FRANCESCO FURNO
www.francescofurno.com
francesco.furno@nyu.edu

NEW YORK UNIVERSITY

Address	19 West Fourth St., 7th Floor New York, NY 10012-1119
Phone	917-216-3935 (mobile)

Placement Director: David Cesarini	david.cesarini@nyu.edu	646-413-8576
Graduate Administrator: Ian Johnson	ian.johnson@nyu.edu	212-998-8901

Education

PhD. in Economics, New York University, 2016-2022 (expected)
Thesis Title: *Essays on the Macroeconomic Effects of Tax Policy*.
M.Sc. in Economics, Bocconi University, 2012-2015
B.A. in Business Economics, Università Cattolica di Milano, 2009-2012

References

Professor Jaroslav Borovička
19 West Fourth St., 7th Floor
New York, NY 10012-1119
212-998-8963 (office)
jaroslav.borovicka@nyu.edu

Professor Simon Gilchrist
19 West Fourth St., 7th Floor
New York, NY 10012-1119
212-992-9770 (office)
sg40@nyu.edu

Professor Jess Benhabib
19 West Fourth St., 7th Floor
New York, NY 10012-1119
212-998-8971 (office)
jess.benhabib@nyu.edu

Professor Timothy Christensen
19 West Fourth St., 8th Floor
New York, NY 10012-1119
212-998-8941 (office)
timothy.christensen@nyu.edu

Teaching and Research Fields

Fields: Macroeconomics, Fiscal Policy

Teaching Experience

Fall, 2021/2020/2019/2018/2017	Macroeconomics MA, NYU, TA
Summer, 2021/2020/2019	Intro to Econometrics UG, NYU, Adjunct Instructor
Spring, 2021/2020/2019	Intro to Econometrics UG, NYU, TA
Fall, 2020	Economic Policy in the White House MBA, NYU Stern, Grader
Summer, 2020/2018	Statistics UG, NYU, TA
Fall, 2018	Public Economics UG, NYU, Course Assistant
Fall, 2015/2014	Macroeconomics MBA, SDA Bocconi, TA

Research Experience and Other Employment

2016	Goldman Sachs, Ph.D. Intern, European Economics
2016	Pearson, RA for Olivier Blanchard for "Macroeconomics"
2014-2016	Bocconi University, RA for Nicola Gennaioli and Stefano Rossi
2014	Bocconi University, RA for Francesco Giavazzi

Honors, Scholarships, and Fellowships

2016-2021	New York University MacCracken Fellowship
2020	Becker-Friedman Institute MFR Summer Session
2020	Federal Reserve Bank of St. Louis Dissertation Fellowship
2018	Becker-Friedman Institute Price Theory Summer Camp
2017	Becker-Friedman Institute Open-Source Macroeconomics Camp
2016	Fondazione Grazioli Outstanding MSc Thesis Award
2015	Bank of Italy Bonaldo Stringher Fellowship (Merit Mention)
2012-2014	IGIER Bocconi Visiting Student
2012	Bocconi Merit Award (MSc tuition waiver)
2010-2011	Università Cattolica Merit Scholarship

Research Papers

The Macroeconomic Effects of Corporate Tax Reforms (Job Market Paper)

This paper extends a standard general equilibrium framework with a corporate tax code featuring two key elements: tax depreciation policy and the distinction between c-corporations and pass-through businesses. In the model, the stimulative effect of a tax rate cut on c-corporations is smaller when tax depreciation policy is accelerated, and is further diluted in the aggregate by the presence of pass-through entities. Because of a highly accelerated tax depreciation policy and a high share of pass-through activity in 2017, the model predicts small stimulus, large payouts to shareholders, and a dramatic loss of corporate tax revenues following the Tax Cuts and Jobs Act. These predictions are consistent with micro- and macro-level evidence from professional forecasters and sectoral tax returns. At the same time, because of less-accelerated tax depreciation and a lower pass-through share in the early 1960s, the model predicts sizable stimulus due to the Kennedy's corporate tax cuts – also supported by the data. The model-implied corporate tax multipliers for Trump and Kennedy's reforms are +0.6 and +2.5, respectively.

Tax Depreciation Schedules: Facts and Modeling

Tax depreciation schedules dictate how businesses can deduct investment from their tax base. In this research note, I first provide an overview of commonly adopted tax depreciation schedules and document several facts on tax depreciation policy across space and time. Then, I suggest a simple approach to approximate tax depreciation schedules - to facilitate their introduction in modeling exercises – and assess the validity of such an approximation. Finally, I show that failing to model tax depreciation schedules explicitly can result in meaningful approximation errors.

The Effects of Personal and Corporate Tax Reforms in the U.S.: Evidence from Announcements

This paper estimates the aggregate response of the U.S. economy to narratively identified personal and corporate tax reforms since 1950. The proposed identification strategy leverages the institutional feature that several major tax reforms in U.S. history were announced (i.e. signed into law) several quarters before their provisions were implemented. This makes such provisions less likely to be a response to business cycle developments - thus improving identification - and provides novel insights on the macroeconomic response to the announcement and subsequent implementation of tax reforms. I estimate an expansion of economic activity at the announcement of a personal tax hike and a contraction at implementation, while the opposite happens with corporate taxes.

The Testing Multiplier: Fear vs Containment

Existing research on the effects of testing during an epidemic outbreak has focused on its ability to slow down transmission thanks to the isolation of the infected. However, when the disease features unobservable infections, testing also informs individuals about the state of the outbreak. Here, I propose a model consistent with key empirical moments where testing affects perceptions of risk. Two insights emerge. First, small-scale testing might "stoke fear", amplify the recession and worsen public deficits. Large-scale testing, instead, successfully contains the epidemic, revives the economy, and improves public finances. Second, providing disaggregated testing data so that individuals understand their age-specific death risk has considerable aggregate consequences. For a SARS-CoV-2 calibration, GDP losses and deaths are mitigated by 50% and 30%, respectively, relative to a scenario where risk perceptions are homogeneous across age groups.

Research in Progress

Optimal "Capital Income" Taxation: Profit, Dividends and Capital-Gains (with Bálint Szőke)

Properties of the Case Fatality Rate during an Epidemic Outbreak

The case fatality rate (CFR), obtained by dividing reported deaths by reported cases, is the most used measure to assess the lethality of an emerging infectious disease in real-time. In this paper, I characterize its behavior analytically for a large class of epidemiological models that feature a standard disease progression and symptoms-based testing policies. The theory offers the following predictions: 1) the CFR mechanically underestimates the infection fatality risk of the disease during the initial phases of the outbreak; 2) the CFR eventually converges to the infection fatality risk (IFR) of the more severe infections that satisfy testing requirements, thereby overestimating the unconditional IFR; 3) the CFR approaches the IFR as testing capacity increases; 4) when heterogeneous sub-populations (e.g. young and old) are present, the population-wide CFR is an average of group-specific CFRs with time-varying weights – limiting its usefulness to assess disease lethality. Evidence from the SARS-CoV-2 epidemic supports these predictions.