

Pedro Armada

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Current Employment

Halle Institute for Economic Research	2025 –
<i>Researcher at the Center for Business and Productivity Dynamics</i>	
Friedrich Schiller University Jena	2025 –
<i>Assistant Professor in Macroeconomics and Productivity Dynamics</i>	

Education

PhD in Economics	2018 – 2025
<i>Fordham University (USA)</i>	
Specialization in Economics	2012 – 2013
<i>University of Minho (Portugal)</i>	
Undergraduate degree in Economics	2009 – 2012
<i>University of Minho (Portugal)</i>	

Research

Research Fields: Macroeconomics, Monetary Economics, International Economics

Financial Frictions, Market Power, and Innovation (*Working Paper*)

Abstract: This paper investigates how financial frictions and market power interact in shaping firms' incentives to innovate. I document stylized facts about innovation using a comprehensive firm-level dataset from Portugal, a country with relatively underdeveloped financial markets. Motivated by the empirical evidence, I augment a general equilibrium framework of heterogeneous producers with imperfect competition and innovative technology. Since innovation is costly, a firm's ability to exercise market power determines how quickly it can overcome financial constraints and engage in innovation. Improving financial markets allows firms to expand and innovate, whereas intensifying competition may come at the cost of lower innovation if borrowing constraints are sufficiently severe. These findings underscore the importance of tailoring a country's competition policy to its level of financial development.

Market Power and Wealth Inequality (*Working Paper*)

Abstract: Since the 1980s, the U.S. economy has experienced a sharp increase in both market concentration and markups, alongside a rise in wealth concentration. This paper develops a general equilibrium model of entrepreneurial choice with imperfect competition between firms to quantify the aggregate and distributional impacts of rising market power. I find that changes in the economy's market structure between 1989 and 2016 are associated with significant macroeconomic costs, including declines of 5% in output, 9% in employment, and 18% in investment. On the distributional side, the shift in market structure accounts for up to 18% of the observed rise in income inequality and up to 28% of the rise in wealth inequality. The model predicts a modest decline in the labor income share and little change in the overall wealth share held by entrepreneurs, suggesting that most of the rise in inequality reflects a reallocation of gains among entrepreneurs.

Between Sector Misallocation (*Working Paper*)

Abstract: Structural change typically triggers shifts in sectoral composition with lasting effects on aggregate productivity, yet the underlying drivers can vary significantly across episodes, leading to different policy prescriptions. This paper develops a unified framework to quantify the contribution of sector-specific frictions in explaining sectoral reallocation and its macroeconomic implications. The model features rich heterogeneity at both the firm and sector levels, including differences in production technologies, competitive environments, risk exposure, and financial frictions. I apply the framework to Spain over the period 1992–2008, when capital inflows and falling interest rates following European integration coincided with a shift from tradable to nontradable sectors and a decline in total factor productivity. Using a simulated method of moments, I find that capital frictions—specifically, capital adjustment and sectoral mobility costs, estimated to be about 50% higher in the tradable sector—played a central role in the observed dynamics, highlighting the importance of policies aimed at easing capital frictions in order to improve allocative efficiency.

Experience

Fordham University

2019 – 2024

Teaching Fellow

- Principles of Macroeconomics (Fall 2021, Spring 2022, Fall 2022, Spring 2023, Fall 2024, Spring 2025)
- Principles of Microeconomics (Fall 2020, Spring 2021, Fall 2021)

Graduate Assistant

- Teaching Assistant for Microeconomic Theory II (Spring 2020)
- Tutor for Principles of Microeconomics, Principles of Macroeconomics, Statistics 1, Statistical Decision Making and Math for Economists (Fall 2019)

University of Minho

2017

Assistant Lecturer

- Topics in Financial Economics (Fall 2017) – Master’s Program in Monetary, Banking and Financial Economics

Portuguese Securities Market Regulator (CMVM)

2013 – 2016

Technical Economist

Economic Policies Research Unit (NIPE), University of Minho

2012 – 2013

Part-time Research Assistant

Grants & Awards

- GSAS Joseph Cammarosano Teaching Award, Fordham University (2024)
- GSAS Summer Research Fellowship, Fordham University (2024)
- GSAS Research Fellowship, Fordham University (2023)
- GSAS Senior Teaching Fellowship, Fordham University (2022)
- GSAS Summer Research Fellowship, Fordham University (2022)
- GSAS Teaching Fellowship, Fordham University (2020, 2021)
- GSAS Graduate Assistantship, Fordham University (2019)
- GSAS Centennial Scholarship, Fordham University (2018)
- Fulbright PhD Grant (2018)
- Merit Award, Master’s Program in Economics, University of Minho (2013)
- Admission Award, Master’s Program in Economics, University of Minho (2013)
- Merit Award, Bank of Portugal (2012)
- Merit Award, Portuguese Ministry of Science and Higher Education (2012)
- Merit Award, Undergraduate Program in Economics, University of Minho (2012)

Conference & Workshop Presentations

- Eastern Economic Association Annual Meeting, New York, NY, USA (February 2025)
- European Winter Meeting of the Econometric Society, Palma de Majorca, Spain (December 2024)
- Southern Economic Association Annual Conference, Washington, DC, USA (November 2024)
- Midwest Macroeconomics Fall Meeting, West Lafayette, IN, USA (September 2024)
- European Economic Association Meeting, Rotterdam, Netherlands (August 2024)
- North American Summer Meeting of the Econometric Society, Nashville, TN, USA (June 2024)
- Queen Mary University of London Economics and Finance Workshop, London, UK (May 2024)
- Southern Economic Association Annual Conference, New Orleans, LA, USA (November 2023)
- Macro/International Finance PhD Student Workshop, Fordham University (Spring 2021, Spring 2023)
- Research & Writing Poster Session, Fordham University (Spring 2020)

Other Activities

- Economics Representative, Graduate Student Council, Fordham University (2024-25)
- Racial Solidarity Network, Fordham University (2023-24)
- LGBTQ and Ally Support Network, Fordham University (2023-24)
- Jesuit Pedagogy Seminar, Fordham University (Spring 2023)

Skills

Languages: English (Fluent), Portuguese (Native)

Software: Python, R, Stata, Matlab, Julia, L^AT_EX, HTML

References

Johanna Francis, PhD	Patricia Gomez-Gonzalez, PhD	Philip Shaw, PhD
<i>Associate Professor</i>	<i>Economist</i>	<i>Associate Professor</i>
<i>Department of Economics</i>	<i>Research Department</i>	<i>Department of Economics</i>
<i>Fordham University</i>	<i>International Monetary Fund</i>	<i>Fordham University</i>
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