

## Fabian Eckert

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**Citizenship:** German, F1-Visa

**Fields of Concentration:**

Primary Field(s): International Trade, Macroeconomics  
Secondary Field(s): Urban Economics

**Desired Teaching:**

International Trade, Spatial Economics, Macroeconomics

**Comprehensive Examinations Completed:**

2015 (Oral): Macroeconomics (with Distinction), International Trade  
2014 (Written): Macroeconomics, Microeconomics

**Dissertation Title:** *Essays in Economic Geography and Inequality*

**Committee:**

Professor Costas Arkolakis  
Professor Giuseppe Moscarini  
Professor Samuel Kortum  
Professor Michael Peters

**Expected Completion Date:** May 2019

**Degrees:**

Ph.D., Economics, Yale University, 2019 (expected)  
M.Phil., Economics, Yale University, 2016  
M.A., Economics, Yale University, 2016  
BSc, Economics, University College London, 2013

**Fellowships, Honors and Awards:**

UAE Student Best Paper Runner Up (“Return to Big City Experience”), 2018

University Dissertation Fellowship, Yale University 2018  
Raymond Powell Prize for Outstanding Graduate Teaching, 2017  
Samuel K. Bushnell Fellow, Yale University 2017  
Carl Arvid Anderson Prize Fellowship in Economics (\$15k), Yale University, 2015  
John Y. Campbell Fellowship, 2014-2016  
Yale University Doctoral Fellowship, 2013-2018  
University College London, Dean's List Award (top 5% of cohort), 2013  
German National Scholarship Foundation, 2011-2016  
Bavarian Government Max Weber Scholarship (declined), 2010  
German Physical Society (Outstanding Baccalaureate in Physics), 2010

**Research Grants:**

MacMillan Center International Dissertation Research Grant (\$16k), Yale University, 2017  
Cowles Foundation Research Grant for Work in Denmark (\$2k), Yale University, 2017

**Teaching Experience (at Yale University):**

Teaching Fellow:

Economics PhD Math Camp, Prof. Truman Bewley, 2014  
Intermediate Macroeconomics, Prof. Michael Peters, 2015  
Intermediate Macroeconomics, Prof. Tony Smith, 2016  
Graduate Macroeconomics, Prof. Giuseppe Moscarini, 2017  
Herbert Scarf Undergraduate Research Program Instructor, 2016

**Research and Work Experience:**

Research Assistant to Prof. Costas Arkolakis, Yale University 2014-2015  
Research Assistant to Prof. Richard Blundell, University College London, 2012  
Research Assistant to Prof. Wendy Carlin, University College London, 2012

**Working Papers:**

“Growing Apart: Tradable Services and the Fragmentation of the American Economy”, November 2018, *Job Market Paper*

“The Return to Big City Experience: Evidence From Danish Refugees” with Mads Hejlesen and Conor Walsh, August 2018

“Saving the American Dream? School Financing Reform to Decrease the Opportunity Gap across US Regions” with Tatjana Kleineberg, November 2018

“Spatial Structural Change” with Michael Peters, February 2018

“Combinatorial Discrete Choice” with Costas Arkolakis, January 2017

“Refining the US Census Bureau’s Published County Business Patterns Data, 1946-2016” with Peter Schott and Natalie Yang, November 2018

“A Consistent County-Level Crosswalk for US Spatial Data since 1790” with Andres Gvartz and Michael Peters, June 2018

**Seminar and Conference Presentations:**

“The Return to Big City Experience”: Aarhus U.

“Spatial Structural Change”: SAET Faro (2017), EEA Geneva (2017), Columbia U. (2016)

“Combinatorial Discrete Choice”: SED Edinburgh (2017)

**Professional Service:**

Referee for *Economic Theory*

Organizer and Founder: Yale Macroeconomics Breakfast

**Data Clearances:**

*Danish Matched Employer-Employee Data (IDA)*

*US Census Bureau Special Sworn Status*

*French CASD Access*

**Languages:**

German (native), English (fluent), French (fluent)

**References:**

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## Dissertation Abstract

### **Growing Apart: Tradable Services and the Fragmentation of the American Economy [Job Market Paper]**

The rise in US economic inequality since the 1980s has a distinct spatial dimension. A few large local labor markets saw substantial wage gains for skilled workers, while other regions seem increasingly decoupled from economic progress. To explain this spatial bias of skilled wage growth, I argue that declining trade frictions for business services initiated a process of regional specialization from which high-skill workers have benefitted in some regions and low-skill workers in others.

