2/12/2023

To whom it may concern,

My name is Ioannis Koutsonikolis. I am a third year PhD student in economics at the University of Minnesota. I am writing to express interest in attending the NBER Entrepreneurship Research Boot Camp (ERBC) 2023.

My research interests lie at the intersection of public finance and macro labor economics. I am currently studying the impact of tax and regulatory regime changes on the secular trends in corporate valuations in Sweden, as well as the interaction of small-scale entrepreneurship and unemployment in the United States. Further details can be found in my research statement. I believe that my research interests align well with the purpose of the ERBC as well as the typical material presented in years past. As such, the bootcamp presents an exciting opportunity for me to engage with frontier research in the economics of entrepreneurship as well as to learn from leading scholars in the field.

Most exciting is the prospect of engaging with young scholars like myself with similar academic interests. I anticipate a productive week of lectures and discussions producing the seeds of new research projects, as well as building long-lived professional relationships that bring these ideas to fruition.

Please find attached the material requested – my CV, a list of courses completed in my first and second years of the program, as well as a statement regarding my current and future research projects.

Thank you for your consideration,

Ioannis Koutsonikolis
University of Minnesota
3-153 Hanson Hall
1925 S 4th St
Minneapolis, MN 55454
(563)581-2364
kouts010@umn.edu

Reference: Ellen McGrattan (erm@umn.edu)

Course List

All courses are half-semester (7 weeks) in length taught by the listed faculty. First year courses are basic theory courses. I provide some more detailed information on second year courses whose course titles are not clear.

First Year:
Microeconomic Theory (8101-8104): Jan Werner, Chris Phelan, Aldo Rustichini, David Rahman
Macroeconomic Theory (8105-8108): Tim Kehoe, Larry Jones, V.V. Chari, Erzo Luttmer
Econometric Theory (8205-8207): Amil Petrin, Erzo Luttmer

Second Year:
Public Economics (8801-8802): Larry Jones, Jonathan Heathcote
Monetary Economics (8701-8702): Cristina Arellano, Marco Bassetto
Macro Labor Economics(8581x2): Loukas Karabarbounis, Fatih Guvenen

Miscellaneous:

- Growth and Development (8311): Kjetil Storesletten
- Advanced Macroeconomics (8185): Ellen McGrattan
    - Firm heterogeneity, tax, regulatory, and innovation policy.
- Wages and Employment (8501): Mariacristina De Nardi
    - Heterogeneous agent models, wealth inequality, health shocks, modelling couples and singles.
- Topics in Macroeconomics (8186): Fatih Guvenen
    - “Empirical Methods for Dynamic Economics”: Specification, calibration, simulation of models.

Ioannis Koutsonikolis

Email: kouts010@umn.edu ; Cell Phone: (563)581-2364

EDUCATION

University of Minnesota, Minneapolis, MN — September 2020 - Present
PhD, Economics (*In Progress*)

University of Iowa, Iowa City IA — August 2016 – December 2019
B.S. Economics with Honors in the Major
B.A. Mathematics
Graduation with Highest Distinction, ΦBK

RESEARCH ASSISTANCE

Research Assistant, *Department of Economics, University of Minnesota* — September 2022 – Present
Ellen McGrattan

Research Assistant, Department of Economics, University of Iowa — August 2019 – July 2020
Jeffrey DeSimone

Research Assistant, Department of Economics, University of Iowa — March 2018 – August 2018
David Frisvold

Research Assistant, Department of Political Science, University of Iowa — Summer 2017

SOFTWARE COMPETENCIES

Stata, MATLAB LaTeX,

OTHER EMPLOYMENT

Head Grader, Principles of Microeconomics, UMN Dept. of Economics — August 2021 – May 2022

- For a class of 1,500 students, managed gradebook, organized exams, answered grading inquiries.

