

SIMON MONGEY

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Employment

2018 Assistant Professor, University of Chicago
2017 Junior Scholar, Federal Reserve Bank of Minneapolis

Education

2017	New York University	Ph.D. in Economics (Advisor: Gianluca Violante),
2010	University of Melbourne	Honors in Economics,
2009	University of Western Australia	B.A. in Economics / Commerce,

Teaching

2014-2015 PhD Quantitative Macroeconomics, NYU, lectures for Prof. Gianluca Violante
2014 Intermediate Macroeconomics, NYU, teaching fellow for Prof. Jess Benhabib
2013 Intermediate Microeconomics, NYU, teaching fellow for Prof. Andy Schotter
2012 PhD Macroeconomics, NYU, teaching fellow for Profs. Leahy / Ljunqvist

Honors, Scholarships and Fellowships

2016 Federal Reserve Board Dissertation Fellowship
2016 Dean's Dissertation Fellowship, NYU
2011-2016 McCracken Doctoral Fellowship, NYU
2011 Wilfred Prest Travelling Fellowship, U. Melbourne
2010 Economics Honors Prize, U. Melbourne
2009 Economics / Commerce Undergraduate Prize, U. Western Australia

Submitted papers

[Aggregate Recruiting Intensity](#) (with Gianluca Violante and Alessandro Gavazza)
[Forthcoming – *American Economic Review*]

We develop an equilibrium model of firm dynamics with random search in the labor market where hiring firms exert recruiting effort by spending resources to fill vacancies faster. Consistent with microevidence, fast-growing firms invest more in recruiting activities and achieve higher job-filling rates. These hiring decisions of firms aggregate into an index of economywide recruiting intensity. We study how aggregate shocks transmit to recruiting intensity, and whether this channel can account for the dynamics of aggregate matching efficiency during the Great Recession. Productivity and financial shocks lead to sizable pro cyclical fluctuations in matching efficiency through recruiting effort. Quantitatively, the main mechanism is that firms attain their employment targets by adjusting their recruiting effort in response labor market slackness.

[Market structure and monetary non-neutrality](#) (Job market paper)

I propose an equilibrium menu cost model with a continuum of sectors, each consisting of strategically engaged firms. Compared to a model with monopolistically competitive sectors that is calibrated to the same data on good-level price flexibility, the dynamic duopoly model features a smaller inflation response to monetary shocks and output responses that are more than twice as large. The model also implies (i) four

times larger welfare losses from nominal rigidities, (ii) smaller menu costs and idiosyncratic shocks are needed to match the data, (iii) a U-shaped relationship between market concentration and price flexibility, for which I find empirical support.

Working papers

[Student Debt and Job Choice: Wages vs. Job](#) (with Mi Luo)

Higher college debt causes individuals to take jobs with (i) higher wages, (ii) lower job satisfaction, and (iii) search more on the job. Our results derive from an IV scheme estimated on a representative longitudinal sample of college students, the *NCES Baccalaureate and Beyond Study*—changes in college grant policies are used to generate exogenous variation in student debt. This behavior is rationalized by a Lise (2013) search model with incomplete markets augmented with non-pecuniary features of jobs. In this environment, lower assets tilts job acceptance policies towards higher wage, lower satisfaction jobs. We extend this model to a quantitative framework with costly on-the-job search, institutional student loan policies and realistic borrowing constraints. Our data provides novel observables that are leveraged when estimating the model by indirect inference. In particular, we use variation in the rate of search across wages and job satisfaction to identify the utility associated with different levels of job satisfaction and their frequency in the offer distribution. We find that (i) job satisfaction has a large impact on individual decisions, (ii) a free move from low to high satisfaction positions is valued at 2% of lifetime consumption, (iii) an income based repayment scheme (as proposed in the US) is valued more (less) by high (low) debt students and on average increases welfare, (iv) 35% of welfare gains come from students choosing higher satisfaction jobs, (v) welfare measured only in terms of present value of wages neglects the job satisfaction trade-off and mistakenly implies that an income based repayment scheme is worse for graduates.

[Firm Dispersion and the Business Cycle: Estimating Aggregate Shocks Using Panel Data](#) (with Jerome Williams, job market paper)

Are fluctuations in firm-level dispersion a cause or effect of business cycles? To answer this question, we estimate general equilibrium model rich enough to jointly explain characteristics of the firm distribution and the dynamics of macroeconomic aggregates. The model includes frictions that generate movements in dispersion following standard macroeconomic shocks such as aggregate productivity, as well as a direct shock to the dispersion of firm level productivity growth. This type of general equilibrium model with heterogeneous agents and aggregate shocks is computationally difficult to solve, which typically keeps likelihood-based estimation out of reach. We exploit recent advances in solution techniques to obtain a characterization for which estimation is feasible. To answer our question, we estimate the model using time series of both macroeconomic aggregates and newly constructed cross-sectional time series, which reflect movements in the firm distribution over time. Now able to account for firm dispersion and the business cycle, we find that (i) standard macroeconomic aggregate shocks explain almost all variation in macroeconomic aggregates, (ii) an uncertainty shock explains almost all variation in firm-level dispersion.

Conference and workshop presentations (* scheduled)

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| 2018 | Duke Macro Jamboree, IEES (Stockholm), Goethe Search and Matching Workshop. |
| 2017 | Wharton, UCL, LSE, Yale, Harvard, University of Chicago, UCLA, MIT, UCSD, San Francisco Fed, University of Minnesota, Penn State, Columbia Business School, University of Melbourne, SED Edinburgh, Barcelona GSE Summer Forum, Princeton, CREi/UPF, ECB, Oxford / NY Fed Monetary Conference, ASU Junior Macro Conference, Queen's University* |

2016	Minneapolis Fed Junior Scholars Conference, St Louis Fed, Philadelphia Fed, Chicago Fed Rookie Conference, NBER EFG Meeting (Chicago), Cowles Macro and Labor, NBER Summer Institute (EFMPL), Econometric Society Summer Meetings, Fed Board International Finance workshop, Kiel / NY Fed Labor Markets Conference
2015	SED Toronto, Philadelphia Search and Matching, NYU Search Theory
2014	SED Warsaw
<u>Referee</u>	Econometrica, International Economic Review, Review of Economic Dynamics, Journal of Economic Dynamics and Control
<u>Citizenship</u>	Australian / United Kingdom