Jose Villegas

Department of Economics	Phone: +1 (585) 524 73 71
University of Rochester	E-mail: jose.villegas.eco@gmail.com
Harkness Hall	Homepage: https://josevillegas.io/
Rochester, NY 14627, USA.	Citizenship: Bolivia (J1 Visa)

Education

Ph.D. in Economics, University of Rochester, USA, 2016-2022 (expected)

M.A in Economics, University of Rochester, USA, 2018.

M.A in Economics, Georgetown University, USA, 2015.

B.A. in Economics, Universidad Mayor de San Andres, Bolivia, 2013.

Research Fields

Applied Macroeconomics, International Economics, Financial Economics

Working Papers

"Employment Fluctuations, Collateral Channel and Property Taxes" (**Job Market Paper**)

"Maturity, Leverage and Investment Decisions of Firms During a Sovereign Debt Crisis"

Teaching Experience

Instructor, University of Rochester

Economic Statistics (Undergraduate) – (Summer 2019, 2020)

Teaching Assistant, University of Rochester

Economic Statistics (Undergraduate) – Professor Bin Chen (Spring 2019, 2020, Fall 2020)

Economics of Globalization (Undergraduate) – Professor Gaston Chaumont (Fall 2018, 2019)

Econometrics (Undergraduate) – Professor Tan Kegon (Spring 2021)

Fellowships, Scholarships, and Awards

Graduate Fellowship and Tuition Scholarship, University of Rochester, 2016-2020

Summer Research Grant, University of Rochester Summer 2017, 2018

Others

Languages: Spanish (native), English (fluent)

Computer Skills: Stata, R, Python, Matlab, Fortran, Latex.

References

Professor Yan Bai (Main-Advisor)
Department of Economics
University of Rochester
Rochester, NY 14627, USA.
Phone: (+1) 585-275-4196
E-mail: yan.bai@rochester.edu

Professor George Alessandria
Department of Economics
University of Rochester
Rochester, NY 14627, USA.
Phone: (+1) 582-275-3096
E-mail: george.alessandria@rochester.edu

Professor Narayana Kocherlakota
Department of Economics
University of Rochester
Rochester, NY 14627, USA.
Phone: (+1) 582-275-4991
E-mail: nkocherl@ur.rochester.edu

Employment Fluctuations, Collateral Channel and Property Taxes

(Job Market Paper: Extended Abstract)

What are the employment consequences of a drop in real estate prices? There literature identifies two channels affecting employment after a drop in real estate prices, namely a *housing wealth channel* and *firm collateral channel*. The main focus of this paper is to understand the relative importance of each channel on employment. Previous empirical work provides estimates on the housing wealth and firm collateral channel, but their approach is restricted to consider only a single channel. This paper provides a unifying approach to model and estimate both channels on employment by combining empirical evidence with a quantitative model. First, we exploit variation in property tax changes across municipalities during the 2012 property tax reform in Italy to estimate the reduced form effect of an increase in housing and commercial real estate taxes on employment, consumption expenditure, real estate prices using a difference-in-difference approach. The empirical results show that municipalities with a high increase in property taxes had lower growth rate of non-tradable employment, consumption expenditure, housing prices and commercial real estate prices. Second, we use the reduced for estimates to calibrate a quantitative model that includes houses and commercial real estate charged with a different tax rate. The model's equilibrium solution for prices and allocations provides a closed form expression for the employment response caused by higher property tax rates. In particular, the reduced form effect of an increase in property taxes for housing prices, commercial real estate prices and household consumption are sufficient statistics for the model-implied response of employment to property tax changes. Moreover, the model shows that the employment effect of an increase housing taxes is explained partially by the household collateral effect, while the firm collateral effect is included in the response of employment to an increase in the tax rate for commercial real estate. The calibration use the estimates for the response of housing prices and consumption expenditure to an increase housing taxes and the estimates for the response of commercial real estate and housing prices to an increase in commercial real estate taxes. In the model, these four moments are pinned down by the price-elasticity for housing supply, loan-to-value ratio for households, price-elasticity of supply for commercial real estate and the loan-to-value ratio for firms respectively. With the calibrated model we quantify the relative importance of the two channels on employment. The calibrated model predicts 1 pp increase in the tax rate for commercial real estate reduce non-tradable employment growth by 0.042 pp. with 83% (0.035 pp.) of this decline explained by the collateral channel, while a 1 pp. increase in the tax rate for houses reduce non-tradable employment growth by 0.054 pp. with 77% (0.045 pp.) of this decline explained by the housing wealth channel.

Maturity, Leverage and Investment Decisions During a Sovereign Debt Crisis

This paper study the effect of maturity and leverage decisions on the response of firms' investment to changes in the sovereign spread. The paper use firm-level data for Italy during the period 2007-2015. The empirical results show that firms' reduce investment levels after an increase in the sovereign spread, this effect is amplified if a firm choose to increase leverage by issuing more debt that matures either in the short or long run, while this effect is attenuated for highly indebted firms if they choose to reallocate their liabilities towards debt instruments with longer maturity. In particular, for high leverage firms, an increase in the sovereign spread by 100 basis points is associated with a decrease of 0.59 pp. in the growth rate of capital for high maturity firms relative to low maturity firms. For low leverage firms, the same increase in the sovereign spread is associated with an increment of 0.38 pp. in the growth rate of capital for high maturity firms relative to low maturity firms. For firms with low maturity, an increase in the sovereign spread by 100 basis points is associated with a drop of 1.41 pp. in the growth rate of capital for firms with high leverage relative to firms with low leverage. For firms with high maturity, the same increase in the sovereign spread is associated with a drop of 2.41 pp. for the growth rate of capital for firms with high leverage relative to low leverage firms. In order to understand the empirical results, I propose a model a model where firms can issue risky short-term and long term debt.