Diana E. MacDonald

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Personal Information US Citizen / Chilean
English (fluent), Spanish (native)

Education

Ph.D Economics, Arizona State University. Tempe, Arizona. Expected 2019

MA Applied Economics, Universidad de Chile. Santiago, Chile. 2012

MA Management Science, Universidad Adolfo Ibáñez. Santiago, Chile. 2009

BSc Business Administration, Universidad Adolfo Ibáñez. Santiago, Chile. 2008

Research Fields

Primary. Applied Theory, Empirical Microeconomics

Secondary. Matching, Contract Theory, Family Economics

Teaching Experience

Instructor

Arizona State University. Tempe, Arizona. Fall 2018
Courses: Principles of Microeconomics
Evaluation: Pending

Universidad Adolfo Ibáñez. Santiago, Chile. Fall 2009 - Fall 2013
Courses: Game Theory, Industrial Organization
Evaluation: 6.1/7.0

Teaching Assistant

Honors Microeconomics, Arizona State University. Spring 2018

Honors Business Statistics, Arizona State University. Spring 2018

Intermediate Microeconomics Theory, Arizona State University. Spring 2017

Managerial Economics (MBA course), Arizona State University. Fall 2015/Fall 2016/ Fall 2017

Honors, Scholarships and Fellowships

Edward Rondthaler Award, Arizona State University, 2018

Best Progress Towards Dissertation, Arizona State University, 2017

Best Oral Presentation for Third Year Paper, Arizona State University, 2016

Department of Economics Performance Award, Arizona State University, 2015-2018

Experiences

Visiting Student. École Polytechnique, Université Paris-Saclay. Paris, France. May-Jun 2016

Research Assistant to Professor Amanda Friedenberg. Arizona State University. Spring 2015

Visiting Student. Instituto de Matemática Pura e Aplicada. Rio de Janeiro, Brasil. Jan-Feb 2012

Junior Consultant. Cognus Chile. Santiago, Chile. Mar 2009 - Feb 2010

Research in Progress

"Adoption from Foster Care: A Dynamic Matching Approach"

Abstract. Unlike adoption from private agencies, parents experiment by fostering a child before adopting. This feature leads to endogenous foster destructions and foster transitions into adoption. Using confidential data, I document stylized facts of this market and develop a two-sided dynamic matching model consistent with features and facts of the market. I assume children and parents face uncertainty about the quality of the match. I find that foster destruction is not only a result of 'bad' foster matches being dissolved but it is also driven by children's decision to experiment 'better' matches. Experimentation allows agents to maintain 'good' matches and avoid 'bad' foster matches. Yet, since transfers received by parents when adopting are strictly smaller than when fostering, parents in 'good' foster matches might not have incentives to transit into adoption. The following trade-off arises: parents forgo part of the monetary transfer to eliminate the risk that the child leaves the foster match. How much parents are willing to forgo depends on the likelihood that the child finds and forms a preferred foster match. I find that less demanded children are at higher risk of parents substituting adoption for fostering.

"Assortative Matching with On-the-Match Random Search" with Hector Chade

Abstract. On-the-match search is a natural and realistic feature of partnership formation in many markets, such as labor and marriage markets. Incorporating on-the-match search adds a trade-off absent in models where agents are not allow to search while matched. In our model, agents not only care about the payoff received from the match, but also the probability that the partner leaves and they become unmatched. Hence, in equilibrium, partners who produce higher payoffs are not always preferred since there is a higher probability that they leave to form a new match. Moreover, given that match-status and match-partners evolve over time, we are needed to provide a suitable definition for Positive Assortative Matching (PAM). A sorting exhibits PAM if the conditional cumulative distribution function over matches is increasing in the agents' attributes. When agents attributes can be either low or high, the sufficient conditions ensuring that our definition of PAM will arise

in equilibrium are weaker when on-the-match search is allowed than when it is not. If utility is strictly non-transferable and the payoff function is strictly increasing in the partner's attribute then the equilibrium sorting exhibits PAM. For transferable utility, an strictly increasing and strictly supermodular function suffices.

"The Unintended Consequences of Paying Parents to Adopt: Evidence from Minnesota's Foster Care System" with Kelly Bishop

References

Hector Chade (chair)
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