

Lucy Hackett

Contact Information

Giannini 241, UC Berkeley
lucy_hackett@berkeley.edu
<https://lghackett.github.io>
+1-(510)-326-3451

Doctoral Studies

University of California, Berkeley
PhD, Agricultural and Resource Economics, Expected completion May 2026
DISSERTATION: “Essays in Environmental and Urban Economics”

PRIMARY FIELDS: Environment
SECONDARY FIELDS: Development, Urban/Spatial Economics

Associate Professor Marco Gonzalez-Navarro
marcog@berkeley.edu
+1 (510) 390-4720
Department of Agricultural
& Resource Economics

Assistant Professor Kirill Borusyak
k.borusyak@berkeley.edu
Department of Agricultural
& Resource Economics

Professor Lucas Davis
lwdavis@berkeley.edu
Haas School of Business

Professor Joseph Shapiro
joseph.shapiro@berkeley.edu
Department of Agricultural
& Resource Economics

Placement Officers

Professor Sofia Villas-Boas
sberto@berkeley.edu
+1 (510) 409-4341

Professor Marco Gonzalez-Navarro
marcog@berkeley.edu
+1 (510) 390-4720

Diana Lazo
lazo@berkeley.edu
+1 (510) 642-3345

Prior Education

University of Oregon	B.Sc. in Economics and Spanish Literature	2015
CIDE	Master’s Degree in Economics	2018

Teaching

UC Berkeley	Instructor, <i>Microeconomics</i> Master’s in Development Practice	2022, 2023
UC Berkeley	Teaching Assistant, <i>Graduate Econometrics</i> PhD Agricultural and Resource Economics	2021, 2022, 2023
UC Berkeley	Instructor, <i>Training for New Graduate Student Instructors</i> UC Berkeley	2021, 2022, 2023
CIDE	Instructor, <i>Graduate Macroeconomics</i> Master’s in Economics	2020
CIDE	Instructor, <i>Macroeconomics</i> Economics (undergraduate)	2019
CIDE	Teaching Assistant, <i>Macroeconomics</i> Economics (Graduate and undergraduate)	2017, 2018, 2019

Languages

English (native), Spanish (fluent)

**Grants,
Fellowships,
and Awards**

2025	UC Dissertation Fellowship (\$37,000)
2025	CEGA Development Economics Challenge Grant (\$5,000)
2024	Clausen Center for International Trade Research Grant (\$5,000)
2024	Fisher Center for Real Estate Research Grant (\$15,000)
2023	Fisher Center for Real Estate Research Grant (\$15,000)
2023	Giannini Foundation Minigrant (\$35,000)
2022	ARE travel grant (\$2,000)
2021	Tinker Field Research Grant (\$2,000)
2021	Outstanding Graduate Student Instructor Award
2018	Best applied thesis, Class of 2018, CIDE
2015	Phi Beta Kappa
2015	Oregon 6

**Research
Papers**

**“Land Subsidence: Environmental risk in housing markets in Mexico City”
(JOB MARKET PAPER)**
with Carolina Rodriguez-Zamora

We study the costs of and the housing market response to subsidence, the sinking of land areas due to groundwater over-extraction, in Mexico City. We propose an equilibrium model of the housing market that features housing re-development in the face of an evolving environmental hazard that has both realized and expected future impacts to home quality. Guided by model-derived estimating equations for key parameters of the model, we exploit quasi-random variation in sinking intensity to estimate the impact of both realized and future subsidence on home values. We find that realized subsidence imposes substantial costs, which are driven by physical degradation to the structure, increased maintenance investment, and impacts to public infrastructure. However, prices are unresponsive to measures of expected future sinking, and novel survey evidence on residents’ beliefs and information about sinking suggest that information frictions affect the ability of homebuyers to capitalize predictable future risk. Units that have experienced more sinking are more likely to be redeveloped, as these have lower opportunity cost of being re-built. Evaluating welfare using our parameter estimates implies that subsidence costs Mexico City \$34.2 billion USD in economic costs, 12 % of which are due to information frictions that inefficiently increase the housing stock in risky areas. Our findings show that groundwater depletion imposes a costly externality on the built environment, and that frictions affecting the capitalization of environmental hazards in the housing market exacerbate these costs by putting more value in harm’s way.

“Estimating the Gains from Water Trade: A Systematic Evaluation of Modeling Considerations” with Nell Green Nylen, Ellen Bruno, Andrew Ayers, Michael Kiparsky, Josué Medellín-Azuara, and Sarah Null
Conditionally accepted at the Review of Environmental Economics and Policy. Draft available upon request.

The gains from water trading can vary significantly depending on local conditions as well as the specifics of market design and implementation. However, models of water trading necessarily rely on assumptions that simplify the social, institutional, and environmental landscape within which a water market operates. We systematically evaluate peer-reviewed papers that estimate the gains from water trading to assess how models of water markets take this local context into account. Our results demonstrate that whether and how models incorporate key considerations varies widely, with implications for the accuracy of results. We find that estimates of the economic impacts of water trading in the published literature are more likely to consider distributional effects and incorporate features of the legal and regulatory environment than to account for third-party impacts, transaction costs, the consequences of trading for the economy at large, or the administrative costs associated with setting up and operating a market. Understanding what features a model takes into account is important for interpreting its policy implications. Researchers modeling the gains from trade could better support local decision makers by explicitly articulating their models’ capabilities and limitations.

Research in Progress	“Differential subsidence, damages and fragility: Evidence from a systematic analysis in Mexico City” with Enrique Fernández-Torres		
	“Sprawl and the costs and benefits of promoting compact cities: Evidence from Mexico” with Rodolfo Oviedo Moguel		
	“If you build it will they come? Road rehabilitation and transportation supply in Rwanda” with Marco Gonzalez-Navarro, Florence Kondylis, John Loeser, and Maria Ruth Jones		
	“Protect the forest, protect cities? Land use change externalities and flooding in Brazil” with Alice Schmitz		
Talks	“Differential subsidence, damages, and fragility: Evidence from a systematic analysis of structural vulnerability in Mexico City” with Enrique Fernández-Torres		
	2025	NEUDC (<i>upcoming</i>)	
	2025	Cities & Development Workshop, Harvard (<i>upcoming</i>)	
	2025	The Occasional Workshop of Environmental and Resource Economics (<i>upcoming</i>)	
	2025	North American Meeting of the Urban Economics Association	
	2025	Environment Week at the London School of Economics	
	2025	AERE Summer meeting	
	2024	LACEA Urban Workshop	
	2024	<i>SobreMéxico</i> Conference, Universidad Iberoamericana	
	2024	UC Berkeley Development workshop	
	2023, 2024	UC Berkeley Trade workshop	
Activities	2024	Berkeley Economists for Equity (BEE) Mentor	
	2023	Department of Agricultural and Resource Economics Graduate Admissions Committee	
	2022	Department of Agricultural and Resource Economics Search Committee	
	2020 - 2022	Department of Agricultural and Resource Economics DEI committee	
Prior Employment	UC Berkeley, Graduate Student Researcher (Marco Gonzalez-Navarro)		2023-2025
	UC Berkeley, Graduate Student Researcher (Ethan Ligon)		2022
	UC Berkeley, Graduate Student Researcher (Ellen Bruno)		2023
	UC Berkeley, Graduate Student Researcher (Joseph Shapiro, Andrés Rodríguez-Clare)		2021
	National Laboratory for Public Policy (LNPP), Analyst		2018-2020