

Jose Alvarado

Contact Information

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Level 6, Colin Clark Building, St Lucia, Brisbane QLD 4072, Australia

Academic Positions

Lecturer (Assistant Professor), School of Economics, University of Queensland 2026–present

Education

Ph.D., Economics, Northwestern University 2025

Advisors: Martin Eichenbaum (Chair), Giorgio Primiceri, Matthew Rognlie

M.A., Economics, Northwestern University 2019

M.A., Economics, Universidad de Chile 2015

B.Sc.Eng., Industrial Engineering, Universidad de Chile 2013

Research Areas

Macroeconomics, Public Finance, Tax Policy, Wealth Inequality

Working Papers

“Tax Avoidance and Wealth Inequality”

Abstract: The hypothesis that wealth inequality is driven by the higher returns earned by the rich—thereby offsetting the progressivity of the tax system—overlooks a key dimension: tax avoidance. This paper shows that tax avoidance not only undermines the progressivity of the tax system but is also one of the reasons why the wealthy earn higher returns. Using micro-data from Chilean tax records, I quantify tax avoidance and find that the top 0.01% of taxpayers reduce their tax payments by 80% through corporate investments. To measure the impact of tax avoidance on wealth inequality, I calibrate a Bewley-Huggett-Aiyagari heterogeneous agent model, incorporating two departures from standard approaches: (i) endogenous portfolio choices between safe and corporate risky assets, and (ii) tax functions that account for tax avoidance. The model successfully replicates the 50% wealth share held by the top 1% in Chile. The main quantitative result is that, without tax avoidance, the top 1% wealth share decreases from 50% to 11%. These findings suggest that tax avoidance is a key driver of wealth inequality.

“The Long Lasting Effects of Warfare on Tax Progressivity: Evidence from World War II”

Abstract: This paper studies the long run effect of massive warfare on tax progressivity using evidence from World War II. We conduct an event study analysis where entering the war is the occurrence of interest. Our findings reveal that countries involved in World War II experienced an average increase of approximately 20% in top income tax rates compared to the year prior to entering the war, relative to non-participant countries. Remarkably, this elevated level of tax progressivity persisted for nearly fifty years post-war. Even seventy years after the conflict, the effect remains significant, with top income tax rates still about 10% higher.

Work in Progress

“The Dynamics of the Distributional Impact of Fiscal Policy: a Macro-political Economy Approach”

Abstract: Why does the redistributive impact of fiscal policy vary across countries? While income inequality tends to be similar across nations before taxes and transfers, the degree of inequality can change significantly after these fiscal interventions. I develop a general equilibrium model with heterogeneous agents, where the extent of redistribution is determined endogenously. The findings reveal that the degree of redistribution is influenced by: (i) the magnitude of economic shocks, and (ii) the institutional rules under which fiscal policy is chosen.

Fellowships & Awards

Best third-year Ph.D. student research paper, Susan Schmidt Bies Prize 2021

University Fellowship, Northwestern University 2018–2022

Best Industrial Engineer Graduated Award, Association of Engineers of Chile 2015

	National Masters Degree Fellowship, Chilean Ministry of Education	2014–2015
Teaching Experience	Lecturer, Universidad de Chile Economics (undergraduate), Faculty of Physical and Mathematical Sciences	2016–2018, 2023–2024
	Teaching Assistant, Northwestern University Business Analytics (graduate), Macroeconomics (undergraduate), Law and Economics (undergraduate)	2019–2022
	Teaching Assistant, Universidad de Chile Macroeconomics (undergraduate and graduate), Microeconomics (undergraduate), Statistics (undergraduate), Finance II (undergraduate)	2013–2016
	Research Assistant, Sofia Bauducco, Central Bank of Chile	2015–2018
	Research Assistant, Ernesto Pasten, Central Bank of Chile	2015–2018
Work Experience	Research Assistant, Professor Benjamin Villena, Universidad de Chile	2015
	Senior Economic Adviser, Ministry of Finance, Chile	2022–2026
	Junior Economist, Central Bank of Chile	2015–2018
Programming	Matlab, Python, Stata, R	
Languages	English (fluent), Spanish (native)	