase it, although the magnitude is not large enough to fully explain the widened wage gap between skilled and unskilled labor in China.

PERSONAL INFORMATION

Nationality: China (F-1 Visa) Gender: Female Languages: Chinese (native), English (fluent)

DAVID McARTHUR

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College Park, MD 20742

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012
M.A. Economics, University of Maryland at College Park, December 2009
B.S. Physics, University of Texas at Austin, December 1998

DISSERTATION

Information Contagion

Committee: Professor John Rust (Chair), Professor Ginger Jin, Professor Emel Filiz-Ozbay

FIELDS OF SPECIALIZATION

Primary: Applied Microeconomics, Industrial Organization

Secondary: Information Economics, Computational Economics

PUBLICATIONS AND PAPERS

“Information Contagion with Costly Communication”, *Job Market Paper*.

Presented at the Workshop on Information in Networks, September 2010

“Can the Job Market for Economists Be Improved?”, *Oxford Handbook of Market Design*
(forthcoming) with Sarbartha Bandyopadhyay, Fedor Iskhakov, Terence Johnson,
Soohyung Lee, John Rust, Joel Watson and John Watson

“Cognition and Satisfaction Guarantees”, *working paper*

“Search and Bargaining with Plastic: Money and Charge Cards as Competing Media of
Exchange”, *working paper*

“Technology Adoption and the Shimer Puzzle”, *working paper*

“Learning About Fundamentals From Prices: an Adaptive-Learning Framework for Equity
Prices”, *work in progress*

“System and method for enabling file transfers executed in a network environment by a
software program”, *U.S. Patent #6907463 issued June 2005* with Tom Kleinpeter
and Michael Merhej

TEACHING EXPERIENCE

Instructor, Money and Banking (Undergraduate), UMD, Summer 2011

Teaching Assistant, Money and Banking (Undergraduate), UMD, Fall 2011

RESEARCH EXPERIENCE

Research Assistant, Prof. John Rust, UMD, Fall 2006-Spring 2011

OTHER EXPERIENCE

Founder, Vice President, ByteTaxi Inc. 2002-2003. Creator of *foldershare.com*, a peer-to-peer application for remote file management. Acquired by Microsoft in 2005.

Founder, Vice President, Audiogalaxy, Inc. 1998-2002. Internet music company with peer-to-peer file-sharing. In 2002 Audiogalaxy had 25 employees and 35 Million users.

REFERENCES

Prof. John Rust	University of Maryland	jrust@gemini.econ.umd.edu	(301) 405-3489
Prof. Ginger Jin	University of Maryland	ginger@umd.edu	(301) 405-3484
Prof. Emel Filiz-Ozbay	University of Maryland	filizozbay@econ.umd.edu	(301) 405-3474

ABSTRACTS

“Information Contagion” [Job Market Paper]

Many people now get their news through social media, relying on the collective communication decisions of their peers to keep them informed. Unfortunately, there is evidence the information available through social media is highly skewed. In data from spinn3r.com, a large index of blogs, social networking and news websites, the number of documents containing a given phrase follows a heavy-tailed distribution -- most phrases appear rarely while a small portion appear very many times. The distribution appears the same for any subset of phrases regardless of topic, implying it is not related to the information content. The distribution is consistent with a model of information diffusion via media resembling contagion where many different “viruses” are spreading in competition. Agents communicate by posting messages which other agents read and potentially re-post. The chance that a given piece of information will be the next communicated is approximately proportional to the number of agents who already know it. This early mover advantage produces a few “winners” (information known by very many people) and a lot of “losers” (known by few), with the winners chosen partly by the random order in which messages were read. This model can be solved analytically under strong assumptions including bounded rationality. The predicted distribution is a generalized Yule-Simon which fits the data quite well. Relaxing these assumptions and providing microeconomic foundations for individuals' communication decisions requires a computational solution. Agents solve a dynamic problem to choose how many messages to post faced with a convex cost, a constant value of information, and assuming agents split the expected surplus of communication. Since recipients get additional value from re-posting, this surplus depends on the entire future path of contagion. The distribution of information that satisfies rational expectations is found by a fixed point algorithm with Monte Carlo simulation of the contagion process. The numerical solution captures the dynamics observed in data. The distribution of messages also matches the data and is well approximated by the generalized Yule-Simon from the analytical solution, meaning the contagion effect dominates individual agents' choices.

“Can the Job Market For Economists Be Improved?”

(with S. Bandyopadhyay, F. Iskhakov, T. Johnson, S. Lee, J. Rust, J. Watson and J. Watson)

We consider the effects of a new institution in the job market for PhD economists, EconJobMarket.org (EJM), which facilitates the exchange of information between applicants and recruiters. EJM lowers both the cost of applying to a position and the cost of evaluating a given applicant. We explore how this effects the quality of the match in the two-sided search problem, including the possibility of an inferior match when recruiters are less able to evaluate the increased number of applications despite the lowered cost per application.

“Search and Bargaining with Plastic”

Charge cards are introduced into a money search model to examine the implications of intermediated exchange. Charge cards lower the cost of inflation, and can make some inflation beneficial. A higher cost of holding money can push agents to become cardholders, which results in a higher quantity of goods being exchanged. Higher nominal interest rates can also help card companies set higher spending limits, which can also increase the level of exchange.

