JOSHUA BERNSTEIN

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Placement Director: Steve Redding reddings@princeton.edu +1 609 258 4016
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Education

PhD Candidate in Economics, Princeton University (expected June 2019)
Thesis Title: "Essays in Macroeconomics"

MA Economics, Princeton University (2016)

MSc Economics (Distinction), London School of Economics (2014)

BSc Mathematics and Economics (First Class), London School of Economics (2012)

References

Professor Mikhail Golosov
Department of Economics
University of Chicago
golosov@chicago.edu

Professor Mark Aguiar
Department of Economics
Princeton University
maguiar@princeton.edu

Professor Gianluca Violante
Department of Economics
Princeton University
glv2@princeton.edu

Teaching and Research Fields

Primary Fields Macroeconomics, Public Finance
Secondary Fields Labor Economics

Research Experience

Research Assistant for Professor Marc Fleurbaey (2015 – 2016)
Research Assistant for Professor Ben Moll (Fall 2014)

Teaching Experience

McGraw Center for Teaching and Learning, Princeton University (2017 – 2019)
Graduate Teaching Fellow

ECO 100, Introduction to Microeconomics, Princeton University (Spring 2019)
Teaching assistant for Professor Kelly Noonan

Junior Independent Work, Princeton University (2018 – 2019)
Assistant Advisor for Professor Silvia Weyerbrock

ECO 100, Introduction to Microeconomics, Princeton University (Fall 2017)
Teaching assistant for Professor Henry Farber

ECO 100, Introduction to Microeconomics, Princeton University (Fall 2016)
Teaching assistant for Professor Harvey Rosen

EC202, Microeconomic Principles II, London School of Economics (2013 – 2014)
Teaching assistant for Professors Frank Cowell and Leonardo Felli

Honors, Scholarships, and Fellowships

Griswold Center for Economic Policy Studies Fellowship, Princeton University (2018 – 2019)
Harold Willis Dodds Fellowship, Princeton University (2014 – 2015)
Teaching and Learning Center Prize, London School of Economics (2014)
Cyril Offord Prize for Outstanding Achievement in Mathematics, London School of Economics (2012)

Professional Activities

Referee for American Economic Review

Job Market Paper

"Heterogeneous Business Cycle Exposures and the Asymmetric Transmission of Aggregate Shocks"

Abstract: I study the transmission of aggregate shocks in a New Keynesian model in which households' incomes and consumptions are heterogeneously exposed to business cycle fluctuations in aggregate income. I show that shock transmission is asymmetric: negative shocks to aggregate income have larger effects than positive shocks of equal magnitude. The asymmetry stems from the presence of borrowing frictions that always cause aggregate income to fall in equilibrium, thus amplifying negative shocks and dampening positive shocks. Allowing nominal interest rates to respond asymmetrically to inflation undoes the asymmetric transmission. Using a version of the model calibrated to match the micro evidence on heterogeneous business cycle exposures, I find that contractionary monetary policy shocks have almost double the impact of expansionary shocks, which is in line with the empirical evidence for monetary policy asymmetry.

Working Papers

"Optimal Taxation and Fertility Policies"

Abstract: I analyze optimal taxation in an economy in which households make consumption, labor supply, and fertility choices. Applying the mechanism design approach, I derive sufficient statistics for the sign and shape of optimal wedges on child quantity, goods investment and time investment, and provide clear intuition for the main economic forces at play. Distorting fertility choices relaxes incentive constraints, which facilitates redistribution, but also may discourage households to earn income, thus hampering the redistributive strength of the income tax. My sufficient statistic approach means that my results are robust to a wide range of potential mechanisms that generate the empirical relationships observed in the data. I also construct a family of tax functions that can implement the optimal allocation. A quantitative exercise demonstrates the welfare gains available

from subsidizing child quantity and investment choices, the bulk of which can be obtained using feasible linear subsidies on child investment goods.

"Firing Costs and Efficiency in a Frictional Labor Market: Evidence from Brazil"

(joint with David Arnold)

Abstract: We study the aggregate impact of Brazilian labor market regulations using an equilibrium model of a frictional labor market featuring endogenous job creation and job destruction. We exploit the tenure-dependence of the regulations to identify their equilibrium effects, and estimate key structural parameters using the pattern of hazard rates (job separation rates) in the data. Using our estimated model, we find that the costs of labor market regulation are small (0.1% of GDP), and that these costs stem from a violation of the Hosios (1990) efficiency condition.

"Risk, Inequality, and Climate Change"

(joint with Francis Dennig, Maddalena Ferranna, and Marc Fleurbaey)

Abstract: We study both analytically and numerically the joint impact of risk and inequality on optimal carbon taxes, paying particular attention to the possibility that the world's poor will bear the brunt of climate damages, the magnitude of which are unknown ex-ante. Building an extension of the NICE model (Dennig et al., 2015) featuring uncertainty over a set of key parameters and unequal damage incidence, we find that risk and inequality have complementary effects on the short run path of optimal carbon taxes, especially when the risk concerns the distribution of damages in the global economy. We show that our findings are robust to the possibility of learning about the true nature of risk, and call for significant increases in the level of carbon taxes over those deemed optimal in a world without risk or inequality.