



# Seminarios de Macroeconomía y Finanzas

## Skewed Business Cycle

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Jueves 19 de Diciembre, 13:00 a 14:30 hrs

Sala de Conferencias, Agustinas 1180, piso 3

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Los Seminarios de Macroeconomía y Finanzas tienen como objetivo difundir investigación académica y aplicada de investigaciones del Banco y externos.

### Abstract

Using firm-level panel data from the US Census Bureau and more than forty other countries, we show that the skewness of the growth rate of employment and sales is procyclical. In particular, during recessions, they display a large left tail of negative growth rates (and during booms, a large right tail of positive growth rates). These results are robust to different selection criteria, across countries, industries, and measures. We find similar results at the industry level: industries with falling growth rates see more left-skewed growth rates of firm sales and productivity. We then build a heterogeneous-agent model in which entrepreneurs face shocks with time-varying skewness that matches the firm-level distributions we document for the United States. Our quantitative results show that a negative shock to the skewness of firms' productivity growth (keeping the mean and variance constant) generates a significant and persistent drop in output, investment, hiring, and consumption.