

Julia Fonseca

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APPOINTMENT **Assistant Professor of Finance** *2019-*
University of Illinois at Urbana-Champaign

EDUCATION **Ph.D. in Economics** 2019
Princeton University

M.A. Economics 2015
Princeton University

M.Sc. Economics 2012
Graduate School of Economics, Getulio Vargas Foundation (EPGE-FGV)

B.A. Economics 2010
Federal University of Rio de Janeiro (UFRJ)

WORKING PAPERS “Financial Development, Labor Markets, and Aggregate Productivity: Evidence from Brazil”, with Bernardus Van Doornik

We estimate the effect of an increase in the availability of bank credit on the employment and the earnings of high- and low-skilled workers. To do so, we consider a bankruptcy reform that increased the legal protections of secured creditors, leading to an expansion in bank credit to Brazilian firms. We use detailed administrative data and an empirical strategy that compares changes in outcomes for financially-constrained firms, which were affected by the bankruptcy reform, with unconstrained firms, which were largely unaffected by the reform. Following the bankruptcy reform and subsequent expansion in credit, constrained firms increased employment, especially of high-skilled workers. We also observe an increase in earnings, with gains concentrated on skilled workers and on workers who were employed at constrained firms prior to the reform. To rationalize these findings, we design a model in which heterogeneous producers face constraints in their ability to borrow and have production functions featuring capital-skill complementarity. Using this framework, we estimate that the reallocation of resources induced by the bankruptcy reform accounts for 36 percent of the observed increase in aggregate productivity in Brazil during the 2000’s.

“Credit Access and Financial Health: Evaluating the Impact of Debt Collection”, with Katherine Strair and Basit Zafar

Despite the prevalence of debt collection and the intense regulatory activity surrounding this industry, little is known about how these practices impact consumers. This paper conducts an empirical analysis of the effect of debt collection on consumer credit and on indicators of financial health, employing individual credit record data and a difference-in-differences research design that compares outcomes of consumers in states that increased the restrictiveness of legislation with those of consumers in the remaining states. We find consistent evidence that restricting collection activities leads to a decrease in access to credit and to a deterioration in indicators of financial health. Moreover, our estimated treatment varies consider-

ably with the borrower's age and baseline credit score, with effects concentrated primarily among borrowers with the lowest credit scores.

"Modern Frameworks for Quantitative Economics," with Victor Duarte, Diogo Duarte and Alexis Montecinos
Conditionally accepted, Journal of Economic Dynamics and Control

We investigate the performance of machine learning software and hardware for quantitative economics. We show that the use of modern numerical frameworks can significantly reduce computational time in compute-intensive tasks. Using the Least Squares Monte Carlo option pricing algorithm as a benchmark, we show that specialized hardware and software speeds the calculations by up to two orders of magnitude when compared to programs written in popular high-level programming languages, such as Julia and Matlab.

WORKS IN PROGRESS

"Firm Leverage and the Transmission of Consumer Demand Shocks", with Victor Duarte and Dejanir Silva

"Predicting Exchange Rates with Deep Learning," with Victor Duarte and Adrien Verdelhan

"Consumption and Portfolio Choice with Many Assets and Realistic Dynamics," with Victor Duarte and Jonathan Parker

PRESENTATIONS AND SEMINARS 2019

Duke Fuqua School of Business, Columbia Business School, Kellogg School of Management, Stanford Graduate School of Business, UCLA Anderson School of Management, Southern Methodist University, Federal Reserve Bank of Dallas, Rice Jones Graduate School of Business, Harvard Business School, Imperial College London, London Business School, UT Austin McCombs School of Business, Booth School of Business, Johns Hopkins Carey Business School, Dartmouth Tuck School of Business, UIUC Gies College of Business, NYU Stern Conference on Household Finance

FELLOWSHIPS, GRANTS, AND AWARDS

Macro Financial Modeling Fellowship, Becker Friedman Institute	2018
NBER Household Finance Working Group Grant	2017
Julis-Rabinowitz Center for Public Policy and Finance Travel Grant	2017
Charlotte Elizabeth Procter Fellowship, Princeton University	2017 - 2018
American Finance Association Doctoral Student Travel Grant	2017
American Economic Association CSWEP Fellowship	2016