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Curriculum Vitae
Fall 2007

JAROMIR B. NOSAL

Personal Data

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Major Fields of Concentration

International Economics, Macroeconomics, Monetary Economics

Education

Degree	*Field*	*Institution*	*Year*
Ph.D.	Economics	University of Minnesota (expected)	2008
M.Sc.	Quantitative Methods and Information Systems	Warsaw School of Economics	2002

Dissertation

Title: “Essays in Macroeconomics”
Dissertation Advisors: Professor Patrick J. Kehoe and Professor V. V. Chari
Expected Completion: Summer 2008

References

Professor V. V. Chari	(612) 626-7151 (612) 204-5518 chari@res.mpls.frb.fed.us	Department of Economics University of Minnesota 1035 Heller Hall 271 - 19th Avenue South Minneapolis, MN 55455
Professor Patrick J. Kehoe	(612) 624-1978 (612) 204-5525 pkehoe@res.mpls.frb.fed.us	
Professor Fabrizio Perri	(612) 625-7504 (612) 204-5526 fperri@umn.edu	
Dr. Simran Sahi	(612) 625-6353 ssahi@econ.umn.edu	

Honors and Awards

2007-2008	Graduate School Doctoral Dissertation Fellowship, University of Minnesota, Minneapolis, Minnesota
2007	Travel Grant, Department of Economics, University of Minnesota, Minneapolis, Minnesota
2006	Travel Grant, Department of Economics, University of Minnesota, Minneapolis, Minnesota
Summer 2005	Institute for Computational Economics, University of Chicago/Argonne National Laboratory
2004	*Distinguished Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
2002 - 2003, Summer 2003	Graduate School Fellowship, University of Minnesota Graduate School Fellowship, University of Minnesota, Minneapolis, Minnesota
2001	Best Student of the Year awarded by the Rector of the Warsaw School of Economics
1999-2002	Fellowship for Academic Performance, Warsaw School of Economics

Teaching Experience

2004 - 2005	*Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Principles of Microeconomics* and *Intermediate Microeconomics*.
2003 - 2004	*Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics*.
2002 - 2003	*Teaching Assistant*, Department of Economics, Warsaw School of Economics, Warsaw, Poland. Led recitation sections for *Intermediate Microeconomics*.
2000 - 2002	*Teaching Assistant*, Higher School of International Commerce and Finance, Warsaw School of Economics, Warsaw, Poland. Led recitation sections for *Intermediate Macroeconomics*.

Research Experience

2005 - Present	*Research Assistant*, Research Department, Federal Reserve Bank of Minnneapolis, Minneapolis, Minnesota. Research Assistant to Professor V. V. Chari.
Summer 2005	*Visiting Scholar*, Research Department, Federal Reserve Bank of Minnneapolis, Minneapolis, Minnesota. Research Assistant to Professor V. V. Chari.

Papers

"Competing for Customers: A Search Model of the Market for Unsecured Credit," joint with Lukasz A. Drozd, job market paper.

"Understanding International Prices: Customers as Capital," joint with Lukasz A. Drozd.

"Long–Run Price Elasticity of Trade and the Trade–Comovement Puzzle," joint with Lukasz A. Drozd.

"Trade Intensity and Real Exchange Rate Volatility," joint with Lukasz A. Drozd, in progress.

Presentations

"Understanding International Prices: Customers as Capital," presented at the Midwest Economics Meetings, Washington University, St. Louis, MO, 2006; Allied Social Science Association, Chicago, IL, January 2007; Midwest Economic Association, Minneapolis, Minnesota, March 2007.

"Long–Run Price Elasticity of Trade and the Trade–Comovement Puzzle," presented at the Midwest Trade Meeting, Minneapolis, Minnesota, April 2007.

Languages

Polish (native), English (fluent), French (basic)

Computer Skills

Fortran, Matlab, Stata

Dissertation Abstract

"Competing for Customers: A Search Model of the Market for Unsecured Credit," (with Lukasz A. Drozd)
Job Market Paper

This paper proposes a theory of the unsecured credit market with explicit frictions of soliciting and screening credit account customers. Banks in the model pay a fixed cost to target their loan offers to a customer with afore-chosen characteristics. A loan contract specifies a revolving line of credit and a constant interest rate to which the bank is committed. Access to unsecured credit is endogenous in the sense that in each instance of time households receive an endogenous number of offers from which they select the best one. The calibrated model reproduces the main features of the unsecured credit market in the US: high indebtedness, high bankruptcy rate and high chargeoff rates. We use the model to perform a disciplined exercise of reducing the cost of soliciting and screening credit customers to account for the rise of bankruptcy related statistics and growing indebtedness of US households. The change in the cost is carefully chosen to account for the observed change in credit card solicitations that occured during this time period.

"Understanding International Prices: Customers as Capital," (with Lukasz A. Drozd)

This paper enriches the international business cycle theory with marketing and matching frictions. The modification brings the theory closer to the data in several important dimensions. First, it implies that producers price to market in which they sell. Second, it implies that market shares and import shares adjust to shocks only sluggishly, and therefore, long-run and short-run price elasticities of trade differ. Third, it maintains a good fit for quantities, and accounts for the excess international correlation of output over consumption. The key theoretical innovation is that producers enter into long-lasting matches with their customers, and facing bilateral monopoly problem, bargain with them over the prices. Because matching and expansion to a larger market share takes time, in the short-run pricing-to-market occurs and the law of one price is violated. In the parameterized economy the persistence of this effect exceeds the persistence of the underlying shocks, and the resulting dynamics is indistinguishable from the static models of pricing-to-market in which shocks have a permanent effect on prices.

"Long–Run Price Elasticity of Trade and the Trade–Comovement Puzzle," (with Lukasz A. Drozd)

Recent studies have found significant support for the positive link between bilateral trade intensity and business cycle comovement of output and TFP in a cross-section of industrialized country pairs. Since this feature of the data is not reproduced by the workhorse model of international business cycle, it is referred to as the *trade-comovement puzzle*. In this paper, we show that the puzzle is very much related to the failure of the standard theory to account for the high long-run price elasticity of trade flows. We do so by enriching the standard theory with frictions of building market shares and establishing trade relations which generate low short-run price elasticity of trade coexisting with the high long-run price elasticity. We show that when the low short-run elasticity is generated by explicitly modeled frictions of building market shares, the theory can account for 50% and 78% of the trade-comovement relation in the data for output and TFP, respectively.