

# **ALBERTO ORTIZ**

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## **CURRENT POSITION**

Assistant Professor, Department of Economics, Oberlin College

## **EDUCATION**

Ph.D., Economics, Boston University, Boston MA, 2008  
Dissertation Title: *Essays on Structural Macroeconometrics*  
Dissertation Committee: Simon Gilchrist, John R. Harris and Adrien Verdelhan  
M.A., Political Economy, Boston University, Boston, MA, 2005  
B.A., Economics, Centro de Investigación y Docencia Económicas, Mexico, 2002  
Exchange Program, Northwestern University, Evanston, IL, Fall 1999

## **FIELDS OF INTEREST**

Macroeconomics, International Economics, Development Economics

## **TEACHING EXPERIENCE**

Instructor, Market Failure in Financial Markets, Oberlin College, Spring 2009  
Instructor, Money, Banking, and the Financial System, Oberlin College, Fall 2008  
Instructor, Development Economics, Oberlin College, Fall 2008, Spring 2009  
Instructor, Monetary and Banking Institutions, Boston University, Fall 2007 and 2006  
Instructor, Intermediate Macroeconomic Analysis, Boston University, Spring 2007  
Teaching Fellow, International Financial Policy, Kennedy School of Government, Harvard University, Spring 2007 and 2006  
Teaching Assistant, Introductory Macroeconomics, Boston University, Fall 2005, Spring 2003 and Fall 2002  
Teaching Assistant, International Finance, Centro de Investigación y Docencia Económicas, Fall 2001

## **WORK EXPERIENCE**

Consultant, Research Department, Inter-American Development Bank, Summer 2007  
Research Assistant for Professor Ian Sue Wing, Boston University, September 2003 to August 2004  
Macroeconomist with Professor Raul Feliz, Macroeconomic consulting services for Emerging Markets Research departments of BNP-Paribas and Barclays Ltd.  
Macroeconomic analysis for BANCRECER, IXE, Prudential-Apollo, and Aeromexico, January 2000 to July 2002  
Research Internship at Technical Advisory Office, Mexican Presidency, Summer 1996

## **FELLOWSHIPS AND AWARDS**

Fulbright-Garcia Robles Scholarship, September 2002 to August 2005  
Consejo Nacional de Ciencia y Tecnología Scholarship, September 2002 to August 2005  
Promesan Fellowship to study in Northwestern University, Fall 1999  
President Mexican Association of Economics Students, April 1998 to April 1999

**PUBLICATIONS**

- Ortiz, Alberto, Ottonello, Pablo, Sturzenegger, Federico, and Talvi, Ernesto (2009)  
“Monetary and Fiscal Policies in a Sudden Stop: Is Tighter Brighter?” in Dealing with an International Credit Crunch: Policy Responses to Sudden Stops in Latin America, E. Cavallo and A. Izquierdo (eds.) Inter-American Development Bank.
- Ortiz, Alberto and Sturzenegger, Federico (2007) “Estimating South African Reserve Bank’s Policy Reaction Rule”, South African Journal of Economics, 75(4): 659 - 680.
- Martinez, Andre C. and Ortiz, Alberto (2000) “Factores de Competitividad, Situación Nacional y Cadena Productiva de la Industria del Calzado en León, Guanajuato” Economía, Sociedad y Territorio, 2(7): 533-568.

**WORKING PAPERS**

- “Credit Risk and the Macroeconomy: Evidence from an Estimated DSGE Model” with Simon Gilchrist and Egon Zakrajšek June 2009.
- “Credit Market Shocks, Monetary Policy, and Economic Fluctuations” December 2008.
- “The Effects of the 1994 Mexican Financial Crisis on Firms’ Investment Activity” December 2004.

**WORK IN PROGRESS**

- “Measuring the Importance of Financial Frictions in Emerging Market Economies”
- “Fear of floating? Mexican Monetary Policy under Inflation Targeting”
- “International Trade and Business Cycles with Heterogeneous Firms, Capital Accumulation and International Investment Flows”

**LANGUAGES:** Fluent in English and Spanish, basic knowledge of French

**COMPUTER SKILLS:** GAMS, GAUSS, MATLAB, Scientific WorkPlace, Microsoft Office

**OTHER:** Co-founder of Yreta: Mexican Folk Art Association; Racket Sports

**CITIZENSHIP/VISA:** MEXICO/J1-VISA

**REFERENCES**

**Professor Simon Gilchrist**

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Boston University  
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**Professor John R. Harris**

Department of Economics  
Boston University  
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**Professor Federico Sturzenegger**

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Banco Ciudad de Buenos Aires  
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**Assistant Professor Adrien Verdelhan**

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July 2009

## **Credit Market Shocks, Monetary Policy, and Economic Fluctuations**

This paper uses a dynamic stochastic general equilibrium model with credit market imperfections to estimate the role of credit market shocks and monetary policy in U.S. business cycles. The estimated model captures much of the historical narrative regarding the conduct of monetary policy and developments in financial markets that led to episodes of financial excess and distress over the last two decades. The estimation suggests that credit market shocks are an important factor behind economic fluctuations accounting for 15% of the variance in real output since 1985.

## **Monetary and Fiscal Policies in a Sudden Stop: Is Tighter Brighter?** *(with Pablo Ottonello, Federico Sturzenegger, and Ernesto Talvi)*

This paper analyzes the fiscal and monetary policy response and their effects on output in a set of 22 external financial crisis episodes occurred since 1990. We develop exogenous measures of fiscal and monetary policy response and we find evidence that countries that tightened monetary and fiscal policy during these crises experienced larger output contractions than countries that followed a looser policy stance. The conclusion of the analysis is not so much that macro policies should be relaxed upon a crisis, but that countries should prepare themselves by creating the conditions to be able to act countercyclically upon such events. This entails among other things reducing balance sheet mismatches or strengthening fiscal results during expansions.

## **Estimating South African Reserve Bank's Policy Reaction Rule** *(with Federico Sturzenegger)*

This paper estimates an open economy dynamic stochastic general equilibrium model of South Africa to characterize the South African Reserve Bank's (SARB) monetary policy rule. We find that the SARB has a stable monetary policy rule very much in line with those estimated for Australia, Canada, New Zealand, and UK. The distinguishing characteristics of the SARB's rule relative to these other four countries are a somewhat larger weight on output and a very low weight on the exchange rate. Relative to other 20 emerging market economies, the policy reaction function of the SARB appears to be much more stable.

## **The Effects of the 1994 Mexican Financial Crisis on Firms' Investment Activity**

This paper finds evidence of the existence of rigidities in the Mexican credit market, thereby lending support to the important role of firm's internal funds in taking advantage of investment opportunities. Using balance-sheet data on firms listed in the Mexican Stock Market between 1988 and 2002, we find that the importance of internal funds varies according to firms' characteristics and that the 1994 Mexican financial crisis modified firms' access to credit. The modification that a particular firm witnessed was determined by their leverage ratio and export activity. Exchange rate overshooting lead to increased income streams for export oriented firms, thus increasing their credit access. Meanwhile, the net-worth of highly leveraged firms dropped due to the increase in the value of their debt.