

Michael James Carter

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Citizenship and Visa Status

U.S. Citizen

Academic Positions

Assistant Professor – Lafayette College

July 2024 – present

Visiting Assistant Professor – Lafayette College

July 2023 – June 2024

Education

Ph.D. Economics, The Ohio State University, 2023

M.A. Economics, The Ohio State University, 2018

M.S. Predictive Analytics, Northwestern University, 2015

B.A. Economics and Theology, University of Notre Dame, 2011

Research Fields

Macroeconomics, Industrial Organization, Finance

Working Papers

[“Firm Investment with Shareholder Inequality”](#)

Does household wealth and income inequality matter for macroeconomic outcomes? Existing Bewley-Hugget-Aiyagari models featuring income inequality find that inequality increases the wealth to GDP ratio. However, these models require counterfactually-high capital accumulation. From 1970 to 2010, household financial wealth relative to GDP increased by 35% while the capital-output ratio only increased by 5%. To break the link between wealth and capital, I study a DSGE model economy where firms own and operate capital while households save through a stock market. The problem of the firm is generally not well-defined in settings with household heterogeneity, incomplete markets, and decreasing returns to scale. I resolve this classic issue with a discount factor that is consistent with stock market equilibrium and with firms who maximize their net market value. I find that changes to the household income distribution from 1970 to 2010 generate a 45% increase in wealth relative to GDP with a smaller 21% increase in the capital-output ratio. The model also explains 100% of the observed increase in the decline in dividend yields and the increase in the price-earnings ratio for equity from 1970-2010. I then examine the role of wealth inequality through unanticipated redistribution shocks. More wealth inequality leads to higher investment, wages, and output, though poor households are much worse off as lower rates of return make it harder to save out of poverty.

“Firm Size Distribution and the Increase in Mark-ups” (with [Rohan Shah](#))

[“Common Ownership and Capital Investment”](#)

Presentations

- 2024 Liberal Arts Macroeconomics Conference, Eastern Economic Association Annual Meeting, Elon University, James Madison University, Lafayette College
- 2023 Midwest Macroeconomics Conference (fall), Liberal Arts Macroeconomics Conference, University of Bristol, Bowdoin College, U.S. Naval Academy
- 2022 Midwest Macroeconomics Conference (spring)

Teaching Experience

Lafayette College

ECON 252: Intermediate Macroeconomics (Spring 2025, Fall 2024, Spring 2024, Fall 2023)

The Ohio State University

ECON 4002: Intermediate Macroeconomic Theory (Fall 2021, Summer 2020)

ECON 2001: Principles of Microeconomics (Fall 2019)

Honors, Scholarships, and Fellowships

- 2022 Graduate Associate Teaching Award, Ohio State University
Graduate Associate Teaching Award in Economics, OSU Economics Department
- 2021 Departmental Citation for Excellence in Teaching, OSU Economics Department
- 2020 Graduate Associate Teaching Award in Economics, OSU Economics Department
- 2017 University Fellowship, Ohio State University

Professional Experience

- 2021 **The Ohio State University** – Research Assistant to Kyle Dempsey
- 2011-2017 **United Airlines**
Senior Manager, Revenue Strategy & Analysis
Senior Analyst, Revenue Strategy & Analysis
Analyst, Domestic Pricing

Programming Languages

Fortran, MATLAB, R, SQL

Professional Memberships

American Economic Association, Eastern Economic Association, The Econometric Society