

LUIS A. CABEZAS

Ph.D. in Economics Candidate UCLA

CONTACT INFORMATION

Department of Economics, UCLA
9372 Bunche Hall
Los Angeles, CA 90095

email: luiscabezas@g.ucla.edu
Website: www.luis-cabezas.com

EDUCATION

Ph.D. in Economics, University of California, Los Angeles (UCLA).	<i>2018-2024 (expected)</i>
M.A. in Economics, University of California, Los Angeles (UCLA).	<i>2018-2020</i>
M.A. in Economics, <i>Highest Honors</i> , Universidad de Chile.	<i>2012-2013</i>
B.A. in Economics, Universidad de Chile.	<i>2008-2011</i>

RESEARCH INTERESTS

Macroeconomics, Monetary Economics, and International Economics.

JOB MARKET PAPER

Large Devaluations, Heterogeneous Consumption Adjustments, and Macroeconomic Implications.

This paper studies massive drops in consumption across households during large devaluations associated with sudden stops. Using cross-country comparison in sudden stop episodes and the Mexican 1994 peso crisis as a case study provides evidence that, unexpectedly, non-tradable consumption decreased considerably, as much as tradable. Employing micro-data, I show that non-tradable consumption falls more for higher-income households. Moreover, expenditure share in non-tradable increases with income level, reflecting non-homotheticities. As a result, higher-income households concentrate expenditure on non-tradable and motivate the aggregate result. Based on this empirical evidence, I develop a new open economy framework that combines a Heterogeneous Agent New Keynesian (HANK) structure and generalized non-homothetic CES preferences, which is disciplined to the Mexican 1994-peso crisis to study macroeconomic counterfactual response, aggregate and policy implications. The results show this framework allows to reconcile micro and macro evidence. Moreover, I show a novel result: The propagation of disturbances across economic sectors through household consumption decisions is asymmetric, depressing production more when it starts from the tradable sector. Finally, through sufficient statistics, I show why household heterogeneity and non-homotheticities are essential to explain the observed consumption decline.

Research funds: *Lewis L. Clarke Data Purchase and Data Collection Award, Econ. Dept. UCLA 2022*, and *Lewis L. Clark Conference Presentation Award, Econ. Dept. UCLA 2022*

Fellowship: *Federal Reserve Bank of Atlanta. 2023.*

SELECTED WORK IN PROGRESS

- **Firms' price setting and market power during episodes of high inflation** (With Luis Felipe Cespedes and Patricio Toro). *Draft upon request.*
Fellowship: *Central Bank of Chile 2023.*
- **Welfare effects of foreign shocks: A granular instrumental variable approach** (With Bernardo Candia and Youyou Xu). *Slides upon request.*
- **Closing the Connectivity Gap between the Rich and Poor: Online Governance Reform for Internet Market Failures** (With Bernardo Candia, and Jelena Laketic).
Grant: *Clausen Center International Business & Policy Grant, UC Berkeley 2023.*
Research Fund: *Graduate Student Research Fellowship, LEAP at Berkeley Law 2023.*
- **Optimal Monetary Policy in a Small Open Economy with Input-Output Linkages** (With Akira Ishide and Sihwan Yang).

ARTICLES

Exchange rate pass-through, monetary policy, and real exchange rates: Iceland and the 2008 crisis (With Sebastian Edwards). *Open Economies Review* 33(2), pp. 197-230, 2022. [NBER working paper](#). In media: [VoxEU](#), [Anderson Review](#)

PRE-DOCTORAL ARTICLES

- Accumulation of reserves in emerging and developing countries: mercantilism versus insurance (With José De Gregorio). *Review of World Economics* 155, 819-857, 2019. [Working Paper](#)
- International banking and cross-border effects of regulation: Lessons from Chile (With Alejandro Jara). *International Journal of Central Banking* 13(S1), 95-127, 2017. [Working Paper](#)
- The demand for cash: Stylized facts and substitution by electronic means of payment (With Alejandro Jara). *CEPAL Review*, 135, pp. 129-157, 2021. United Nations, ECLAC.
- International exposure of Chilean banking system: characteristics and risk (With Alejandro Jara and Faruk Miguel). *Journal Economía Chilena (The Chilean Economy)*, Nota de Investigación Económica, Central Bank of Chile, Vol. 20 Number 3, 2017.

FELLOWSHIPS

- **Dissertation Fellowship**, Federal Reserve Bank of Atlanta *2023*
- **Dissertation Internship**, Central Bank of Chile *2023*
- **The Princeton Initiative**, Princeton University *2021*

RESEARCH EXPERIENCE

- **Research Assistant**, Sebastián Edwards, UCLA *2019-present*
- **Consultant Central Bank of Guatemala**, Main consultant Sebastián Edwards *2022*
- **Financial Economics Research Economist**, Central Bank of Chile *2014-2018*
- **Research Assistant**, Manuel Agosin, Universidad de Chile *2013-2014*

SCHOLARSHIPS AND AWARDS

- **Internal scholarship, graduate studies, UCLA** *2019-present*
- **Summer Fellowship** Econ dept. UCLA *2020*
- **Excellence scholarship, foreign graduate studies, Chilean Government** *2020-2022*
- **Excellence scholarship, foreign graduate studies, Central Bank of Chile** *2018-2020*
- **Graduated with highest honors, Master of Economics, University of Chile** *2014*
- **Excellence scholarship, domestic graduate studies, Chilean government** *2013-2014*
- **Circle of Academic Excellence, undergraduate, University of Chile** *2008-2011*
- **Excellence Scholarship for high incoming ranking, University of Chile** *2008*

TEACHING EXPERIENCE

Teaching Assistant:

- **MBA, The Global Economy. UCLA** *2023*
- **MBA, Doing Business in Emerging Markets. UCLA** *2023*
- **Undergraduate, Pricing and Strategy. UCLA** *2023*
- **Undergraduate, Principles of Economics (Macro). UCLA** *2022*
- **Graduate, Econometrics, Macroeconomics. Universidad de Chile** *2013*
- **Undergraduate, International Finance. Universidad de Chile** *2013*
- **Undergraduate, Macroeconomics, Microeconomics. Universidad de Chile** *2011*

Lecturer: International Finance, Bachelor of Economics. Universidad de Chile *2014*

ADDITIONAL INFORMATION

Computer Skills: Matlab, Python, R, Stata, Eviews.

Languages: Spanish (native), English (fluent)

Additional Interests: Swimming, Scuba Diving (Open Water Diver PADI certification).

PERSONAL INFORMATION

Citizenship Chilean
Civil status Married, one child

REFERENCES

Andy Atkeson (Committee Chair)

Department of Economics, UCLA
andy@atkeson.net

Ariel Burstein

Department of Economics, UCLA
arielb@econ.ucla.edu

Sebastian Edwards

Anderson School of Management, UCLA
sebastian.edwards@anderson.ucla.edu

Lee Ohanian

Department of Economics, UCLA
ohanian@econ.ucla.edu