Hannah Rubinton

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Education

Princeton University, 2014 to present
Ph.D. Candidate in Economics
Thesis Title: "Essays in Economic Geography"
Expected Completion Date: May, 2020
B.A., Economics and Mathematics, McGill University, First Class Honours, 2012

References:

Richard Rogerson
Princeton University
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Ezra Oberfield
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Steve Redding
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Teresa Fort
Tuck School of Business
(603) 646-8963
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Teaching and Research Fields

Primary fields: Economic Geography, Macroeconomics
Secondary fields: Trade

Teaching Experience

Introduction to Macroeconomics (Undergraduate), TA for Prof. Elizabeth Bogan	Fall, 2017
Microeconomics for Public Policy (Undergraduate), TA for Prof. Marc Fleurbaey	Spring, 2018
Junior Independent Work, TA for Prof. Ezra Oberfield and Prof. Ernest Liu	2018-2020

Research Experience

Research assistant to Teresa Fort, Tuck School of Business, Dartmouth University	2018-2019
Research assistant to Ezra Oberfield, Princeton University	2015
Research assistant at Federal Reserve Bank of New York	2012-2014
Research assistant to Jenny Hunt, McGill University	2011-2012

Honors, Scholarships and Fellowships

Princeton University Graduate Fellowship	2014-2020
Griswold Center for Public Policy Fellowship, Princeton University	2018-2019
IES Summer Fellowship, Princeton University	2016, 2018, 2019
Washington Center for Equitable Growth Doctoral Grant	2016

Other

Computer Skills: Matlab, Stata, SQL, SAS, LaTeX
Tools: Git, Vim, Tmux
Data Clearances: Special Sworn Status Researcher, U.S. Census Bureau

Research Papers

"The Geography of Business Dynamism and Skill-Biased Technical Change" (Job Market Paper)

Abstract: This paper seeks to explain three key component of the growing regional disparities in the U.S. since 1980, referred to as the Great Divergence by Moretti (2012). Namely, big cities saw a larger increase in the relative wages of skilled workers, a larger increase in the relative supply of skilled workers, and a smaller decline in business dynamism. These trends can be explained by differences across cities in the extent to which firms adopt new skill-biased technologies. In response to the introduction of a new skill-biased, high fixed cost but low marginal cost technology, firms endogenously adopt more in big cities, cities that offer abundant amenities for high-skilled workers and cities that are more productive in using high-skilled labor. The differences in adoption can account for the increasing relationship between skill intensity and city size, the divergence of the city size wage premium by skill group and changing cross-sectional patterns of business dynamism. I document a new fact that firms in big cities invest more in Information and Communication Technology per employee than firms in small cities, consistent with patterns of adoption in the model.

"The Role of Establishment Size in the City-Size Premium in Spain" with Charly Porcher and Clara Santamaría

Abstract: When workers move to a larger city, they tend to experience an increase in earnings. But they also tend to move to larger and better-paying establishments. This paper studies the role of establishment-size composition in explaining the city-size earnings premium. Using administrative data from Spain, we first document a strong positive correlation between city size and establishment size, measured as the number of co-workers. The establishment size for a typical worker is 33 percent larger in a city with twice the population density, even after controlling for worker fixed effects and other observable characteristics. We then decompose the city-size earnings premium into two components: the increase in earnings explained by the increase in

establishment size and the within establishment-size premium. We find that 30.8 percent of the short-term gains of moving to a city twice larger can be explained by a transition to a better-paying larger establishment. In contrast, only 5.0 percent of the medium- term gains of accumulating experience in a large city can be attributed to a faster transition to larger establishments. The small contribution to the medium-term gains is due to two facts: first, in large cities establishment size only grows slightly faster than in smaller cities; second, the relationship between earnings and establishment size is weaker in larger cities. Our results indicate that the role of establishment size composition is fundamental for understanding the short-term gains of moving to a larger city but much less so for explaining the medium-term gains.

"Inequality in the Welfare Costs of Disinflation" with Benjamin Pugsley (revision requested at the JME)

Abstract: We use an incomplete markets economy to quantify the distribution of welfare gains and losses of the US "Volcker" disinflation. In the long run households prefer low inflation, but disinflation requires a transition period and a redistribution from net nominal borrowers to net nominal savers. Even with perfectly flexible prices, welfare costs may be significant for households with nominal liabilities. When calibrated to match the micro and macro moments of the early 1980s high inflation environment, almost half of all borrowers (14 percent of all households) would prefer to avoid the redistribution and equilibrium effects of the disinflation. This share depends negatively on the liquidity value of money and positively on the average duration of nominal borrowing.

Work in progress

"Cross Sectional Heterogeneity in the Decline in Business Dynamism"

Abstract: A recent literature has documented a large secular decline in business dynamism in the US since 1980. In this paper I show that the magnitude of this decline varied dramatically across large and small cities. In particular, the decline was twice as severe in cities that were small in 1980. Recent work by Karahan, Pugsley and Sahin (2019) argues that a large part of the aggregate decline is explained by a slower rate of growth of the labor force. In this paper, I examine the extent to which changing cross-sectional patterns of business dynamism can be explained by differences across cities in labor force growth. To do this I embed a model of firm dynamics into a spatial equilibrium model and calibrate the time profile of city level characteristics (amenities and productivities) needed to generate the cross-sectional variation in labor force growth observed in the data. The calibrated model can rationalize half of the cross sectional heterogeneity in the decline of the firm start up rate.

"The Decline in the Firm Start Up Rate and the Geographic Expansion of Large Firms"

Abstract: The last 35 years has witnessed a large decrease in the firm start up rate. At the same time, the largest firms increased the share of establishments they own and the number of markets in which they operate. One goal of this paper is to assess the extent to which these two trends are related. I establish this using geographic and industry variation. In particular, a one percentage point increase in the share of firms in a state with more than 250 employees nationally is correlated with 1.25 percentage point decline in the start up rate. I then build a model of firm dynamics in which firms can choose the number of markets in which they open establishments. In the model, an exogenous shock to ICT and management technology can explain both trends documented above. Firms use the technology to expand into additional markets and the increase in firm scale lowers the aggregate start up rate.