

MARCO LOSETO

mloseto@uchicago.edu – <https://mloseto.github.io/> – (773) 431-0864

Placement Directors:	Ufuk Akcigit	uakcigit@uchicago.edu	(773) 702 0433
	Manasi Deshpande	mdeshpande@uchicago.edu	(773) 702-8260
Graduate Administrator:	Kathryn Falzareno	kfalzareno@uchicago.edu	(773) 702-3026

Office Contact Information

University of Chicago, Kenneth C. Griffin Department of Economics
Saieh Hall for Economics
5757 S University Ave
Chicago, IL 60637

Education

University of Chicago , Ph.D. Economics	2024 (<i>expected</i>)
Bocconi University , M.Sc. Economics (<i>summa cum laude</i>)	2017
Bocconi University , B.Sc. Economics (<i>summa cum laude</i>)	2015

References

Professor Lars P. Hansen (Co-Chair) University of Chicago Kenneth C. Griffin Department of Economics, Booth School of Business, and Department of Statistics lhansen@uchicago.edu (773) 702-8170	Professor Ali Hortaçsu (Co-Chair) University of Chicago Kenneth C. Griffin Department of Economics hortacsu@uchicago.edu (773) 702-5841
Professor Scott T. Nelson University of Chicago Booth School of Business Scott.Nelson@chicagobooth.edu (773) 702-7743	

Research and Teaching Fields

Industrial Organization, Financial Economics

Job Market Paper

- **Plan Menus, Retirement Portfolios, and Investors' Welfare**

Abstract: *Employer-sponsored retirement plans are a crucial component of the US savings system. Many of these plans include funds substantially more expensive than comparable alternatives available in the marketplace. To understand why these high-cost investment options are provided in equilibrium and to quantify the effects of alternative plan design policies on investors' welfare, this paper introduces a structural model of plan menu choice and fee competition between funds. The model features a two-layer demand system: plan*

sponsors construct retirement menus, and plan investors form portfolios from the available options. Consistent with the presence of agency frictions, model estimates imply that sponsors are only half as responsive to funds' fees than investors and favor the inclusion of funds affiliated with the plan recordkeeper. In response, funds charge sizable margins to investors. This is especially evident for Target-Date funds (TDFs), whose estimated margins are nearly twice as large as the median of all funds. Because model estimates suggest that a sizable share of investors is inactive, counterfactual policies mandating the inclusion of low-cost default options prove more effective than simply requiring the inclusion of low-cost options like an S&P 500 tracker.

Publications

- **Regulation with Experimentation: Ex Ante Approval, Ex Post Withdrawal and Liability** (with Emeric Henry and Marco Ottaviani), *Management Science*, 2022.

Abstract: We analyze the optimal mix of ex ante experimentation and ex post learning for the dynamic adoption of activities with uncertain payoffs in a two-phase model of information diffusion. In a first preintroduction phase, costly experimentation is undertaken to decide whether to adopt an activity or abandon experimentation. In a second stage following adoption, learning can continue possibly at a different pace while the activity remains in place; the withdrawal option is exercised following the accumulation of sufficiently bad news. We compare from a law and economics perspective the performance of three regulatory frameworks commonly adopted to govern private experimentation and adoption incentives: liability, withdrawal, and authorization regulation. Liability should be preempted to avoid chilling of activities that generate large positive externalities consistent with the preemption doctrine. Liability should be used to discourage excessive experimentation for activities that generate small positive externalities. Authorization regulation should be lenient whenever it is used consistent with the organization of regulation in a number of areas, ranging from product safety to antitrust.

Working Papers

- **Oligopolistic Competition, Fund Proliferation and Asset Prices** (with Federico Mainardi)

Abstract: We develop and estimate a dynamic oligopoly model of the passive mutual fund industry in which multiproduct asset management firms act as fund initiators and decide how many funds to launch in a given investment sector. Both mutual funds and management companies compete a la Cournot and take into account the demand for asset management services from a representative household investor. In the first part of the paper, we provide sufficient conditions for the existence and uniqueness of a steady-state equilibrium in which each management firm operates a constant number of funds and the equilibrium index price is constant. In the second part of the paper, we develop a nested fixed-point algorithm to estimate fund initiation costs separately for the five biggest management companies in the US passive equity industry by matching fund proliferation patterns observed in the data. We find that the top five companies are substantially more efficient and enjoy large scale economies relatively to the rest of the market. In a series of counterfactual exercises, we show that removing the largest management companies from the market would reduce investors' welfare by as much as 25%. Lastly, we characterize analytically the steady-state multiplier of household wealth on the equity index price in terms of the technology primitives of the industry. Our estimates imply that a 1% increase in household wealth increases the valuation of the equity index by 5.5%, consistent with other estimates in the literature.

