Miguel Acosta

November 2021

Department of Economics	Phone: (619) 807-2760
Columbia University	Email: `m.acosta@columbia.edu`
New York, NY 10027	Website: `www.acostamiguel.com`

Placement Chairs:	Don Davis	`drd28@columbia.edu`
	Suresh Naidu	`sn2430@columbia.edu`
Placement Assistant:	Amy Devine	`aed2152@columbia.edu`, (212) 854-6881

FIELDS OF SPECIALIZATION

Primary: Macroeconomics. **Secondary:** Monetary Economics and Behavioral Economics.

EDUCATION

Columbia University *Ph.D. Candidate in Economics* 2016–Present
Expected completion: May 2022
M.Phil. in Economics 2019
M.A. in Economics 2017

George Washington University *Graduate Certificate in Mathematics* 2014–2016

Stanford University *B.A. in Economics* 2010–2014
Departmental Honors

JOB MARKET PAPER

The Perceived Causes of Monetary Policy Surprises **[Latest version]**

Abstract. I estimate the macroeconomic effects of two critical aspects of Federal Reserve (Fed) communications: forward guidance regarding the path of interest rates and the provision of macroeconomic information. To estimate these effects, I identify two new series of shocks: monetary policy shocks and "information shocks." I recover the shocks by estimating a model of how Fed announcements determine interest-rate and GDP expectations in high frequency, using a measure of GDP forecast revisions I construct from the text of newspaper articles. To identify the model, I use a discrete change in the Fed's communication policy: the introduction of interest-rate forward guidance. I find that the identified monetary shock has macroeconomic effects that are consistent with New Keynesian models, and fall at the upper end of previous estimates. Additionally, information shocks resemble aggregate demand shocks and have effects of similar (absolute) magnitude as monetary shocks, which highlights the importance of the Fed's role in providing macroeconomic information.

AWARDS, FELLOWSHIPS, AND GRANTS

Awards

2019	Vickrey Prize: best third year paper (Columbia University)
2018	Harriss Award: best second year paper (Columbia University)
2014	Firestone Medal: Excellence in Undergraduate Research (Stanford University)

Fellowships

2021	Thomas J. Sargent Dissertation Fellow (Federal Reserve Bank of San Francisco)
2020–2022	Pre-doctoral Fellowship in Behavioral Macroeconomics (Alfred P. Sloan Foundation; NBER)
2017–2020	Program for Economic Research (Columbia University) Summer Fellow

2016–2022 Provost's Diversity (2016–17), Dean's (2016–2021), and Dissertation (2021–2022) Fellowships (Columbia University)

Research Grants

2020 Program for Economic Research (Columbia University) Data Purchase Grant for "Hysteresis in the U.S. Tariff Code" ($1,559)

2020 Program for Economic Research (Columbia University) Data Purchase Grant for "Estimating the Effects of Monetary Policy" ($4,500)

2019 Lab for Economic Applications and Policy (Harvard University) for "Hysteresis in the U.S. Tariff Code" ($4,700)

2018 Washington Center for Equitable Growth for "The Consequences of Extending Unemployment Benefits During Recessions" ($41,087)

RESEARCH

Working Paper

2021 *A New Measure of Central Bank Transparency and Implications for the Effectiveness of Monetary Policy*
Revise and resubmit, *International Journal of Central Banking*

Abstract. Transparency has been posited as a channel through which monetary policy is made more effective. This paper presents a new time-varying measure of the transparency of Federal Reserve deliberations, derived from the documents that the Fed uses to record and summarize each of its meetings. The measure—the similarity of the minutes and transcripts of each Federal Open Market Committee (FOMC) meeting—is largely, though not entirely, shaped by FOMC leadership. Monetary policy shocks have about a 40 percent larger effect on nominal and real interest rates when the prevailing level of transparency is high, suggesting an important role for transparency in determining the efficacy of monetary policy. These effects are primarily driven by transparency about monetary policy strategies conditional on the state of the economy. A simple model of FOMC announcements consistent with these results highlights that high transparency enhances monetary policy's effectiveness by increasing the FOMC's signaling ability, but diminishes the ability for policymakers to generate market surprises.

Work in Progress

◇ *The Consequences of Extending Unemployment Benefits During Recessions*
with Andreas Mueller, Emi Nakamura, and Jón Steinsson

Abstract. We estimate the effect of Unemployment Insurance (UI) benefit extensions on unemployment during recessions using newly constructed data on state-level legislation and extensions over the period 1976-2021. We exploit variation in UI "trigger rule" options, which give rise to large and persistent differences in UI benefit durations across states. We find that UI extensions initially raise the number of people collecting UI, but subsequently lead the total unemployment rate to decline. Our estimates are similar for the Great Recession and pre-Great Recession periods. These results suggest that Keynesian forces may ultimately overcome the effects of UI extensions on the incentives for workers to work and firms to post vacancies.

◇ *Rationally Confused: On the Aggregate Implications of Information Provision Policies*
with Hassan Afrouzi

ABSTRACT. Managing inflation expectations is an essential aspect of monetary policy. But how does communicating about inflation affect the decisions of price-setting firms? Cross-country evidence from randomized control trials provides a seemingly contradictory picture of how providing firms with news about inflation affects their decisions, where both contractionary and expansionary responses are observed. In this paper, we develop a rational inattention model that reconciles this evidence. In our model, firms' optimal information sets do not allow them to fully distinguish between supply and demand shocks. Accordingly, the model predicts that an exogenous increase in inflation expectations should be contractionary for economies where supply shocks are more volatile, and vice versa. We find supporting evidence for this mechanism by comparing output-inflation correlations in the data. These findings highlight the significant role that the broad economic environment can play in determining the effects of information provision policies.

