

Adrien Bilal

Princeton University

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Princeton, NJ 08544

Education

Princeton University

2014 - Present

Ph.D. Candidate in Economics, Expected Completion: May 2020
Dissertation: *“Essays on the Macroeconomics of Labor Markets”*

DISSERTATION COMMITTEE AND REFERENCES

Professor Esteban Rossi-Hansberg (chair)
Department of Economics
Princeton University
650-714-2093
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Assistant Professor Gregor Jarosch
Department of Economics
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Professor Richard Rogerson
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Professor Gianluca Violante
Department of Economics
Princeton University
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M.A. Economics, Paris School of Economics

September 2013 - June 2014

B.A. Mathematics and Physics, Ecole Polytechnique

September 2010 - June 2013

Research Fields

Primary: Macroeconomics, International Trade
Secondary: Economic Geography, Labor, Continuous-Time Methods

Job Market Paper

The Geography of Unemployment

Abstract: Unemployment rates differ widely across local labor markets. I offer new empirical evidence that high local unemployment emerges primarily because of elevated local job losing rates, even for observationally identical workers. I then propose a theory in which spatial differences in job loss arise endogenously. Highly productive employers prefer to fill their vacancies rapidly, as waiting implies

foregoing high profits. Therefore, they sort into high wage locations with few vacancies per job seeker while less productive employers sort into tight labor markets with low wages. Jobs at more productive employers are endogenously more stable, and spatial gaps in job losing rates arise. In contrast, the equilibrium response of reservation wages results in a flatter profile of job finding rates across locations. Due to labor market frictions, productive employers over-value locating close to each other. Thus, the optimal policy incentivizes productive employers to relocate to areas with high job losing rates, providing a rationale for commonly used place-based policies. After structurally estimating the model on French administrative data, I show that it accounts for over 90% of the cross-sectional dispersion in unemployment rates, as well as for the respective contributions of job losing and job finding rates. Employers' inefficient location choices amplify spatial unemployment differentials five-fold. Finally, I show that both real-world and optimal place-based policies yield sizable welfare gains at the local and aggregate level.

Working Papers

Location as an Asset, with E. Rossi-Hansberg – *R&R Econometrica*

Abstract: The location of individuals determines their job opportunities, living amenities, and housing costs. We argue that it is useful to conceptualize the location choice of individuals as a decision to invest in a "location asset". This asset has a cost equal to the location's rent, and a payoff through better job opportunities and, potentially, more human capital for the individual and her children. As with any asset, savers in the location asset transfer resources into the future by going to expensive locations with good future opportunities. In contrast, borrowers transfer resources to the present by going to cheap locations that offer few other advantages. As in a standard portfolio problem, holdings of this asset depend on the comparison of its rate of return with that of other assets. Differently from other assets, the location asset is not subject to borrowing constraints, so it is used by individuals with little or no wealth that want to borrow. We provide an analytical model to make this idea precise and to derive a number of related implications, including an agent's mobility choices after experiencing negative income shocks. The model can rationalize why low wealth individuals locate in low income regions with low opportunities even in the absence of mobility costs. We document the investment dimension of location, and confirm the core predictions of our theory with French individual panel data from tax returns.

Firm and Worker Dynamics in a Frictional Labor Market, with N. Engbom, S. Mongey and G. Violante

Abstract: This paper develops a continuous-time random-matching model of a frictional labor market with firm and worker dynamics. Multi-worker firms choose whether to shrink or expand their employment in response to productivity shocks to their decreasing returns to scale technology. Growing entails posting costly vacancies, which are filled either by the unemployed or by employees poached from other firms. Firms also choose optimally when to enter and exit the market. Tractability is obtained by proving that, under a parsimonious set of assumptions, all worker and firm decisions can be characterized by comparisons between marginal surpluses which only depend on firm's productivity and size. As frictions vanish, the model converges to a standard competitive model of firm dynamics. A parameterized version of the model yields longitudinal and cross-sectional patterns of net poaching in response to productivity shocks that are in line with the data. The model also generates a drop in job-to-job transitions as firm entry declines, offering an interpretation to U.S. labor market dynamics around the Great Recession. All these outcomes are a reflection of the job ladder in marginal surplus that emerges in equilibrium.

Work in Progress

The Skill-Biased Job Ladder and Long-Run Inequality in the US, with H. Lhuillier
Monopsony in Local Labor Markets, with D. Capelle and C. Porcher
Limits to Wealth Accumulation in the Income Fluctuation Problem

Honors and Awards

Fellowship of Woodrow Wilson Scholars, Princeton University *2018-2020*
Marimar & Cristina Torres Prize *2017*
Best 3rd-year Graduate Research Paper, Princeton University
Avinash K. Dixit Prize *2016*
Outstanding Academic Achievement in International Economics, Princeton University
Graduate Fellowship, Princeton University *2014-2020*
Undergraduate Fellowship, Ecole Polytechnique *2010-2014*
Valedictorian (ranked 1st), Nationwide Competitive Entrance Exam Ecole Polytechnique *2010*
High Honors, Nationwide Mathematics Competition (Concours Général) *2008*

Teaching

Graduate Macroeconomics, Princeton University *2016-2017*
Undergraduate Mathematical Macroeconomics, Princeton University *2017*
Graduate Markov Chains, Université Panthéon-Assas *2014*
Undergraduate Macroeconomics and Microeconomics, Ecole Polytechnique *2013*

Relevant Positions

Research Assistant, Assistant Professor Adrien Matray *2016*
Research Assistant, Professor Esteban Rossi-Hansberg *2015*

Professional Activities

Referee: American Economic Review, Econometrica

External presentations and seminars: 2019 – Urban Economics Association conference (Philadelphia Federal Reserve Bank). 2018 – NBER Summer Institute, Urban Economics Association conference (Columbia University), Conference on Urban and Regional Economics (Philadelphia Federal Reserve Bank).