

NAZANIN KHAZRA

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214 David Kinley Hall, 1407 W Gregory Dr, Urbana, IL 61801, USA

EDUCATION

University of Illinois at Urbana-Champaign	USA
Candidate for Ph.D. degree in Economics	2014–2020 (Expected)
Committee:	
Dan Bernhardt (Chair), David Albouy, Dan McMillen, Alex Bartik, Greg Howard	
Sharif University of Technology	Iran
M.Sc in Economics	2012
University of Tehran	Iran
B.Sc in Economics	2009

RESEARCH FIELDS

Primary:	Secondary:
Applied Microeconomics, Urban Economics	Household Finance, Applied Machine Learning

JOB MARKET PAPER

Heterogeneities in House Price Elasticity of Consumption

Many Americans hold most of their wealth in housing, a volatile asset. Hence, it is important to know how households respond to house price changes and study the heterogeneities in this response. I provide new evidence on the house price elasticity of consumption by exploiting micro-level consumption data from the Nielsen consumer panel for 2004 to 2016. I estimate the elasticity as a non-parametric function of household characteristics using a newly developed causal machine learning model called Generalized Random Forest (GRF). I find substantial county and household level heterogeneities in the elasticity. At the county level, it ranges from 0.04 to 0.16 with some neighboring counties being up to eight standard deviations apart. On the household level, elasticity ranges from 0.01 to 0.21 in which household structure plays an important role in defining the heterogeneity. Among all characteristics, having a child, size of the household, and age of the heads of the household create substantial disparities. Therefore, basing policies on an average estimate and avoiding local and household level heterogeneities may result in unintended policy consequences. I find that locations with volatile housing markets are less elastic; thus, not accounting for local heterogeneities overestimates total consumption responses in booms and underestimates them in busts. This is the first paper that studies the heterogeneities in the house price elasticity of consumption at the household level and highlights the importance of regional and time variations in this elasticity.

WORKING PAPERS AND RESEARCH IN PROGRESS

The Effect of Airbnb on House Prices with Peter Christensen

Investment Decisions based on Profit Status: Evidence from Hospitals

RESEARCH EXPERIENCE

Big-Data in Environmental Economics and Policy Group Collaboration with National Center for Supercomputing Applications	2018–current
Moody’s Analytics Quantitative Research Intern	May–August 2018
National Bureau of Economics Research Research Assistant for Prof. Jialan Wang (UIUC)	May–August 2017
University of Illinois at Urbana-Champaign Research Assistant for Prof. JiHyung Lee	2015

TEACHING AND LEADERSHIP EXPERIENCE

Stand-Alone Instructor <i>Applied Machine Learning in Economics</i>	Spring and Fall 2019 UIUC
<ul style="list-style-type: none">– Topics: LASSO, Ridge, Bagging, Random Forest, Boosting, SVM, Neural Net, Causal ML, Cross Validation and Bootstrapping– Robert E. Demerest Memorial Teaching Award– Ranked in the top 5% of all teachers in the university	
Head Teaching Assistant Intermediate Microeconomics	Fall 2016–2018 UIUC
Teaching Assistant Intermediate Microeconomics Microeconomics Principles	Fall 2015–2016 UIUC
Teaching Assistant Graduate Level Econometrics	Fall 2010–Spring 2011 Sharif Univ. of Technology

HONORS AND AWARDS

Robert E. Demerest Memorial Teaching Award	May 2019
Graduate Student Teaching Certificate	May 2019
Ranked as <i>Outstanding</i> in the List of Teachers Ranked as Excellent	2015–2018
Summer Research Fellowship, University of Illinois	Aug 2015
Department Fellowship, University of Illinois	Aug 2014
Ranked 5th in the National Exam for Economics Graduate Schools	Aug 2009

CONFERENCE PRESENTATION

Applied Economics, Regional, and Urban Studies Conference (AERUS)	April 2019
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CERTIFICATES

Graduate Teaching Certificate	Spring 2019
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VOLUNTEER EXPERIENCE

Girls Who Code (Mentor)	Summer 2018
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**R, STATA, MATLAB, Eviews, Microsoft Office, \LaTeX
Python, Microsoft Azure Machine Learning Studio, ArcGIS**

REFERENCES

Dan Bernhardt (Chair)

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David Albouy

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Local and Global Effects of Home Sharing on House Prices: Evidence from Airbnb, with Peter Christensen

In this paper, coauthored with Peter Christensen, we study the local and global effects of home sharing on house prices. We quantify the relationship between housing markets and peer-to-peer home sharing using bookings and listings data from more than a million Airbnb listings across the United States and individual house sales. We use a new shift share approach for identification, and find that a one percent increase in Airbnb leads to 0.04% increase in house prices and 0.028% increase in rents in each neighborhood. Next, we estimate a decay function of the overall effect as a function of distance for the city of Los Angeles. Controlling for a rich set of location and time fixed effects we show that number of existing Airbnb listings within 500 meters of a property at the time of sales has a negative effect on its price. In sharp contrast, this effect becomes positive as we move further away (e.g., 2km from the house excluding the Airbnbs within 1km of the property). This finding underscores the positive “global” effect of Airbnb on house prices, but the negative “local” effect, which could be explained as negative externality associated with Airbnb neighbors, can provide insights for policymakers.

A Comparison of For-profit and Non-profit Firms Response to Investment Opportunities: Evidence from Hospitals

I investigate how non-profit (NP) and for-profit (FP) firms respond to an investment opportunity. NP organizations in the US account for 5.3% of its GDP in 2013 and paid 9.2% of all wages and salaries in 2010. Despite their considerable size in the economy, we know far less about their corporate and economic behavior than we do about the FP sector. I use the health care industry to study the investment patterns of FP and NP firms for three main reasons: first, balance sheets of both private and public FP and NP medicare-certified hospitals are publicly available. Second, the Affordable Care Act (ACA) provides a suitable environment to study the effect of a change in investment opportunities. Third, FP and NP hospitals compete with each other and are not separate entities with completely different objectives which makes the comparisons more meaningful. I use the introduction of the ACA as a natural experiment and use a difference in difference methodology to test how FP and NP status affects the level of response to the created investment opportunity. I find that FP hospitals invested 1.6% more than NPs in the aftermath of the ACA, and uncover consistent evidence that NPs' restricted financing options underlie their different investment responses.