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Dear Professors Auclert, Rognlie and Straub,

It is with great enthusiasm that I submit my application for the Graduate Student Workshop on Heterogeneous-Agent Macroeconomics. As a PhD student with a strong foundation of Macroeconomic courses and who's started to explore the diverse ways in which heterogeneity matters for Macro, I believe I would benefit greatly from your Workshop and I offer my CV and personal statement for your review. If a reference should be required, you may contact my advisor, Professor Martín Uribe, at mu2166@columbia.edu.

The Workshop greatly interests me because I believe it aligns very well with my current research interests. In particular, as I explain in my personal statement, I believe one of my current projects would benefit a great deal. Moreover, the courses I have taken so far in my PhD put me in a position where this workshop would be a great next step.

I thank you for your time and consideration and I look forward to hearing from you.

Warmest regards,

Emilio Zaratiegui

EMILIO ZARATIEGUI

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EDUCATION

Columbia University *2019 - ...*
PhD in Economics
Universidad de San Andrés *2017*
MSc Economics
Universidad Nacional del Sur *2012- 2016*
Bachelor in Economics

WORK EXPERIENCE

Professors Stephanie Schmitt-Grohé and Martin Uribe - Columbia University *2021-...*
Research Assistant
Columbia University 2019-2020
Teaching Assistant
Professor Andrés Drenik - Columbia University *2018 - 2019*
Research Assistant
Universidad de San Andrés *2018*
Teaching Assistant

WORKING PAPERS

Nominal Devaluations and Inequality (With Andres Blanco and Andres Drenik)

WORK IN PROGRESS

A Theory of Labor Markets with Allocative State-Contingent Wages
(With Andres Blanco, Andres Drenik and Chris Moser)

Labor Market Heterogeneity and the Fear of Floating

MACROECONOMICS COURSES

Macroeconomic Analysis I (1st Year Course): Prof. Xavier Sala-i-Martin and Prof. Jennifer La'O
Macroeconomic Analysis II (1st Year Course): Prof. Hassan Afrouzi and Prof. Martin Uribe
Macro Labor Economics and Search Frictions: Prof. Andres Drenik
Heterogeneity in Macroeconomics (NYU Course): Prof. Virgiliu Midrigan
Advanced Macroeconomics Analysis (Monetary Economics): Prof. Hassan Afrouzi
Advanced International Macroeconomics: Prof. Stephanie Schmitt-Grohé
International Macroecoeconomics and Finance (Ongoing): Prof. Jesse Schreger
Frontiers of Macroecoeconomics (Ongoing): Prof. Jesus Fernandez-Villaverde

SKILLS

Languages Spanish (Native), English (Fluent)
Software STATA, MATLAB, Python, Dynare, Latex, Office

HONORS AND AWARDS

Dean's Fellowship, Columbia University *2019-2024*
Research Fellow Summer Grant, Program for Economic Research *2020*
Academic Merit Scholarship, Universidad de San Andrés *2017*
Academia Nacional de Ciencias Economicas 2016 Award *2017*
Awarded to the best economics graduate from Universidad Nacional del Sur
Emerging Leaders of the Americas Program Scholar *2016*

My name is Emilio Zaratiegui and I am a third year PhD student whose current research interests are in International Macroeconomics. My motivation for attending the Graduate Student Workshop on Heterogeneous-Agent Macroeconomics is based on my intention to introduce heterogeneity into my research. There are two reasons for this. First, in empirical work (Blanco, Drenik and Zaratiegui, 2021) we have found massive heterogeneities in the labor market response to the Argentina 2002 devaluation. This convinced me that any approach ignoring these differences won't probably go a long way. The second reason is the success that the new heterogenous macro literature has had in formalizing some macro intuitions that the representative's agent macro had not been able to accommodate, such as, the importance of MPCs. Recent work in international macroeconomics by Auclert, Rognlie, Souchier and Straub (2021), for instance, has been able to incorporate the mechanisms in Diaz Alejandro (1963) in a fully-fledged state of the art model. This new generation of models introducing heterogeneity is in part possible due to the sequential Jacobian method developed by Auclert, Bardóczy, Rognlie and Straub (2021), which has opened the possibilities for doing research with heterogenous agent models. While I have started to learn it on my own, I believe this Workshop would be the best way to fully learn it and get the first-hand knowledge from some of the authors that just can't be learned by reading the paper. Lastly, the Workshop would be a great opportunity of getting to know young, like-minded researchers from other programs. I look forward to having conversations with them and potential collaborations almost as much as I look forward to the Workshop.

On my current research, I am looking into the effect of exchange rate fluctuations in households' ability to borrow and smooth consumption. A very influential literature in International Macroeconomics (See, for instance, Mendoza 2010, Bianchi (2011)) has highlighted the importance of endogenous collateral constraints to understand the dynamics of open economies. I believe that there's potential in seeing how these constraints interact with heterogeneity. In the aggregate, economies are seldom constrained which reduces the importance of constraints. At the individual level, however, there is always a non-trivial fraction of households that are hand-to-mouth. My proposed innovation consists in introducing the endogenous constraint at the heterogenous level so that household's ability to borrow depends on their state and on the aggregate conditions of the economy. I think this is promising for two reasons. The first one is that it might go some way in explaining why policymakers have "fear of floating" and try to resist devaluations. The second one is that households usually face endogenous collateral constraints (debt-to-income ratios, home-equity tap ins) and so I think this is a step in the direction of relaxing the exogenous borrowing constraint which is usually used in the literature.