Nicole Emily Gorton

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EDUCATION

Ph.D. Economics	University of California, Los Angeles, 2018-2023 (expected)
M.A. Economics	University of California, Los Angeles, 2018-2020
B.A. Economics (with honors)	University of Chicago, 2012-2016

FIELDS

Primary field: Spatial Economics and International Trade
Secondary field: Applied Microeconomics

JOB MARKET PAPER

"Trade Costs, Supply Chains, and the Decline of the Heartland"

This paper studies how changes in domestic trade costs can cause regions to decline. The agriculture-intensive states of the American Midwest (the "heartland") lost population relative to the rest of the country over the postwar period. I document that the price of shipping agricultural relative to manufactured goods fell considerably over this same period. To show how these two facts may be linked, I outline a simple version of a trade model and derive comparative statics of the price, production, and population effects of a decline in agricultural shipping costs. The model highlights how the input-output structure of the economy contributes to these population effects. I validate the model's predictions by studying how a 1963 Supreme Court ruling that sharply reduced the cost of shipping wheat versus flour affected the flour milling industry. Finally, I calibrate a multi-sector, multi-location version of the model to the U.S. in 1950 and find that observed declines in agricultural trade costs can explain nearly 10% of the postwar population decline in the heartland.

WORKS IN PROGRESS

"Political Economy of Transport Investments: Evidence from California High Speed Rail"
with Pablo Fajgelbaum, Cecile Gaubert, Eduardo Morales, and Edouard Schaal

Transport networks are among the largest investments undertaken by federal and local governments. What determines the projects that get implemented? We study how transport users' political preferences and policymakers' preferences for redistribution and popular approval determined the implementation of California's High-Speed Rail. We combine detailed spatial data on votes for the project with a quantitative spatial model that captures its expected benefits. We first estimate the weight of economic and political components in transport users' preferences and then use an optimal rail design problem to estimate the preferences of policymakers as revealed by the observed network design. We find that votes are quite responsive to the expected real-income benefits of the high-speed rail, and that these benefits alone explain about 10% of the aggregate vote. However, differences in support across space are almost entirely explained by political preferences rather than expected benefits. The planner attached high value to low-income locations and to winning votes beyond what was needed for approval of the project. Had redistribution and voter approval not been taken into consideration, the optimal rail network would have generated 3 percentage point larger expected

real income benefits and would have still been approved.

WORKING PAPERS
"Trade Networks in Latin America: Spatial Inefficiencies and Optimal Expansions" (link)
with Elena Ianchovichina

How do trade connectivity issues affect the efficient spatial distribution of economic activity within and across countries in Latin America? This paper uses a spatial general equilibrium framework to construct optimal transport networks and optimal expansions to existing networks in most Latin American countries, as well as within MERCOSUR and the Andean Community. The paper assesses the average annual welfare losses due to inefficient domestic road networks in Latin America at 1.7 percent, ranging from 2.5 percent in Brazil to 0.2 percent in El Salvador. Spatial misallocation of transnational road networks is associated with annual welfare losses of 1.8 percent in MERCOSUR and 1.6 percent in the Andean Community. Optimal investments in improvements and expansions of existing networks can correct these inefficiencies and reduce spatial inequality within countries. These investments correlate relatively well with World Bank road projects as both the model and the World Bank prioritize investments in high population areas. Transnational road improvements benefit the most the least developed country in each trade bloc. The results are robust to changes in data sources and model assumptions.

"Credit Access and Mobility During the Flint Water Crisis" (link)
with Maxim Pinkovskiy

How do credit-constrained communities cope with the financial consequences of environmental crises? Beginning in April 2014, the residents of Flint, Michigan, were exposed to lead-contaminated water resulting from a series of governmental missteps. In this paper, we use the spatial distribution of lead and galvanized pipes in Flint to study the effect of the crisis on households' financial health, including loan balances, repayment of outstanding debt, and Equifax Risk Scores, as well as on household mobility. We find that relatively more affected households, as measured by exposure to lead pipes, experienced a modest increase in the balance and frequency of past due loans. Equifax Risk Scores declined slightly on average, but more so at the bottom of the Risk Score distribution. In addition, we find that there was no effect on mobility out of the state or county, but that more affected households were more likely to move within the city when the crisis began, away from lead-pipe-dense areas.

SELECTED OTHER PUBLICATIONS
"Why New York City Subway Delays Don't Affect All Riders Equally", *New York Fed Liberty Street Economics Blog,* with Maxim Pinkovskiy (link)

"Diplomas to Doorsteps: Education, Student Debt, and Homeownership", *New York Fed Liberty Street Economics Blog,* with Rajashri Chakrabarti and Wilbert van der Klaauw (link)

"How Is Online Shopping Affecting Retail Employment?", *New York Fed Liberty Street Economics Blog,* with Jason Bram (link)

EMPLOYMENT
World Bank, Short Term Consultant, 2020-2021
        Chief Economist Office of Latin America and the Caribbean

UCLA, Teaching Assistant, 2020-2021
        Data Science for Economists, Spring 2021
        Introduction to Economics, Winter 2021
        Public Finance, Fall 2020

UCLA, Research Assistant, 2018-2020

Professor Pablo Fajgelbaum, 2019-2020
Professor Jonathan Vogel, 2018-2020

Federal Reserve Bank of New York, Senior Research Analyst, 2016-2018
Microeconomics Research Function

J.P. Morgan, Summer Intern, Summer 2015
Public Finance Investment Banking

PRESENTATIONS
NBER/DOT Economics of Transportation in the 21st Century, October 2022; Surface Transportation Board, June 2022; UCLA, 2020, 2021, 2022; Dartmouth College, September 2021; World Bank, June 2021

HONORS, FELLOWSHIPS AND AWARDS
NBER/DOT Economics of Transportation in the 21st Century, 2021-2022
Dartmouth College International Trade Fellowship, Fall 2021
UCLA Best Proseminar in International Trade Award, 2020-2021
UCLA Graduate Research Mentorship Program Award, 2019-2020
UCLA Department of Economics Teaching Assistant Award, Fall 2020
UCLA Graduate Dean Scholar, 2018-2019

COMPUTER SKILLS
Proficient in: R, Stata, Python, Matlab   Working knowledge of: ArcGIS

SERVICE

Women in Economics at UCLA, co-founder

REFERENCES

Jonathan Vogel (main advisor)   Pablo Fajgelbaum
Department of Economics   Department of Economics
UCLA   UCLA
jvogel@econ.ucla.edu   pfajgelbaum@gmail.com

Ariel Burstein   Michela Giorcelli
Department of Economics   Department of Economics
UCLA   UCLA
arielb@econ.ucla.edu   mgiorcelli@econ.ucla.edu

OTHER

English (native); U.S. Citizen; Special Sworn Status, U.S. Census Bureau