

Matthew D'Urso

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Education

Ph.D. Economics, The Ohio State University, 2025 (expected)
Committee: Julia Thomas (chair), Aubhik Khan, Kyle Dempsey
M.A. Economics, The Ohio State University, 2020
M.A. Economics, The University of Texas at Austin, 2019
B.A. Economics, Binghamton University, 2017
B.A. Psychology, Binghamton University, 2017

Job Market Paper

Firm Debt Relief in Financial Downturn

Abstract: I study the stabilization effects of firm-specific debt relief in a DSGE model calibrated to U.S. data, including the skewed size distribution of firms. Firms face persistent idiosyncratic risk and financial frictions that give rise to an endogenous distribution over capital, debt, productivity, and age, while leading to capital misallocation and life-cycle effects. I model financial frictions by assuming collateralized borrowing. A shock to firms' access to credit exacerbates present misallocation, leading to a crisis similar to the Great Recession. This creates a role for policy: government borrows on behalf of financially constrained firms and provides debt relief, allowing firms to invest more. Policy that targets firms with the highest levels of excess return to investment improves aggregates the most, reducing the drop in output from 2.25 percent below steady state to 1 percent, a reduction of over 50 percent at the no-policy trough date. Understanding that this is not a readily observable policy target, I consider firm size and age as alternative targets. The model is well-suited for this, as it produces an age-size distribution matching U.S. data. Contrary to motivation for policy aimed at small firms, I find that policy that targets medium size firms outperforms these other targets in dampening a recession, though they all fall short of the excess return policy. However, as the government borrows to pay for policy, the eventual increase in taxes to pay the debt slows the final stages of the recovery.

Working Papers

Misallocation, Sticky Prices, and Monetary Transmission (with Aubhik Khan)
Stabilization vs Inequality: A Trade-off to Debt Relief?

Invited Presentations

2024 Midwest Macroeconomic Meetings, Purdue University
2023 Institute for Studies on Economics and Employment; Midwest Macroeconomic Meetings, Clemson University

Research Assistance

2024 National Science Foundation Award Number: 1949489. PI: Julia Thomas, Co-PI: Aubhik Khan. *Business Cycles, Uncertain Growth & the Distribution of Production*

Honors, Scholarships, and Fellowships

2023 Diversity, Intercultural & Community Engagement Certification, Ohio State University
2022, 2021 Economics Department Graduate Teaching Award, Ohio State University
2019 University Fellowship, Ohio State University
2018 Merit Scholarship, University of Texas at Austin

Teaching Experience

Instructor:

Su23 Principles of Macroeconomics, Ohio State University
Su22, Au20 Principles of Microeconomics, Ohio State University
Sp22, Au21, Su21 Current Economic Issues in the United States, Ohio State University

Teaching Assistant:

Au24, Au23 Honors Intermediate Macroeconomics, Ohio State University
Au23, Sp23, Au22, Principles of Microeconomics, Ohio State University, Binghamton University
Sp21, Au16
Sp24, Sp16 Principles of Macroeconomics, Ohio State University, Binghamton University
Sp15 Introduction to Italian, Binghamton University

Languages

English (native), Italian (CEFR B1)
MATLAB, Stat~~La~~TeX

References

Professor Julia Thomas	Professor Aubhik Khan	Professor Kyle Dempsey
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