

Raul Morales Lema

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Education

Cornell University

Ithaca, NY

Ph.D. in Economics

2016 – 2022 (Expected)

Committee: Julieta Caunedo (chair), Kristoffer Nimark, Mathieu Taschereau-Dumouchel.

University of Chile

Santiago, Chile

M.A. in Economics (*honors*)

2012 – 2013

University of Chile

Santiago, Chile

B.A. in Economics (*honors*)

2007 – 2011

Research Interests

Macroeconomics and firm dynamics

Working Papers

Liability protection and firm growth (*Job Market Paper*)

What are the aggregate effects of limited liability protection over output and firm size and growth? I exploit the differences in outcomes of Chilean firms with different liability protection, provided by their legal statuses, to document empirical systematic differences in size and productivity: incorporated firms are six times larger and grow 3 times more than their unincorporated counterparts, even though they face higher financing costs. In addition, their productivity (TFP) is on average higher and more volatile. To rationalize these facts, I extend a canonical firm dynamics model to include legal status and default. In this economy, wealthier entrepreneurs operate a high-risk/high-return technology and incorporate, protecting their personal assets from business risk at the expense of higher interest rates. Relatively poor entrepreneurs operate a low-risk/low-return technology and remain unincorporated. The differences in liability and productivity processes lead incorporated entrepreneurs to operate larger firms and grow faster over time. Through a quantitative exercise, I show that limited liability induces risk-taking and fosters aggregate output: it increases the fraction of entrepreneurs that operate the high-risk/high-return technology and the average firm size. These two effects generate output gains of 6.7%.

Presentations:

- Rising scholars conference 2021, Harvard Business School (Oct., 2021)
- Economics graduate student conference, Washington University in St. Louis (Oct., 2021)

- Macro lunch, Economics Department, Cornell University (Sep., 2021)

Firm heterogeneity, financial frictions and misallocation

Recent literature shows that there are permanent and transitory components of firm heterogeneity. In this paper, I analyze the consequences of this finding for financial frictions and quantify its aggregate effect. In the paper, firms have different expected productivity (permanent component) and also suffer different period shocks (transitory component). In an optimal contract setting, I show that if investors are unable to observe the permanent component, the optimal contract will generate inefficient firm sizes: high (low) productivity firms will be smaller (bigger) than optimal. I evaluate the model for Chile and find that permanent heterogeneity can account for almost 20% output loss with respect to the frictionless benchmark.

Research Experience

Research Assistant, Cornell University

Professor: Phillip Kircher (Full Time)

August 2020 - August 2021

Professor: Julieta Caunedo (Part Time)

June 2018 - March 2019

Research Assistant, University of Chile

Professor: Luis Riveros

January 2012 – June 2013

Teaching Experience

Teaching assistant, Department of Economics, Cornell University

Fall 2017 - Spring 2020

ECON 4260: Public Finance (Fall 2017)

ECON 1120: Introductory Macroeconomics (Spring 2018)

ECON 4210: Money and Credit (Spring 2019)

ECON 3040: Intermediate Macroeconomics (Fall 2018, Fall 2019, Spring 2020).

Teaching assistant, Department of Economics, University of Chile

Fall 2011 - Fall 2013

ENECO160 : Introduction to Macroeconomics (Summer 2013)

ENECO400 : Welfare Economics (Fall 2013)

ENECO100 : Introduction to Economics (Fall 2011, Spring 2011, Fall 2012, Spring 2012, Fall 2013)

ENECO300 : Microeconomics II (Fall 2011, Spring 2011, Fall 2013)

Work Experience

Central Bank of Chile , Research Division	Santiago, Chile
Economic and financial analyst	July 2014 - July 2016
Macroeconomic analysis of current trends in the global economy, with a focus on the USA and Latin America. Analysis of the real economy, monetary and fiscal policy, and financial markets. Production of reports and presentations for internal and external use. Collaboration with applied research projects in subjects related to macroeconomics and international finance. Database management, statistical analysis, and review of academic evidence for these projects.	
Ministry of Finance , Research unit	Santiago, Chile
Economic advisor	June 2013 - May 2014
Research support for applied and academic research projects in subjects related to macroeconomics and labor economics. Database management, statistical and econometric analysis, and review of academic evidence for these projects.	

Honors and scholarships

Sage Fellowship (Cornell University)	2016-2017, 2021-2022
M.A. Merit Scholarship (University of Chile)	2012
Scholarship for exchange program in Canada: Young Leaders for the Americas (Canadian Government)	2010
B.A. Merit Scholarship (University of Chile)	2007

Skills

Programming

Python, Matlab and Stata.

Languages

English (fluent), Spanish (native).

Personal

Other interests: Chess, reading, soccer and tennis

Citizenship: Chile

Civil Status: Single, no children

References

Julieta Caunedo (committee chair)

Cornell University

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Kristoffer Nimark (committee member)

Cornell University

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Mathieu Taschereau-Dumouchel (committee member)

Cornell University

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