

Abhi Gupta
abhi.gupta@berkeley.edu
<https://sites.google.com/view/abhi-gupta/home>

BUSINESS ADDRESS:
Department of Economics
530 Evans Hall, #3880
Berkeley, CA 94720-3880

DESIRED RESEARCH AND TEACHING FIELDS:

PRIMARY

Macroeconomics

SECONDARY

International Economics

FIELDS OF CONCENTRATION:

Macroeconomics, International Economics

DISSERTATION TITLE: "Essays in Empirical Macroeconomics"

Expected Date of Completion:	May 2024
Principal Advisor:	Professor Yuriy Gorodnichenko
Other References:	Professors Jón Steinsson and David Romer

PRE-DOCTORAL STUDIES:

University of Chicago

DEGREE

B.S

DATE

2016

FIELD

Mathematics, Statistics, Economics

WORKING PAPERS:

“A New Measure of State Consumption: Construction and Applications” with Tomas Breach (**Job Market Paper**)

The absence of a long-running, official measure of U.S. state-level consumption impedes the study of many important questions. To address this key constraint, we estimate a new, annual, state-level panel of retail consumption for 1970-2015 using official measures of retail spending and newly-digitized state sales tax records. We combine the information of these varied series via a state-space model that accommodates missing data, measurement error and temporally or regionally aggregated observations. We apply our estimates to two questions whose study has been hampered by lack of data. First, we examine the role of cross-state banking integration in interstate risk sharing, here measured by the relative comovement of output and consumption across state pairs. Exogenous increases in integration raise output and consumption comovement similarly, indicating that banking integration only smooths consumption insofar as it smooths output. Second, we estimate consumption fiscal multipliers using state-level military spending shocks. Our estimated dynamic relative multipliers are positive, grow over five years, and are notably larger than recent ones based on private-sector consumption data from the Great Recession.

“Anticipation Effects and Fiscal Multipliers: Evidence from WWII” with Jianlin Wang

Correctly estimating fiscal multipliers depends on correctly recording when news of future spending breaks. The leading approach from Ramey (2011) deals with this issue by constructing fiscal shocks using news articles on defense spending. As an alternative, we construct a new measure of excess returns on military contractors over 1936-1947. Excess returns systematically lead the defense news series and produce more persistent dynamic responses of output and government spending. We estimate a long-run fiscal multiplier of 0.7. We consider two explanations for these discrepancies in the context of WWII: slow-moving changes in public expectations and private, pre-war coordination between defense-related firms and the government. For the first, we show that controlling for pre-war expectations of future spending renders both the news series and excess returns poor predictors of government spending. For the second, lagging (leading) the excess returns (defense news) series can approximately reproduce the impulse responses generated by the other, suggesting that firms' returns are measuring the same eventual spending as the defense news series but are responding earlier in time.

PUBLICATIONS:

“DSGE Forecasts of the Lost Recovery”. *International Journal of Forecasting*. 2019.
with Michael Cai, Marco Del Negro, Marc Giannoni, Pearl Li, and Erica Moszkowski

The years following the Great Recession were challenging for forecasters. Unlike other deep downturns, this recession was not followed by a swift recovery, but generated a sizable and persistent output gap that was not accompanied by deflation as a traditional Phillips curve relationship would have predicted. Moreover, the zero lower bound and unconventional monetary policy generated a policy environment without precedents. We document the real-time forecasting performance of the New York Fed dynamic stochastic general equilibrium (DSGE) model during this period

and explain the results using the pseudo real-time forecasting performance results from a battery of DSGE models. We find the New York Fed DSGE model's forecasting accuracy to be comparable to that of private forecasters—and notably better, for output growth, than the median forecasts from the FOMC's Summary of Economic Projections. The model's financial frictions were key in obtaining these results, as they implied a slow recovery following the financial crisis.

SELECTED WORKS IN PROGRESS:

“Money Fund Demand and Regulatory Reform” with Collin Jones

We evaluate the impact of the 2015-2016 money market reforms on the behavior of this market's main intermediaries: money market funds (MMFs). These reforms were enacted to stabilize money markets in the event of adverse shocks; given the emergency interventions needed in money markets in early 2020 it is unclear if they succeeded. We begin by writing down a novel dynamic portfolio choice model for money market funds, inspired by the tractable framework of Garleanu and Pedersen (2013). This model features several institutional details that are likely critical for money market funds such as transaction costs and partially predictable investor redemptions. We derive from the model an asset demand system along the lines of Kojien and Yogo (2019) that we then estimate at the fund-by-year-level using detailed monthly holdings data reported by the funds to the SEC. The primary outputs of this estimation are investor-level demand curve parameters, which characterize funds' demand for assets as a function of their yields and characteristics. Characterizing the cross-section of demand parameters tells us how observable fund-level characteristics correlate with asset demand. Characterizing the time-series of demand parameters shows us how these reforms changed how MMFs and money markets as a whole respond to adverse shocks.

PROFESSIONAL EXPERIENCE:

RESEARCH:

Research Analyst, Federal Reserve Bank of New York (2016-2018)

Research assistant on the DSGE team, working on topics involving Bayesian estimation, computation, and forecasting

Research Assistant, Department of Economics, U.C. Berkeley (2020-2022)

Research assistant for Yuriy Gorodnichenko on a household expectations RCT

Research assistant for Jon Steinsson and Emi Nakamura on “Learning about the Long Run”

TEACHING:

Teaching Assistant, Department of Economics, U.C. Berkeley (Fall 2021- Spring 2023)

Introduction to Economics (undergraduate intro; Spring 22, Spring 23),

Macroeconomic Policy from the Great Depression to Today (upper division undergraduate elective; Fall 22),

International Monetary Economics (upper division undergraduate elective; Fall 21)

EXTERNAL PRESENTATIONS:

2017 Workshops on DSGE Modeling in Julia at:
Summer Computing in Economics and Finance Conference
The Central Bank of Argentina

FELLOWSHIPS AND AWARDS:

2016 University of Chicago David S. Hu Undergraduate Thesis Prize
2018 National Science Foundation Graduate Research Fellowship
2022 UC Berkeley Clausen Center Grant for “A New Measure of State-level Consumption”
2023 UC Berkeley Clausen Center Grant for “A Novel Model of Portfolio Choice for Money Market Funds”
UC Berkeley Doctoral Completion Fellowship

OTHER INFORMATION:

Citizenship: United States

Technical Skills: Julia (advanced), R (advanced), Matlab (intermediate), Python (basic), SQL (basic)