

Vincent Mastantuno

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RESEARCH INTERESTS

Macroeconomics, Microeconomic Theory, Industrial Organization, Economic Growth and Innovation

EDUCATION

Bachelor of Science,
Major: Economics, Minor: Real Estate
SUFFOLK UNIVERSITY, Boston, MA
Summa Cum Laude, Honors College

September 2015 - May 2019

Doctorate of Philosophy, Economics
UNIVERSITY OF COLORADO BOULDER, Boulder, CO
GPA: 3.82
Advisor: Professor Miles Kimball
Master of Arts in Economics Awarded May 2021

August 2019 - May 2025 (Expected)

JOB MARKET PAPER

Measuring Markups: Revisiting the Cost Accounting Approach

Abstract:

Among the ways to measure market power, special attention has always been given to the wedge between marginal cost and price: the markup. This paper investigates the validity of firm-level markup estimation techniques, focusing on the cost accounting (CA) approach—a straightforward, transparent, and data-thrifty alternative that, despite its origins in early industrial organization literature, has seen little modern application. While the production function (PF) approach has quickly become the workhorse method in macroeconomic applications, several high-profile criticisms have brought its validity into question. My findings show that the rise in U.S. markups is robust to CA, suggesting that the trend is not driven by PF’s biases. In fact, variation in PF estimates is driven almost entirely by variation in its ‘accounting component,’ rather than its ‘production function component,’ which contains all well-known biases. For validation, I develop a novel test based on Dorfman-Steiner’s (1954) advertising equation, concluding that the cost accounting approach has a higher signal-to-noise ratio, while both measures retain some signal of underlying markups. The data-thrifty nature of CA makes it feasible for a broader range of applications. To highlight this, I conclude with several examples that play into CA’s strengths. Collectively, these results suggest that practitioners can confidently implement CA, particularly in contexts where alternative methods are infeasible.

WORKING PAPERS

A Theory of Markups, Quantity Growth, and Variety Growth

Abstract:

How are markups linked to growth and entry rates? This paper demonstrates how an endogenous growth model micro-founded in monopolistic competition can produce rich predictions about the dynamics of productivity growth, entry, and markups driven by the preferences for quantity and variety. With non-homothetic, non-separable preferences markups react to changes in real income and changes in the number of competing firms, while larger markups incentivize entry and divert re-

search effort away from productivity innovation. Equilibrium markups then arise from a no-arbitrage condition between research sectors. A balanced growth path arises whenever the price sensitivity effects of quantity growth and variety growth move in opposite directions, and equilibrium markups are globally stable so long as the quantity effect decreases price sensitivity, and the variety effect increases price sensitivity. This produces predictions consistent with several recent macroeconomic trends, such as declining research productivity, declining growth rates, declining entry rates, and a rise in markups.

Product Quality and Time Opportunity Costs of Consumption

Abstract:

What is 'quality', how does it differ from 'quantity', and why do some consumers buy higher quality goods than others? I show how in the presence of time opportunity cost of consumption, income heterogeneity creates a motive for differentiation in product quality, and breaks the quality-quantity equivalence found in most theories of quality. This distinction leads consumers to make distinct and separate quality and quantity decisions. In such a setting the level of heterogeneity in prices, in qualities, in wealth, and in income all have both micro and macro level effects. The degree of price heterogeneity effects how labor supply reacts to an increase in prices, while inequality and the distribution of product quality have a role in determining labor supply, as well as individual and aggregate welfare. Lastly I introduce and implement a method to estimate the price-quality curve, and measure the wage elasticity of quality across various consumption sectors, which can be used to better make quality adjustments to measures like the consumer price index.

