

Michael James Carter

Department of Economics
Lafayette College
107 Simon Center
Easton, PA 18042

Email: mail@michael-carter.net
cartermj@lafayette.edu
Office: 610 – 330 – 5987
<https://michael-carter.net>

Citizenship and Visa Status

U.S. Citizen

Academic Positions

Visiting Assistant Professor – Lafayette College

July 2023 – June 2024

Education

Ph.D. Economics, The Ohio State University, 2023

M.A. Economics, The Ohio State University, 2018

M.S. Predictive Analytics, Northwestern University, 2015

B.A. Economics and Theology, University of Notre Dame, 2011

Research Fields

Macroeconomics, Industrial Organization, Finance

Research Papers

[“Firm Investment with Shareholder Inequality”](#) (Job Market Paper)

Does household wealth and income inequality matter for macroeconomic outcomes? Existing Bewley-Hugget-Aiyagari models featuring income inequality find that inequality increases the wealth to GDP ratio. However, these models require counterfactually-high capital accumulation. From 1970 to 2010, household financial wealth relative to GDP increased by 35% while the capital-output ratio only increased by 5%. To break the link between wealth and capital, I study a DSGE model economy where firms own and operate capital while households save through a stock market. The problem of the firm is generally not well-defined in settings with household heterogeneity, incomplete markets, and decreasing returns to scale. I resolve this classic issue with a discount factor that is consistent with stock market equilibrium and with firms who maximize their net market value. I find that changes to the household income distribution from 1970 to 2010 generate a 45% increase in wealth relative to GDP with a smaller 21% increase in the capital-output ratio. The model also explains 100% of the observed increase in the decline in dividend yields and the increase in the price-earnings ratio for equity from 1970-2010. I then examine the role of wealth inequality through unanticipated redistribution shocks. More wealth inequality leads to higher investment, wages, and output, though poor households are much worse off as lower rates of return make it harder to save out of poverty.

Research in Progress

“Firm Size Distribution and the Increase in Mark-ups” (with [Rohan Shah](#))

“Common Ownership and Capital Investment”

Presentations

2023

Liberal Arts Macroeconomics Conference, University of Bristol,
Bowdoin College, U.S. Naval Academy, Liberal Arts Macroeconomics
Conference, Midwest Macroeconomics Conference (fall)

2022

Midwest Macroeconomics Conference (spring)

Teaching Experience

Lafayette College

ECON 252: Intermediate Macroeconomics (Fall 2023, Spring 2024)

The Ohio State University

ECON 4002: Intermediate Macroeconomic Theory (Fall 2021, Summer 2020)

ECON 2001: Principles of Microeconomics (Fall 2019)

Honors, Scholarships, and Fellowships

2022	Graduate Associate Teaching Award, Ohio State University Graduate Associate Teaching Award in Economics, OSU Economics Department
2021	Departmental Citation for Excellence in Teaching, OSU Economics Department
2020	Graduate Associate Teaching Award in Economics, OSU Economics Department
2017	University Fellowship, Ohio State University

Professional Experience

2021	The Ohio State University – Research Assistant to Kyle Dempsey
2011-2017	United Airlines Senior Manager, Revenue Strategy & Analysis Senior Analyst, Revenue Strategy & Analysis Analyst, Domestic Pricing

References

Aubhik Khan
Department of Economics
Ohio State University
khan.247@osu.edu

Julia Thomas
Department of Economics
Ohio State University
thomas.2108@osu.edu

Kyle Dempsey
Department of Economics
Ohio State University
dempsey.164@osu.edu

Programming Languages

Fortran, MATLAB, R, SQL