“Technology Adoption and the Shimer Puzzle”

A labor search model with productivity shocks that are heterogeneous across job tenure matches labor market fluctuations at business cycle frequencies much better than the standard model.

PERSONAL INFORMATION

Citizenship: U.S.

Gender: Male

Language: English

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012

M.A. Economics, University of Maryland at College Park, December 2010

B.A. Economics (High Honors), Bilkent University, Ankara, Turkey, May 2007

DISSERTATION

"Essays on Financial Intermediaries, Business Cycles and Crisis Policies"

Committee: Prof. Boragan Aruoba (Co-Chair), Prof. Sanjay Chugh (Co-Chair), Prof. Anton Korinek, Prof. Enrique Mendoza

FIELDS OF SPECIALIZATION

Primary: Macroeconomics, Monetary Economics & Banking

Secondary: International Finance, Computational Economics

PAPERS

"Financial Intermediaries, Credit Shocks, and Business Cycles", (Job market paper)

Presentations: Board of Governors of the Federal Reserve System (scheduled), 2011 Annual Meeting of the Society of Economic Dynamics (SED), 17th International Conference on Computing in Economics and Finance, University of Maryland, Department of Economics, 31st Eastern Economic Association Conference, 2010 Midwest Macroeconomics Meetings, Bilkent University, Department of Economics, Central Bank of the Republic of Turkey, Research Department, 9th International Conference of Middle East Economic Association, 10th International Conference on Economic Modeling

"Optimal Bailouts of Financial Sector", (in progress)

"Required Reserves as a Credit Policy Tool", with Enes Sunel and Temel Taskin (in progress)

"On International Consumption Risk Sharing, Financial Integration and Financial Development" (in progress)

"Sudden Stops and Labor Market Dynamics in Emerging Economies", (in progress)

TEACHING EXPERIENCE

Instructor, Econometrics I, University of Maryland, Summer 2009, Fall 2009, Spring 2010, Summer 2010, Fall 2010, Winter 2011, Spring 2011, Summer 2011

Teaching Assistant, Econometrics I-II, University of Maryland, Spring 2009

Teaching Assistant, Money and Banking, University of Maryland, Fall 2008

Teaching Assistant, Principles of Macroeconomics, University of Maryland, Spring 2008

Teaching Assistant, Economic Statistics, University of Maryland, Fall 2007

RESEARCH/WORK EXPERIENCE

Dissertation Internship, Board of Governors of the Federal Reserve System, Fall 2011

AWARDS

Jacob K. Goldhaber Award, for travel to conference, University of Maryland, Summer 2011

International Conference Student Support Award, University of Maryland, Summer 2011

Travel Grants, University of Maryland, Department of Economics, Spring 2010-Summer 2011

Graduate Assistantship, University of Maryland, 2007-present

Merit Scholarship (tuition & expenses), Bilkent University, 2003-2007

Ranked in top 0.04% among 1.5 million in the National University Entry Exam of Turkey, 2003

REFERENCES

- | | | | |
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| Boragan Aruoba | University of Maryland | aruoba@econ.umd.edu | (301) 405-3508 |
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THESIS ABSTRACT

Part I: Financial Intermediaries, Credit Shocks, and Business Cycles. Job market paper

This paper conducts a quantitative analysis of the role of financial shocks and credit frictions affecting the banking sector in driving U.S. business cycles. We first document three key business cycle stylized facts of aggregate financial variables in the U.S. banking sector: (i) Bank credit, deposits and loan spread are less volatile than output, while net worth and leverage ratio are more volatile, (ii) bank credit and net worth are procyclical, while deposits, leverage ratio and loan spread are countercyclical, and (iii) financial variables lead the output fluctuations by one to three quarters. We then present an equilibrium business cycle model with a simple financial sector, featuring a moral hazard problem between banks and its depositors, which leads to endogenous capital constraints for banks in obtaining funds from households. The model incorporates empirically-disciplined shocks to bank net worth (i.e. "financial shocks") that alter the ability of banks to borrow and to extend loans to non-financial businesses. The series of financial shocks are constructed from the data using the theoretical model. I show that the benchmark model is able to deliver most of the above stylized facts. Two key results emerge. First, financial shocks and credit frictions in banking sector are important not only for explaining the dynamics of financial variables but also for the dynamics of standard macroeconomic variables. Second, the simulation of the model shows that U.S. banks experienced a significant deterioration in their lending ability in the 1990-91 and 2007-09 recessions. Financial shocks matter a lot for real fluctuations since they significantly affect the tightness of bank capital constraint, and hence the credit spread in the theoretical model.

