

University of Minnesota - Twin Cities

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Curriculum Vitae Fall 2017

LUIS DíEZ-CATALÁN

Personal Data

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Citizenship: Spain (F-1 Visa)

Major Fields of Concentration

Macroeconomics, Labor Economics, Applied Econometrics

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
PhD	Economics	University of Minnesota (expected)	2018
MA	Economics	University of Minnesota	2015
MSc	Economics and Finance	CEMFI (Spain)	2012
BA	Business Administration	UPNA (Pamplona, Spain)	2010
BA	Business Administration	University of Lincoln (UK)	2009

Dissertation

Title: "Essays in Macroeconomics and Labor Economics"

Dissertation Advisor: Professor Fatih Guvenen

Expected Completion: Summer 2018

References

Professor Fatih Guvenen	(612) 625-0767 guvenen@umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall 1925 Fourth Street South Minneapolis, MN 55455
Professor Jeremy Lise	(612) 625-0941 jlise@umn.edu	
Professor Loukas Karabarbounis	(612) 625-7504 loukas@umn.edu	
Dr. Simran Sahi	(612) 625-6353 ssahi@umn.edu	

Honors and Awards

- 2017 *Graduate Research Program Partnership Fellowship*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2015 - 2016 *Distinguished Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2014 - 2015 *Distinguished Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2012 - 2014 *Banco de España Graduate Fellowship*
- 2010 - 2012 *La Caixa Graduate Fellowship*

Teaching Experience

- Summer 2015 - present *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Introduction to Econometrics* and supervised the teaching assistants for this course.
- 2014 - 2015 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Introduction to Econometrics*.

Advising Experience

- Spring 2016 *Independent Project Supervisor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Advised two students doing projects to earn an Econometrics minor.

Research Experience

- August 2016 - present *Visiting Scholar*, Research Department, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota.
- Summer 2013 & Summer 2014 *Research Intern*, Research Department, Banco de España, Madrid, Spain.
- Summer 2011 *Research Assistant*, CEMFI, Madrid, Spain. Research assistant to Professor Stéphane Bonhomme.

Working Papers

- “The Labor Share in the Service Economy,” job market paper
- “Staggered Contracts and Unemployment during the Great Recession: Evidence from Spain,” with Ernesto Villanueva
- “Discretizing a Process with Non-zero Skewness and High Kurtosis,” with Simone Civale and Fatih Fazilet
- “Rich Entrepreneurs and Wealth Inequality,” with Sergio Salgado

Work in Progress

- “Wealth Dynamics of the Super-Rich,” with Simone Civale and Sergio Salgado

Presentations

- “The Labor Share in the Service Economy,” presented at the Simposio of the Spanish Economic Association, Barcelona (Spain), December 2017.
- “Discretizing a Process with Non-zero Skewness and High Kurtosis,” presented at the Midwest Economics Association Annual Meeting, Evanston, Illinois, April 2016.
- “Wealth Dynamics of the Super-Rich” presented at the Midwest Economics Association Annual Meeting, Cincinnati, Ohio, March 2017.

Computer Skills

Fortran, MATLAB, STATA

Languages

Spanish (native), English (fluent)

Abstracts

- “The Labor Share in the Service Economy,” job market paper

Much research has documented a decline in the aggregate labor share in the United States and other countries. Yet, I document that this is not a general phenomenon across industries. In fact, there has been a divergence between services and non-services industries in the United States since 1980. Over this period, the labor share for services industries increased by an average of 6

percentage points, whereas for the rest of industries it decreased by an average of 14 percentage points. A similar diverging pattern is also present in several European countries. By exploiting industry-level data, I find that the divergence is occurring in the large majority of sub-industries, and is correlated with changes in labor intensity across sub-industries. In order to understand the underlying mechanisms behind this divergence, I build a quantitative two-sector model and show that the decline in the aggregate labor share and the divergence across industries are both consistent with the observed declining trend in the relative price of investment goods. Critically, differences in the substitutability between capital and labor, and differences in technical change across industries can account for the divergence.

“Discretizing a Process with Non-Zero Skewness and High Kurtosis,” with Simone Civate and Fatih Fazilet

We develop and test a discretization method to calibrate a Markov chain that features non-zero skewness and high kurtosis. The proposed method applies the logic of Tauchen (1986) to a first-order autoregressive process with normal mixture innovations, which, as we discuss, can be calibrated to feature non-zero skewness and high kurtosis. We then illustrate an application of our method in an Aiyagari economy. We find that an idiosyncratic shock with higher kurtosis decreases the equilibrium interest rate, whereas higher left skewness increases it.

“Rich Entrepreneurs and Wealth Inequality,” with Sergio Salgado

Top wealth inequality in the United States has increased dramatically since the 1980s. This paper documents that part of this increase relates to the rise of *superstar* firms. We build a novel owner-firm matched panel dataset using information from the official records of the Securities and Exchange Commission, the Forbes Magazine, and Compustat. Using this data we document that: i) firms at the upper end of the market value distribution are disproportionately controlled by individuals at the top of the wealth distribution, ii) these individuals invest a large fraction of their net worth in one or two main firms which we interpret as evidence of lack of asset diversification, and iii) the output, employment, and market value shares accounted for by these firms has increased substantially during the last 30 years.

“Wealth Dynamics of the Super-Rich,” with Simone Civate and Sergio Salgado

This paper characterizes the dynamics of wealth at the top of the distribution in the United States. Using data from the Forbes Magazine and other publicly available sources, we construct a novel panel data set of the richest individuals in the United States, covering the period 1982-2016. Using these data we find that: i) the Super-Rich exhibit a hump-shaped age profile of wealth which features explosive growth at younger ages, and ii) their wealth growth is highly cyclical, with substantial downside risk during recessions. Then, we propose a flexible enough process that captures the main features of the data.

“Staggered Contracts and Unemployment during the Great Recession: Evidence from Spain,” with Ernesto Villanueva

We study the impact of widespread downward wage rigidity on employment flows on the onset of the Great Recession. Downward wage rigidity is due to the fact that sector-level collective agreements in Spain are automatically extended to all firms, setting wage minima for workers in the same province-industry-skill cell. We identify the impact of wage rigidity on employment because, unlike settled ones, newly bargained contracts are able to adjust to aggregate shocks. Using Social Security data and various econometric methods we find that agreements bargained after the fall of Lehman Brothers settled an average wage growth of 1.8%, while agreements signed before September 15th, 2008 settled mean wage increases of 3.1%. Among workers subject to wage rigidity, the probability of job loss between 2009 and 2010 and that being unemployed by the end of 2012 was 1% higher than among the rest. Those findings are consistent with the hypothesis that the staggering of contracts and the inability to renegotiate contracts amplify aggregate shocks.