

# Nicholas Trachter

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<b>EDUCATION</b>	Ph.D. Economics, University of Chicago (Expected) 2010 M.A. Economics, University of Chicago 2007 M.A. Economics, Universidad Torcuato Di Tella, Buenos Aires, Argentina 2004 B.A. Economics, Universidad Torcuato Di Tella, Buenos Aires, Argentina 2003
<b>FIELDS</b>	Primary: Macroeconomics / Money and Banking Secondary: Labor / Human Capital, Finance / Financial Economics, Industrial Organization / Theory of the Firm
<b>JOB MARKET PAPER</b>	<b>“Ladders in Post-Secondary Education Academic 2-year colleges as a stepping stone”</b> 2009  An important number of high-school graduates start their post-secondary educational careers at academic 2-year colleges (“A2Cs”) even though returns to graduation are negligible. However, the returns to transferring to 4-year colleges (“4Cs”) are large: A2Cs act as a <i>stepping stone</i> in which agents learn about themselves in a cheaper and less demanding environment than 4Cs. This paper presents a model of educational choice that incorporates A2Cs together with 4Cs and work. Agents are initially uncertain about their innate ability to accumulate human capital. Pessimistic agents join the workforce, optimistic agents enroll in 4Cs and those in the middle enroll in A2Cs. Exams govern the accumulation of credits and provide information that update beliefs, inducing dropouts and transfers. The model is consistent with facts that are documented for two different data sets: (1) among those initially enrolled in A2Cs, more able agents are less likely to graduate, more likely to transfer, and less likely to dropout; (2) among those initially enrolled in 4Cs, more able agents are more likely to graduate and less likely to dropout or transfer; (3) there is a higher concentration of high ability students among transferees. A decomposition of returns shows that the dropout and transfer options account for 90% of the full return to enrolling in an A2Cs while the dropout option explains 70% of the full return to enrolling in 4Cs. A2Cs are found to be close substitutes for 4Cs and thus the welfare effect of the availability of academic A2Cs is limited and is primarily driven by a slight increase in participation. The model is also able to reconcile low enrollment and graduation rates with high returns at 4Cs. The low graduation rate results from the interaction of learning and option value while the low enrollment and wedge in returns are explained by A2Cs.
<b>WORKING PAPERS</b>	“College Enrollment, Dropouts and Option Value of Education”, (with Ali Ozdagli) 2008 “The Equity Premium Puzzle in a Markov Regime Switching Model with Rare Disasters” 2007
<b>RESEARCH IN PROGRESS</b>	“Unique Dynamics of Money as a Medium of Exchange” (with Ezra Oberfield) 2009 “Learning and Occupational Transitions” (with Aspen Gorry) 2009
<b>TEACHING EXPERIENCE</b>	TA, Theory of Income I (graduate), Fernando Alvarez, University of Chicago 2008 TA, Theory of Income I (graduate), Fernando Alvarez, University of Chicago 2007 TA, Industrial Organization I (graduate), Jeremy Fox, University of Chicago 2007 TA, Macroeconomics II & III (MA in Economics), Universidad Torcuato Di Tella 2004 TA, various courses (undergraduate, MBA, MA in Economics), Universidad Torcuato Di Tella 2003-2004
<b>PRESENTATIONS</b>	Money and Banking Workshop, University of Chicago 2009 Federal Reserve Bank-Chicago 2009 Applications of Economics Workshop, University of Chicago 2009 Capital Theory Working Group, University of Chicago 2008-2009 Economic Dynamics Working Group, University of Chicago 2006-2009 Life Cycle Dynamics and Labor Economics Working Group, University of Chicago 2009 Society for Economic Dynamics Annual Meeting, Cambridge, MA 2008 Latin American Meeting of the Econometric Society, Rio de Janeiro, Brazil 2008 Option Values Working Group, University of Chicago 2008 Universidad Torcuato Di Tella, Buenos Aires, Argentina 2007-2008
<b>AWARDS &amp; FELLOWSHIPS</b>	Henry Morgenthau Jr. Memorial Fund Dissertation Fellowship, University of Chicago 2009-2010 Century Fellowship, Department of Economics, University of Chicago 2005-2009 Full Scholarship, Universidad Torcuato Di Tella 1999-2002
<b>SKILLS</b>	Computing: Matlab, Stata, LaTeX Languages: English (fluent), Spanish (native)
<b>REFERENCES</b>	Fernando Alvarez (chair) (773) 702-4412 f-alvarez1@uchicago.edu Derek Neal (773) 702-8166 d-neal@uchicago.edu Robert Shimer (773) 702-9015 shimer@uchicago.edu