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Fields of Concentration:
Macroeconomics

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Macroeconomics

Comprehensive Examinations Completed:
2017 (Oral): Macroeconomics (*with distinction)*, Economic Theory
2016 (Written): Microeconomics, Macroeconomics

Dissertation Title: *Essays in Macroeconomics*

Committee:
Professor Giuseppe Moscarini (Chair)
Professor Zhen Huo
Professor John Tang

Expected Completion Date: May 2021

Degrees:
Ph.D., Economics, Yale University, 2021 (expected)
M.Phil., Economics, Yale University, 2017
M.A., Economics, Yale University, 2016
M.A., Economics, Getulio Vargas Foundation (EPGE-FGV/RJ), 2015
B.A., Economics, Getulio Vargas Foundation (EPGE-FGV/RJ), 2013

Fellowships, Honors and Awards:
Dissertation Fellowship, Yale University, 2020-2021
Yale Graduate Fellowship, Yale University, 2015-2020
Carl Arvid Anderson Prize Fellowship, Yale University, 2018
Getulio Vargas Foundation Scholarship, 2010-2013
Banco BBM Fellowship, 2012

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Teaching Experience (all at Yale College):

Spring 2020, Teaching Assistant to Prof. Zhen Huo, Macroeconomic Theory
Spring 2019, Teaching Assistant to Prof. Giuseppe Moscarini, Macroeconomic Theory
Spring 2018, Teaching Assistant to Prof. Aleh Tsyvinski, Introductory Macroeconomics
Fall 2017, Teaching Assistant to Prof. Eduardo Faingold, Microeconomic Theory

Research and Work Experience:

Research Assistant to Prof. Cecilia Machado, Getulio Vargas Foundation (EPGE-FGV/RJ), 2014

Intern, Banco BBM, 2013

Working Papers:

"Local Risks in House Prices and Income: A Quantitative Assessment" (Nov 2020), *Job Market Paper*

Work in Progress:

"Dispersed Information, over-extrapolation, and Exchange Rate Puzzles", with João P. Valente and Tianhao Wu

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References:

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Dissertation Abstract

Local Housing and Income Risks: A Quantitative Assessment [Job Market Paper]

Housing is the most important asset for US households, especially for those below the top of the wealth distribution. House prices are also risky and positively correlated with labor income at the regional level. In this paper, I study how correlated shocks to housing prices and labor income affect household consumption and saving decisions. I argue that those shocks impose a significant welfare cost on homeowners and discuss the effectiveness of common mortgage relief policies in insuring them away.

In order to study the joint behavior of housing prices and labor income for counties and metropolitan areas in the US, I merge panel data on housing prices from the FHFA House Price Index, labor income from the BEA Regional Economic Accounts and unemployment rates from the Local Area Unemployment Statistics. I then document two main facts. First, house price growth is positively correlated across locations with labor income growth and job finding rates, while it is negatively correlated with the unemployment rate. Second, local-level house price and labor income changes contribute significantly to individual house prices and labor income variations: the variance of local house price growth and labor income growth over time are, on average across locations, 30% and 21% of the variance of growth in their individual counterparts, respectively.

Motivated by these facts, I develop a quantitative life-cycle model featuring key institutional details of the U.S. housing and mortgage markets, uninsurable individual and correlated local risks in housing price and labor income, the ability to default and spatial mobility. Housing is illiquid, as accessing home equity by selling a house or refinancing a mortgage involves transaction costs. In order to borrow against housing wealth, households must satisfy realistic loan-to-value and payment-to-income constraints.

I calibrate the model to match empirical moments of the wealth and labor income distributions of US households. I target the mean wealth-to-income ratio, the life-cycle profile of the homeownership and the mean expenditure share on housing services. The labor income process is calibrated to match the values documented in the literature for the variance, persistence, skewness and kurtosis of earning growth rates.

Using the calibrated model, I quantify the welfare cost of correlated house price and labor income shocks for US households by shutting down this correlation while keeping the remaining parameters the same. I find a significant average consumption-equivalent welfare cost, with the middle-aged population being the most affected, and find effects on the lifetime behavior of savings and homeownership. I then evaluate the effects of mortgage relief policies, including alternative designs that take local house prices into account.