

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. in Economics 2015
Princeton University

M.A. in Economics 2013
Graduate School of Economics, Getulio Vargas Foundation (EPGE-FGV)

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

**PUBLISHED OR
ACCEPTED
PAPERS** “Financial Development and Labor Markets: Evidence from Brazil”, with Bernardus Van Doornik
Forthcoming, Journal of Financial Economics

We estimate the effect of an increase in the availability of bank credit on the employment and the wages of high- and low-skilled workers. To do so, we consider a bankruptcy reform that increased the legal protections of secured creditors, which led to an expansion of bank credit to Brazilian firms. We use detailed administrative data and an empirical strategy that exploits cross-sectional variation in the enforcement of the new legislation arising from differences in the congestion of civil courts. We find that the expansion in credit led to an increase in the skill intensity of firms and in within-firm returns to skill. 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. We use this framework to generate an industry-level measure of capital-skill complementarity, which we use to provide direct evidence that the effect of access to credit on skill utilization and the skill premium is driven by a relative complementarity between capital and labor.

“Benchmarking Machine-Learning Software and Hardware for Quantitative Economics,” with Victor Duarte, Diogo Duarte and Alexis Montecinos
Journal of Economic Dynamics and Control, 2020

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.

WORKING PAPERS

“Credit Access and Financial Health: Evaluating the Impact of Debt Collection”
Revise and Resubmit, Journal of Finance

Despite the prevalence of debt collection and the intense regulatory activity surrounding this industry, evidence on the causal impact of these practices on consumers is scarce. This paper conducts an empirical analysis of the effect of debt collection on traditional and alternative consumer credit and on indicators of financial health. I use individual credit record data and a research design that compares outcomes of consumers in states that restrict collection practices with those of consumers in counties that share a border but are located in a different state. I find that restricting collection activities leads to lower credit balances and limits, higher balances past due, and lower credit scores. Moreover, I find that payday borrowing increases once access to traditional credit declines, providing new evidence on the substitutability between traditional and alternative sources of credit.

WORKS IN PROGRESS

“Simple Allocation Rules and Optimal Portfolio Choice Over the Lifecycle,” with Victor Duarte, Aaron Goodman, and Jonathan Parker

“The Real Effects of Banking the Poor: Evidence from Brazil,” with Adrien Matray

“Labor Misallocation Between the Private and Public Sectors: Evidence from Public Pension Reform in Brazil,” with Adrien Matray

PRESENTATIONS AND SEMINARS**2021**

Wharton, Brazilian Econometric Society Seminar Series, University of São Paulo, Insper, NBER Summer Institute (scheduled), MSUFCU Conference on Financial Institutions and Investments (scheduled), University of Pittsburgh (scheduled)

2020

American Finance Association

Canceled due to COVID-19: UNC Round Table for Junior Faculty, Maryland Junior Finance Conference

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, Northern Finance Association Annual Conference, WAPFIN at NYU Stern

TEACHING

Advanced Corporate Finance (Undergraduate)

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

**PROFESSIONAL
ACTIVITIES**

Conference program committees: European Finance Association; Brazilian Econometric Society

Referee: Economic Journal; Journal of Finance; Journal of Financial Economics; Review of Financial Studies