

JONATHAN ADAMS
adamsjonathan@ufl.edu
www.jonathanjadams.com

Professional Affiliation

University of Florida, Department of
Economics: Assistant Professor

Office Contact Information

333 Matherly Hall
1405 W. University Avenue
Gainesville, FL 32611
Office phone: 352-392-8319

Undergraduate Studies:

B.A., Economics, University of Michigan, 2009

Graduate Studies:

The University of Chicago, Fall 2010 to Spring 2016
Ph.D. in Economics
Thesis Title: “*Transitions in Long Run Economic Growth*”

Thesis Committee:

Professor Brent Neiman
Univ. of Chicago Booth School of Business
Brent.Neiman@chicagobooth.edu

Professor Loukas Karabarounis
Univ. of Chicago Booth School of Business
Loukas.Karabarounis@chicagobooth.edu

Professor Robert Lucas
Univ. of Chicago
relucas@uchicago.edu

Professor Harald Uhlig
Univ. of Chicago
huhlig@uchicago.edu

Teaching and Research Fields:

Growth, Macroeconomics, Inequality

Teaching Experience:

Spring 2017	Macroeconomic Theory (PhD Core)
Fall 2016	Economic Growth
Spring 2013	International Trade and Growth (PhD Field), Teaching Assistant for Professor Robert Lucas
Spring 2013	Elements of Economic Analysis III (Undergraduate Intro to Macro.), Teaching Assistant for Chanont Banternghansa
Fall, 2012	Applied Macroeconomics I (PhD Field), Teaching Assistant for Professors Erik Hurst and Steve Davis

Spring, 2012 Empirical Analysis III (PhD Core), Teaching Assistant for Professors Derek Neal and Ali Hortacsu

Research Experience and Other Employment:

2009-2010 Brookings Institution, Research Assistant

2008-2009 Office of Tax Policy Research, University of Michigan, Research Assistant

Honors, Scholarships, and Fellowships:

2015-2016 Theodore W. and Esther Shultz Fellowship

2013-2015 Social Sciences Fellowship

2011-2012 Rosen Memorial Fellowship

2011 Lee Prize for best Price Theory Core

Professional Activities:

Conference Presentations: *RES 2017, Midwest Macro 2016, SED 2014*

Referee for: *Journal of Political Economy, Journal of Economic Theory*

Working Papers:

“*Urbanization, Long-Run Growth, and the Demographic Transition*” (Job Market Paper)

Advanced economies undergo three transitions during their development: 1. They transition from a rural to an urban economy. 2. They transition from low income growth to high income growth. 3. Their demographics transition from initially high fertility and mortality rates to low modern levels. The timings of these transitions are correlated in the historical development of most advanced economies. I unify complementary theories of the transitions into a nonlinear model of endogenous long run economic and demographic change. The model reproduces the timing and magnitude of the transitions. Because the model captures the interactions between all three transitions, it is able to explain three additional empirical patterns: a declining urban-rural wage gap, a declining rural-urban family size ratio, and most surprisingly, that early urbanization slows development. This third prediction distinguishes the model from other theories of long-run growth, so I test and confirm it in cross-country data.

“*The Rise and Fall of Armies*”

For a thousand years, income growth was associated with a rising military employment share. But this share peaked in the early 20th century, after which military employment shares fell with income growth. I argue that rising military shares were driven by structural change out of agriculture, and the recent declines are driven by substitution from soldiers towards military goods. I document evidence for this substitution effect: as countries' incomes rise, the ratio of their military expenditure share to their military employment share rises too. I introduce a game theoretic model of growth and warfare that reproduces the time series patterns of military expenditure and employment. The model also correctly predicts the cross-sectional pattern, that military

employment and expenditure shares are decreasing in income during wars. Finally, I show that faster economic growth can reduce military expenditure in the long run.

“Resolving International Macro Puzzles with Imperfect Risk Sharing and Global Solution Methods”
(Joint with Philip Barrett)

We demonstrate that a simple asset market restriction is sufficient to resolve the Backus-Smith puzzle, that relative consumption and real exchange rates are negatively correlated. We argue that prior attempts to use incomplete asset markets to resolve the puzzle employed over-simplified asset structures or other assumptions so that the models could be solved with perturbation methods. We introduce a simple international macro model to show that if a portfolio choice includes foreign and domestic non-contingent bonds, then the portfolio optimality conditions imply that the Backus-Smith puzzle will hold for a large set of reasonable calibrations. We show how standard perturbation methods are poorly suited to accurately solve our model, so we employ a novel global solution method that generalizes the approach of Maliar and Maliar (2015) to solve a wide class of models. We make three further contributions: the model generates home bias of bond holdings; it produces failure of uncovered interest rate parity; and we illustrate that global solution methods quickly and accurately solve models where local perturbation methods fail.

“Labor Shares and Income Inequality” (Joint with Loukas Karabarbounis and Brent Neiman)

The share of aggregate income paid as compensation to labor is frequently used as a proxy for income inequality. If capital holdings are very concentrated among high income individuals, increasing their share of GDP, all else equal, widens the gap with poorer workers. Indeed, two striking features over the last three decades of many advanced and developing economies are the declining labor shares in income and the rise in income inequality. The relationship between factor shares and inequality, however, is not so simple in a richer world with realistic features such as endogenous portfolio decisions and capital-skill complementarity. In such a world, total inequality will change with (i) the labor share, (ii) the amount of within-labor and within-capital income inequality, and (iii) the degree to which the highest wage earners are also those earning the highest capital incomes. Macroeconomic trends and shocks that impact any one of these three moments are likely to impact simultaneously all of them. We develop a framework where all these terms are jointly determined and estimate the model to clarify the roles of changing technology, policies, and factor proportions on labor shares and total income inequality around the globe.