Diego Verdugo

PhD Student in Economics - Brown University

Contact Information

Department of Economics
Brown University
Providence, Rhode Island 02912

Phone: (+1) 401-4407178
Email: diego_verdugo@brown.edu

Previous Education

B.A. Economics, Pontificia Universidad Católica de Chile, 2010. Graduation rank 8/256.
M.A. Economics (honors), Pontificia Universidad Católica de Chile, 2011.

PhD Courses Taken

2016	Microeconomics I. Professor Rajiv Vohra.
	Macroeconomics I. Profesors Oded Galor and David Weil.
	Econometrics I. Professor Eric Renault.
	Mathematics for Economists. Professor Lorenzo Aldeco.
2017	Microeconomics II. Professor Kareen Rozen.
	Macroeconomics II. Professors Joaquin Blaum and Gauti Eggertsson.
	Econometrics II. Professor Andriy Norets.
	Applied Economic Analysis. Professor Anja Sautmann.
	Industrial Organization. Professor Jesse Shapiro.
	Public Economics I. Professor John Friedman.
2018	Public Economics II (MIT). Professor Amy Finkelstein.
	Urban Economics. Professor Matthew Turner.
	Game Theory. Professor Jack Fanning.
	Topics in Labor Economics (ongoing). Professor Kenneth Chay.
	Inequality and Public Policies (ongoing). Professor David Seim.

Publications

"Socioeconomic Inequalities in Self-Perceived Oral Health Among Adults in Chile". (joint with Francisco Gallego, Cristin Larroulet, Leonor Palomar and Andrea Repetto) *International Journal for Equity in Health* 16.1 (2017): 23.

Work in Progress

"Voluntary Vote and Incumbent Incentives in Chile"

Relevant Experience

2017 - 2018 Research Assistant for professor Jesse Shapiro, Brown University.

2013 - 2016 Abdul Latif Jameel Poverty Action Lab. Research Associate and Research Manager in the following research projects:

"Enforcing Regulation Under Ilicit Adaptation"
Principal Investigators (PIs): Mushfiq Mobarak, Andrés González.

"What's Behind Her Smile? Looks, Self-Esteem and Labor Market Outcomes"
PIs: Francisco Gallego, Cristián Larroulet, Andrea Repetto.

"Involving Parents in Their Childrens Education"
PIs: Paula Bedregal, Francisco Gallego.

Teaching

2013 — Pontificia Universidad Católica de Chile. Instructor of the course Introduction to Economics. Fall and Spring.

Teaching Assistant

2018 — Brown University

Undergraduate: Intermediate Microeconomics, International Trade.

2006 - 2011 — Pontificia Universidad Católica de Chile

Undergraduate: Introduction to Economics, Introduction to Microeconomics, Introduction to Macroeconomics, Microeconomics I, Microeconomics II, Macroeconomics II.

Graduate: Microeconomic Theory.

2013 - 2015 — Abdul Latif Jameel Poverty Action Lab.

Impact Evaluation Workshop, Pontificia Universidad Católica, Chile.

Advanced Impact Evaluation Workshop, Universidad de Montevideo, Uruguay.

Impact Evaluation Workshop, Universidad Francisco Marroquín, Guatemala.

Honors

2011 — Academic Excellence Award (for outstanding academic performance), M.A. in Economics, Pontificia Universidad Católica.

Other Experience

2012 — Economics research assistant at the Centre for Public Policy, Pontificia Universidad Católica.

2011 - 2012 — Superintendence of Securities and Insurance, Chilean government. Economic advisor to the Chairman.

Personal Information

Nationality: Chilean.

Languages: Spanish (native), English (fluent).

Software: Stata, Matlab, LaTeX, Python, SQL

Personal Interests: Music (album released in 2015), Sports.

BROWN

September 4, 2018

Jesse M. Shapiro
George S. and Nancy B. Parker Professor of Economics
Department of Economics, Box B
Brown University
Providence, Rhode Island 02912
401-863-2970
jesse_shapiro_1@brown.edu

Dear Colleagues:

I am writing on behalf of Diego Verdugo, a third-year PhD student in economics at Brown University who is planning to apply for a position in the Health Economics Research Boot Camp for Graduate Students. Our department does not typically offer PhD-level courses that cover all the topics that (I expect) will be covered in the boot camp, so the boot camp has attracted a lot of interest among our students. I expect you will have many applications from Brown.

I first worked with Diego as a research assistant in the summer of 2017. He spent much of his time working on projects related to the effect of SNAP on food spending and the effect of SNAP on the composition of purchased foods. He worked well and diligently and made useful contributions to these projects, so I offered him a full-semester RAship in the fall of 2017 to help me with a different project related to political protests. His work was again helpful. Diego returned to assist us with the SNAP projects in the summer of 2018, where he did an especially nice job designing monte carlos to validate our approach to inference.

Diego also took my course in industrial organization in fall 2017. This is a demanding course with computationally intensive assignments. Diego was a strong student. As his final exercise, he wrote a very well-crafted proposal for a paper about the effect of the internet on politics. I also helped to deliver Diego's field exam in spring 2018.

Diego is a good student who will work hard in the boot camp and take it seriously. Although some of his past work as a research assistant relates to health (including portions of his work for me), his independent research to date does not. However, Diego tells me that he is planning to work on health economics topics this year, which is why he is so eager to be a part of the boot camp.

