

Dylan Gowans

Address:

Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada

Phone: +1-613-915-4473**Email:** Dylan.Gowans@mail.utoronto.ca**Website:** <https://sites.google.com/view/Dylan-Gowans>

Citizenship:

Canadian

Research Interests:

Macroeconomics, Income Inequality, Industrial Organization

EDUCATION

Ph.D. in Economics, University of Toronto 2023 (Expected)

Committee: Serdar Ozkan (supervisor), Murat Alp Çelik,
Victor Aguirregabiria

M.A in Economics, University of Ottawa 2014

B.S.Sc in Economics, University of Ottawa 2013

RESEARCH

Homo Satiabilis: The Effect of the Distribution of Income on Markups (Job Market Paper)

AWARDS AND GRANTS

University of Toronto Doctoral Fellowship 2017 - 2022

PROFESSIONAL EXPERIENCE

Course Instructor 2020 - 2021

- ECO 208: Macroeconomic Theory
 - Two years
 - 100 person class
 - Teaching reviews available on website

Teaching Assistant

2017 - present

- ECO 202: Macroeconomic Theory and Policy
- ECO 208: Macroeconomic Theory
- ECO 209: Macroeconomic Theory and Policy (for Commerce)
- ECO 407: Competing Views in Macroeconomic Theory and Policy
- ECO 421: Macroeconomic Finance (w Machine Learning)
- ECO 2061: Economic Theory - Macro (MA)
- GLA 1001: Macroeconomics (Master of Global Affairs)

Research Assistant

2017 - Present

- Miguel Faig
- Sebastian Dyrda

NON-ACADEMIC EXPERIENCE

Analyst, Parliamentary Information and Research Service

2015-2017

- Worked with *House of Commons Standing Committee on Finance* and *Senate Standing Committee on Banking, Trade, and Commerce*

ACADEMIC SERVICE

CUPE3902 Union Steward

2018-2019

LANGUAGES

English (native), French (Fluent)

Programming: Julia, Fortran 90/95, Python, MATLAB, Stata

REFERENCES

Serdar Ozkan
Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada
Serdar.Ozkan@utoronto.ca
+1-416-978-5510

Murat Alp Çelik
Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada
Murat.Celik@utoronto.ca
+1-416-946-7354

Victor Aguirregabiria
Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada
Victor.Aguirregabiria@utoronto.ca
+1-416-978-4358

Abstracts

Homo Satiabilis: The Effect of the Distribution of Income on Markups

(Job Market Paper)

A firm setting its markup optimally will set it based on the price elasticity for its product. One way that price elasticities might differ is the ready availability, or not, of close substitutes – what we might think of as competition or market power. However, it might also be that consumers differ in their individual price elasticities, at which point the composition of demand matters. This paper examines how the increase in income inequality since 1980 can help to explain the change in the distribution of markups – both the increase in the average and in the variance. Using a rich dataset on retail markups, I first show that income and markups are linked, as rich consumers tend to pay higher markups. In fact, as consumers' incomes increase, they do not necessarily increase the physical quantity of products purchased, but rather trade up to higher price, higher markup products. To match these facts, I create a novel model of satiable preferences which, once aggregated, resembles a discrete choice model extended to a macroeconomic environment. In the model, an increase in income inequality leads to a change in the composition of demand across firms, leading low quality, low markup firms to lower their markups while high quality, high markup firms increase their markups. Calibrating the model to match moments of the markup distribution in 2016 and changing the income distribution to that prevailing in 1980 can explain 56% of the empirical growth in the average markup, and 85% of the growth in the variance.