

Placement Director: Professor Alessandro Pavan 847-491-8266 alepavan@northwestern.edu
Placement Administrator: Lola May Ittner 847-491-5694 econjobmarket@northwestern.edu

**Contact
Information**

Department of Economics
2211 Campus Drive
Evanston, IL 60208

Mobile: 872-235-5279
<http://matiasbayas-erazo.com>
Citizenship: USA, Ecuador

Fields

Research: Macroeconomics, Optimal Taxation

Education

Ph.D., Economics, Northwestern University (anticipated) 2024
Dissertation: Essays in Macroeconomics
Committee: George-Marios Angeletos (co-chair), Guido Lorenzoni (co-chair), Alessandro Pavan, Matthew Rognlie
M.Sc, Econometrics and Mathematical Economics, London School of Economics 2017
Master 1 in Economics, Toulouse School of Economics 2016
B.A, Economics, University of Virginia 2014

Job Market Paper

“Optimal Public Debt with Redistribution”

Fiscal policy choices affect both the degree of progressivity of the tax system and the amount of public debt in circulation. What is the connection between these two elements? In this paper, I consider a benevolent optimizing government and explore how both progressivity and indebtedness depend on the planner’s preferences for redistribution. Somewhat surprisingly, I show that differences in preferences for redistribution lead to a negative correlation between progressivity and indebtedness, as a planner that cares more for redistribution favors *lower* levels of public debt. This is mainly due to a novel interest rate channel: redistributive taxation reduces the need to self-insure and thus makes government borrowing more expensive. I back out implied preferences for redistribution in advanced economies and argue that they are inconsistent with both Utilitarian and Rawlsian criteria.

Other papers

“Optimal Taxation with Rational Inattention” with George-Marios Angeletos

Brief abstract: We study optimal taxation when agents are rationally inattentive. Using a flexible model of inattention, we show that there is no corrective role for taxes when attention costs satisfy an invariance condition. At the same time, some forms of inattention generate inter-dependence across states: tax decisions in one state are no longer independent of those in other states. This coupling arises because an inattentive demand function depends on the price of goods in multiple states of the world. In contrast to the traditional view, inter-dependence may call for *lower* tax rates. In addition, it breaks Slutsky matrix symmetry and can justify state-dependent taxation.

“The Joint Dynamics of Labour and Capital” with Fergal Hanks

Brief abstract: Models of lumpy capital adjustment are too responsive to interest rates relative to empirical evidence. We argue that allowing for small convex adjustment costs in labour can help these models better match the data. Convex costs cause labour to increase slowly in response to a shock thus smoothing out the impact on the marginal product of capital. Due to both depreciation and uncertainty over future productivity, this delay in the benefits of additional capital can have a large impact on the responsiveness of capital investment.

“Tariffs and Current Account Deficits” with Guido Lorenzoni

Fellowships & Awards	Dissertation University Fellowship, Northwestern University	2023-2024
	Northwestern Graduate Fellowship	2018-2023
Teaching Experience	Teaching Assistant, Northwestern University	2018-2023
	Money and Banking	
	Intermediate Macroeconomics	
	Introduction to Macroeconomics	
	Corporate Finance	
	Labor economics	
Research Experience	Research Assistant, George-Marios Angeletos, Northwestern University	Summer 2023
	Research Assistant, Alessandro Pavan, Northwestern University	Spring 2022
	Research Assistant, Guido Lorenzoni, Northwestern University	2019-2021
	Research Assistant, Marco Macchiavelli, Board of Governors Federal Reserve	Summer 2016
Languages and Skills	English (fluent), Spanish (native)	
	Julia, Matlab, Python, R, \LaTeX	
References	Professor George-Marios Angeletos Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8217 angeletos@northwestern.edu	Professor Guido Lorenzoni Booth School of Business University of Chicago 5807 S Woodlawn Ave Chicago IL 60637 773.702.7743 guido.lorenzoni@chicagobooth.edu
	Professor Alessandro Pavan Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8266 alepavan@northwestern.edu	Professor Matthew Rognlie Department of Economics Northwestern University 2211 Campus Drive Evanston, IL 60208 847.491.8215 matthew.rognlie@northwestern.edu