Part II: Optimal Bailouts of Financial Sector. work in progress

This paper investigates the optimal fiscal policy to mitigate the adverse effects of financial shocks and credit frictions in banking sector in the presence of distortionary taxation. The recent literature studying the policy tools to correct credit market dysfunctions generally assumes that government interventions are financed via lump-sum taxes, which in most cases trivially achieve first-best allocations. In this paper, I study the optimal asset price subsidies or interest rate subsidies to banks given that they are financed via distortionary labor taxation. To this end, I build a quantitative equilibrium business cycle model with a financial sector capable of replicating real and financial fluctuations observed in the U.S. data. Credit frictions in financial sector are modeled as in Gertler and Karadi (2011). I show that these credit frictions lead to inefficiently low volume of financial intermediation and inefficiently high credit spreads in the laissez-faire economy. In the absence of exogenous government spending, optimal policy features a state-contingent tax on labor of 1% and a state-contingent interest rate subsidy to banks of 0.3%, on average. In the case of asset price subsidies, optimal policy features a state-contingent tax on labor of 0.1% and a state-contingent asset price subsidy to banks of 4%, on average. Optimal policy induces lower variability of consumption and labor via generating purposeful tax volatility. Ramsey planner reduces the fluctuations in the intertemporal wedge at the expense of creating static distortions due to labor taxation.

ADDITIONAL INFORMATION

Gender: Male
Languages: English (Fluent), Turkish (Native)
Citizenship: Turkey
Visa: F1

TIMOTHY J. MOORE

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Email: timothyjmoore@gmail.com

Website: <http://www.econ.umd.edu/~moore>

EDUCATION

Ph.D. in Economics, University of Maryland at College Park, expected May 2012.

M.A. in Economics (*with Honors*), Monash University, Melbourne, 2002.

B.Commerce in Economics (*with Honors*), University of Melbourne, 1998.

B.Sc in Psychology, University of Melbourne, 1998.

DISSERTATION

Empirical Essays on Disability Insurance, Employment and Health

Committee: Prof. Melissa Kearney (Chair), Prof. John Ham, Prof. Mark Duggan (University of Pennsylvania) and Prof. William Evans (University of Notre Dame).

FIELDS OF SPECIALIZATION

Primary: Public Finance, Health Economics

Secondary: Labor Economics

PUBLICATIONS

“Liquidity, Economic Activity, and Mortality,” *Review of Economics and Statistics*, forthcoming (with William N. Evans).

“The Short-Term Mortality Consequences of Income Receipt,” *Journal of Public Economics*, forthcoming (with William N. Evans).

“Can Celebrity Endorsements Affect Political Outcomes? Evidence from the 2008 U.S. Democratic Presidential Primary,” *Journal of Law, Economics, and Organization*, forthcoming (with Craig Garthwaite).

WORKING PAPERS AND WORK IN PROGRESS

“The Employment Effects of Terminating Disability Benefits: Insights from Removing Alcohol and Drug Addictions as Disabling Conditions” [JOB MARKET PAPER].

“The Mortality Effects of Terminating Disability Benefits for Alcohol and Drug Addictions” (with John Ham).

“Stalled Progress: Black-White Education Differences and the Long-term Effects of the Crack Cocaine Epidemic” (with William N. Evans and Craig Garthwaite).

“Selection into Disability Insurance and the Changing Health of Beneficiaries.”

“Substance Abuse, Economic Incentives, and Disability Program Growth” (with John Bound).

PUBLICATIONS IN ADDICTIONS/HEALTH POLICY JOURNALS

“The Size and Mix of Government Spending on Illicit Drug Policy in Australia”, *Drug and Alcohol Review*, 2008, 27(4), 404–413.

“The Costs and Consequences of Three Policy Options for Reducing Heroin Dependency”, *Drug and Alcohol Review*, 2007, 26(4), 369–378 (with Alison Ritter and Jonathan Caulkins).

“How Can Cost-of-Illness Studies of Drug Abuse be Made Useful for Policy Analysis?” *Applied Health Economics & Health Policy*, 2006, 5(2), 75–85 (with Jonathan Caulkins).

AWARDS

Roger and Alicia Betancourt Fellowship in Applied Economics, University of Maryland, 2011.

First Prize Travel Scholarship for Best Student Paper submitted to the International Society for the Study of Drug Policy Annual Conference, 2011.

Dissertation Fellowship, Center for Retirement Research at Boston College, 2010.

Fellowship for Best Third Year Paper, University of Maryland Department of Economics, 2009.

University of Maryland Summer Research Fellowship, 2008.

TEACHING EXPERIENCE

Head Teaching Assistant for Professor Robert Schwab, Introductory Microeconomics, University of Maryland, Fall 2009.

Instructor, Intermediate Microeconomics, Monash University, 2002.

Instructor, Principles of Microeconomics and of Macroeconomics, Monash College, 2002.

Teaching Assistant, Introductory Microeconomics, University of Melbourne, 2001-2002.

RESEARCH/WORK EXPERIENCE

Intern, Division of Economic Research, Office of Research, Evaluation and Statistics, Social Security Administration, Washington DC, Summer 2009 and Summer 2010.

Research Assistant for Professor William Evans, University of Maryland, 2006-08, Spring 2009.

Research Fellow, Drug Policy Modeling Program, Turning Point Alcohol and Drug Centre, Melbourne, 2004-2006.

Economic Consultant, ACIL Tasman Consulting, Melbourne/Perth, 2003-04.

Employee Relations Manager, PMP Print Moorabbin, Melbourne, 2000-01.

