Summary

Applicant: Lucas Brandao Greco
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Address: 402 Nob Hill Ct #6, Ann Arbor, Michigan 48103

PhD student at University of Michigan
Fields of Interest: Macroeconomics, Labor Economics
Year of Entry: 2023
Expected Year of Completion: 2029

Faculty Reference: Stephen Terry
Associate Professor, Department of Economics
University of Michigan
stephenjamesterry@gmail.com

Lucas Brandao Greco

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Phone: +1 (734) 819–1014
Address: 402 Nob Hill Ct #6, Ann Arbor, Michigan 48103

Education

University of Michigan — Ann Arbor, USA
Ph.D. in Economics — 2023–2029 (Expected)

Getulio Vargas Foundation (FGV EPGE) — Rio de Janeiro, Brazil
M.A. in Economics — 2021–2023

Getulio Vargas Foundation (FGV EPGE) — Rio de Janeiro, Brazil
B.A. in Economics — 2017–2020

Fields

Primary: Macroeconomics
Secondary: Labor

Work in Progress

- **"Demographic Shifts, Firm Dynamics and Informality"**

Research Assistant Experience

University of Michigan — Ann Arbor, USA

- Summer Research Assistant for Mel Stephens — 2024

Inter-American Development Bank — (Remote)

- Research Assistant for Cezar Santos — 2022–2023

Teaching Experience

- **Graduate Student Instructor** at University of Michigan — Fall 2025, Winter 2026
  Intermediate Macroeconomics (undergraduate), Professors Rudiger Bachmann and Javier Cravino

- **Graduate Student Instructor** at University of Michigan Fall 2024, Winter 2025
  Macroeconomic Theory (first-year PhD sequence), Professors Dmitriy Stolyarov, Stephen Terry and Christopher House
- **Teaching Assistant** at the Getulio Vargas Foundation 2022
  Macroeconomic Theory II (first-year graduate sequence), Professors Cezar Santos and Carlos Eugenio Costa

Non-academic Experience

GAP Asset Management Rio de Janeiro, Brazil
International Macroeconomics Intern 2019

Fellowships and Awards

- **Summer Research Fellowship** at University of Michigan Summer 2024 and 2025
- **Graduate Studies Fellowship** 2023–2024
- **FGV Master's fellowship** 2021–2022
  Prize awarded to the top 5 placed students in the national entrance exam for graduate school in economics (out of approximately one thousand students)
- **FGV EPGE Merit Fellowship** 2018–2020
  Granted to students with very high GPAs in the Bachelor in Economics

Skills

- **Statistical Computing:** Stata, R
- **Numerical Computing:** MATLAB, Julia

Languages

- **English:** Fluent
- **Portuguese:** Native

References

Stephen Terry
Associate Professor, Department of Economics
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stephenjamesterry@gmail.com

Essay for NBER Entrepeneurship Research Bootcamp 2026

I am a macroeconomist that studies firm dynamics and growth. In particular, my two primary research interests are 1) how demographic trends and declining firm dynamism affect labor market outcomes and 2) how quantitatively important are possible mechanisms that explain this long-run decline in firm creation.

My current research examines how much of the decline in labor informality in Brazil can be explained by decreasing population growth. Using household survey data, I document that Brazil experienced a substantial decline in labor informality in the early 2000s, which was preceded by a sharp decline in birth rates twenty years before. I develop a model of firm dynamics in the spirit of Hopenhayn, extended to increase formal and informal sectors as well as an exogenously growing population. I estimate the model using a simulated method of moments, combining household survey data, a survey of small formal and informal firms, and administrative data covering the universe of formal firms. I show that lower population growth reduces firm startup, shifting the firm size distribution toward larger, more productive incumbents, which are less likely to operate informally.

In one of my preliminary projects, I plan to investigate how much of the increase of the skill premium can be explained by decreased firm creation. There has been a strong increase in the skill premium in the United States, while at the same time the economy has experienced decrease firm creation and increased concentration. In this project, I intend to use detailed data on employment to examine how the distribution of worker education varies along the life cycle of firms, followed by developing a model of firm dynamics with a non-homothetic production function to quantify the shift in labor demand generated by lower firm creation. My other preliminary project studies how shifts in marriage patterns affect business creation. In this project, I plan to use data on household characteristics of entrepreneurs to investigate how spousal income and household wealth affect the decision to start a business. Then, I will develop a life-cycle model with a marriage market and entrepreneurial choice to quantify how much of the decrease in firm creation can be explained by decreased marriage rates.

I am eager to attend the NBER Entrepreneurship Research Boot Camp because it aligns directly with my focus on firm dynamics and the forces shaping startup activity. Learning more about entrepreneurial finance and about the data sources available to study this topic would be extremely helpful in my project relating marriage patterns and entrepreneurship. I also believe that classes on management and firm dynamics could sharpen my theoretical and empirical approaches in my project studying the differences in hiring by large and small firms. Lastly, I look forward for the opportunity to attend the summer institute and be exposed to cutting edge research on entrepreneurship.

LSA ECONOMICS
UNIVERSITY OF MICHIGAN

February 2026

Dear Colleague,

I have the pleasure of recommending **Lucas Greco**, a macroeconomics PhD student here at the University of Michigan, for the NBER Entrepreneurship Research Boot Camp 2026.

Lucas has demonstrated interest and existing expertise in the entrepreneurship space. In ongoing work on his first dissertation chapter, which also satisfies our "third year paper" requirement here at Michigan, Lucas is studying informality, firm dynamics, and the demographic transition in Brazil.

The basic fact, which Lucas demonstrates using a combination of Brazilian survey microdata as well as the well-known RAIS linked employee-employer dataset, is that informality rates among small businesses in Brazil have been trending down over time during the same period in which Brazil has experienced a demographic transition with declining birth and population growth rates.

Lucas builds a GE model of firm dynamics in which small firms trade off between a higher-returns-to-scale technology in formal production, on the one hand, and the higher tax and administrative burden, on the other hand, that comes along with formality. The idea is that older, more positively selected, firms endogenously end up as formal businesses at higher rates. Reduced birth rates reduce the number of new entrepreneurs or entrants, leading to reduced informality via a compositional channel. Lucas is still polishing his quantitative parametrization using his rich Brazilian microdata, but most of the analysis above is completed and well on the path to forming the first chapter of what will likely be a broader dissertation studying entrepreneurship and related topics.

Lucas' existing work is unusually polished for a third-year student, reflecting both his elite pre-PhD education and research assistantship work in Brazil as well as his rapid development here at Michigan.

I'll also note that in the past I have sent students to NBER Boot Camps at similar stages. For example, Nils Lehr, now at the IMF, attended a Boot Camp a few years ago and has since generated two solo-authored Top 5 R&Rs closely related to the camp's themes. Lucas seems poised to similarly capitalize on the opportunity and contribute to the program.

I strongly encourage you to give Lucas serious consideration.

Best,



Stephen Terry
Associate Professor of Economics, University of Michigan
Research Associate, National Bureau of Economic Research
Co-Editor, *Review of Economics and Statistics*