

Clara Santamaría

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Academic Positions

2019–	Assistant Professor, Universidad Carlos III de Madrid
2018–2019	Postdoctoral Research Fellow, CEMFI

Education

Sep. 2018	Ph.D., Economics, Princeton University Thesis: <i>"Essays on Inequality and Urban Economics"</i> Committee: Esteban Rossi-Hansberg, Richard Rogerson, Eduardo Morales, Stephen Redding, and Ezra Oberfield
May 2014	M.A., Economics, Princeton University
June 2012	B.A., Economics, Universidad Carlos III de Madrid

Research Interests

Urban Economics, Macroeconomics, International Trade

Working Papers

Small Teams in Big Cities: Inequality, City Size, and the Organization of Production

Abstract: This paper studies the effect of spatial sorting on inequality through two channels: spatial differences in technology and the endogenous organization of production. First, I document a new fact on the spatial differences in the organization of production. The number of workers per manager is decreasing in city size, overall and within industries. I develop and quantify a model of a system of cities where workers of different skills organize in production teams. The model yields continuous wage distributions in cities of different size that resemble the data. I find that technology differs across cities in its productivity but also in its complexity, so there are no incentives for it to diffuse across cities. I then use the model to evaluate two local policies that are designed to address income inequality: a minimum wage and a housing subsidy. I find that a revenue-neutral housing subsidy is more effective than a minimum wage at reducing inequality, measured by the variance of log wages.

The Role of Establishment Size in the City-Size Earnings Premium in Spain (with Charly Porcher and Hannah Rubinton)

Abstract: When workers move to a larger city, they tend to experience an increase in earnings. But they also tend to move to larger and better-paying establishments. This paper studies the role of establishment-size composition in explaining the city-size earnings premium. Using administrative data from Spain, we first

document a strong positive correlation between city size and establishment size, measured as the number of co-workers. The establishment size for a typical worker is 33 percent larger in a city with twice the population density, even after controlling for worker fixed effects and other observable characteristics. We then decompose the city-size earnings premium into two components: the increase in earnings explained by the increase in establishment size and the within establishment-size premium. We find that 30.8 percent of the short-term gains of moving to a city twice larger can be explained by a transition to a better-paying larger establishment. In contrast, only 5.0 percent of the medium-term gains of accumulating experience in a large city can be attributed to a faster transition to larger establishments. The small contribution to the medium-term gains is due to two facts: first, in large cities establishment size only grows slightly faster than in smaller cities; second, the relationship between earnings and establishment size is weaker in larger cities. Our results indicate that the role of establishment size composition is fundamental for understanding the short-term gains of moving to a larger city but much less so for explaining the medium-term gains.

Seminars and Invited Presentations

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| 2019 | MadMac Workshop at CEMFI, CUNEF Seminar Series, IEB Cities Program, Structural Change and Macroeconomic Dynamics Workshop at University of Cagliari, Symposium on Economics of Infrastructure at Oxford University Center for the Environment (Scheduled), Bellaterra Macro Seminar at UAB and IAE-CSIC (Scheduled), Universidad Autónoma de Madrid (Scheduled), Geography Urban and Regional Economics Seminar at London School of Economics (Scheduled) |
| 2018 | Universidad Carlos III de Madrid, Banco de España, Universidad de Alicante, Universidad de Navarra, Mannheim University, USC Marshall Macro Day Conference, McMaster University Seminar Series |

Conferences and Workshops

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| 2019 | Market Studies and Spatial Economics Workshop at HSE, Copenhagen Workshop on Neighborhoods, Externalities, and Inequality by CBS Inequality Platform and Kraks Fond, 9th European Meeting of the Urban Economics Association at Vrije Universiteit Amsterdam, Workshop on International Economics Networks at University of Vienna, NBER SI Income Distribution and Macroeconomics, EEA-ESEM Meetings in Manchester, UEA Meetings in Philadelphia (Scheduled) |
| 2018 | Barcelona GSE Summer Forum - Organizational Economics, EEA-ESEM Meetings in Cologne, UEA Meetings in New York |

Refereeing Work

Economic Journal, American Economic Journal: Macroeconomics, Journal of Urban Economics, Regional Science and Urban Economics, Journal of Economics and Management Strategy

Last updated: September 6, 2019