To illustrate the mechanism I introduce a simple model of interregional service trade with two regions ("city" and "hinterland") and two sectors ("business services" and "goods"). The city has a comparative advantage in business service production. The business services sector employs high- and the goods sector low-skill workers. Additionally, business services are an intermediate input into goods production. A decline in service trade costs has two direct effects. First, the city increases its business services exports, driving out local business service activity in the hinterland. Second, the goods sector in the hinterland profits from a decline in input costs. These effects combine to raise the skill premium in the city and depress it in the hinterland.

I then extend the framework to assess whether this channel can quantitatively explain the diverging wage growth trends across regions in the US data. I allow for arbitrary input-output linkages, and worker reallocation across many locations, sectors, and occupations. For each decade between 1980 and 2010, I calibrate the model to match detailed spatial data on 741 local labor markets from the US Census, and aggregate intersectoral use relationships from the US input-output tables.

To measure changes in business services trade frictions, I develop an imputation technique that builds on a simple insight: sectoral trade imbalances contain information about the size of trade frictions. Building on this intuition, I combine local payroll data with equations from the structural model to infer regional sectoral output and demand. Their difference yields a measure of regional net sectoral exports. Together with the model-implied gravity equation for interregional trade, these measures of net sectoral exports identify sector-specific distance elasticities of trade. I find that the distance elasticity for business services fell significantly from 1980 to 2010, while it remained roughly constant for the goods-producing sectors.

I then solve a version of the model calibrated to the 1980 data, but with the distance elasticity for services set to its estimated value for 2010. This induces high-skill wage growth in service-exporting regions, and low-skill wage growth in service-importing areas, in line with patterns of comparative advantage revealed by sectoral payroll shares in 1980. The effect is stronger than documented in the data. Re-introducing spatial reallocation of workers raises the ratio of high- to low-skill employment in large urban areas and dampens the increase in the local skill premium to bring the effect quantitatively in line with the one observed in the data.

**Can We Save the American Dream? A Dynamic General Equilibrium Analysis of the Effects of School Financing on Local Opportunities** (with Tatjana Kleineberg)

Neighborhoods in the United States differ substantially in the educational and economic opportunities they offer to children. General equilibrium effects complicate the analysis of policies that equalize school quality across localities: local wages, rents, and school funding respond to parents' residential choices. This paper proposes a dynamic spatial model to evaluate the long-run effects of education policies in spatial equilibrium. The framework incorporates costly migration across labor markets and dynastic human capital formation as a function of childhood location and parental background. Differential labor market access and endogenous and exogenous components of local school quality generate persistent effects of childhood neighborhoods on adult labor market outcomes. We estimate the model parameters on the realistic geography of the US. We show that a counterfactual policy equalizing government school funding across all students would have only moderate effects on intergenerational mobility in general equilibrium. Partial equilibrium analysis is shown to overestimate such effects.

**The Return to Big City Experience** (with Mads Hejlesen and Conor Walsh)

In this paper, we provide evidence for higher returns to experience in big cities. We exploit a government policy of quasi-random settlement of political refugees in Denmark between 1986 and 1998, which generated plausibly exogenous variation in workers' initial local labor market. Detailed matched employer-employee datasets allow us to track workers' location and labor market experience, including their employers. We show that the slope of a refugee's lifetime wage path depends strongly and positively on initial placement in the country's capital, Copenhagen. Conditional on observables, settled refugees initially earn similar hourly wages across regions, but those placed in Copenhagen see their wages grow 0.81% faster than others with each year of experience they accumulate. We further show that this premium is driven by the greater acquisition of experience at high-wage establishments and by differential sorting across occupations. Estimating a statistical spatial model of earnings dynamics reveals that sorting on unobserved ability within cities plays an important role in explaining observed patterns.

**Spatial Structural Change** (with Michael Peters)

The US agricultural employment share fell from 40% to 3% over the last century. In this paper, we study the spatial implications of this process. We propose a new dynamic theory that embeds non-homothetic preferences into a spatial model to jointly analyze the sectoral and regional reallocation of workers between 1880 and 2000. Contrary to the conventional view, we find that the spatial reallocation of workers across counties accounts for almost none of the aggregate decline in agricultural employment. In particular, cross-county population flows, while large in the aggregate, were only weakly correlated with agricultural specialization. Labor mobility had important macroeconomic implications nevertheless. With prohibitive migration frictions, income per capita would have been 15% lower and spatial welfare inequality substantially higher. This effect on inequality would be especially pronounced among low-skilled agricultural workers, who were particularly exposed to the structural transformation.