PROFESSIONAL ACTIVITIES

Conferences and invited seminars:

2011-12 Cornell University (Policy Analysis and Management), University of Pennsylvania (Wharton, Public Policy), New York City Seminar in Health and Demography, University of Maryland Baltimore County (Public Policy), Monash University, University of Melbourne, University of New South Wales, Association for Public Policy Analysis and Management Conference (Washington DC) (*scheduled*).

2010-11 University of Notre Dame, IZA Meeting on the Economics of Risky Behaviors (Bonn, Germany), International Society for the Study of Drug Policy Annual Conference (Utrecht, The Netherlands).

2008-09 American Economic Association Annual Meetings (San Francisco).

2007-08 Association for Public Policy Analysis and Management Conference (Washington DC).

Workshops: Becker Price Theory Summer Workshop, University of Chicago, June 2009.

Refereeing: *Journal of Public Economics*, *Journal of Human Resources*, *Social Science and Medicine*, *Applied Health Economics and Health Policy*, *Drug and Alcohol Review*, *International Journal of Drug Policy*.

SELECTED MEDIA COVERAGE

“The Short-Term Mortality Consequences of Income Receipt”

Wall Street Journal, *Time Magazine*, *Men’s Health*, National Public Radio.

“Can Celebrity Endorsements Affect Political Outcomes?...”

Washington Post, *New York Times*, *USA Today*, *Politico*, *Chicago Sun-Times*, *The Times* (UK), *Nightline* on ABC, CNN, Fox News, MSNBC, National Public Radio.

REFERENCES

Prof. Melissa Kearney, University of Maryland kearney@econ.umd.edu (301) 405-6202

Prof. Mark Duggan, University of Pennsylvania mduggan@wharton.upenn.edu (215) 898-0928

Prof. William Evans, University of Notre Dame wevans1@nd.edu (574) 631-7039

Prof. John Ham, University of Maryland john.ham.econ@gmail.com (301) 405-3497

PERSONAL INFORMATION

Citizenship: Australian (F-1 Visa)

Gender: Male

PAPER ABSTRACTS

“The Employment Effects of Terminating Disability Benefits: Insights from Removing Drug Addictions as Disabling Conditions” [JOB MARKET PAPER].

Abstract: A challenge in designing return-to-work policies for Social Security Disability Insurance or Supplemental Security Income disability beneficiaries is identifying who is able to work. Using administrative data, I estimate the employment effects resulting from the 1996 removal of drug and alcohol addictions as disabling conditions, which eliminated the benefits of approximately 100,000 individuals. Terminated beneficiaries’ employment increased by 20-30 percentage points, which is large relative to their work histories. The heterogeneity in the employment effect is consistent with health improvements initially increasing beneficiaries’ employment potential, before being outweighed by the negative consequences of an extended period out of the labor force.

“Liquidity, Economic Activity, and Mortality” (with William N. Evans).

Forthcoming in *Review of Economics and Statistics*.

Abstract: We document a within-month mortality cycle where deaths decline before the 1st day of the month and spike after the 1st. This cycle is present across a wide variety of causes and demographic groups. A similar cycle exists for a range of economic activities, suggesting the mortality cycle may be due to short-term variation in levels of economic activity. We provide evidence that the within-month activity cycle is generated by liquidity. Our results suggest a causal pathway whereby liquidity problems reduce activity, which in turn reduces mortality. These relationships may help explain the pro-cyclical nature of mortality.

“The Short-Term Mortality Consequences of Income Receipt” (with William N. Evans).

Forthcoming in *Journal of Public Economics*.

Abstract: Researchers and retailers have documented that consumption declines before the receipt of income, and then rises afterwards. In this paper, we identify a related phenomenon, where mortality rises immediately after income receipt. We find that mortality increases following the arrival of monthly Social Security payments, regular wage payments for military personnel, the 2001 tax rebates, and Alaska Permanent Fund dividend payments. The increase in short-run mortality is large, and occurs for a large number of causes of death.

“Can Celebrity Endorsements Affect Political Outcomes? Evidence from the 2008 U.S. Democratic Presidential Primary” (with Craig Garthwaite).

Forthcoming in *Journal of Law, Economics, and Organization*.

Abstract: Identifying the effects of political endorsements has historically been difficult. Before the 2008 Democratic Presidential Primary, Barack Obama was endorsed by talk show host Oprah Winfrey. In this paper, we assess the impact of this endorsement using, as measures of Winfrey’s influence, subscriptions to her magazine and sales of books she recommends. We find her endorsement increased Obama’s votes and financial contributions, and also increased overall voter turnout. No connection is found between the measures of Oprah’s influence and previous elections, nor with underlying political preferences. Our results suggest Winfrey’s endorsement was responsible for approximately one million additional votes for Obama.

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012

B.A. Economics and Cognitive Science, University of Virginia, May 2006

DISSERTATION

Essays in Political Economy

Committee: Professor Allan Drazen (Chair), Professor Ginger Jin, Professor Razvan Vlaicu

FIELDS OF SPECIALIZATION

Primary: Political Economy, Public Economics

Secondary: Industrial Organization, Public Finance

PAPERS

“Campaign Contributions: Constituency Concerns or Committee Power?” *Job Market Paper*.

