

Thiago Patto

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Inspere Institute of Research and Education

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EDUCATION

- Ph.D Economics, Inspere 2017–2023
Advisors: Rodrigo Soares (Inspere) and Jorge De la Roca (University of Southern California)
- B.A. Economics, University of São Paulo, 2011–2016
- B.S. Physics, State University of São Paulo 2005–2008

FIELDS OF SPECIALIZATION

- **Primary:** Urban Economics, Labor Economics
- **Secondary:** Development Economics

JOB MARKET PAPER

The Concentration of Economic Activity Within Cities: Evidence from New Commercial Buildings

Abstract: I explore the opening of large commercial buildings to study how local economic activity is affected by an employment shock. My methodology combines the typical ring approach, which involves comparing neighborhoods nearer and farther away, with a matching procedure to obtain samples of neighborhoods with a similar probability of observing a new building in their vicinity. I find that neighborhoods within 250 meters of a new building experience a 12.9% differential increase in employment, driven by high-skilled offices and local services. I estimate that for every two additional jobs created in high-skilled offices, one job is created in local services. I also present suggestive evidence that the productivity of high-skilled offices is affected. There is an increase in the share of college-educated workers and the wages in this sector, which seems to be driven to a good extent by the entry of new firms. Overall, my findings indicate that both productivity spillovers and local demand are crucial ingredients of urban concentration. New buildings increase the productivity of high-skilled offices nearby, attracting more firms in this sector and raising the demand for non-tradable goods provided by local services.

WORKING PAPERS

The Urban Wage Premium Over the Life Cycle

Abstract: I use Brazilian matched employer-employee data to study how city size impacts the wage profile of college and non-college graduates, focusing on the influence on wage growth (dynamic effects). The data size allows me to fully explore variations at the city level and estimate city size effects for different educational-age groups. Using a reduced-form approach, I show that the static urban wage premium does not differ significantly across educational groups, but dynamic effects are concentrated on young college graduates and explain 46% of their city-size wage gap. This asymmetry between college and non-college graduates also accounts for 62% of the city-size college premium gap. In contrast, the results indicate that sorting on unobserved characteristics within education groups is of minor importance to understanding both differences in wage levels and wage dynamics. Finally, I present evidence that job transitions have a close connection with wage growth in large cities. Not only do job transitions amplify dynamic

effects, but staying in the same job in a large city does not provide any future wage gains. This evidence challenges interpretations of city size effects on wage growth based exclusively on faster human capital accumulation.

WORK IN PROGRESS

Workplace and Spatial Frictions in Job Search

Abstract: This paper presents evidence of local spatial frictions in job search. Using matched employer-employee data with detailed address information of establishments, I explore the opening of large commercial buildings to investigate how proximity to vacancies affects the likelihood of getting a new job. I estimate the effects of slight variations in the distance across workplaces while controlling for worker and job characteristics to rule out sorting-based interpretations, particularly heterogeneous preferences for neighborhoods and spatial concentration of skills. I find that individuals within 500 meters of new construction are 2 to 2.4 more likely to work at the new building five years after its inauguration than individuals between 500 m and 1 km. This relationship is stronger for individuals with lower education and lower wages. I interpret the results as indicative of information frictions being at play. Some vacancies are more heavily advertised locally, benefiting those who move around the neighborhood regularly. Additionally, local networks may assist individuals in learning about these jobs or competing effectively for them.

FELLOWSHIPS

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| • FAPESP, Visiting Graduate Student Fellowship | 2021-2022 |
| • FAPESP, Ph.D Fellowship | 2019-2023 |

PROFESSIONAL EXPERIENCE

RESEARCH ASSISTANT

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| • MariaFlavia Harari (Wharton Real Estate Department)
Gathered and organized geographic and historical data in Brazil | 2021-2022 |
| • Rodrigo Moita (University of São Paulo)
Worked on a project about developers and the location of new buildings | 2018-2020 |

TEACHER ASSISTANT

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| • Microeconomics I - Ph.D core (Camila Campos) | 2018-2019 |
| • Math Camp - Ph.D core (Jose Heleno Faro) | 2018-2019 |

EXTERNAL SEMINAR AND CONFERENCE PRESENTATIONS

- **2023:** Urban Economics Association Summer School; 17th North American Meeting of the Urban Economics Association; Annual LACEA/LAMES Meeting (Scheduled); 2nd Annual LAUrban Meeting (Scheduled); 45th Meeting of the Brazilian Econometric Society (Scheduled)
- **2022:** 1st Annual LAUrban Meeting; Annual LACEA/LAMES Meeting; UC Berkeley Labor Lunch; Wharton Urban Lunch
- **2021:** 15th North American Meeting of the Urban Economics Association

PERSONAL DETAILS

- **Citizenship:** Brazil
- **Language:** English (Proficiency), Portuguese (Native), Spanish (Intermediate)
- **Programming:** R, Stata, L^AT_EX, Python, Excel

REFERENCES

Rodrigo Soares

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