

Lucy Hackett

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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, Development, Urban Economics
SECONDARY FIELDS: Spatial Economics

Associate Professor Marco Gonzalez-Navarro
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Diana Lazo
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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

“Subsidence: Environmental risk and housing market response 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 ground-water over-extraction, in Mexico City. Subsidence is a prevalent and worsening phenomenon worldwide, considered in the civil engineering literature to be a major risk to infrastructure in affected urban areas. We use a repeat bank appraisal approach to estimate the costs of subsidence through the housing market, quantifying both damages to private housing units and public infrastructure. Despite our finding that subsidence imposes substantial costs, which are driven by increased likelihood of structural issues and urban flooding, we find that housing development is drawn to sinking plots and away from sinking neighborhoods. An equilibrium model of the housing market rationalizes these findings, highlighting that sunk homes have a low opportunity cost of redevelopment, but that this incentive is distorted if residents face information frictions about future subsidence. We explore this using novel survey evidence on subsidence and beliefs in the city, documenting the presence of substantial frictions in evaluating the risk of future sinking. We use these findings together with our structural model to analyze the welfare gains from policies that address subsidence by reducing groundwater pumping, or alternatively that mitigate information frictions in the housing market.

Research in Progress

“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 *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.

“Differential subsidence, damages and fragility: Evidence from a systematic analysis in Mexico City” with Enrique Fernández-Torres

Understanding the structural vulnerability of buildings and public infrastructure to differential subsidence is crucial to evaluating the risks and costs that subsidence poses in urban areas. We combine novel estimates of plot-specific differential subsidence in Mexico City with a representative resident survey of structural issues in private residents and public infrastructure to estimate structural fragility curves and damage thresholds. We then extrapolate these findings from micro-data to a city-wide analysis, calculating damages and vulnerability at a city block level.

Talks	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
		National Laboratory for Public Policy (LNPP) , Analyst	2018-2020