“Congressional Committee Representation and Employment Dynamics” *work in progress*

“Information Aggregation in Political Mechanisms”, *work in progress*

TEACHING EXPERIENCE

Instructor, Mathematics for Economists (PhD. level), University of Maryland, Summer 2009

Teaching Assistant, Mathematics for Economists (PhD. level), University of Maryland, Summer 2008

Teaching Assistant, Principles of Microeconomics, University of Maryland, Fall 2007, Fall 2009 to Fall 2011

Teaching Assistant, Intermediate Microeconomics, University of Maryland, Spring 2008

RESEARCH EXPERIENCE

Research Assistant, Prof. Nuno Limao, University of Maryland, Fall 2008

Research Assistant, Profs Nuno Limao and Allan Drazen, University of Maryland Spring 2009

Research Assistant, Prof. Razvan Vlaicu, University of Maryland, Summer 2011

Consultant, Business Analytics L.L.C., Summer 2011

AWARDS

Department Graduate Fellowship, University of Maryland, 2006-2007

Phi Beta Kappa, University of Virginia, 2006

Echols Scholar (Undergraduate Fellowship), University of Virginia, 2002-2006

B.A. with Distinction, University of Virginia, 2006

REFERENCES

Prof. Allan Drazen	University of Maryland	drazen@econ.umd.edu	(301) 405-3477
Prof. Razvan Vlaicu	University of Maryland	vlaicu@econ.umd.edu	(301) 405-3490
Prof. Ginger Jin	University of Maryland	jin@econ.umd.edu	(301) 405-3484

THESIS ABSTRACT

Part I: “Campaign Contributions: Constituency Concerns or Committee Power?” [Job Market Paper]

While there is general consensus about what characteristics of politicians correlate with campaign contributions, there is less study of heterogeneity present among a candidate’s donors. This paper identifies several dimensions of heterogeneity among campaign donors: geographic location and employee industry. A candidate’s appointments to congressional committees and the composition of his constituency matter not only to explain the total money a candidate receives, but also to explain the composition of whom might give him money. Specifically, in-district contributions are more correlated with local employment characteristics in a district as well as a candidate’s position on “constituency” committees, whereas out-of-state donations seem to correlate more with a candidate’s position on “access” committees. I show that surprisingly, out-of-state donations to a district tend to remain linked to the employment makeup within that district.

Furthermore, I develop a novel method to identify which industries a committee has jurisdiction over and how to classify committees as “constituency” committees. For each industry-committee relationship, I calculate the extent to which an industry concentrates its national employment in locations with membership on each committee, and compare it to the extent to which an industry concentrates its PAC contributions to members on each committee. Comparing the overlap in employment and the overlap in contributions leads to the discovery of two dimensions of variability in the data, (1) whether a committee has policy jurisdiction over an industry and (2) whether the committee is a “constituency” or “access” committee.

Part II: “Political Representation and Industry Dynamics”

A long line of literature documents returns to having favorable representation in Congress. It is natural to ask whether firms have a strategic incentive to move around the country in response to changes in committee representation. I describe a model of bargaining between an industry and politician, where the joint surplus is increasing in the size of an industry as well as favorable representation of that industry by the committees a politician serves upon. Using individual and PAC campaign contribution data, I construct a measure for which industries each committees is likely to have jurisdiction over and identify relative policy relationships between certain industry-committee pairs. The model predicts that within a congressional district, changes in its representative’s committee slate will lead to differential incentives for certain industries to locate there relative to other industries. After matching geographically disaggregated employment data with congressional districts, I show that there is a strong correlation between changes in an industry’s share of total district employment and the likelihood that the representative from that district changes to serve on a committee that industry cares about. However, after instrumenting for changes in committee representation due to exogenous exits of representatives, there is no causal link between changes in committee representation and changes in local employment dynamics.

Part III: “Information Aggregation in Political Mechanisms”

In an environment where political preferences are unknown, a natural way to model a single policymaker aggregating information and choosing policy is a political mechanism. I write a generalization of standard models of lobbying with quadratic, single-peaked preferences. I consider the costs required for individuals to reveal their preferences truthfully and characterize feasible ways that a policymaker can aggregate private preferences with truthful revelation. I show that if policymakers can choose the political mechanism, when they benefit more from the costly truthful signaling expenditures of agents, they develop an incentive to strategically ignore the preferences of certain agents relative to others.

PERSONAL INFORMATION

Citizenship: U.S.

Gender: Male

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EDUCATION

Ph.D. Economics, University of Maryland, College Park MD, expected May 2012

B.A. Economics (with honors), Universidad del CEMA, Buenos Aires, 2006

DISSERTATION

A Study of Debt and Financial Markets during a Period of Financial Repression

Committee: Prof. Carmen Reinhart (Co-Chair), Prof. Carlos Végh (Co-Chair), Prof. Anton Korinek

FIELDS OF SPECIALIZATION

Primary field: International Finance

Secondary field: Political Economy

PAPERS

“Debt and Inflation during a Period of Financial Repression” (Job Market Paper)

Presentations: Cornell University, University of Notre Dame, University of Melbourne, Reserve Bank of Australia, Macquarie University, Monash University.