Please don't hesitate to reach out if I can provide any more information about Diego.

Sincerely,



Jesse M. Shapiro

Application for the 2018 Health Economics Research Boot Camp

Applicant: Diego Verdugo
Email: diego_verdugo@brown.edu
Phone: (401) - 4407118
PhD student in Economics
Brown University Department of Economics
64 Waterman Street
Providence, RI 02912
Recommendation letter writer: Jesse M. Shapiro

Dear professors Handel, Ho, and Kolstad,

I am applying for admission to the Health Economics Research Boot Camp for Graduate Students, to be held on December 4-6 of the present year in Cambridge, MA. Please find enclosed copies of my CV and my essay explaining the rationale for attending the boot camp. My PhD advisor has submitted a recommendation letter following the instructions provided. Thank you for organizing this boot camp.

Sincerely,
Diego Verdugo

Rationale for attending the Health Economics Research Boot Camp

Diego Verdugo

September 2018

I would like to start by describing my background in Health Economics. Before moving to the US to start graduate school, I worked at the Poverty Action Lab (J-PAL) regional office for Latin America and the Caribbean. I had the chance to work on a project that studied the effects of providing dental prostheses to women between 40 and 65 years old in Chile. Adults in Chile have an average of 6.5 missing teeth, and the number is higher for socioeconomically disadvantaged groups.[1] Yet, access to publicly provided dental care is restricted to individuals younger than 18 or older than 65 years old. At the same time, private care of acceptable quality is prohibitively expensive. Preliminary results showed effects on self-esteem measures as well as employment rates.

Already at Brown, I spent my first and second summers working as an RA for professor Jesse Shapiro. I worked on a project studying the effects of participating in the Supplemental Nutrition Assistance Program (SNAP) on the composition and nutrient content of food purchases. The main finding is that the effect is small relative to the cross-sectional variation in outcomes observed in the data. This is an important finding given that improving dietary habits is one of the rationales for the program.

This semester I'm completing my course requirements. I do not yet have an ongoing research project in Health Economics. What I do have is a number of research questions that immensely interest me but that are also hard to answer. I'm applying to this boot camp to learn new tools, techniques and approaches that I hope will help me deal with these questions. I describe them below.

One of my interests is in the intersection between Health Economics and Industrial Organization. In Chile, there is a marked shortage of physicians. In 2013, this country was in the bottom part of the distribution of physicians per 1000 population among OECD members.[2] Recently, however, there has been an important inflow of foreign physicians arriving in Chile, most of them coming from Latin American countries. The total number of registered foreign physicians in the country increased by 63% between 2015 and 2017, and they now represent

[1] "Oral Health Status in Chile". Ministry of Health 2010 (available in Spanish).

[2] "Health at a Glance" 2015 report. OECD.

around 18% of the total.[3] Annual migration of Venezuelan physicians, for example, increased by an order of magnitude in that period.[4] Chilean law allows these physicians to work if they pass the same written exam that local physicians take at the end of their residencies.[5] Voices in favor of welcoming these physicians argue that it will help to provide timely attention to patients in need. Those against argue that they are less qualified than Chilean physicians, and ask for a more exhaustive certification process. I'm interested in studying the effect that this sudden and ongoing supply shift has had in equilibrium healthcare prices and health outcomes in Chile. This question is challenging, partly because health market interactions are often complex and include many actors. On the other hand, an advantage is that Chile produces detailed administrative data, particularly regarding insurance claims.

A second broad question asks about the effect that consumer behavior departing from the neoclassical model may have on market structure. For example, I'm interested in the effect that consumer inattention may have on insurer concentration. On the one hand, entry might occur less frequently when consumers are inattentive because attracting them is harder for an entering firm. On the other, conditional on entry, firms that become inefficient might also leave the market less frequently when consumers are inattentive because of decreased competitive pressures. Since both entry and exit become less frequent in the context of this (simplified) example, the ranking of steady-state concentration levels with attentive and inattentive consumers should be ambiguous. I currently don't have a clear strategy for approaching this question.

Finally, I'm also interested in evaluating strategies aimed at encouraging healthy behaviors. This is important, for instance, because of the rising incidence of chronic conditions such as obesity or diabetes in the US and other countries.[6] Improved health habits may then result in important reductions in total healthcare costs. My interest here is in exploring new policies that can plausibly influence those behaviors. One potential starting point is to study a national food labeling policy implemented in Chile in 2016. This policy forced producers to place big stop signs on foods considered unhealthy according to standards set by the Ministry of Health. There has been no formal evaluation of the effects of this policy yet.

Attending the boot camp would allow me to learn about tools and approaches that frontier researchers use in their projects. I hope that input would allow me to rigorously answer some of the research questions described above.

Thank you.

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[3] Ministry of Health (2018). Report on the status of health human resources in Chile.

[4] This is part of a larger phenomenon of emigration of Venezuelan nationals in reaction to the crisis that country is experiencing.

[5] Specialty physician are required to pass additional specific exams.

[6] See for example: Hales et al (2017). "Prevalence of obesity among adults and youth: United States, 2015-2016". National Center for Health Statistics; or Eric Finkelstein et al (2009). "Annual medical spending attributable to obesity: Payer and service-specific estimates." Health Affairs.