Christopher D. Cotton

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Education

PhD in Economics, Columbia University, 2019 (expected)
MA in Economics, Toulouse School of Economics, 2013
BSc in Economics, London School of Economics, 2011

Fields of Specialization

Macroeconomics, Monetary Economics

Job Market Paper

The Inflation Target and the Equilibrium Real Rate
Many economists have proposed raising the inflation target to reduce the probability of hitting the zero lower bound. It is believed that raising the inflation target will not affect the equilibrium real rate. I demonstrate that once we incorporate agent heterogeneity into a standard New Keynesian model, raising the inflation target will lower the equilibrium real rate. In a calibrated model, I find that a rise in the inflation target of $2p.p.$ generates a fall of between $[0.1]p.p.$ and $[0.8]p.p.$ in the equilibrium real rate. This implies that a rise in the inflation target will raise the average nominal interest rate by less than $2p.p.$ and thus reduce the probability of hitting the effective lower bound by less than expected.

Other Working Papers

An Alternative Behavioral New Keynesian Model
Gabaix argues that sparse dynamic programming can resolve paradoxes in the New Keynesian model. I demonstrate that some of his results hold only because the consumer never fully learns. Once we allow for the consumer to fully learn, however slowly, passive monetary policy can never be determinate and there is no bound to the impact of a persistent negative rate shock.

Equilibrium in a Generalized Overlapping Generations Framework
I investigate the equilibrium of a generalized overlapping generations model with any number of cohorts and monopolistic competition. I demonstrate that there is typically a unique steady state and that any steady state has a positive equilibrium real rate and no asset bubbles. This contrasts to the classical case where there are often multiple equilibria with negative real rates or asset bubbles. I also provide results on how the equilibrium real rate responds to changes in the structural parameters of the economy.

Macroeconomic Revisions as Shocks (with Emi Nakamura and Jón Steinsson)
Recent work has attempted to make use of macroeconomic revisions as economic shocks to policy and beliefs. We demonstrate that, although this approach might appear promising, omitted variable bias and the endogeneity of revisions themselves implies this approach is, unfortunately, uninformative about the soures of business cycles. Similar concerns arise in the context of using revisions as shocks in other contexts.

Work in Progress

Big Data Evidence on Information Acquisition
I analyse the extent of learning following shocks using novel data on website access. I analyse the extent to which

internet users access individual Wikipedia pages and overall website domains. I assess which categories of pages become more or less popular following shocks. I am able to determine which types of information agents choose to read about and whether they choose to learn for the future.

Fellowships and Awards

Dissertation Fellowship, Columbia University, 2018-2019
Dean's Fellowship, 2013-2018
Vickrey Prize, 2016 (runner-up, best 3rd year paper)
Harriss Prize, 2015 (runner-up, best 2nd year paper)
Jean-Jacques Laffont Scholarship, Toulouse School of Economics, 2012-2013
University of Toulouse 'Prix d'Excellence', 2012

Research Experience

Dissertation Fellow, Federal Reserve Board (Monetary Studies), Summer 2018
Research Assistant for Serena Ng, Summer 2017
Research Assistant for Emi Nakamura and Jón Steinsson, Summer 2016
Research Assistant for Emi Nakamura and Jón Steinsson, Summer 2014

Teaching Experience

Intermediate Macroeconomics: Spring 2017, Spring 2018; TA for Jón Steinsson; Columbia
Macroeconomics I for MA: Fall 2016, Fall 2017; TA for Ron Miller; Columbia
Macroeconomics II for MA, Spring 2016; TA for Irasema Alonso; Columbia
Advanced Macroeconomics; Fall 2015; TA for Irasema Alonso; Columbia
Introduction to Econometrics; Fall 2014, Summer 2015; TA for Seyhan Erden; Columbia
Time Series; Spring 2015; TA for Seyhan Erden; Columbia
Economics Instructor; Summer 2014; Oxbridge Academic Experience (pre-college classes)

Professional Experience

Summer Intern, UK Government Economic Service, 2012
Summer Intern, Goldman Sachs, 2010

Personal

Citizenship: United Kingdom
Languages: English (Native), French (Good)

References

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