Research Statement

Alessandro Dario Lavia
Boston College and University of Turin

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My research lies at the intersection of macroeconomics, international finance, and monetary economics. I study how information frictions, financial structure, and firm behavior shape macroeconomic fluctuations and the transmission of policy. My work combines theory with data, structural models, micro and panel datasets, and causal inference to understand how information, incentives, and institutions influence inflation, capital flows, and financial stability.

My job market paper, "Equity Flows in Uncertain Times: The Role of Heterogeneous Information", studies how information asymmetries shape international equity movements during episodes of global uncertainty. The paper addresses a central question in international finance: why do investors systematically retrench toward their home country and the United States when global risk rises? We propose a novel mechanism based on heterogeneity in information across countries and show that differences in investors' learning technologies can rationalize these patterns. We develop a tractable model of portfolio choice and endogenous information acquisition in which investors face heterogeneous costs of learning about domestic and foreign assets. When global uncertainty increases, these asymmetries widen, domestic investors deepen their informational advantage in standard countries, while transparent economies such as the United States act as "information havens" attracting global capital. The model replicates the main facts of the global financial cycle and delivers new predictions linking uncertainty to relative forecast accuracy and to both aggregate and bilateral equity flows. Empirically, we combine international equity flow data with micro-level forecast data from Consensus Economics to test these mechanisms. We show that domestic forecasters predict their own country's macroeconomic outcomes more accurately than foreign institutions, and that this informational advantage amplifies during periods of high global uncertainty. Crucially, countries where the domestic information advantage is stronger experience larger foreign retrenchment in equity inflows, while countries identified as information havens, most notably the United States, attract capital in uncertain times. Using bilateral flow data, we further document that investors reallocate equity toward destinations where they hold a comparative informational advantage, providing direct evidence for the information channel at the heart

of the model. Together, the theory and evidence establish that information heterogeneity is a key driver of the global financial cycle. By linking forecast accuracy to international capital movements, the paper uncovers a novel micro-foundation for retrenchment, home bias, and the asymmetric role of the United States as a global information haven.

A second strand of my research studies how financial incentives shape firm behavior and aggregate outcomes. In "Customer Capital and the Aggregate Effects of Short-Termism" (with Marco Errico and Luigi Pollio, under journal revision), we examine how the pressure to meet analysts' earnings forecasts affects firms' pricing decisions and consumer welfare. Using Compustat and IBES data, we show that firms that narrowly meet analysts' forecasts increase markups by about 1.3 percentage points relative to those that narrowly miss and report lower customer sentiment thereafter. We build a dynamic general equilibrium model with heterogeneous firms and endogenous customer accumulation, where short-term incentives arise endogenously as an optimal response to managerial agency conflicts. Quantitatively, short-termism raises firm markups by 20 basis points and profits by 1.2 percent. Despite higher prices, consumption and welfare increase slightly because income effects outweigh the costs of reduced competition. This paper links corporate governance and pricing behavior to macroeconomic outcomes, revealing that financial discipline can have aggregate consequences comparable in magnitude to standard business cycle fluctuations.

In "The Propagation of Environmental Risk Through Production Networks" (with Elisa Luciano), we study how environmental and climate transition risks spread through production networks and influence firms' borrowing costs. I began this project in Fall 2024, when I started my postdoctoral fellowship at the University of Turin, where I joined Elisa Luciano's research group. The project builds on my growing interest in the interaction between environmental risk, financial structure, and macroeconomic stability. We develop a general equilibrium model in which shocks to "brown" industries propagate through supply chains, affecting even firms with little direct environmental exposure. Using U.S. firm-level data matched with emissions and input-output linkages, we find that lenders price not only firms' direct exposure to environmental risk but also their indirect, upstream exposure, particularly after the Paris Agreement. These findings reveal that production networks are a crucial channel amplifying and transmitting environmental shocks across the economy. Beyond its financial relevance, this work has important implications for monetary policy and central banks. Since environmental risks affect the value of firms' collateral, liquidity-providing operations by central banks that accept corporate securities as collateral can inadvertently favor "brown"

firms if collateral requirements do not reflect transition risk. Our framework helps quantify how differentiating collateral haircuts or liquidity access between green and brown firms could affect the transmission of monetary policy and the financing conditions of the corporate sector. Going forward, I plan to deepen this line of research by combining firm-level network data with models of financial intermediation to better understand how environmental shocks interact with credit allocation, collateral policy, and the effectiveness of monetary interventions.

In my joint work with Mathias Klein, "Market Structure and the Pass-Through of Import Price Shocks", I study how firm heterogeneity and market structure shape inflation dynamics. This project originated while I was a Fellow at Sveriges Riksbank in the Fall of 2023, where I began collaborating with Mathias. Using detailed monthly data from Swedish firms, we construct a network-adjusted measure of effective import prices capturing both direct and indirect exposure to international cost shocks. We find that pass-through is substantial and gradual, approaching full transmission within a year, and follows an inverted U-shape with respect to market share. Firms with intermediate market power exhibit the strongest pass-through, consistent with strategic complementarities in pricing. These results show how firm granularity and network structure jointly determine the propagation of shocks, with implications for inflation forecasting and the design of stabilization policy.

Two ongoing projects extend my work toward the intersection of monetary policy and financial stability. In "Bank Risk-Taking under Secular Stagnation" (with J. Christina Wang), we study how a prolonged period of low and stable interest rates shaped banks' maturity and liquidity risk exposures, contributing to the 2023 U.S. regional banking turmoil. Using an overlapping-generations framework, we show how the secular decline in interest rates and post-crisis regulation, focused primarily on credit rather than interest rate risk, induced banks to hold long-term, fixed-rate assets financed by uninsured deposits. The model quantifies the macroeconomic consequences of this behavior and evaluates alternative policy responses, including liquidity facilities and capital regulation.

Finally, in "Central Banks and the Wage-Price Spiral Conflict" (with Michele Boldrin), we examine the interaction between fiscal, monetary, and private-sector frictions in driving persistent inflation. We model how misperceptions of aggregate shocks and competing claims over income shares between workers, firms, and the government can generate self-reinforcing wage-price dynamics. The analysis highlights that the effectiveness of monetary policy depends on the balance sheet interlinkages between central banks, commercial banks, and fiscal authorities. This project connects inflation dynamics with the institutional constraints

faced by modern monetary policy.

In the near term, I plan to deepen these research lines by studying the joint role of information frictions, network linkages, and policy institutions in shaping macroeconomic outcomes. Over the long run, my goal is to develop empirically disciplined, policy-relevant models that illuminate how information, incentives, and expectations interact to drive global economic dynamics. I aim to contribute to a better understanding of how financial systems, firms, and central banks jointly determine stability, inequality, and inflation in an interconnected world.