

# SADHIKA BAGGA

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## EDUCATION

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### University of Texas at Austin

Ph.D. in Economics

2017-Present

M.S. Economics

2019

*Fields: Macroeconomics, Labor Economics*

### Delhi School of Economics

M.A. Economics

2014

### University of Delhi

B.A. (Hons.) Economics

2012

## WORKING PAPERS

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### Firm Market Power, Worker Mobility, and Wages in the US Labor Market (2021)

A recent body of literature has documented evidence of increasing employer market power in the US. I develop an equilibrium model of the labor market to explain its effect on aggregate outcomes such as wage growth and job-to-job transitions. I introduce two ingredients to a random search model with on-the-job search: First, there is a finite number of employers who differ in their productivity. Second, employers exert market power by excluding their vacancies from the set of outside offers faced by their employees. The combined effect of both features of the model is to reduce the value of workers outside options, thereby reducing wages and worker mobility in equilibrium. I calibrate the model and evaluate its performance in generating key labor market moments for the US economy. Finally, I examine the central predictions of the model using the publicly available data from the Longitudinal Employer-Household Dynamics (LEHD) and Business Dynamics Statistics (BDS). I document that less competitive labor markets, measured by a lower number of firms per worker, are associated with reduced measures of labor market dynamism and average wages.

Presentations: NBER Wage Dynamics in the 21st Century Spring 2021 (*scheduled*)

### Incidence and Evolution of Nominal Wage Rigidity in the US (2019)

This paper documents the change in nominal wage rigidity in the US using the 1996-00 and 2008-13 panels of the Survey of Income and Program Participation (SIPP). Using the empirical methodology of Barattieri, Basu and Gottschalk (2014) to correct for measurement errors in self-reported wages, this paper finds evidence of (i) an increase in the frequency of wage adjustment among hourly job-stayers over the two periods, and (ii) conditional on wage adjustments, a higher proportion of wage cuts during the Great Recession relative to the subsequent recovery. These findings are robust when the methodology is applied to salaried workers.

## WORK IN PROGRESS

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Global u\* (*with Richard Crump, Stefano Eusepi, Ayşegül Şahin, Jin Yan*)

## RESEARCH EXPERIENCE

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Summer Fellow, Federal Reserve Bank of New York ( <i>scheduled</i> )	<i>2021</i>
Research Assistant for Aysegül Şahin (UT Austin)	<i>2020-Present</i>
Research Assistant for Stefano Eusepi (UT Austin)	<i>Summer 2020</i>
Research Assistant for Chris Boehm (UT Austin)	<i>Fall 2019</i>
Research Associate for Sonalde Desai (NCAER, New Delhi)	<i>2015-17</i>
Research Assistant for Ashwini Deshpande (Delhi School of Economics)	<i>2014</i>
Research Intern, United Nations ESCAP (New Delhi)	<i>Summer 2013</i>

## TEACHING EXPERIENCE

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Teaching Assistant (Department of Economics, UT Austin)	<i>2017-2020</i>
Macroeconomics I (PhD 1st year course) for Stefano Eusepi (Fall 2019, Fall 2020)	
International Finance for Saroj Bhattarai (Spring 2020)	
Macroeconomic Theory for Chris Boehm (Spring 2019)	
Microeconomic Theory for Caroline Thomas (Fall 2018)	
Micro Theory for Business for John Thompson (Summer 2018, 2019)	
Introduction to Macroeconomics for Shalah Mostashari (Spring 2018)	
Introduction to Microeconomics for Thomas Wiseman (Fall 2017)	

## FELLOWSHIPS

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Professional Development Award, University of Texas at Austin	<i>2020</i>
Collaborative Research Fellowship with Stefano Eusepi	<i>Summer 2020</i>
Graduate Fellowship, University of Texas at Austin	<i>2017-22</i>
Junior Research Fellowship, Govt. of India	<i>2015</i>

## REFEREEING

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*Review of Economics and Statistics*  
*AEJ: Macroeconomics*

## OTHER

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Programs: MATLAB, Python, Stata  
Languages: English (Fluent), Hindi (Native)  
Citizen of India

## REFERENCES

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### **Aysegül Şahin**

Richard J. Gonzalez Regents Chair in Economics  
Department of Economics, University of Texas at Austin  
Email: aysegul.sahin@austin.utexas.edu

### **Andreas I. Mueller**

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### **Olivier Coibion**

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