Teaching Assistant, UMN Dept. of Economics — August 2020 – May 2021

- Teaching Assistant ECON:1101 Principles of Microeconomics, Fall 2020
- Teaching Assistant ECON:1102 Principles of Macroeconomics, Fall 2020

Intern, University of Iowa Office of Sustainability & Environment (OSE) — August 2017 – May 2019

Director of Sustainability, University of Iowa Student Government — August 2018 – May 2019

To whom it may concern,

My name is Ioannis Koutsonikolis. I am a third year PhD student in economics at the University of Minnesota. My research interests lie at the intersection of public finance and macro labor economics. My current research focuses on the impacts of the tax and regulatory environment on the determination of corporate valuations. This is in the style of McGrattan and Prescott (2005) who examine the relationship between the secular fluctuations in the valuations of U.S. and U.K. corporations and the tax and regulatory regimes of those countries. I am motivated by recent cross-country evidence provided by Kuvshinov & Zimmermann (2021) who document a dramatic increase in market capitalization to GDP ratios (MCAP to GDP) across many advanced economies. This increase appears strongest in the Scandinavian countries, where the MCAP to GDP ratio rose approximately five-fold when comparing the average ratio from 1960-1990 with the average from 2000-2016.

The 80's and early 90's was a period of economic reform in Scandinavia. Financial markets were deregulated through the elimination of capital controls and tax policy was amended through reductions in progressivity and distinctions were made between the tax treatment of labor and capital income. In this project, I take Sweden as a case study, and I ask if the changes in policy can account for the dramatic change in corporate valuations.

Additionally, I am developing a project that explores the nexus of unemployment/non-participation and entrepreneurship and/or gig work. Heathcote et. al. (2020) document that the increase in male earnings inequality since 1967 can in part be attributed to an increase in non-participation at the bottom of the earnings distribution. This decline in participation at the bottom of the earnings distribution is sharp in recessions and fails to recover fully in subsequent expansions. The authors conclude that when the forces of skill biased technical change and skill depreciation in unemployment are present, business cycle fluctuations can generate persistent increases in inequality through the non-participation margin.

Additionally, Salgado (2020) relates skill biased technical change to the decline in entrepreneurial dynamism, where entrepreneurs are self-employed individuals who have a managerial or professional occupation. He shows that the decline is largely generated by the occupational choice of college educated individuals. A concurrent trend is the increase in

business activity (using a less strict definition than Salgado (2020) – more akin to freelancing or gig work) of those with high school education or less (Fairlie & Fossen 2019; Fairlie 2022). I anticipate that this latter trend is generated by the same forces that are present in the articles I discussed above. However, I argue that there may be different welfare and optimal policy implications by considering this trend. In particular, what do optimal unemployment benefits look like when gig work is available through the online platform economy? If entrepreneurship involves risky investment, what are the distributional consequences of changes in entrepreneurial participation by those with low asset levels?

Finally, I would like to discuss my reasons for wanting to attend the bootcamp. After looking at the programs of past iterations of the bootcamp, I believe that the content of the bootcamp is in line with my current and planned future research. Attending the bootcamp gives me the opportunity to learn from and engage with leading scholars who are working at the frontier of research in the economics of entrepreneurship. Additionally, I am excited by the potential to create fruitful academic relationships with the other graduate students in attendance. Finally, I am also excited by the preparation required for attendance. Deeply reading a syllabus of articles curated by some of the top scholars studying the economics of entrepreneurship provides a wonderful learning experience before even setting foot in the conference.

References

Fairlie, R. W., Fossen, F. M., Caliendo, M., Congregado, E., Mora, M., Moulton, J., Robles, B., Schuetze, H. J., van Stel, A., & Zhang, T. (2019). Defining Opportunity versus Necessity Entrepreneurship: Two Components of Business Creation. http://www.nber.org/papers/w26377

Fairlie, R. (2022). National Report on Early-Stage Entrepreneurship in the United States: 2021. *Kauffman Indicators of Entrepreneurship.*

Heathcote, J., Perri, F., & Violante, G. L. (2020). The rise of US earnings inequality: Does the cycle drive the trend? *Review of Economic Dynamics*, *37*, S181–S204.

Kuvshinov, D., & Zimmermann, K. (2022). The big bang: Stock market capitalization in the long run. *Journal of Financial Economics*, *145*(2), 527–552.

McGrattan, E. R., & Prescott, E. C. (2005). Taxes, Regulations, and the Value of U.S. and U.K. Corporations. *Review of Economic Studies*, *72*, 767–796.

Salgado, S. (2020). *Technical Change and Entrepreneurship*.