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Education

Harvard University.

Ph.D. Business Economics, 2024 (expected)

Universitat Pompeu Fabra, Graduate School of Economics, Barcelona.

M.Sc. Economics, 2015, Ranked 1st out of 74.

Thesis: "A Theory of Fiscal Policy Rules with Commodity Price Risk" (honors)

Universidad Complutense, Madrid.

B.Sc. Economics, 2014

University of California, Berkeley, senior year scholarship *awarded to 8 university-wide*

London School of Economics, Computational Tools, Real Analysis, *1st class honors*

Fields

Primary Field: Macroeconomics

Secondary Fields: Innovation and Entrepreneurship, International Economics, Finance.

References

Ludwig Straub

ludwigstraub@g.harvard.edu

Xavier Gabaix

xavier@gabaix.com

Gabriel Chodorow-Reich

gabecr@gmail.com

Teaching Experience

Harvard EC 2419 *Heterogeneous-Agent Macroeconomics*, TA for Ludwig Straub (2021, 2022)

Harvard EC 2410 *Firm Dynamics, Innovation, & Growth*, TA for Philippe Aghion (2019, 2020)

Harvard EC 2010C *Macroeconomic Theory I: Economic Growth*, TA for Robert Barro (2018)

Undergrad economics educational channel: <https://www.youtube.com/user/UnderstandEconomics>

Employment

Harvard Economics Department, Research Assistant for Emmanuel Farhi (2017-2018)

MIT Economics Department, NBER RA for Amy Finkelstein (2015-2017)

UC Berkeley Economics Department, RA for Edward Miguel (2014)

Metaeconomics, analyst for team of economic consultants for Government of Angola (2012-2015)

Fellowships & Awards

US Census Bureau, Department of Commerce, Special Sworn Status with restricted data access
Census Project #2590: *Drivers & Consequences of the Changing Distribution of Firms*
with Gabriel Chodorow-Reich, Michael Blank, Omeed Maghziyan, and Harris Eppsteiner

La Caixa Graduate Fellowship for graduate studies. *Ranked 1st in 55 in Social Sciences category*

Spain's National Economics Olympiad, Co-Champion. *Awarded undergraduate scholarship*

Job Market Paper The Firm Life Cycle Origins of the Aggregate Investment Puzzle

The decline in US investment after the 1980s is puzzling because profits increased and interest rates fell, which should have stimulated investment. I find the decline in the startup rate of new businesses is behind this missing investment boom puzzle. Confidential micro data from the US Census shows a striking divergence between micro and macro trends: investment *increased* by 10% for the average firm despite a 14.5% decline in aggregate investment. Changes in the firm age distribution masked this investment boom from aggregate data. Fewer births aged firms and depressed aggregate investment because older firms invest less intensely despite being more profitable. In a calibrated firm dynamics model, firm aging due to falling entry explains 80% of the investment trend decline from 11.5% to 9% of GDP between 1980 and 2010. Given historical changes in startup rates, the life cycle model rationalizes the boom and bust in aggregate investment and its puzzling relation with profits and interest rates since the 1950s. Consistent with the model, cross-country data shows rising investment and falling profits amidst a resurgence in startup activity since 2010.

Papers in Progress. Startups, Intangibles, and the Labor Share

I investigate the firm life cycle origins of the increasing importance of intangible capital investment and the labor share decline since the 1980s using confidential US Census micro data. I find firm aging explains part of these trends: as they grow with age, older firms spend more in advertising or innovation and lower their labor shares. However, the changing composition of startups has been an even more important driver of these trends. Relative to startups in the past, recent cohorts of firms are significantly more likely to invest in intangible capital and survive at higher rates. Younger firms seem to have used intangibles to lower their labor shares rather than substitute for physical capital. These patterns are consistent with a model where information and communication technologies that started to become available after 1980 have increasingly been adopted by firms at the startup stage.

US Startup Creation and Immigration Policy

Immigrants are only 15% of the US population but disproportionately run highly successful startups. Immigration policies aimed at restricting foreign labor supply may end up reducing labor demand by lowering firm creation. Real time survey evidence around a 2020 student visa policy announcement shows increasing immigration barriers can indeed lower startup creation among highly educated immigrants. Financial constraints amplify the negative effects of immigration policy shocks on startup creation. A model where immigrants face policy and financial hurdles predicts liberalizing immigration can have positive aggregate effects by increasing firm entry and improving talent allocation. Thus, immigration liberalization policies could help advanced economies facing declining startup rates since the 1980s due to slowing population growth.

The Firm Age Anatomy of the US Economy in the Post-War Era

The full age distribution of US firms is unknown since the Census does not track firms' date of incorporation: age can only be known after 1977. I digitized historical data on the US firm age distribution right after WWII, documenting that the 2010s firm age distribution is remarkably similar to the one in the 1950s. This suggests that the decline in entry after 1977 may have been bringing the economy back to a post-WWII steady state. However, I show that firms today exit systematically at higher rates and experience faster growth throughout their life than those around 1950, suggesting US firms today are better selected. Finally, I compare the US to other OECD countries, showing that the recent resurgence in startup activity in Census data since the Great Recession—ending four decades of decline since 1980—may be having more pronounced aggregate consequences in the US.

Are Conglomerate Firms Automatic (De)Stabilizers?

Multi-unit firms trade-off insurance and selection to allocate capital and employment, redistributing across workers of different regions, sectors, and skills. I study the “progressivity” of a conglomerate redistribution channel using US Census data to assess whether multi-unit firms effectively subsidize (or tax) low-income workers at the expense (or benefit) of top earners during in recessions or booms.

**Academic
Service**

Student organizer, Harvard macro lunch seminars and reading group, 2019-2020

Referee for *Quarterly Journal of Economics*

Languages

English, Spanish (native), French (basic), Chinese (Hanyu Shuiping Kaoshi level 3).

Software skills

Advanced: Python, Matlab, Stata, Unix. Basic: R, SAS.

**Personal
Information**

2023 Boston Marathon, fundraised \$15,000 for Samaritans suicide prevention/survivors support:
<https://www.givengain.com/ap/martin-aragoneses-raising-funds-for-samaritans-inc>

See Crimson article: <https://www.thecrimson.com/article/2020/7/15/ice-policy-economics-study/>

Trained as classical concert pianist (1997-2007) at the Professional Conservatory of Segovia, Spain

Harvard Club Tennis and Harvard Cycling Club

Born: Segovia, Spain.