Guillermo Carranza Jordan

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Dear Reviewers,

Please find attached my application for the 2023 NBER Entrepreneurship Boot Camp. I have included in this packet a copy of my CV and an essay outlining in detail my current research work and motivation for attending this program. Prof. Seth Zimmerman from Yale's School of Management has already submitted a letter of recommendation in support of my application.

I am currently a third-year PhD student in Economics at Yale University doing research at the intersection of labor economics and consumer finance. I am also very interested on conducting research in the area of entrepreneurship. In current work with Prof. Zimmerman, we are examining the relationship between college networks in elite colleges and the ability of entrepreneurs to raise capital for start-ups. Attending the Boot Camp would be of invaluable help for furthering my current research and for generating potential new avenues for future work.

Please let me know if you need any additional information or documents in support of my application. Thank you for your consideration and I hope to hear from you soon.

Best regards,

Guillermo Carranza Jordan

GUILLERMO CARRANZA JORDAN
Yale University
Department of Economics
New Haven, CT 06511
Email: guillermo.carranzajordan@yale.edu

EDUCATION

Ph.D. Economics, Yale University, expected May 2026
M.A. Economics, Yale University, expected May 2023
B.A. Economics-Mathematics, Columbia University, summa cum laude, May 2018

FIELDS OF SPECIALIZATION

Labor Economics, Consumer Finance, Applied Microeconomics

RESEARCH

"Assets, Quit Behavior and Wage Markdowns", *work in progress*

"Earnings Volatility and Optimal Retirement Saving Decisions", *work in progress*

"Social Networks in Elite Colleges and Start-up Formation", *work in progress*

"Political Polarization and Inflation Expectations", *working paper*

TEACHING EXPERIENCE

Teaching Fellow, Introductory Microeconomics (undergraduate), Yale University, Fall 2022
Teaching Fellow, Introduction to Data Analysis and Econometrics (undergraduate), Yale University, Summer 2022
Teaching Assistant, Introduction to Econometrics (undergraduate), Columbia University, Spring 2018

RESEARCH AND RELEVANT WORK EXPERIENCE

Research Assistant, Prof. Seth Zimmerman, Yale University, Summer 2021
Research Professional, Prof. Peter Ganong and Prof. Pascal Noel, University of Chicago Booth School of Business, June 2018 - July 2020
Academic Fellow, JP Morgan Chase Institute, July 2019 - July 2020
Research Assistant, Prof. Reka Juhasz, Columbia University, August 2016 - August 2017

GRANTS AND AWARDS

Cowles Foundation Fellowship, Yale University, 2020-2025
Department Honors in Economics, Columbia University, Spring 2018
Sanford S. Parker Prize, Columbia University, Spring 2018
Junior Phi Beta Kappa, Columbia University, Fall 2017

LANGUAGES

Spanish (native), English (fluent), Portuguese (proficient)

COMPUTATIONAL SKILLS

Python, R, Matlab, Stata

REFERENCES

Prof. Joseph Altonji	Yale University	joseph.altonji@yale.edu
Prof. Seth Zimmerman	Yale University	seth.zimmerman@yale.edu
Prof. Peter Ganong	University of Chicago	ganong@uchicago.edu
Prof. Cormac O' Dea	Yale University	cormac.odea@yale.edu

Coursework Completed:

- Microeconomics I, II
- Macroeconomics I, II
- Econometrics I, II
- Computational Methods for Economics (Audit)
- Labor Economics I, II
- Industrial Organization I (Audit), II
- Political Economy of Development
- Political Economy of Trade
- Empirical Methods in Economics
- Advanced Macroeconomics I (Audit)
- Public Finance I
- American Economic History

Essay: I am a third-year PhD student in Economics at Yale University doing research mostly at the intersection of labor economics and consumer finance. I am broadly interested in studying the relationship between worker's labor market experiences and their financial security. In my current and future work, I would like to better understand how assets influence the ability of workers' to climb the job ladder to better paying jobs, and how worker's ability to accumulate wealth in today's economy is impacted by their position in the labor market. I am also very interested in exploring the determinants of workers' transitions towards self-employment and entrepreneurship, especially the determinants for entry and success for "small" entrepreneurs. I would like to attend the Boot Camp in order to gain a view of the frontier in this research area and by doing so, further develop my own work in this field. I will give a brief overview of three of my current projects, the first one being an entrepreneurship project, and at the end I will outline one area of interest for future work.

The first is a project with Seth Zimmerman and Valerie Michelman studying the impact of social connections in college campuses on the founding and funding of start-ups since 2000s. We have collected and digitized a trove of campus documents including alumni directories and yearbooks across selective US institutions. These documents give us an unparalleled view of social connections for a large set of elite college students from their first semester until graduation. We have matched the set of alumni to CrunchBase and early results show that availability of funding from members of your graduating cohort increase dramatically the probability of becoming an entrepreneur and the amount of founding received in subsequent investment rounds. Using our granular data on college networks, we are currently exploring how these investment relationships are formed, the degree of homophily of these relationships in comparison to the overall college community, and the final outcomes of the start-ups founded out of these investment relationships. We hope this project can give us a better understanding of the role of the elite college as a social institution for the generation of entrepreneurship.

