

University of Minnesota - Twin Cities

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Curriculum Vitae Fall 2018

FAUSTO ANDRÉS PATIÑO PEÑA

Personal Data

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Citizenship: Ecuador (F-1 Visa)

Major Fields of Concentration

Macroeconomics, Labor Economics, Growth and Development

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
PhD	Economics	University of Minnesota (expected)	2019
M.Sc.	Economics and Finance	Centro de Estudios Monetarios y Financieros (CEMFI)	2013
BS	Economics	Pontificia Universidad Católica del Ecuador (PUCE)	2011

Dissertation

Title: "Essays on Government Policy and the Allocation of Resources"

Dissertation Advisor: Professor Ellen McGrattan

Expected Completion: Summer 2019

References

Professor Ellen McGrattan	(612) 625-6714 erm@umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall
Professor Loukas Karabarbounis	(612) 625-7504 loukas@umn.edu	Minneapolis, MN 55455 1925 Fourth Street South
Professor Jeremy Lise	(612) 625-0941 jlise@umn.edu	
Professor Kyle Herkenhoff	(612) 625-3399 kfh@umn.edu	

Honors and Awards

- 2016 *Third Place in the Third Year Paper Competition*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- Summer 2016 *Distinguished Instructor Award*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- Fall 2013 *Distinguished Teaching Assistant Award*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2013 - 2014 *Kurt Winkelman and Janine Gleason Fellowship*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2011 - 2013 *Fundación Carolina Master Scholarship*, Centro de Estudios Monetarios y Financieros (CEMFI), Madrid, Spain

Teaching Experience

- Fall 2014 - Summer 2016 *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Principles of Microeconomics*, *Intermediate Microeconomics*, *Intermediate Macroeconomics*, and *Public Economics*.
- 2013 - 2014 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics*.

Research Experience

- 2016 - present *Research Assistant*, Research Department, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research Assistant for the Economic Analysis Group.
- July 2012 - September 2012 *Intern*, Frontier Economics, Madrid, Spain. Assisted with consulting projects for the Telecommunications and Energy Projects.
- June 2010 - August 2011 *Researcher*, Centro de Investigación y Análisis de Políticas Públicas-CIAP, Quito, Ecuador. Conducted economic analyses and studies of current and long term aspects of the Ecuadorian economy, as well as developing economic indicators and database management.
- June 2010 - August 2011 *Analyst*, Sustenimus, Quito, Ecuador. Conducted International Trade Analyses, market analyses, economic investigations and support for firms and other entities.
- June 2009 - May 2010 *Analyst*, Multienlace - Consultoría en Macroeconomía, Quito, Ecuador. Conducted Monetary and Exchange Rate Analyses, market analyses, reports and investigations about Ecuadorian macroeconomic performance, and database management.
- February 2009 - January 2010 *Research Assistant*, Pontificia Universidad Católica del Ecuador (PUCE), Quito, Ecuador. Research Assistant for Carlos de la Torre Muñoz.
- September 2008 - May 2009 *Intern*, Multienlace - Consultoría en Macroeconomía, Quito, Ecuador. Conducted market analyses, reports of macroeconomic variables, and database management.

Papers

- “The Welfare and Labor Market Effects of Occupational Licensing,” job market paper
- “Corporate Tax Rates, Allocative Efficiency, and Aggregate Productivity,” with Marcos Dinerstein, working paper, 2018
- “A Model of Occupational Choice,” with Keyvan Eslami, work in progress, 2018
- “Demographics, Labor, and the Great Recession,” with Guillermo Cabral, work in progress, 2017
- “An Empirical Labor Search Model: Labor Markets and Informality in Developing Countries,” Master’s Dissertation, Centro de Estudios Monetarios y Financieros, 2013

Presentations

- “How Distortive are Corporate Taxes? Evidence from the Chilean Manufacturing Sector,” presented at the Midwest Economics Association Conference, Cleveland, Ohio, March 2017 (Renamed “Corporate Tax Rates, Allocative Efficiency, and Aggregate Productivity”)

“Corporate Tax Rates, Allocative Efficiency, and Aggregate Productivity,” presented at the Latin American and Caribbean Economic Association - LACEA in Guayaquil, Ecuador, November 2018

Computer Skills

Matlab, Julia, STATA, SPSS

Languages

Spanish (native), English (fluent)

Abstracts

“The Welfare and Labor Market Effects of Occupational Licensing,” job market paper

Occupational licensing policy affects close to 25% of workers in the United States. The social benefits and costs of licensing policy are topics of much debate as licensing has implications for consumer welfare and labor market outcomes. Licensing policy protects consumers by alleviating an information asymmetry in the market of goods and services. However, it acts as a barrier to entry that prevents individuals from working in licensed occupations. This paper studies the effect of occupational licensing on welfare, the allocation of labor, and the wage premium between licensed and unlicensed workers. I develop a framework with information asymmetries in the product market and occupational choice in the labor market, which are key features to analyze the trade-off generated by licensing policy. In the product market, consumers demand two goods. One of the goods is heterogenous in quality, which is unobservable to the consumers. This information asymmetry carries over to the labor market, affecting the occupational choice of workers, whom also select into occupations based on their ability and the licensing policy. Licensing policy is modeled as a monetary fee and as training, which is costly for workers in terms of effort and time. I calibrate this model to match moments of the US labor market using the 2008 Survey of Income and Program Participation (SIPP) panel and the O*NET database. I find that a counterfactual licensing policy that removes training induces lower ability workers to enter licensed occupations. As a result, consumer welfare falls by 13% since lower quality goods are produced. In addition, I find that the wage premium falls by more than half.

“Corporate Tax Rates, Allocative Efficiency, and Aggregate Productivity,” with Marcos Dinerstein

This paper quantifies the impact of effective corporate tax rates on aggregate total factor productivity (TFP). Using Chilean manufacturing data, we document a large dispersion in the effective tax rate faced by firms and a mass of firms facing a 0 percent tax rate. We incorporate these findings into a standard monopolistic competition model with corporate tax rates. We find that eliminating corporate tax rates increases TFP between 4 and 11 percent. We consider counterfactual policies in which all firms face the same tax rate and find a monotonically decreasing relationship between the level of the tax rate and TFP.

“Demographics, Labor, and the Great Recession,” with Guillermo Cabral

Since the Great Recession, output and labor diverted from their pre-crisis long term trends. We show that demographics is able to explain a significant portion of the gap between the long-term trend and the data, for both output and labor. An important reason why demographics play an important role during the crisis's recovery period is that the Great Recession coincides with the “baby boomers” entering the age cohorts associated with lower levels of labor force participation. Accounting for these demographic changes, we document that labor is converging to a different employment trend. Furthermore, we modify the standard growth model and calibrate it to capture the demographic features of the data for the period 1990 - 2015. Our results show that by 2015 the output and labor gap have been reduced by just 2.5% and 1.2% respectively.