

Luca Mazzone

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EDUCATION

Visiting Scholar, Department of Economics, University of Pennsylvania 2018-
Dirk Krueger (Sponsor)

Ph.D., Finance, University of Zürich 2014-
Felix Kübler (Advisor)

M.A., Economics and Finance, Universitat Pompeu Fabra 2014
Advisor: Jaume Ventura

M.Sc., Economics and Social Sciences, Università Bocconi 2012
Advisors: Roberto Perotti, Carlo Ambrogio Favero

B.Sc., Economics and Social Sciences, Università Bocconi 2009
Advisor: Fausto Panunzi

RESEARCH FIELDS

Macroeconomics, Household Finance, Heterogeneous Agents, Computational Economics

PROFESSIONAL AND RESEARCH EXPERIENCE

Economics Department, Australian National University 2019-
Visiting Fellow, access to aLife dataset

Research Department, Inter American Development Bank 2012-2013
Research Fellow with Senior Economist Alessandro Rebucci

Department of Finance, Università Bocconi 2011
Research Assistant for Prof. Carlo Ambrogio Favero

TEACHING EXPERIENCE

University of Zürich 2015–2018
Recitation Instructor - Masters
Advanced Financial Economics

University of Zürich 2017
Teaching Assistant
Zürich Initiative for Computational Economics

HONORS AND AWARDS

Leading House for the Latin-American Region (University of St. Gallen) 2018
Mobility Grant, Covering Expenses for Research Travels to Cali (Colombia)

Swiss National Science Foundation Doc.Mobility Scholarship, Stipend for Spending part of the Academic Year at UPenn	2019
Swiss Finance Institute Fellowship with stipend for the first year of Ph.D. at UZH	2014
Fundación Ramon Areces Scholarship Full tuition waiver plus financial support to attend Master at UPF	2013
"Bonaldo Stringher" Scholarship Honorable Mention, Bank of Italy	2012

PRESENTATIONS

PASC Conference (Basel, 2018), Society for Computational Economics (Milan, 2018), Swiss Finance Institute Research Days (Gerzensee, 2018), Sparse Grids and Applications Conference (Münich, 2018), University of Zürich (2016-2017-2018), Penn Macro Lunch (2018-2019), Wharton PhD Lunch Seminar (2019)

RESEARCH IN PROGRESS

"On the Solution of High-Dimensional Macro Models with Distributional Channels", 2018
working paper at <https://ssrn.com/abstract=3313244>

"Student Debt, Human Capital Accumulation and Career Choices", in progress
with Marc Folch (University of Pennsylvania)

Do financial constraints affect educational and career choices? Using restricted-access survey data that follow successive waves of college graduates, we show that higher levels of college debt have significant effects on graduate school enrollment and completion years after graduation. This attendance gap can be explained by financial rather than academic reasons. Also, we find that higher levels of college debt induce an anticipation in decisions such as marriage and first-time home-ownership. We develop a life-cycle model with endogenous human capital accumulation, career choice and housing, to analyze the impact of the recent increase in student debt and the introduction of a budget-neutral student loan forgiveness plan. Our results highlight the importance of financial constraints on young workers as determinants of long-run human and physical capital accumulation.

"The macro-dynamics of matching, sorting and human capital accumulation along the life cycle", in progress
with Andrea Alati and Edoardo Acabbi

We study the importance of business cycle fluctuations for sorting between firms and workers in frictional labor markets. We argue that recessions can have long-lasting effects on workers careers and economic activity through lost investment in human capital of affected cohorts. Differently from physical capital, the extensive and intensive margins for investment in human capital are limited by search frictions and limited life-time duration. For these reasons human capital plays a persistent role in affecting economic performance. We characterize the cyclical behaviour of worker-firm matches and the process of on-the-job human capital accumulation in a structural model of the labor market that features both worker and firm heterogeneity. In our model aggregate fluctuations alter the sorting between workers and firms and distort incentives to accumulate human capital. This process leads to a slowdown in the recovery from shocks, as workers sluggishly catch up on their missing investment opportunities. We provide empirical evidence of these mechanisms using administrative data on the population of Italian contracts provided by the Italian national social security institute (INPS).

"Markups, and the Dynamics of Firm Entry and Exit over the Business Cycle", in progress
with Camila Casas and Andrea Stella

Using Colombian firm-level data, and taking advantage of recent developments in trade and industrial organization literatures, we address two important issues in macroeconomics: cyclical behavior of markups and

the role of financial frictions in entry and exit of firms during recessions. New-Keynesian models are still the workhouse of applied macroeconomics, and rely on a transmission mechanism that depends on the cyclical behavior of firm-level markups. Testing this mechanism could provide a very important empirical validation of models that recently came under fierce criticism. Also, we investigate whether firm-level exit and entry decisions, conditioning on business cycles, are dominated by demand shocks. We aim at identifying the most relevant frictions that operate as a transmission mechanism of those shocks. A general equilibrium model with heterogeneous firms and aggregate shocks is introduced to match our findings and explore their implications for business cycle dynamics. Our paper contributes to the debate on policy measures to be adopted during downturns, and to the quantification of the long-run costs of recessions.

“What makes a manager? Human capital accumulation on the job, educational choices and firm dynamics”,
in progress
with Jason Sockin (University of Pennsylvania)

COMPUTER SKILLS

Fortran (OpenMP), Matlab, Stata, Python (and MPI), L^AT_EX.

LANGUAGES

Italian (Native), English (Fluent), Spanish (Advanced).