JONATHAN GARITA

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EDUCATION

Ph.D. Candidate, Economics, University of Texas at Austin, 2016-2021 (Expected)
Dissertation Title: *"Essays on the Economic Incidence of Minimum Wage Policies"*
M.S., Economics, University of Texas at Austin, 2018
Lic., Economics, University of Costa Rica, Honors, 2012
B.A., Economics, University of Costa Rica, 2011

REFERENCES

Aysegul Sahin (Co-Chair)
Department of Economics
University of Texas at Austin
512-471-3664
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Andreas I. Mueller (Co-Chair)
Department of Economics
University of Texas at Austin
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Stephen Trejo
Department of Economics
University of Texas at Austin
512-475-8425
trejo@austin.utexas.edu

TEACHING AND RESEARCH FIELDS

Fields: Macro-Labor Economics
Sub-Fields: Applied Microeconomics, Industrial Organization

HONORS, SCHOLARSHIPS, AND FELLOWSHIPS

2020	The Washington Center for Equitable Growth Doctoral Grant (US$15,000)
2020	Graduate Student Data Grant, University of Texas at Austin
2018-2019	Summer Research Fellowship, University of Texas at Austin
2016	Graduate Student Fellowship, University of Texas at Austin

RESEARCH EXPERIENCE AND OTHER EMPLOYMENT

2019	Research Assistant for Professors Nitya Pandalai-Nayar and Christoph E. Boehm.
2014 – 2016	Junior Researcher, Economic Research Department, Central Bank of Costa Rica
2013 – 2014	Research Coordinator. Consejeros Económicos y Financieros S.A., Costa Rica.
2010 – 2013	Research Assistant. Consejeros Económicos y Financieros S.A., Costa Rica.
2012	Research Assistant, Institute for Research in Economic Sciences, University of Costa Rica

TEACHING EXPERIENCE

Summer 2020	Probability and Statistics (MA)*, Teaching Assistant for Professor James Scott, University of Texas at Austin
Spring 2020	Economics of the European Union*, Teaching Assistant for Professor Valerie Bencivenga, University of Texas at Austin
Fall 2018, 2020	International Trade and Investment*, Teaching Assistant for Professor Nitya Pandalai-Nayar, University of Texas at Austin
Spring 2018	Energy Economics, Teaching Assistant for Professor Michael Sadler, University of Texas at Austin
Fall, 2017	Introduction to Macroeconomics, Teaching Assistant for Professor Michael Sadler, University of Texas at Austin
2013	Introduction to Economics, Instructor, University of Costa Rica
2011-2012	Microeconomic Theory, Public Finance, Teaching Assistant, University of Costa Rica

**Denotes classes for which I prepared and led regular review sessions*

PROFESSIONAL ACTIVITIES

Conferences:

2020	Central Bank of Costa Rica, Ministry of National Planning and Economic Policy of Costa Rica, Workshop in Labor Economics-Trier University (Cancelled), Young Economists Symposium (presenter and discussant), Missouri Valley Economic Association, Empirics and Methods in Economics Conference 2020 (presenter and discussant), Econometric Society Winter Meeting 2020 (Scheduled)

Referee: Journal of Econometrics

PRE-DOCTORAL WORK

Peer Reviewed Publications

- "Misallocation and Productivity in Costa Rica" (2018). OECD Economic Survey of Costa Rica: Research Findings on Productivity, OECD Publishing, Paris. *(With Alonso Alfaro-Urena)*
- "Analysis of the transitional dynamics and duration of unemployment in Costa Rica." Revista de Ciencias Económicas 32.2 (2014). *(With Juan Manuel Castro-Vincenzi and Mariana Odio)*
- "Welfare Effects of Trade Liberalization in Costa Rica, 1995-2006" -In Spanish (2013) Revista de Ciencias Económicas 31.2 (2013). *(With Sergio Chacon and Alejandra Lobo)*

DISSERTATION CHAPTERS

"Minimum Wages and Firm Dynamics: Evidence From Costa Rica's Occupation-Based System" (*Job Market Paper*)

This paper analyzes the impact of minimum wages on different margins of firm dynamics, using Costa Rica's occupation-specific minimum wage setting. To this purpose, I assemble rich administrative data covering the universe of workers and firms in the 2006-2017 period to construct firm-level exposure measures to the minimum wage policy, and estimate the impact of differential exposure to the minimum wage on firm outcomes at several year horizons. The analysis yields two important results: First, minimum wages induce firms to increase their labor shares, but with a negative and longstanding impact on their profitability. The positive effect on the labor shares moderates as firms reduce their employment levels and expand their capital stocks. Second, raising minimum wages increases firm exit and lowers firm entry, with an estimated adverse effect on employment of 0.8 percent due to the missing entrants associated with the policy.

"Minimum Wages, Firm Pay Policies, and Employment Flows"

This paper provides new evidence on the minimum wage impact on employment flows, using Costa Rica's distinctive occupation-based setting. I use administrative data from 2006-2017 to estimate firm-level minimum wage exposure and compute dynamic responses to the policy. Results indicate that firms increase their pay premiums in compliance with the policy. However, higher minimum wages have a negative and persistent impact on hiring rates and induce a temporary increase in separation rates. Job-to-job separation rates, on the contrary, decline after a minimum wage increase. I propose a wage-posting model with endogenous job creation to rationalize the results.

"Minimum Wages and Capital-Labor Substitution"

This paper studies the capital-labor substitution effects associated with higher minimum wages, using Costa Rica's rich administrative data. I exploit this country's occupation-based setting to estimate average and sector-specific elasticities of substitution between capital and labor. In this case, the policy establishes a relevant minimum wage for both low and higher-skilled occupations. I find elasticities consistently below one, suggesting that the substitution away from labor towards capital is not large enough to reduce the labor share after a minimum wage increase. Specifically, I compute an elasticity of 0.59 for all firms, and significant heterogeneity across representative sectors, stressing differences in the production technologies across industries. The estimated value is higher in manufacturing (0.81) and tradable sectors (0.76) but smaller in non-tradable sectors (0.46).

Work in Progress

"Endogenous Market Power and the Minimum Wage"

SKILLS

Programs: Stata, R, Matlab, Python (basic)
Languages: English (fluent), Spanish (native), French (basic)