Justin Daniel Iarovici Katz

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EDUCATION

2025	**Harvard University**
	Ph.D., Business Economics (expected)
	Fields: Household/corporate finance, industrial organization, trade/spatial economics.
2018	**Yale College**
	B.A., Economics and Mathematics (with distinction), *summa cum laude*, Phi Beta Kappa

RESEARCH

Publications and working papers

"Saving and Consumption Responses to Student Loan Forbearance." Working Paper, 2023.

Abstract: I study how debt relief impacts household saving and consumption compared to cash transfers by analyzing borrower responses to federal student loan forbearance in the 2020 CARES Act. Using a daily financial transactions panel, I find that borrowers manage liquidity from the payment pause non-optimally, choosing to prepay 0%-interest student debt instead of high-interest obligations. By contrast, these borrowers correctly prioritize repaying high-interest debt when receiving direct stimulus payments. This suggests a flypaper effect causing borrowers to treat liquidity from debt relief as non-fungible with other windfalls. Consistent with predictions of such an effect, borrowers display a marginal propensity to spend (MPX) out of forbearance liquidity around half the size of their MPX out of direct stimulus payments. I then design and field a student borrower survey to understand the mechanisms causing consumers to treat financial resources as non-fungible when making debt repayment decisions, and suggest how to formally incorporate results into an incomplete-markets lifecycle model. Finally, I show in a stylized economy that accounting for non-fungibility and debt repayment mistakes can have large quantitative impacts on the effectiveness and cost of forbearance as a countercyclical fiscal policy tool, and discuss implications of my results for ongoing debates about student debt forgiveness.

"Competition and Speculation in Cryptocurrencies." (with A. Wu), Working Paper, 2023.

Abstract: This paper uses mutual fund manager data to examine how managers' performance incentives generated speculative demand during the 2020-2022 cryptocurrency boom and bust. We find that managers with strong relative performance incentives began investing in crypto after their competitors began investing in it, consistent with a model of rational performance hedging. In contrast, managers who invest their personal wealth in the funds that they manage, who have strong direct performance incentives, were significantly less responsive to their competitors' investment decisions. Our findings suggest that relative performance incentives can encourage managers to mimic their competitors instead of trading on their beliefs. In equilibrium, this competitive hedging motive can magnify the scope of speculative demand.

"Buy Now, Pay Later Credit: User characteristics and Effects on Spending Patterns." (with M. Di Maggio and E. Williams), NBER WP 30508, 2022.

Abstract: This paper uses transaction-level data to study the emerging US market for "buy now, pay later" (BNPL) installment loans. We document the characteristics associated with consumer adoption and dynamic usage patterns, and exploit staggered roll-out across retailers to estimate impacts on consumer spending. Across all users, BNPL access increases spending on retail goods, indicating static substitution towards retail consumption. For users likely facing liquidity constraints, BNPL leads to: (i) increased total spending; (ii) more overdraft fees; (iii) lower liquid account balances, but also (iv) greater expenditure smoothing. These intertemporal and static substitution effects are too large to be explained using a lifecycle model with liquidity constraints calibrated with reasonable parameters. Our findings are more consistent with a "liquidity flypaper effect," where additional retail liquidity from BNPL "sticks where it hits" and causes increased short-term spending.

"The Evolution of Late-Life Income and Assets: Measurement in IRS Tax Data and Three Household Surveys." (with J. Choi, L. Goodman, D. Laibson, and S. Ramnath), Working Paper, 2020.

Abstract: Using a 5% random sample of administrative IRS tax records covering households born from 1933 to 1952, we evaluate how three widely-used household surveys—the Health and Retirement Study, the Survey of Income and Program Participation, and the Current Population Survey—capture the level of and trends in late-life income and assets. First, survey data underestimate total income levels and overestimate income drops at the median during the initial transition into retirement. Second, survey sources overestimate income growth across birth cohorts at older ages. Third, in both tax and survye data, lower-income households have not experienced income growth across birth cohorts outside the Social Security system.

"Place-Based Manufacturing Subsidies and the Spatial Distribution of Production." Atlantic Economic Journal 47, 521-523, doi:10.1007/s11293-019-09640-7, 2019.

Abstract: State governments use production subsidies to attract companies and facilitate economic development. Such programs benefit state residents by increasing local labor demand, but may also encourage firms to pursue suboptimal production strategies. To assess the net welfare impact of these competing effects, I develop a general equilibrium framework with multiregional production, rich firm heterogeneity, and production subsidies that vary across states and between firms. Eliminating subsidies would increase total US welfare by 1.1%, despite costs to peripheral states in the Deep South and Northwest.

In progress

"Media Market Power: Theory and Application to Facebook-Instagram" (with H. Allcott).

ACADEMIC AWARDS AND HONORS

2023	Best Third-Year Paper Prize, Harvard Economics Department
2020	Doctoral Fellowship, Harvard Business School
2019	Best Undergraduate Paper Award Finalist, International Atlantic Economic Society
2017	Tobin Scholar Award for Economic Theory, Yale Economics Department

PRESENTATIONS

2023	Western Finance Association, International Institute of Public Finance Annual Congress, Harvard Finance and IO workshops, Bocconi*, Frontiers in Finance*, Ohio State University*.
2022	OCC, Harvard finance (x2), IO, public, and macro workshops, HBS Finance Unit*, Leeds Business School*, University of Boulder*, JOMT*, Fed Board*, CFPB*, University of Washington*, FDIC*, Cornell University*, Imperial Business School*, BYU*, Philly Fed*, NBER Innovative Data in Household Finance*.

* by coauthor

TEACHING

2022	Harvard Microeconomic Theory – Price Theory (1st-year PhD) – Prof. Ed Glaeser – Teaching fellow.
2016-17	Yale Intermediate Microeconomics – Prof. Larry Samuelson – Section leader, tutor.

EMPLOYMENT

Research experience

2022	Microsoft Research New England Research Intern
2021	Harvard University Research Assistant to Prof. Myrto Kalouptsidi, Research Assistant to Prof. Alex MacKay
2018-20	The National Bureau of Economic Research Research Assistant to Profs. David Laibson, Brigitte Madrian, James Choi, and John Beshears

Other professional experience

2017	McKinsey & Company (New York, NY) Summer Business Analyst
2015	Senate Committee on Health, Education, Labor, and Pensions (Washington, DC) Policy Analyst

OTHER

- *Yale Debate competitive highlights*: Semifinalist (top 8), 2018 World Universities Debating Championship (with Jim Huang); 3rd-ranked US team for 2017-18 season, American Parliamentary Debate Association (with Adela Lilollari); 3rd-ranked individual speaker, 2016 North American Universities Debating Championship.
- *Service*: High school math tutor, Cambridge Public Schools (2018-present)
- *Computer skills*: Python, Stata, Matlab, R, LaTeX, Vim
- *Language skills*: Spanish (proficient)