

Alvaro Boitier

Contact Information

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Academic Appointments

Fall 2023- Assistant Professor, Department of Economics, Babson College

Education

- 2017-2023** University of California Los Angeles (UCLA) - Ph.D. in Economics
2017-2019 University of California Los Angeles (UCLA) - M.A in Economics
2015-2017 Universidad Torcuato Di Tella (UTDT) - Graduate Program in Economics
2009-2014 Universidad de Buenos Aires - B.A. Economics - *cum laude*

Research Interests

Primary: International Economics, Macroeconomics
Secondary: Finance

Working Papers

Purchase Obligations and Hedging joint with [Brian Pustilnik](#) – *Job Market Paper*

Abstract: Commodity price shocks have negative consequences for developed economies that rely heavily on imported materials. Consequently, firms employ risk-management instruments to reduce their exposure. In this paper we study how the use of supply contracts by firms can shape the transmission of commodity price shocks to aggregate variables. We focus on purchase obligations, which are supply contracts with fixed prices for the delivery of goods in future periods. We rely on a novel dataset to document two empirical findings. First, we find a large exposure reduction to commodity price risk for firms using these contracts; our estimates suggest a reduction of about 10% to 45% compared with non-users. Second, sector output and labor compensation have a smaller negative correlation with commodity prices when firms trade larger contracts. We assess the aggregate quantitative role of these contracts by introducing and calibrating a tractable general equilibrium model. We measure the contribution of purchase obligations to dampening the aggregate transmission of commodity price shocks by constructing a counterfactual in which firms are not allowed to trade these contracts. Our results show that when firms engage in purchase obligations, real consumption has a relative response of 4% less to a 10% commodity price shock.

Hedging and Net Worth: Evidence from Purchase Obligations

Abstract: Manufacturing firms depend on commodity inputs for their production processes, leading them to engage in hedging strategies to mitigate the impact of commodity price fluctuations. In particular, they regularly employ supply contracts featuring fixed prices, also known as purchase obligations in the literature. This paper documents a weak correlation between financial hedging and net worth for publicly traded companies in the manufacturing sector in the United States. These findings remain robust even when accounting for various firm characteristics, including size and commodity exposure. Notably, this empirical evidence challenges contemporary corporate hedging theories that emphasize collateral as a crucial factor influencing hedging decisions.

Work in progress

Devaluations and Inequality joint with Livio Stracca
Globalization, Markups and the Labor Share

Relevant Positions

- Summer 2021** Traineeship in International Macroeconomics and International Finance and Research Assistant for Livio Stracca, European Central Bank
- June - Dec 2019** Research Assistant for Tyler Muir and Lars Lochstoer, UCLA Anderson School of Management
- 2016-2017** Research Assistant for Emilio Espino and David Kohn, UTDT
- 2012-2014** Analyst-Oil & Gas Industry (client: BP) - Accenture, Argentina

Teaching Experience

Fall 2023 **Instructor**, Principles of Macroeconomics (undergraduate), Babson College

2018 - 2023 **Teaching Assistant** (undergraduate), UCLA

- Intermediate Macroeconomics (2018 - 2022)
- Introductory Economics (Winter 2022)
- Microeconomic Theory (Fall 2020)
- Introduction to Econometrics (Summer 2019)

Summer 2021 **Instructor**, Intermediate Macroeconomics (undergraduate), UCLA

Winter 2017 **Instructor**, Intermediate Macroeconomics (undergraduate), UTDT

2015 - 2017 **Teaching Assistant** (graduate), UTDT

- Graduate Microeconomics (Fall 2015 - Fall 2016)
- Graduate Macroeconomics (Winter 2016)
- Graduate Macroeconomics II (Spring 2016)

Fellowships, Honors, and Awards

2017-2022 Graduate Division Fellowship, UCLA

2019 Lewis L. Clarke Graduate Fellowship Fund, Department of Economics, UCLA

2018, 2021 Pauley Fellowship, UCLA

2015-2016 Graduate Scholarship, UTDT

Presentations

2023 Universidad Adolfo Ibañez, ITAM (finance), Babson College

2022 Trans-Atlantic Doctoral Conference (LBS, virtual); Young Economist Symposium (Yale); International Atlantic Economic Society (Washington D.C.); Economics Graduate Student Conference (Washington U.); Inter-Finance PhD Seminar (Online); Midwest Macroeconomics Meetings (SMU); Proseminar in International & Development (UCLA); Proseminar in Monetary and Macroeconomics (UCLA)

2019-2021 Proseminar in International & Development (UCLA); Proseminar in Monetary and Macroeconomics (UCLA)

Other

Citizenship: Argentina, Italy

Programming Languages & Software: MATLAB, STATA, Python (basic) , Julia (basic), R (basic)

Languages: Spanish (native), English (fluent)