“The Liquidation of Government Debt” (with Carmen M. Reinhart), *NBER Working Paper 16893*, March 2011

Presentations: International Monetary Fund

Media coverage: *The Economist*, *Financial Times*

“Financial Repression Redux,” *Finance and Development*, June 2011, pp. 23-27 (with Carmen M. Reinhart and Jacob F. Kirkegaard) [Invited]

RESEARCH IN PROGRESS

“Can Indexed Debt be Inflated Away? Evidence from Argentina and Brazil”

“Political Budget Cycles, and Domestic and External Debt Default”

“International Reserve Accumulation and Industrial Policy in China”

TEACHING EXPERIENCE

Instructor, Financial Markets and the Macroeconomy, University of Maryland, Summer 2009.

Teaching Assistant for Prof. H. Terrell, Principles of Macroeconomics, University of Maryland, Spring 2008, Fall 2008, Spring 2009.

Teaching Assistant for Prof. H. Terrell, Principles of Microeconomics, University of Maryland, Fall 2007.

RESEARCH EXPERIENCE

Research Assistant for Prof. Carmen M. Reinhart, University of Maryland, Jun 2009 – present.

Research Assistant for Prof. Adrian C. Guissarri, Universidad del CEMA, Jan – Sep 2006.

Research Assistant for Prof. Jorge Streb, Universidad del CEMA, Jun – Dec 2005.

REFERENCES

Dr. Carmen M. Reinhart Peterson Institute for International Economics 1750 Massachusetts Avenue Washington, DC 20036 Phone: (202) 328-9000 Email: creinhart@piie.com	Professor Carlos A. Végh Department of Economics University of Maryland 3105 Tydings Hall College Park, MD 20742 Phone: (301) 405-3546 Email: vegh@econ.umd.edu	Professor Anton Korinek Department of Economics University of Maryland 3105 Tydings Hall College Park, MD 20742 Phone: (301) 405-4536 Email: korinek@econ.umd.edu
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THESIS ABSTRACT

Part I: "Debt and Inflation during a Period of Financial Repression" (Job Market Paper)

The current debt-to-GDP ratios of many advanced economies are at historically high levels, raising questions about how they are going to be reduced. I assess whether domestic debt can be inflated away by looking at the experience of 12 countries after the end of World War II, when debt levels were also high. The countries in the sample are mainly advanced economies with histories of relatively low inflation. I find that inflation played an important role in reducing government debt, generating average revenues for the government of between two and three percent of GDP. The incidence of the effect is primarily explained by the presence of financial repression keeping interest rates at low levels, rather than unanticipated inflation or changes in the market value of debt. I also examine how financial repression affected the relative returns of financial assets over this period. The results suggest that some of the equity premium during this period, which was over eight percentage points, can be explained by the abnormally low returns in the market for government bonds.

Part II: "The Liquidation of Government Debt" (with Carmen M. Reinhart)

Historically, periods of high indebtedness have been associated with a rising incidence of default or restructuring of public and private debts. A subtle type of debt restructuring takes the form of "financial repression." Financial repression includes directed lending to government by captive domestic audiences (such as pension funds), explicit or implicit caps on interest rates, regulation of cross-border capital movements, and (generally) a tighter connection between government and banks. In the heavily regulated financial markets of the Bretton Woods system, several restrictions facilitated a sharp and rapid reduction in public debt/GDP ratios from the late 1940s to the 1970s. Low nominal interest rates help reduce debt servicing costs while a high incidence of negative real interest rates liquidates or erodes the real of government debt. Thus, financial repression is most successful in liquidating debts when accompanied by a steady dose of inflation. Inflation need not take market participants entirely by surprise and, in effect, it need not be very high (by historic standards). For the advanced economies in our sample, real interest rates were negative roughly half of the time during 1945-1980. For the United States and the United Kingdom our estimates of the average annual liquidation of debt via negative real interest rates amounted 2-3% of GDP a year. We describe some of regulatory measures and policy actions that characterized the heyday of the financial repression era.

PERSONAL INFORMATION

Citizenship: Argentina, Italy (F-1 Visa)
Gender: Female
Languages: English (fluent), Spanish (native), Italian (intermediate)

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012.

M.A. Economics, University of Maryland at College Park, December 2008.

B.A. Economics (cum laude), Universidad Nacional de Tucumán, Argentina, August 2005.

DISSERTATION

“Essays on Sovereign Debt Crises”

Committee: Prof. Enrique Mendoza (co-chair), Prof. Carmen Reinhart (co-chair), Prof. Pablo D’Erasmus.

FIELDS OF SPECIALIZATION

Primary: International Finance, Macroeconomics

Secondary: Monetary Economics, Computational Economics

PAPERS AND PUBLICATIONS

“Sovereign Defaults and Banking Crises”, Job Market Paper.

Presentations: 2011 Society of Computational Economics (CEF) meetings, Universidad Nacional de Tucumán, University of Maryland Macro/Int’l Brownbag, Federal Reserve Bank of Atlanta (scheduled), IMF Institute (scheduled).

“Debt Dilution and Sovereign Default Risk”, with J. C. Hatchondo and L. Martinez.

