# MATTEO LI BERGOLIS

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## RESEARCH AND TEACHING FIELDS

Research: *Primary*: Macroeconomics, Labor; *Secondary*: Innovation
Teaching: Macroeconomics, Labor, Innovation

## DOCTORAL STUDIES

Ph.D., Economics, Northwestern University, Evanston, Illinois
Dissertation: Essays in Macroeconomics
Committee Chairperson: Professor Guido Lorenzoni
Date of Completion: June 2015 (expected)

## PREDOCTORAL STUDIES

M.A.: Economics, Northwestern University, Evanston, Illinois, 2010
M.A.: Economics, *Summa cum Laude*, Bocconi University, Milan, Italy, 2009
B.A.: Economics, *Summa cum Laude*, Bocconi University, Milan, Italy, 2007
Undergraduate exchange student, New York University, New York City, NY, 2006

## FELLOWSHIPS AND AWARDS

Dissertation Year Fellowship, Northwestern University, 2014
Bank of Italy Scholarship "Giorgio Mortara", 2010-2011
Graduate Fellowship, Northwestern University, 2009-2010
Einaudi Institute for Economics and Finance Scholarship, 2009-2010 (declined)
M.A. Thesis Award "Fausto Vicarelli", Einaudi Institute for Economics and Finance, 2010
M.A. Thesis Award "Boroli", Achille and Giulia Boroli Foundation, 2010
Bocconi Merit Award for Outstanding Masters Students, 2007-2008 and 2008-2009
New York University Dean's Honor Roll, 2006

## TEACHING EXPERIENCE

Teaching Assistant, Department of Economics, Northwestern University, 2011-2014
Introductory Macroeconomics (ECON-201)
Intermediate Macroeconomics (ECON-311)

## RESEARCH EXPERIENCE

Research Assistant to Professor Alessandro Pavan, 2013-2014
Research Assistant to Professors Lawrence Christiano and Martin Eichenbaum, 2012-2013

## LANGUAGES

English (fluent), Italian (native), Spanish (intermediate), French (basic)

## PERSONAL INFORMATION

Citizenship: Italian
Age: 29

## JOB MARKET PAPER

"Unemployment Risk and Reallocation over the Business Cycle"

During economic downturns labor markets are characterized not only by a higher unemployment rate and by lower transitions from unemployment to employment, but also by a reduction in the transitions from job to job. In this paper I propose a new mechanism to explain the reduction in job-to-job flows. I argue that when workers start a new job, the risk of separation is initially higher. Therefore, in a recession workers are more reluctant to leave their existing jobs, because they know that if they end up separating early from their new jobs, they would face longer unemployment spells. Using data from the Survey of Income and Program Participation (SIPP) I show that hazard rates of separation are initially high after a job-to-job transition. I then extend the job ladder model of Burdett and Mortensen (1998) to introduce the risk of early match dissolution, and capture the mechanism described above. I estimate the model using US data, and find that workers' reluctance to move generates a drop in the transition rate of 10 percentage points in a recession of the size of the Great Recession. Moreover, this mechanism generates a decrease in productivity of about 1 percent.

## WORKING PAPERS

"The Economic Effects of Scientific Shocks", with Ruben Gaetani
*Presented at the North American Summer Meeting of the Econometric Society 2014*

This paper studies the impact of advancements in basic science on the real economy. We construct a novel dataset of seminal academic papers in various scientific fields and interpret them as the exogenous advent of innovation possibilities ("scientific shocks") for innovating firms. By using patent data, we directly link academic papers to firm-level observables. We then develop a two-sector, dynamic general equilibrium model with endogenous technical change and information frictions to classify scientific shocks into two broad categories: "breakthrough" scientific shocks, which generate a positive response in investment and in the rate of return on capital, and "dead-end" scientific shocks, which generate a positive response in investment but have a negative impact on the rate of return on capital. We characterize the dynamic response of investment, labor, R&D, output and Tobin's q of firms exposed to breakthrough and dead-end shocks. We show that, while only breakthrough shocks generate economically successful technologies, dead-end shocks can have a substantial contribution to long-run growth through dynamic technological spillovers.

## RESEARCH IN PROGRESS

"Optimal Unemployment Insurance with On-The-Job Search and Match Quality Uncertainty"

In this paper I analyze the effects of unemployment insurance on workers' incentives to move on-the-job. I show that unemployment benefits affect the incentives of employed workers by changing the option value of moving on-the job, in presence of ex-ante risk of separation after new match formation. Unemployment benefits provide insurance for workers who move on-the-job, by raising the value of unemployment. I consider the Burdett and Mortensen (1998) setting, and introduce ex-ante risk of new match dissolution, and risk aversion on the side of workers. In this setting, unemployment insurance induces workers to decrease search effort, hence lowering employment and output. However, it also affects the composition of existing matches by increasing the flow of workers from low to high productivity firms, thus increasing aggregate productivity and output. I explore the implications of this tradeoff for the optimal level of unemployment benefits at different stages of the business cycle.

"Credit Histories and Long-Term Unemployment in the Great Recession", with Guannan Luo

The last recession has been characterized by two peculiarities: on the one hand, an unprecedentedly high level of long-term unemployed workers; on the other, a surprisingly high delinquency rate in residential mortgages, which have negatively affected the credit histories of many Americans. As documented in the press, it is now a common practice for employers to run credit checks to screen potential employees, which can potentially induce a systematic "stigma" effect on workers with poor credit histories. In this project we use data from the Panel Study of Income Dynamics (PSID) to investigate whether workers who have experienced mortgage defaults or late payments are more likely to be stuck in long term unemployment.

**SEMINARS AND CONFERENCE PRESENTATIONS**

North American Summer Meeting of the Econometric Society, University of Minnesota, June 2014
Department of Economics Macroeconomics Lunch, Northwestern University, 2011, 2012, 2013, 2014

**REFERENCES**

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