The second is a project titled "Assets, Quit Behavior and Wage Markdowns". In this project, I try to understand to what degree the distribution of workers' assets in the US economy can increase workers' attachment to underpaying firms, and therefore, the distribution of market power in the economy. The main mechanism in mind is the risk inherent with job switching. Switching jobs is risky for workers because the firing hazard is the highest early in the tenure of a new job. Moreover, workers might also have beliefs about the risk of transitions above and beyond the firing hazards observed in the data. If so, conditional on a wage level, workers with more assets will attempt to switch jobs more frequently than asset-poor workers. The need for private insurance will increase the attachment of poorer workers to their firms, and in equilibrium, this mechanism will generate larger wage markdowns in their origin firms. Early

results from the SIPP give credence to the mechanism proposed and its effects on job switching. As next steps, I am estimating the effects of the mechanism proposed using a causal research design and administrative data from a large US financial institution. With these estimates, I will develop and calibrate a structural model of risky job transitions with endogenous assets that is able to rationalize the estimates found and estimate policy counterfactuals like the effect of debt relief policies into job transitions and earnings growth.

In the third project which is in early stages, I will explore the effect of earnings volatility on the retirement savings decisions of workers. I have access to administrative data from a large US retirement plan manager which allows me to see both the job histories of employees, the characteristics of their retirement plans and all monthly decisions made regarding their retirement. When hit with a negative earnings shocks, employees can choose either to take a 401k loan on their balances, withdraw funds from their retirement balance, and/or decrease their plan contribution. All of these different options have different consequences on long-term retirement saving accumulation due to potential behavioral biases of savers. Using the detailed administrative microdata, I will identify what channel appears more prevalent and significant as a means of short-term smoothing for workers after a negative shock. Down the road, I will develop a model of saving for retirement including rational and behavioral forces to match the effects found and analyze the optimality of different retirement plan characteristics in ensuring both short-term consumption smoothing and long-term retirement savings.

The NBER Entrepreneurship Boot Camp would be a fantastic opportunity to learn more about frontier research in the field of entrepreneurship. If selected, I hope to connect with fellow graduate students and faculty, discuss potential directions for research and receive feedback on my current research work. Beyond the first project described, I am also interested in exploring the interaction between workplace amenity preferences and entrepreneurship. Research in labor economics has zone-in into the value of workplace amenities as important determinants of job quality and job transitions. Workers who value strongly independence, low monitoring and flexible schedules should be strongly attracted to entrepreneurship and self-employment. In this sense, we can think of entrepreneurship as a relevant outside option for a subsection of the workforce out of low “match” jobs. What is the valuation of these amenities for entrepreneurs? More importantly, are these workplace preferences inducing the entry of high quality or low quality entrepreneurs? Depending on the relationship between entrepreneur ability and preferences, the consequences for workers of transitions into entrepreneurship are unclear. Attending the workshop would be an invaluable resource for developing these early ideas in future work.

Yale SCHOOL OF MANAGEMENT

SETH D. ZIMMERMAN
Associate Professor of Economics

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February 14th, 2023

To Whom It May Concern:

I am writing to express my strong support for **Guillermo Carranza Jordan** in his application to the NBER Entrepreneurship Research Boot Camp. Guillermo is a third-year PhD student in the Department of Economics at Yale University. I have known Guillermo for roughly 18 months through his work first as a research assistant and then as a co-author, so I feel that I am well-positioned to write this recommendation. In short, Guillermo is a promising researcher working at the intersection of labor economics, consumer finance, and entrepreneurship. **I am confident that investing a program spot in Guillermo will help produce much high-quality research down the line and recommend that you do so.**

Guillermo has several ongoing projects that would benefit from a deeper knowledge of entrepreneurship research. One is joint with me and Valerie Michelman of Brown University. This project seeks to understand the social and academic determinants of innovation and entrepreneurship across the 20th century, in the context of elite university graduates. I have worked closely with Guillermo to identify, locate, and digitize archival records describing the academic and social lives of graduates of a number of elite universities from the early 20th century through present, and then to link (subsets of) these records to data on creative activity, including patents, business starts, and business investment.

Throughout our work together, Guillermo has impressed me with his meticulous attention to detail, his facility with data analysis (including topics that are still non-standard in economics, such as natural language processing), and his push to understand the link between empirical designs and economic theory. Guillermo began working for me as a research assistant in the summer after his first year of graduate school and quickly advanced to the level of co-author through his major contributions to the project. Candidly, I think that *I* am one of the potential beneficiaries of Guillermo's boot camp enrollment, because he will bring what he learns back to our joint work.

Beyond his work with me, Guillermo has all the makings of a creative and productive independent researcher. This work is of course at an early stage, given that Guillermo is only in his third year, but I think it is quite promising. One project, which Guillermo presented at our graduate student workshop last fall, considers how workers' credit constraints contribute to employer labor market

power. The intuition is that workers may remain at firms that have low firm effects (in the AKM sense) in part because they lack savings to smooth potentially bumpy employment to employment or employment to unemployment transitions. He's made some real progress in acquiring administrative data on consumer financial holdings that could provide leverage to answer this question. What's more, he has in mind possible ties to the entrepreneurship literature---entrepreneurship being another option for workers, and subject to qualitatively similar concerns related to consumption risk. One of Guillermo's goals for the boot camp is to learn about new datasets and analytic approaches that could further this line of thinking.

The bottom line here is Guillermo is a smart, dedicated, and creative student who is really interested in this subject. I think he'd benefit greatly from your program, and that the program will benefit from his participation. **He has my strong recommendation.**

Sincerely,

Seth Zimmerman