Presentations: 2010 Society of Economic Dynamics (SED) meetings, 2010 Royal Economic Society Annual Conference, 2010 Eastern Economic Association Annual Conference, Federal Reserve Bank of Atlanta, Federal Reserve Bank of Richmond, Universidad Nacional de Tucumán.

“Firms’ Financing, Contract Enforcement and Liability Dollarization”, *Journal of Centrum Cathedra*. Vol. 3, No. 1. March 2010.

TEACHING EXPERIENCE

Instructor, Intermediate Macroeconomics, University of Maryland, Winter 2010 & Summer 2008.

Instructor, Macroeconomics, Universidad Nacional de Tucumán, Summer 2008 (M.A. level).

Instructor, Mathematics for Economists, UNSTA, Argentina, Spring 2006.

Teaching Assistant, International Macroeconomics with Incomplete Markets and Financial Frictions, University of Maryland, Fall 2011 (Ph. D. Level).

Teaching Assistant, Introductory Macroeconomics, University of Maryland, Spring and Fall 2007.

Teaching Assistant, Introductory Microeconomics, University of Maryland, Fall 2006.

Teaching Assistant, Econometrics, Universidad Nacional de Tucumán, 2004-2005.

Teaching Assistant, Macroeconomics, Universidad Nacional de Tucumán, 2003.

RESEARCH/WORK EXPERIENCE

Research Assistant for Prof. Enrique Mendoza, Fall 2011 – present.

Fund Internship Program, IMF, Research Department, Summer 2011.

Visiting Scholar, IMF Institute, August 2010.

Dissertation Internship, Federal Reserve Bank of Atlanta, Summer 2010.

Dissertation Internship, Federal Reserve Bank of Richmond, Summer 2009.

Research Assistant for Prof. Carmen Reinhart, Fall 2008-Spring 2011

Young Researcher, Research Board Universidad Nacional de Tucumán (CIUNT), 2005-2006.

AWARDS

Hilda Moskowitz Graduate Fellowship, University of Maryland, Spring 2012.
Jacob K. Goldhaber Award, Travel Grant, University of Maryland, Summer 2010.
Graduate Assistantship, University of Maryland, 2006-present.
Research Grant (Young Researcher), Universidad Nacional de Tucumán, 2005-2006.
Research Grant (Completion of Undergraduate Studies), Universidad Nacional de Tucumán, 2004-2005.
Fellowship, “Emerging Young Leaders in Latin America”, Fundacion Carolina, Spain, 2005.
Ranked 1st of the class. Universidad Nacional de Tucumán, 2005.

REFERENCES

Prof. Enrique Mendoza	University of Maryland	mendozae@econ.umd.edu	(301) 405-3548
Prof. Carmen Reinhart	Peterson Institute	creinhart@piie.com	(202) 328-9000
Prof. Pablo D’Erasmus	University of Maryland	derasmo@econ.umd.edu	(301) 405-3529

THESIS ABSTRACT

Part I: Sovereign Defaults and Banking Crises. Job Market Paper

Sovereign defaults and banking crises have characterized the history of Emerging Economies. Three features of these events are noteworthy: (i) Default and Banking crises tend to happen together, (ii) the banking sector is exposed to government debt, and (iii) output and credit contract sharply when these events occur. This paper provides a rationale for these phenomena by extending the traditional sovereign default framework to incorporate financial intermediaries that lend to both the government and the corporate sector. When these financial intermediaries (bankers) are highly exposed to government debt a default triggers a banking crisis which leads to a corporate credit collapse and consequently to an output decline. A version of the model calibrated to the Argentine economy produces four key findings: (1) default in equilibrium, (2) v-shaped behavior of output around crises episodes, (3) mean output decline in default episodes of approximately 8%, and (4) overall qualitative behavior of the model is in line with the business cycle regularities observed in Argentina and other emerging economies.

Part II: Debt Dilution and Sovereign Default Risk (with Juan Carlos Hatchondo and Leonardo Martinez)

We study a sovereign default framework in which the sovereign has to compensate existing bond holders when it issues new debt, and the compensation promised to bond holders is such that sovereign bond prices are independent from future debt issuances. Thus, in our framework, there is no debt dilution problem. We compare the simulations obtained with our model with the ones obtained with a model in which existing bond holders are not compensated for new issuances. This allows us to quantify the effects of debt dilution in sovereign default risk. We find that, even without commitment to future repayment policies and without fully state-contingent payoffs in sovereign debt contracts, if the sovereign could eliminate debt dilution, the probability of default would decrease 86%. We also show that simpler schemes of compensation to bond holders contingent on debt issuances can implement most of the gains from eliminating dilution.

ADDITIONAL INFORMATION

Gender: Male
Languages: English (Fluent), Spanish (Native)
Citizenship: Argentina
Visa: J1

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EDUCATION

Ph.D. Economics, University of Maryland at College Park, expected May 2012

Part-time student, Columbia University, September 2002-December 2005

B.A. Sociology, DePaul University, August 1999

DISSERTATION

Determinants and Benefits of Human Capital in Developing Countries

Committee: Professor Judith K. Hellerstein (Chair), Professor Jeanne Lafortune, Professor Raymond Guiteras

FIELDS OF SPECIALIZATION

Primary: Development Economics

Secondary: Labor Economics, Public Economics

PAPERS

“Rainfall Shocks and Human Capital,” *Job Market Paper*.