- **Liquidity Constraints and Demand for Maturity: The Case of Mortgages** (with Alessandro Ferrari)

Abstract: Using administrative data on mortgages issued in Italy between 2018 and 2019, this paper estimates loan demand elasticities to maturity and interest rate. We find that households are responsive to both contract terms: a 1% decrease in interest rate increases the average loan size by 0.22% whereas a commensurable increase in maturity increases loan demand by 0.30%. Things change substantially when moving along the distribution of contract maturities: short term borrowers are unresponsive to their contract length while maturity elasticities are higher for long term borrowers. Through the lens of a life-cycle model with

long-term installment debt we show how to use the estimated maturity elasticity to test for the presence of credit constraints.

• Network Games of Imperfect Competition

Abstract: This paper studies how product differentiation affects substitution patterns and firms' markups in oligopolistic markets where products are differentiated over multiple attributes and consumers have linear-quadratic preferences. Under these assumptions, the cross-price elasticity between any two goods is determined by a weighted inner product of their corresponding vector of attributes. The weight on a given attribute is proportional to how homogeneous that attribute is across all products available in the market. On the supply side, oligopolistic competition in either prices or quantities is framed as a network game in the spirit of Ballester et.al. (2006). Each product identifies a node, and the vector of attributes pins down a product's location in the competitive network. In Bertrand and Cournot games, product differentiation affects equilibrium price-cost margins only through a product's Bonacich centrality. Therefore, a product's centrality summarizes how product differentiation affects the ability of firms to charge positive markups. Using market-level data on the US automobile industry, the second part of the paper shows how to identify and estimate the model parameters. Under the assumption that any unobserved product characteristic enters consumers' utility only through the linear component of preferences, a simple linear IV strategy can be implemented to estimate the demand parameters and recover equilibrium price-cost margins.

Awards, Scholarships, and Grants

Yiran Fan Memorial Prize	2023
Bradley Fellowship	2021-2023
Stevanovich Fellowship	2021-2022
Young economist at the 7th Lindau Meeting on Economic Sciences	2022
Winner of Bank of Italy's public examination for Economist position	2020
Bank of Italy Bonaldo Stringer Scholarship	2018-2020
University of Chicago SSD and Neubauer PhD fellowship	2018-present
University of Wisconsin-Madison International Student Academic Excellence Award	2015

Teaching Experience

Advanced Industrial Organization II (graduate)	TA for Prof. Hortaçsu	Winter 2022
Industrial Organization (undergraduate)	TA for Prof. Dinerstein	Spring 2021
Advanced Industrial Organization IV (graduate)	TA for Prof. Tebaldi	Fall 2020
Empirical Analysis II (graduate)	TA for Prof. Hansen	Winter 2020
Empirical Analysis I (graduate)	TA for Prof. Shaikh	Fall 2019

Research Experience and Other Employment

Research Assistant for Prof. Hansen, University of Chicago
Research Assistant for Prof. Hortaçsu, University of Chicago
Research Assistant for Prof. Nelson, University of Chicago
Research Intern, Bank of Italy-Monetary Policy Division
Research Assistant for Prof. Ottaviani, Bocconi University

Professional Experience

Presentations: *Yiran Fan Memorial Conference, University of Chicago, 2023; 7th Lindau Nobel Laureate Meeting, 2022; Chicago Joint Program and Friends Conference, University of Chicago, 2021-2022.*

Refereeing Activity: *Journal of Law, Economics and Organization.*

Additional Information

Citizenship	Italy
Programming Skills	R, Python, Matlab, Stata
Languages	Italian (Native), English (Fluent)