

SADHIKA BAGGA

BRB 4.132 Department of Economics, University of Texas at Austin

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EDUCATION

University of Texas at Austin

Ph.D. in Economics

2017-2023 (*Expected*)

M.S. Economics

2019

Fields: Macroeconomics, Labor Economics

Delhi School of Economics

M.A. Economics

2014

University of Delhi

B.A. (Hons.) Economics

2012

REFERENCES

Aysegül Şahin (Co-chair)

Richard J. Gonzalez Regents Chair in Economics

Department of Economics, UT Austin

Email: aysegul.sahin@austin.utexas.edu

Andreas I. Mueller (Co-chair)

Associate Professor

Department of Economics, UT Austin

Email: andimueller@utexas.edu

Olivier Coibion

Malcolm Forsman Centennial Professor

Department of Economics, UT Austin

Email: ocoibion@austin.utexas.edu

AWARDS & FELLOWSHIPS

Graduate School Dissertation Writing Fellowship, University of Texas at Austin

2023

Dissertation Fellowship, Federal Reserve Bank of St. Louis

2022

Thomas J. Sargent Dissertation Fellowship, Federal Reserve Bank of San Francisco

2022

AEA Summer Fellowship, Federal Reserve Bank of New York

2021

Graduate School Continuing Fellowship, University of Texas at Austin

2022-23

Professional Development Award, University of Texas at Austin

2020, 22

Graduate Summer Fellowship, University of Texas at Austin

2021

Collaborative Research Fellowship with Prof. Stefano Eusepi

Summer 2020

Graduate School Fellowship, University of Texas at Austin

2017-22

Junior Research Fellowship, Govt. of India

2015

RESEARCH EXPERIENCE

Research Assistant for Prof. Aysegül Şahin (UT Austin)

2020-2021

Research Assistant for Prof. Stefano Eusepi (UT Austin)

Summer 2020

Research Assistant for Prof. Chris Boehm (UT Austin)

Fall 2019

Research Associate for Prof. Sonalde Desai (NCAER, New Delhi)

2015-17

Research Assistant for Prof. Ashwini Deshpande (Delhi School of Economics)

2014

Research Intern, United Nations ESCAP (New Delhi)

Summer 2013

TEACHING EXPERIENCE

Teaching Assistant (Department of Economics, UT Austin) *2017-2022*
Macroeconomic Theory for Prof. Stefano Eusepi (Fall 2022)
Macroeconomic Theory for Prof. Chris Boehm (Spring 2019, 2022)
Macroeconomics I (PhD 1st year course) for Prof. Stefano Eusepi (Fall 2019, 2020, 2021)
International Finance for Prof. Saroj Bhattarai (Spring 2020)
Microeconomic Theory for Prof. Caroline Thomas (Fall 2018)
Micro Theory for Business for Prof. John Thompson (Summer 2018, 2019)
Introduction to Macroeconomics for Prof. Shalah Mostashari (Spring 2018)
Introduction to Microeconomics for Prof. Thomas Wiseman (Fall 2017)

CONFERENCES AND SEMINARS

2022: Midwest Macro Meetings, NBER Wage Dynamics in the 21st Century, Federal Reserve Bank of St. Louis, Federal Reserve Bank of San Francisco, SOLE Conference, AEA/ASSA Meetings
2021: Oxford NuCamp PhD Workshop, Federal Reserve Bank of New York, NBER Wage Dynamics in the 21st Century

JOB MARKET PAPER

Firm Market Power, Worker Mobility, and Wages in the US Labor Market ([Link](#))

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 wages 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.

WORKING PAPERS

Internal and External Labor Markets and Declining Dynamism ([Link](#))

Over the last four decades, employment composition has shifted towards large firms in the US. This has occurred amidst a decline in employer-to-employer transitions. A natural question is, are workers in large firms climbing job ladders internally rather than externally? Using data from various supplements of the Current Population Survey, I find evidence of the prevalence of internal job ladders within large firms. I document that job stayers in large firms, relative to small ones, realize a larger annual pay growth and a higher probability of internal job switching. Accounting for internal job ladders amplifies labor market dynamism and offsets part of the decline in external employer-to-employer switching rates. At the same time, there has been a decreasing trend in the rate of internal job switching, suggesting that the forces affecting declining external dynamism could have also had implications on internal job ladders. I hypothesize that the decline in internal dynamism could be driven by the firm's endogenous response to decreasing labor market competition.

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

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. They can be seen in light of increasing labor market flexibility in the US over the recent decades.

WORK IN PROGRESS

Job Amenity Shocks: A Model of the Post-Covid Labor Market

(with Lukas Mann, Ayşegül Şahin, Gianluca Violante)

REFEREEING

AEJ: Macroeconomics, Review of Economics and Statistics

OTHER

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

Last Updated: November 2022