

# Justin Daniel Iarovici Katz

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## EDUCATION

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- 2025 **Harvard University**  
Ph.D., Business Economics (expected)  
*Fields:* Household/corporate finance, industrial organization, trade/spatial economics.
- 2018 **Yale College**  
B.A., Economics and Mathematics (with distinction), *summa cum laude*, Phi Beta Kappa

## RESEARCH

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### Publications and working papers

“Saving and Consumption Responses to Student Loan Forbearance.” Working paper, 2023.

– *Best 3<sup>rd</sup> year paper award, Harvard Economics Department, 2023.*

To study the impacts of debt relief versus cash transfers, I compare saving and consumption responses to student loan forbearance and stimulus checks in the 2020 CARES Act. Borrowers non-optimally use much of the liquidity received from forbearance to voluntarily prepay 0%-interest student debt instead of high-interest obligations, despite prioritizing high-interest debts when receiving stimulus checks. Consistent with this flypaper effect, the marginal propensity to spend (MPX) out of forbearance liquidity is less than half that of stimulus checks. A calibration exercise estimates that the flypaper effect makes forbearance less effective and more costly as a countercyclical fiscal tool.

“Competition and Speculation in Cryptocurrencies.” (with A. Wu), Working Paper, 2023.

This paper uses mutual fund manager data to examine how managers’ performance incentives generated speculative demand during the 2020-2022 cryptocurrency boom and bust. We find that managers with strong relative performance incentives began investing in crypto after their competitors began investing in it, consistent with a model of rational performance hedging. In contrast, managers who invest their personal wealth in the funds that they manage, who have strong direct performance incentives, were significantly less responsive to their competitors’ investment decisions. Our findings suggest that relative performance incentives can encourage managers to mimic their competitors instead of trading on their beliefs. In equilibrium, this competitive hedging motive can magnify the scope of speculative demand.

“Buy Now, Pay Later Credit: User characteristics and Effects on Spending Patterns.” (with M. Di Maggio and E. Williams), NBER WP 30508, 2022.

– *Revise & Resubmit, Journal of Finance*

This paper studies the impact of the emerging market for “buy now, pay later” (BNPL) installment loans on consumption patterns using detailed financial transactions data. For liquidity-constrained consumers, BNPL increases total spending and overdraft fees, but also facilitates greater expenditure smoothing. For all users, BNPL access boosts spending on retail goods, suggesting static substitution towards retail consumption. These inter-temporal and static substitution effects are much larger than a reasonably-calibrated lifecycle model with liquidity constraints can capture. Our findings are more consistent with a “liquidity flypaper effect” whereby the additional retail liquidity from BNPL “sticks where it hits,” increasing short-term spending.

“The Evolution of Late-Life Income and Assets: Measurement in IRS Tax Data and Three Household Surveys.” (with J. Choi, L. Goodman, D. Laibson, and S. Ramnath), NBER RDRC Center Paper NB20-04, 2020.

Using a 5% random sample of administrative IRS tax records covering households born from 1933 to 1952, we evaluate how three widely-used household surveys—the Health and Retirement Study, the Survey of Income and Program Participation, and the Current Population Survey—capture the level of and trends in late-life income and assets. First, survey data underestimate total income levels and overestimate income drops at the median during the initial transition into retirement. Second, survey sources overestimate income growth across birth cohorts at older ages. Third, in both tax and survey data, lower-income households have not experienced income growth across birth cohorts outside the Social Security system.

“Place-Based Manufacturing Subsidies and the Spatial Distribution of Production.” *Atlantic Economic Journal* 47, 521-523, [doi:10.1007/s11293-019-09640-7](https://doi.org/10.1007/s11293-019-09640-7), 2019.

State governments use production subsidies to attract companies and facilitate economic development. Such programs benefit state residents by increasing local labor demand, but may also encourage firms to pursue suboptimal production strategies. To assess the net welfare impact of these competing effects, I develop a general equilibrium framework with multiregional production,

rich firm heterogeneity, and production subsidies that vary across states and between firms. Eliminating subsidies would increase total US welfare by 1.1%, despite costs to peripheral states in the Deep South and Northwest.

### **In progress**

“Rising interest rates, mortgage rate lock, and house price fluctuations.”

“Media Market Power: Theory and Application to Facebook-Instagram” (with H. Allcott).

### **AWARDS AND FELLOWSHIPS**

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- 2024 NBER Fellowship in Consumer Financial Management
- 2023 Best Third-Year Paper Award, Harvard Economics Department
- 2020 Doctoral Fellowship, Harvard Business School
- 2019 Best Undergraduate Paper Award Finalist, International Atlantic Economic Society
- 2017 Tobin Scholar Award for Economic Theory, Yale Economics Department

### **PROFESSIONAL ACTIVITIES**

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#### **Presentations** (\* by coauthor)

- 2024 CFPB (scheduled), NBER Digital Economics and AI\*.
- 2023 Western Finance Association, International Institute of Public Finance Annual Congress, Harvard Finance (x2), IO (x2), and public workshops, Berkeley/Stanford IOFest\*, Paris Dauphine University\*, Bocconi\*, Frontiers in Finance\*, Ohio State University\*.
- 2022 OCC, Harvard finance (x2), IO, public, and macro workshops, HBS Finance Unit\*, Leeds Business School\*, University of Boulder\*, JOMT\*, Fed Board\*, CFPB\*, University of Washington\*, FDIC\*, Cornell University\*, Imperial Business School\*, BYU\*, Philly Fed\*, NBER Innovative Data in Household Finance\*.

#### **Invited workshops**

- 2023 NBER Behavioral Public Finance Boot Camp
- 2022 Yale Summer School in Behavioral Finance

### **TEACHING**

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- 2022 Harvard Microeconomic Theory – Price Theory (1<sup>st</sup>-year PhD) – Prof. Ed Glaeser – Teaching fellow.
- 2016-17 Yale Intermediate Microeconomics – Prof. Larry Samuelson – Section leader, tutor.

### **EMPLOYMENT**

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#### **Research experience**

- 2024 Federal Reserve Bank of Boston – Graduate Research Fellow
- 2022 Microsoft Research New England – Research Intern
- 2021 Harvard University – Research Assistant to Prof. Myrto Kalouptsi, Research Assistant to Prof. Alex MacKay
- 2018-20 The National Bureau of Economic Research – Research Assistant to Profs. David Laibson, Brigitte Madrian, James Choi, and John Beshears

#### **Other professional experience**

- 2017 McKinsey & Company (New York, NY) – Summer Business Analyst
- 2015 Senate Committee on Health, Education, Labor, and Pensions (Washington, DC) – Policy Analyst

### **OTHER**

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- *Yale Debate competitive highlights*: Semifinalist (top 8), 2018 World Universities Debating Championship (with Jim Huang); 3<sup>rd</sup>-ranked US team for 2017-18 season, American Parliamentary Debate Association (with Adela Lilollari); 3<sup>rd</sup>-ranked individual speaker, 2016 North American Universities Debating Championship.