Northwestern Economics

Jane Olmstead-Rumsey

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Contact Information

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Citizenship: United States

Fields

Research: Macroeconomics, firm dynamics, labor markets, growth

Teaching: Macroeconomics

Education

Ph.D.: Economics, Northwestern University, 2021 (anticipated)
Dissertation: Essays in Macroeconomics and Firm Dynamics
Committee: Matthias Doepke (Chair), Guido Lorenzoni, David Berger

B.A.: Economics/International Affairs, George Washington University (GWU), 2013

Fellowships

AEA Summer Economics Fellow, Federal Reserve Bank of Chicago, 2020
Northwestern University Fellowship, 2018-2021
National Science Foundation Graduate Research Fellowship, 2015-2018
George Washington University Office of the Vice President of Research Fellowship, 2011

Awards/Recognition

Keynote speaker, Federal Reserve Bank of Chicago Women's Impact Network, 2020
Northwestern Distinguished Teaching Assistant Award, 2019
Distinguished Scholar (top student in GWU Elliott School of International Affairs), 2013

Teaching Experience

Teaching Assistant, Northwestern University, 2018-2019
Advanced Workshop for Central Bankers
Intermediate Macroeconomics (undergraduate)
Introduction to Macroeconomics (undergraduate)

Research Experience

Research Assistant, Matthias Doepke, Northwestern University, 2019-2020
Research Assistant, Guido Lorenzoni & Luigi Bocola, Northwestern University, 2017-2019
Research Assistant, David Berger & Lorenz Kueng, Northwestern University, 2018

Work Experience

Summer Economics Fellow, Federal Reserve Bank of Chicago, 2020
Research Assistant, Emerging Markets section, Federal Reserve Board of Governors, 2013-2015
Short Term Temporary, Independent Evaluation Group, World Bank, 2013

Presentations

2020: Federal Reserve Bank of Chicago, Federal Reserve Board of Governors Pre-Job Market Conference, Federal Reserve Bank of St. Louis PhD Student Workshop, Bank of Italy/CEPR labour market workshop, Minneapolis Fed Junior Scholar Conference
2019: CREI student macro lunch, Midwest Macroeconomics spring meeting, WashU Economics Graduate Student Conference

Refereeing

Journal of International Economics, Journal of Economic Theory, Journal of Public Economics, Explorations in Economic History, Journal of Banking and Finance

Working Papers

"Market Concentration and the Productivity Slowdown," November 2020

Since around 2000, U.S. aggregate productivity growth has slowed and product market concentration has risen. To explain these facts, I construct a measure of innovativeness based on patent data that is comparable across firms and over time and show that small firms make innovations that are more incremental in the 2000s compared to the 1990s. I develop an endogenous growth model where the quality of new ideas is heterogeneous across firms to analyze the implications of this finding. I use a quantitative version of the model to infer changes to the structure of the U.S. economy between the 1990s and the 2000s. This analysis suggests that declining innovativeness of market laggards can account for about 40 percent of the rise in market concentration over this period and the entire productivity slowdown. Strategic changes in firms' R&D investment policies in response to the decreased likelihood of laggards making drastic improvements significantly amplify the productivity slowdown.

"This Time It's Different: The Role of Women's Employment in a Pandemic Recession," with Titan Alon, Matthias Doepke, and Michèle Tertilt, NBER WP 27660, August 2020

In recent US recessions, employment losses have been much larger for men than for women. In the current recession caused by the Covid-19 pandemic the opposite is true: unemployment is higher among women. In this paper, we analyze the causes and consequences of this phenomenon. We argue that women experience sharp employment losses in part because women's employment is concentrated in heavily affected sectors such as restaurants, but also because increased childcare needs due to school and daycare closures prevent many women from working. We analyze the repercussions of these facts using a quantitative macroeconomic model featuring heterogeneity in gender, marital status, childcare needs, and human capital. Our quantitative analysis suggests that a pandemic recession will i) feature a strong transmission from employment to aggregate demand due to diminished within-household insurance; ii) result in a widening of the gender wage gap throughout the recovery; iii) contribute to a weakening of gender norms that currently lead to a lopsided distribution of the division of labor in home work and child care.

"Sector-Specific Shocks and the Expenditure Elasticity Channel During the COVID-19 Crisis," with Ana Danieli, May 2020

The COVID-19 economic crisis differs from past recessions in terms of the sectors and occupations that are being hit first. In this paper we propose a model with sectoral and occupational heterogeneity and non-homothetic preferences over sectors. That is, households' consumption bundles depend on income and they cut consumption on high income-elastic sectors when labor income falls. We first document that contact intensive occupations are concentrated in just a few, high-income-elasticity sectors. By contrast, production/manufacturing occupations are distributed widely across sectors. We then compare a COVID-19 type shock affecting service sectors first to a more "standard" recession affecting manufacturing in our model calibrated to match the U.S. economy. Our main result is that the increase in labor income inequality in the COVID-19 recession is one and a half times the increase in a normal recession due to the fact that contact intensive service workers are low income and work mainly in high income-elasticity sectors.

"Country Banks and the Panic of 1825," May 2019

The Panic of 1825 was one of the world's first international financial crises. In this paper, I document how this crisis spread from London banks to England's real economy. England's correspondent banking network propagated trouble in sovereign debt markets to small banks outside of London and ultimately to non-financial firms. Using exogenous variation in town-level exposure to the crisis, I show that bank failures led to a substantial number of bankruptcies among non-financial firms, particularly in non-tradable sectors. These findings highlight the costs of a disruption to the payment system: country bank notes were the primary means of payment during the first industrial revolution.

Works in Progress

"Historical Measures of Market Concentration" with Amy Handlan

"Startup Exit and the Macroeconomy" with Federico Puglisi

Journal Articles

"The Impact of COVID-19 on Gender Equality," with Titan Alon, Matthias Doepke, and Michèle Tertilt," *Covid Economics: Vetted and Real-Time Papers*, Issue 4, 62-85, April 2020.

"How Effective are Macroprudential Policies? An Empirical Investigation," with Ozge Akinci, *Journal of Financial Intermediation*, vol. 33, January 2018, p. 33-57

Other Publications

"The shecession (she-recession) of 2020: Causes and consequences," with Titan Alon, Matthias Doepke, and Michèle Tertilt," VoxEU, September 2020

"The impact of the coronavirus pandemic on gender equality," with Titan Alon, Matthias Doepke, and Michèle Tertilt," VoxEU, April 2020

Programming

MATLAB, Stata, Python

Languages

English (native), Spanish (intermediate)

References

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