

## University of Minnesota - Twin Cities

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## Curriculum Vitae Fall 2009

### JACOB M. SHORT

#### Personal Data

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#### Major Fields of Concentration

Macroeconomics, Labor Economics

#### Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics	University of Minnesota (expected)	2010
M.A.	Economics	University of Minnesota (expected)	2009
B.A.	Economics ( <i>Honors</i> )	Iowa State University	2005

#### Dissertation

Title: "Topics in Macroeconomics"  
Dissertation Advisor: Professor José-Víctor Ríos-Rull  
Expected Completion: Summer 2010

#### References

Professor José-Víctor Ríos-Rull	(612) 625-0941 (612) 204-5528 vr0j@umn.edu	Department of Economics University of Minnesota 4-101 Hanson Hall 1925 Fourth Street South Minneapolis, MN 55455
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Professor Simran Sahi	(612) 625-6353 ssahi@umn.edu	

## Honors and Awards

- 2008 Hardy Third-Year Paper Competition – 1<sup>st</sup> place, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2006 *Distinguished Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2005 *Distinguished Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota
- 2004 *Phi Kappa Phi*, Iowa State University, Ames, Iowa
- 2003 I.W. Arthur Scholarship, Department of Economics, Iowa State University, Ames, Iowa
- 2003 Laura Vernon Scholarship, Department of Economics, Iowa State University, Ames, Iowa
- 2002 *Omicron Delta Epsilon* Golden Key Recipient

## Teaching Experience

- 2008 - present *Instructor*, Independent and Distance Learning, University of Minnesota, Minneapolis, Minnesota. Taught *Principles of Macroeconomics*.
- 2006 - 2008 *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Taught *Senior Project Seminar*, *Economic Development*, *Intermediate Macroeconomics*, and *Principles of Microeconomics*.
- 2005-2006 *Teaching Assistant*, University of Minnesota, Minneapolis, Minnesota Led recitation sections for *Principles of Microeconomics*, and *Principles of Macroeconomics*.
- 2003-2005 *Teaching Assistant*, Department of Economics, Iowa State University, Ames, Iowa.

## Research Experience

- 2008 - present *Research Analyst*, Research Department, Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota. Research Assistant to Professor José-Víctor Ríos-Rull.

## Papers

- “What Accounts for the Increase in Single Households?” with Ferdinando Regalia and José-Víctor Ríos-Rull.
- “Incorporated Entrepreneurs: The First Step from the Basement to the Boardroom,” with Andrew Glover.
- “Saving for Sunny Days,” with Jacek Rothert.

## Computer Skills

Fortran, Matlab, STATA, LaTeX

## Languages

English (native)

## Dissertation Abstract

“Incorporated Entrepreneurs: The First Step from the Basement to the Boardroom,” with Andrew Glover

Entrepreneurship is risky; entrepreneurs forgo wages and invest their time and resources into a business with large potential gains, but uninsurable risks. It is vital to know the extent of these risks, and the insurance available against them, in order to assess corporate tax and personal bankruptcy reforms. We document that incorporated entrepreneurs operate larger businesses, accumulate more wealth, and are on average more productive than

unincorporated entrepreneurs. We embed the U.S. bankruptcy and incorporation legal systems in a quantitative macroeconomic theory of occupational, incorporation, and default choices that accounts for the cross-sectional facts. In the model, as in the U.S., incorporation provides insurance via limited liability beyond personal bankruptcy exemptions, at the expense of administrative burdens and an endogenous interest rate premium. Our model suggests that capital shocks are important entrepreneurial risks. A calibrated economy in which each unit of installed capital entails a small probability (0.8%) of a catastrophic shock (1.1 x capital) is able to account for the data along multiple untargeted dimensions. Policy experiments that simulate reducing the cost of incorporating lead to more entrepreneurs, greater output, and a dramatic increase in wealth and income inequality.

“Saving for Sunny Days,” with Jacek Rothert

Developing countries experiencing rapid TFP growth tend to run current account surpluses. This finding is puzzling in the context of the neoclassical growth model, which predicts that these countries should be net borrowers. We account for this puzzle by introducing a non-tradable sector to an otherwise standard growth model. We propose that complementarity between tradable and non-tradable goods is key. With an initially underdeveloped non-tradable sector, a representative household is willing to trade a portion of current tradable output in exchange for tradable goods in the future when its production of non-tradable goods increases. A drawback of the simplest version of the model is that faster growing countries experience a reduction in the relative price of non-tradable goods.