

# 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, and productivity 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 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. I show that policy targeting firms with the highest level of excess return to investment in a crisis reduces the drop in output from 2.27 percent below steady state to 1.67 percent, a reduction of over 26 percent. 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. Though there is more investment inefficiency to correct among small firms, I find policy targeting medium size firms outperforms other size and age targets. Medium size firms have a larger efficient size than small firms; they continue to grow more, creating a more persistent effect of debt relief policy.

## Works in Progress

*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: 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, Sp21, Au16	Principles of Microeconomics, Ohio State University, Binghamton University
Sp24, Sp16	Principles of Macroeconomics, Ohio State University, Binghamton University
Sp15	Introduction to Italian, Binghamton University

## Languages

English (native), Italian (CEFR B1)  
MATLAB, Stata,  $\LaTeX$

## References

Professor Julia Thomas Ohio State University +1 (614) 247-0094 thomas.2108@osu.edu	Professor Aubhik Khan Ohio State University +1 (614) 247-0097 mail@aubhik-khan.net	Professor Kyle Dempsey Ohio State University +1 (614) 292-4198 dempsey.164@osu.edu
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