Research Statement

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My research interests include Applied Macroeconomics and Econometrics, and my secondary field is in Labor Economics. My dissertation investigates government spending and labor market assimilation of U.S. female immigrants. For my job market paper, I provide new evidence of the stimulative effects of government transfer payments over the business cycle in the U.S. The empirical approach uses impulse response functions and forecast error variance decomposition in state-dependent time series econometric models.

Are transfer payments stimulative? – Sometimes *(Job Market Paper)*

U.S. Government transfer payments are a significant federal expenditure, making up about 40 percent of total spending. Most transfer payment programs are motivated by their benefits to the recipients of the payments, but their impacts on the macroeconomy are also important. A considerable body of research has focused on how total government spending affects the economy.[1] More recently, the effects of transfer payments in isolation have garnered attention.[2] Transfer payments are treated symmetrically by researchers. However, in recent years, we have witnessed several large stimulus programs to combat economic downturns, and the appropriateness of a symmetrical treatment of transfer payments warrants investigation.

This paper contributes to this body of work by investigating whether the macroeconomic effects of transfer payments are asymmetric and the nature of the asymmetry. We find that the large stimulus programs of the Recovery and Reinvestment Act (ARRA) of 2009, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020), and the Coronavirus Response and Consolidated Appropriations Act (2021) are sufficiently unusual that an asymmetric modeling structure is needed to understand the effects of transfer payment programs.[3] Furthermore, when modeling asymmetry, the stimulative nature of transfer payments during non-recessionary times is minor and disappears after about six quarters. This study also investigates asymmetries among the subseries of transfer payments to further refine the nature of these effects, and we discover that unemployment insurance did not account for the asymmetry. Instead, the asymmetry is mostly due to the recent special programs undertaken during the Great Recession and the more recent COVID-19 recession.

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[1] Notable contributions include Blanchard and Perotti (2002), Perotti (2007), Mountford and Uhlig (2009), Barro and Redlick (2011), Ramey (2011a, 2011b), Auerbach and Gorodnichenko (2012a, 2012b), and Ramey and Zubairy (2018).

[2] Romer and Romer (2016), and Rodríguez (2018) use a narrative approach to isolate transfer payment shocks and study the consequences of these shocks.

[3] Related work includes Chodorow-Reich, Feiveson, Liscow, and Woolston (2012) who study the impact of ARRA on state Medicaid programs and the implications for employment. Oh and Reis (2012) also focus on the Great Recession stimulus, but with a broader focus than just the US program and Kim (2020) focus on the Korean stimulus to these recent events.

Fiscal Policy and the Sustainability of U.S. Government Debt

Once again, the U.S. national debt causes the alarm bells to ring. The colossal spending in response to the COVID-19 pandemic has taken the budget deficit to levels not seen post World War II. This growth follows years of bloating debt – totaling nearly $17 trillion in 2019 – which will now be even harder to reduce following the reduction in the primary surplus. The federal government spent trillions of dollars to rescue the economy during the COVID-19 pandemic, including stimulus checks for citizens and aid for businesses, states, and local governments. Even before the pandemic, the CBO projected that the annual deficit would breach the $1 trillion mark in 2020 and remain above the level indefinitely. This paper builds a fiscal reaction function model to investigate the sustainability of the U.S. national debt.

Assimilation of U.S. Female Immigrants: A Cohort Approach

The United States is undoubtedly the epicenter of immigration in the world. Since the 1965 Immigration and Nationality Act (INA)[4] enactment, the number of immigrants residing in the United States has more than quadrupled. The debate on immigration raises an issue of concern: Are immigrants able to successfully fit into American society by adopting the native-born social, economic, and cultural norms? Or are they likely to remain a foreigner long after settling in the United States? Researchers over the past years have gathered empirical evidence; however, the sizeable body of literature on the economic integration of U.S. immigrants has almost exclusively focused on the experience of men. Despite a considerable number of female immigrants transitioning into the United States labor force, we know little about their experiences and assimilation into the labor force.[5] In recent times, immigrant women from the Philippines, El Salvador, Vietnam, the Dominican Republic, and Colombia have a higher labor force participation rate than native-born women.[6]

This paper's primary objective is to answer the following questions. First, do we observe the assimilation of female immigrants in the United States? Assimilation in this context is how female immigrants come to resemble comparable natives over time. Second, is there evidence of cohort effects in the U.S. labor market? Using the 1970-2019 U.S. census Integrated Public Use Microdata Series (IPUMS), this paper finds that more recent immigrants have a relatively lower labor force participation rate and employment rate than the earlier cohort. However, the speed of assimilation in the labor market is higher for more recent cohorts than for earlier cohorts.

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[4] The Immigration and Nationality Act of 1965 is a federal law which was passed by U.S. Congress to obliterate the *de facto* discrimination against Eastern and Southern Europeans, Asians, and other non-Northwestern European ethnic groups from American immigrant policy. The Act gave priority to relatives and children of U.S. citizens and legal permanent residents, professionals and other specialized skilled workers and refugees. Additionally, the Act maintained aggregate immigration limits, but provisions were made to exempt immediate relatives of U.S. citizens from this restriction.

[5] Schoeni (1998) documented in his research that 42% of U.S. immigrant workers in 1990 were women. Similarly, Chiu and Rastogi (2008) stated in their work, there are over eight million foreign-born women age 25 to 64 in the United States labor force.

[6] Visit https://www.americanimmigrationcouncil.org/research/immigrant-women-and-girls-united-states for more details.