SELECT WORKS IN PROGRESS

Aggregating Local Preferences To Guide Policy (With Daniel Benjamin, Derek Lougee, Ori Heffetz, and Miles Kimball)

General Super Elasticities in Rank Invariant Utility Functions

Free Entry and Sunk Costs Over the Firm Life Cycle

TEACHING EXPERIENCE

Instructor of Record

ECON 3403 International Economics and Policy
ECON 3080 Intermediate Macroeconomic Theory
ECON 2020 Principles of Macroeconomics

UNIVERSITY OF COLORADO

Fall 2021, Spring 2022

Fall 2022, Fall 2023, Fall 2024

Spring 2023

Teaching Assistant

EC-102 Global Macroeconomics

SUFFOLK UNIVERSITY

Fall 2018

Teaching Assistant

ECON 2010 Principles of Microeconomics
ECON 2020 Principles of Macroeconomics

UNIVERSITY OF COLORADO

Fall 2019, Spring 2021

Spring 2019, Fall 2020, Spring 2024

RESEARCH ASSISTANCE EXPERIENCE

Research Intern

Boston, MA
Macroeconomic forecasting

BEACON HILL INSTITUTE

January 2018 - May 2019

Research Assistant

Supervisor: Professor Alison Kelly

SUFFOLK UNIVERSITY

September 2018 - August 2019

Project:

Business Statistics – Communicating with Numbers (2019)

Research Assistant

Supervisor: Professor Alessandro Peri

UNIVERSITY OF COLORADO

May 2020 - September 2021

Projects:

Optimal Social Distancing and the Economics of Uncertain Vaccine Arrival

Asset Prices and Incentives for Climate Policy

Contributed to and debugged various Dynamic CGE models.

Research Assistant

Supervisor: Professor Miles Kimball

UNIVERSITY OF COLORADO

June 2021 - Present

Projects:

Untitled Project in Social Choice

Untitled Project in Life Cycle Finance

Constructed various mathematical proofs.

AWARDS AND SCHOLARSHIPS

Suffolk University Dean's Scholarship

2015 - 2019

Excellence in Honors Award for Outstanding Senior Honors Project

2019

University of Colorado Graduate Fellowship

2019 - Present

Eric D. Bovet Endowed Fellowship

2021 - Present

Stanford Calderwood Student Teaching Award

2023

SEMINAR PRESENTATIONS

2024: CU Graduate Student Brownbag (*Measuring Markups: Revisiting the Cost Accounting Approach*); CU Macro-Brownbag (*Measuring Markups: Revisiting the Cost Accounting Approach*); CU Applied Micro-Brownbag (*Measuring Markups: Revisiting the Cost Accounting Approach*); CU IO-Brownbag (*Measuring Markups: Revisiting the Cost Accounting Approach*)

2023: 18th Annual Economics Graduate Student Conference of Washington University at St. Louis (*A Theory of Markups, Quantity Growth, and Variety Growth*); Fall 2023 Midwest Macroeconomics Meeting (*A Theory of Markups, Quantity Growth, and Variety Growth*); CU Macro-Brownbag (*Measuring Markups: Revisiting the Cost Accounting Approach*)

2022: 17th Annual Economics Graduate Student Conference of Washington University at St. Louis (*Product Quality and Time Opportunity Costs of Consumption*); CU Industrial Organization Brownbag (*Product Quality and Time Opportunity Costs of Consumption*); CU Macro-Brownbag (*A Theory of Markups, Quantity Growth, and Variety Growth*)

2021 CU Macro-Brownbag (*Product Quality and Time Opportunity Costs of Consumption*); CU Graduate Student Brownbag (*Product Quality and Time Opportunity Costs of Consumption*)

COMPUTER SKILLS

Programming Languages: *Matlab*, *R*, and *Stata*.

Skills: Numerical Optimization, Generalized Method of Moments Estimation, Nonlinear Least Squares Estimation, Maximum Likelihood Estimation, Vector Autoregression Modeling.

Misc: *Excel* and \LaTeX

PROFESSIONAL SERVICE

Reviewer: *Journal of Economic Behavior & Organization*

Organizer: *University of Colorado Economics Graduate Student Brownbag*

EXTRA-CURRICULAR ACTIVITIES

Elected *Scholarship Chair*, Suffolk University Sigma Alpha Epsilon Fraternity

Elected *Student Government Senator* Suffolk University Class of 2019

Student Justice, Suffolk University Student Judicial Review Board

Captain, Suffolk University, College Fed Challenge

Founder and Treasurer, Suffolk University Club Lacrosse team

Member, USA Boxing 2020-Present