“The Effect of Maternal Education on Own and Child Health: Evidence from Ghana’s National Health Insurance Scheme”, *work in progress*.

“Take-up and Financial Effects of Health Microinsurance” (with Raymond Guiteras and Harounan Kazianga), *work in progress*.

TEACHING EXPERIENCE

Teaching Assistant, Intermediate Microeconomics, UMD, Fall 2007, Spring 2008, Fall 2009, 2011

Teaching Assistant, Principles of Economics, UMD, Fall 2010, Spring 2011

Instructor, Economic Development of Underdeveloped Areas, UMD, Summer 2010

Instructor, Public Finance, UMD, Summer 2008, 2009

Teaching Assistant, Undergraduate Honors Thesis, UMD, Fall 2006, Spring 2007

RESEARCH EXPERIENCE

Summer Internship, Innovations for Poverty Action (Accra, Ghana office), Summer 2011

Short-term Consultant, East Asia and Pacific Region, World Bank, Spring 2010

Research Assistant, Prof. Christopher McKelvey, UMD, Spring 2009

Research Assistant, Prof. Matthew Neidell, Columbia University, Fall 2005-Summer 2006

REFERENCES

Prof. Judith K. Hellerstein University of Maryland hellerst@econ.umd.edu (301) 405-3545

Prof. Jeanne Lafortune University of Maryland lafortune@econ.umd.edu (301) 405-3486

Prof. Raymond Guiteras University of Maryland guiteras@econ.umd.edu (301) 405-3480

THESIS ABSTRACT

Part I: “Rainfall Shocks and Human Capital” [Job Market Paper]

This paper quantifies the human capital effects of annual rainfall shocks. For school-aged children in rural areas of developing countries, such shocks affect household income and the opportunity cost of time spent learning and so might increase labor supply at the expense of schooling (or vice versa). For preschool-aged children, rainfall shocks affect parents’ abilities to purchase health-promoting goods, the amount of time parents devote to their children’s health, and the disease environment itself. While there is evidence that covariate (including rainfall) shocks do affect both education and health investments in children-which, according to theoretical and empirical evidence, could mean that temporary shocks have permanent effects-there is much less evidence on what the permanent effects of these common shocks are. I provide this kind of evidence by estimating the effects of the number and timing of all the unusually wet and dry years that West African adults experienced over the first 21 years of their lives on their eventual literacy and highest grade completed. My main empirical strategy considers the effects of wet and dry years over three age ranges across locations across cohorts. I find evidence that women’s (men’s) human capital stocks are negatively (positively) affected by both wet and dry years. I argue that wet years caused girls to trade off time spent working against time spent in school (and vice versa for boys), while dry shocks left parents unwilling to finance girls’ school enrollment. Also, I argue that the slack labor demand that dry years resulted in afforded boys the chance to work less and learn more.

Part II: “The Effect of Maternal Education on Own and Child Health: Evidence from Ghana’s National Health Insurance Scheme” [Work in Progress]

Are better-educated people more likely to benefit from new public programs, and if so, would this tendency reflect the causal effect of education? This paper considers whether better-educated Ghanaian women consumed more health care and experienced better (own and children’s) health outcomes following the implementation of an affordable, comprehensive national health insurance scheme in 2005. I use retrospective pregnancy-related health care consumption and children’s health outcome data from the 2008 Ghana Demographic and Health Survey (GDHS) to analyze whether better educated mothers benefited more from the program. The retrospective nature of the data allows for the examination of multiple outcome events per mother and so a test of whether better educated mothers consumed more health care and experienced better outcomes following the program’s implementation. The outcomes I consider include measures of the types of facilities mothers’ children were born in and what kind of care the mother received following each birth, children’s weight at birth, children’s (current) height-for-age and neonatal mortality. The richness of the GDHS data allows for an examination of trends in these outcomes over time as well as multiple placebo checks.

Part III: “Take-up and Financial Effects of Health Microinsurance” (with Raymond Guiteras and Harounan Kazianga) [Work in Progress]

Why is demand for an inexpensive Ghanaian health microinsurance program so low, and do modules designed to teach people about the benefits of that program increase take-up? Also, how does insurance affect the use of health services, health spending and financial security? If knowledge about Ghana’s health insurance program or insurance in general is a barrier to registration, education may be an effective means of increasing insurance uptake and access to health care services. Education could also increase interest in the program and push those who want to register but have not yet done so to sign up. To test the effect of program-related education modules on take-up, we have conducted an experiment whereby individuals were randomly assigned to one of four treatment groups (where all four treatments cover the same educational material but deliver it differently) or a control group. After examining how take-up varies with treatment status, we will use that status as an instrument to identify the effects of health insurance on health care usage and household financial outcomes. Also, the existence of baseline data on individuals’ risk preferences allows us to examine how treatment effects vary with risk aversion.

PERSONAL INFORMATION

Citizenship: U.S.

Gender: Male