◇ *Hysteresis in the U.S. Tariff Code: Origins and Implications*
with Lydia Cox

ABSTRACT. There is substantial variation in U.S. tariff rates within narrowly-defined goods. For example, tariff rates on handbags range from 5 to 16 percent, depending on their material. In this paper, we document the presence, historical origins, and consequences of this pattern. Using a newly-constructed dataset on legislated tariffs that covers all major trade agreements back to the 1930 Smoot-Hawley Act, we show that this within-good variation in tariffs originated in trade agreements made in the 1930 and 40s, and has persisted over time. Early trade agreements were made primarily with other high-income nations, and concessions were made on the specific varieties of goods that those countries produced. Instead, later GATT and WTO tariff negotiations had the broader focus of bringing down the average level of tariffs. One important consequence of this hysteresis in trade policy is that, today, tariffs are systematically higher on cheaper varieties of goods relative to their more expensive counterparts. We show that failing to take this heterogeneity into account substantially alters the distributional consequences of trade policy.

◇ *U.S. Legislated Tariffs since 1930*
with Lydia Cox

ABSTRACT. We present a newly-digitized dataset of legislated tariff rates in the United States that dates back to the Smoot-Hawley Tariff Act of 1930. The dataset contains all tariff rates from 1930–1946, all rates after every round of GATT negotiations through 1988, and all rates since 1989.

PUBLICATION

2015 *Using Occupation to Measure Intergenerational Mobility: Do Snapshots Matter?*
with Bhashkar Mazumder
The ANNALS of the American Academy of Political and Social Science. 657: 174-193

ABSTRACT. Scholarly investigations of intergenerational mobility typically focus on either the occupations of fathers and sons or their incomes. Using an identical sample of fathers and sons, we examine how estimates of intergenerational mobility in income and occupational prestige are affected by (1) measurement that uses long time averages and (2) varying the point in the life cycle when outcomes are measured. We find that intergenerational occupational mobility is overstated when using a single year of fathers' occupation compared to a 10-year average centered on mid-career. We also find that for both income and occupation, mobility estimates are largest when sons are in their mid-career, suggesting that this may be the ideal period in which to measure their status. Finally, we see differences in the pattern of estimates across the two types of measures: for income, estimates of intergenerational persistence are highest when fathers are in their mid-career; for occupation, estimates are much larger when fathers' occupations are accounted for late in their careers.

Policy Note

2015 *Hanging on Every Word: Semantic Analysis of the FOMC's Postmeeting Statement*
with Ellen E. Meade
FEDS Notes, Board of Governors of the Federal Reserve System

RELEVANT WORK EXPERIENCE

2019 – 2021 **Columbia Business School**
Research Assistant (RA) for Professors Pierre Yared and Christian Moser

2016 – 2018 **Columbia University**
RA for Professors Andreas Mueller, Emi Nakamura, and Jón Steinsson

2014 – 2016 **Board of Governors of the Federal Reserve System**
RA, Monetary Affairs Division, Monetary Studies Unit

2013 **Federal Reserve Bank of Chicago**
Intern, Economic Research Department, Microeconomic Studies

TEACHING ASSISTANCE

2019 Summer Global Economic Environment (Executive MBA) with Nicolas Vincent

2019 Spring Intermediate Macroeconomics (Undergraduate Level) with Martín Uribe

2018 Fall Macroeconomic Analysis I (Masters Level) with Ronald Miller

2017 Fall Principles of Economics (Undergraduate Level) with Sunil Gulati

PROFESSIONAL SERVICE

Discussions

2019 "Deep Learning Bank Distress from News and Numerical Financial Data," by Cerchiello, Nicola, Ronnqvist, and Sarlin, *Nontraditional Data, Machine Learning, and Natural Language Processing in Macroeconomics*, Federal Reserve Board

2020 "Narrative Fragmentation and the Business Cycle," by Bertsch, Hull, and Zhang, *14th International Conference on Computational and Financial Econometrics*

Referee

American Sociological Review; Journal of Banking and Finance; Journal of Monetary Economics; Journal of Money, Credit, and Banking; North American Journal of Economics and Finance; Springer Nature: Business and Economics; Quarterly Journal of Economics

CONFERENCES & SEMINARS

2021 UC Berkeley, European Economic Association Annual Congress

2020 14th International Conference on Computational and Financial Econometrics

2019 Midwest Macroeconomics Meetings

2016 Federal Reserve Board, International Conference on Computational Social Science

PERSONAL

FULL NAME AND CITIZENSHIP José Miguel Acosta, U.S. Citizen

LANGUAGES English, some Spanish and French

PROGRAMMING LANGUAGES

Familiar: Matlab, Stata, Python, Julia, R, TEX, Linux shell scripting, Dynare, R
Exposure: SQL, GAUSS, Git, Java, C++, VBA, HTML, SAS

REFERENCES

Michael Woodford (Sponsor)
John Bates Clark Professor of Political Economy
Dept. of Economics, Columbia University
mw2230@columbia.edu

Jennifer La'O
Associate Professor of Economics
Dept. of Economics, Columbia University
jenlao@columbia.edu

Emi Nakamura
Chancellor's Professor of Economics
Dept. of Economics, University of California, Berkeley
enakamura@berkeley.edu