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Personal Information:

Date of birth: June 27, 1986
Citizenship: Chile
Visa: J1

Undergraduate Studies:

B.A. Economics and Business, Universidad de Chile, 2010

Masters Level Work:

M.A. Economics, Universidad de Chile, *summa cum laude*, 2011

Graduate Studies:

University of Pennsylvania, 2013 to present
Thesis Title: "Essays in Macroeconomics with Financial Frictions"
Expected Completion Date: May 2019

Thesis Committee and References:

Enrique G. Mendoza (Advisor)
Presidential Professor of Economics
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Research Fields:
International Macroeconomics, Heterogeneous Agents, Quantitative Macroeconomics

Teaching Experience:

Summer 2018	Lecturer for Introduction to Microeconomics (Undergraduate), University of Pennsylvania
Fall 2018	Instructor for Lab Sessions, PIER Workshop on Quantitative Tools for Macroeconomics, University of Pennsylvania
Summer 2017	Lecturer for Introduction to Microeconomics (Undergraduate), University of Pennsylvania
Fall 2017	Instructor for Lab Sessions, PIER Workshop on Quantitative Tools for Macroeconomics, University of Pennsylvania
Spring 2015	Macroeconomics I (Ph.D.), University of Pennsylvania, Teaching Assistant for Professors Jesús Fernández-Villaverde and Dirk Krueger
Fall 2014	Macroeconomic Modelling (Undergraduate), Recitation Instructor for Professor Guillermo Ordoñez

Research Experience and Other Employment:

2018	Research Assistant for Professor Enrique Mendoza, University of Pennsylvania
2017	Research Assistant for Professor Jesús Fernández-Villaverde, University of Pennsylvania
2016-2017	Research Assistant for Professor Enrique Mendoza, University of Pennsylvania
2015-2016	Graduate Research Analyst, Federal Reserve Bank of Philadelphia

Professional Activities:

Presentations	2018: Midwest Macro (scheduled), University of Pennsylvania 2017: Midwest Macro, George Washington University, University of Pennsylvania 2016: Midwest Macro, University of Pennsylvania
Referee	International Economic Review, Review of Economic Dynamics, Economics of Education Review

Honors, Scholarships, and Fellowships:

2018-2019	Dissertation Completion Fellowship, University of Pennsylvania
2018	Penn Institute for Economic Research (PIER) RA Stipend Matching Grant, University of Pennsylvania
2017	Hiram C. Haney Fellowship Award in Economics (Best Third Year Paper), University of Pennsylvania
2014	Certificate of Distinctive Performance in the Preliminary Examination in Macroeconomics, University of Pennsylvania
2013-2017	Graduate Fellowship, University of Pennsylvania

Publications:

“**Positive and Normative Implications of Liability Dollarization for Sudden Stops Models of Macroprudential Policy**”, *IMF Economic Review*, forthcoming (with Enrique G. Mendoza)

“Credit Constraints in Higher Education in a Context of Unobserved Heterogeneity”, *Economics of Education Review*, 2016, 52, pp. 225-250 (with Rafael Sánchez and Mauricio Villena)

“The Unintended Consequences of Childcare Regulation: Evidence from a Regression Discontinuity Design”, *Journal of Applied Economics*, 2016, 19(1), pp. 1-39, lead article (with Rafael Sánchez and Mauricio Villena)

Research Papers:

“Firm Heterogeneity & the Transmission of Financial Shocks During the European Debt Crisis” (Job Market Paper)

This paper studies the role of firm heterogeneity in the transmission of financial shocks to the real economy. The recent European debt crisis provides a natural experiment with abundant firm-level data on an episode of heterogeneous firm responses to a severe tightening of credit conditions. The data show evidence indicating that smaller firms adjusted more their balance sheets than large firms, and performed better in economies with a more skewed firm size distribution. There is also some evidence suggesting that smaller firms faced larger increases in borrowing costs. This paper proposes a model of heterogeneous firms, in terms of productivity, capital and debt that face financial frictions (defaultable debt and costly equity issuance), a financial intermediation sector, and a sovereign. Financial frictions generate financing structures that depend on firm size, where small firms rely more on equity than debt, which is relatively more costly. Sufficiently large increases in public debt trigger a binding lending constraint for the intermediaries that cause a crowding out of private lending and leads smaller firms to adjust more than large firms. Moreover, firm heterogeneity has aggregate effects that result in larger output declines. Quantitative results show that the model, calibrated to match Spanish firm-level data, is consistent with the empirical facts and explains roughly 50% of Spain's output drop during the crisis.

“**Loans for Higher Education, Does the Dream Come True?**”, with Tomás Rau and Sergio Urzúa, *NBER Working Paper No. 19138*, 2013

This paper analyzes the impact of student loans for higher education on enrollment, dropout decisions, and earnings. We investigate the massive State Guaranteed Loan (SGL) program implemented in Chile in 2006. Our empirical analysis is based on the estimation of a sequential schooling decision model with unobserved heterogeneity. We supplement this model with labor market outcomes. The model is estimated using rich longitudinal data generated from administrative records. Our findings show that the SGL program increased the probability of enrollment and reduced the probability of dropping out from tertiary education: SGL reduced the first year dropout rate by 6.8% for students enrolled in five-year colleges and by 64.3% for those enrolled in institutions offering two- or four-year degrees. Moreover, we document that the SGL program has been more effective in reducing the probability of dropping out for low-skilled individuals from low-income families. When analyzing labor market outcomes, we find that SGL beneficiaries have lower wages (up to 6.4% less) than those who did not "benefit" from the program. We attribute this negative result to the design of the SGL program, which has incentivized higher education institutions to retain students at the expense of not securing the quality of education.

Research in Progress:

“**Liability Dollarization, Sudden Stops & Optimal Financial Policy**”, with Enrique G. Mendoza

Banks in emerging markets intermediate capital inflows denominated in hard currencies (i.e. tradable goods) to fund loans denominated in domestic currency (i.e. domestic consumption units). This “liability dollarization” affects borrowing decisions via three effects absent from standard Sudden Stops models, in which domestic loans are in units of tradables. First, real depreciations reduce ex-post real interest rates, and hence the burden of repaying outstanding debt. Second, expected real appreciations reduce ex-ante real interest rates and increase the resources generated by issuing new debt. Third, the positive co-movement of consumption and real interest rates reduces the expected marginal cost of borrowing. These effects add an “intermediation externality” to the macroprudential externality of the standard models. Optimal policy under commitment is time-inconsistent, tightens access to debt when expectations of real appreciation rise, and does not require capital controls. In contrast, an optimal, time-consistent policy requires both domestic credit regulation and capital controls. Quantitatively, the model predicts higher debt ratios with milder Sudden Stops than the standard models, but it fits observed Sudden Stops better. The optimal policy is very effective but also complex, while simple rules optimized to maximize welfare are much less effective, and implemented with ad-hoc values can reduce welfare significantly. Welfare-improving policies favor taxing domestic debt more than capital inflows, and subsidizing inflows is part of the optimal policy.

Computation Skills:

Fortran, Matlab, Julia, R, Gauss, Stata

Languages:

Spanish (native), English (fluent)