

Placement Director: Professor Alessandro Pavan 847-491-8266 alepavan@northwestern.edu
 Placement Administrator: Lola May Ittner 847-491-5694 econjobmarket@northwestern.edu

Contact Information

Department of Economics
 2211 Campus Drive
 Evanston, IL 60208

Mobile: 872-235-5279
<http://matiasbayas-erazo.com>
 Citizenship: USA, Ecuador

Fields

Research: Macroeconomics, Optimal Taxation

Education

Ph.D., Economics, Northwestern University (anticipated) 2024
 Dissertation: Essays in Macroeconomics
 Committee: George-Marios Angeletos (co-chair), Guido Lorenzoni (co-chair), Alessandro Pavan, Matthew Rognlie
 M.Sc, Econometrics and Mathematical Economics, London School of Economics 2017
 Master 1 in Economics, Toulouse School of Economics 2016
 B.A, Economics, University of Virginia 2014

Job Market Paper

“Optimal Public Debt with Redistribution”

This paper studies the interaction between public debt and redistribution when markets are incomplete and agents are heterogeneous. I consider a standard heterogeneous agent model where the government controls both the progressivity of the tax schedule and the level of public debt. I compute the optimal mix of debt and progressivity, comparing two different concepts of long-run optimality. In both the optimal steady state and the Ramsey steady state, planners that care about redistribution favor *lower* levels of debt. I show that this is due to a novel interest rate channel: redistributive taxation reduces the need to self-insure and thus makes government borrowing more expensive. I back out the implied preferences for redistribution in the US and argue that they are inconsistent with both Utilitarian and Rawlsian criteria.

Other papers

“Optimal Taxation with Rational Inattention” with George-Marios Angeletos

Brief abstract: We study optimal taxation when agents are rationally inattentive. Using a flexible model of inattention, we show that there is no corrective role for taxes when attention costs satisfy an invariance condition. At the same time, some forms of inattention generate inter-dependence across states: tax decisions in one state are no longer independent of those in other states. This coupling arises because an inattentive demand function depends on the price of goods in multiple states of the world. In contrast to the traditional view, inter-dependence may call for *lower* tax rates. In addition, it breaks Slutsky matrix symmetry and can justify state-dependent taxation.

“The Joint Dynamics of Labour and Capital” with Fergal Hanks

Brief abstract: Models of lumpy capital adjustment are too responsive to interest rates relative to empirical evidence. We argue that allowing for small convex adjustment costs in labour can help these models better match the data. Convex costs cause labour to increase slowly in response to a shock thus smoothing out the impact on the marginal product of capital. Due to both depreciation and uncertainty over future productivity, this delay in the benefits of additional capital can have a large impact on the responsiveness of capital investment.

“Tariffs and Current Account Deficits” with Guido Lorenzoni

Fellowships & Awards	Dissertation University Fellowship, Northwestern University	2023-2024
	Northwestern Graduate Fellowship	2018-2023
Teaching Experience	Teaching Assistant, Northwestern University	2018-2023
	Money and Banking	
	Intermediate Macroeconomics	
	Introduction to Macroeconomics	
	Corporate Finance	
	Labor economics	
Research Experience	Research Assistant, George-Marios Angeletos, Northwestern University	Summer 2023
	Research Assistant, Alessandro Pavan, Northwestern University	Spring 2022
	Research Assistant, Guido Lorenzoni, Northwestern University	2019-2021
	Research Assistant, Marco Macchiavelli, Board of Governors Federal Reserve	Summer 2016
Languages and Skills	English (fluent), Spanish (native)	
	Julia, Matlab, Python, R, \LaTeX	
References	Professor George-Marios Angeletos Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8217 angeletos@northwestern.edu	Professor Guido Lorenzoni Booth School of Business University of Chicago 5807 S Woodlawn Ave Chicago IL 60637 773.702.7743 guido.lorenzoni@chicagobooth.edu
	Professor Alessandro Pavan Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8266 alepavan@northwestern.edu	Professor Matthew Rognlie Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8215 matthew.rognlie@northwestern.edu