Sanhitha Jugulum

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Education

Columbia University
PhD in Economics (joint with Columbia Business School), 2021–2027 (*expected)*

Harris School of Public Policy, The University of Chicago
Master of Arts in Public Policy with Certificate in Research Methods, 2017–2018

St. Stephen's College, University of Delhi
Bachelor of Arts (Hons) in Economics, 2013–2016
Second Discipline in Mathematics

Research Interests

Macroeconomics of information frictions and uncertainty, monetary policy, income inequality.

References

Professor Jennifer La'O
Columbia University
jenlao@columbia.edu

Professor Hassan Afrouzi
Columbia University
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Professor Laura Veldkamp
Columbia University
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Job Market Paper

Who Pays Attention? Firm Size, Information, and Monetary-Non-Neutrality

A large literature models information frictions at the firm level as a microfoundation for price rigidity and hence monetary non-neutrality. The literature mostly abstracts from heterogeneity in firms' information by firm characteristics. In this paper, I use an LLM to construct a measure of firms' attention to aggregate nominal conditions from 10-K filings and document a strong size gradient: larger firms within narrowly defined industries are systematically more attentive. I develop a model of heterogeneous firms and endogenous information acquisition to rationalize this gradient. Firm size in the model is a first-order determinant of the profit loss from pricing mistakes and therefore of the incentive to acquire information to avoid these mistakes. I then use the model to establish the conditions under which the heterogeneity in information across firms matters for aggregate price adjustment. When the larger, more attentive firms also have lower partial equilibrium cost pass-through, the resulting negative covariance between attention and pass-through increases aggregate price rigidity and monetary non-neutrality. I take the model to data using a sufficient-statistics approach to quantify the importance of this new channel. The baseline model-implied Phillips curve is about 40% flatter than under a symmetric firm, homogeneous-attention benchmark. About a fifth of this flattening is attributed to the 'negative covariance between attention and pass-through' in the data. I then calibrate the structural model to the U.S. economy in the mid-2010s and obtain a flattening of similar magnitude. Finally, I conduct a counterfactual analysis using the structural model, in which I vary the productivity distribution to alter the degree of market concentration in the economy, while keeping the demand and cost parameters fixed. I show that changes in market structure can have substantially different effects on monetary non-neutrality once the allocation of attention is allowed to respond.

Working Papers

Firm Specialization vs. Diversification
with Anmol Bhandari, Laura Veldkamp, and Venky Venkateswaran

This paper investigates the fundamental trade-off between firm specialization and diversification. While management theories emphasize core competency to maximize efficiency, finance favors diversification to mitigate cash flow volatility. We develop a heterogeneous-firm general equilibrium model to quantify these forces. We devise a novel empirical approach, grounded in theory, to measuring them. We first extract granular revenue shares from 10-K filings, using a large language model. Next, we use the co-movement between sectoral aggregates as (an inverse) measure of the economic distance between them. The observed relationship between scope and markups at the firm-level pins down the price of risk. These sufficient statistics also recover productivity at the firm-sector level. The results reveal that risk considerations significantly reduce aggregate output (by 10%). We also find that firms are more likely to operate in related sectors, where they tend to be more productive on average.

Income Expectations with Information Frictions and Aggregate Consumption
with Krishna Kamepalli

We investigate how households adjust consumption to aggregate and idiosyncratic persistent income shocks using PSID data from 1999 to 2021. We document that households respond almost equally to aggregate and idiosyncratic income shocks, even though the aggregate component of income is much more persistent. This pattern is difficult to reconcile with the standard full-information permanent-income logic, which predicts that more persistent shocks should induce larger consumption responses. A quantitative full-information Huggett model with aggregate risk, disciplined by the estimated income process, predicts far greater pass-through of aggregate shocks than is observed in the data. We show that incomplete information about the source of income fluctuations provides a natural resolution: households observe total income as a signal to extract the aggregate component, and therefore under-react to aggregate shocks. Embedding this inference problem in a heterogeneous-agent model aligns the model-implied estimates more closely with the empirical pass-through estimates and implies substantially weaker aggregate consumption responses to aggregate shocks.

Are Changes in Productivity Distribution Skill-Biased?

In this paper, I study how changes in the productivity distribution affect the division of labor income between skilled and unskilled workers, as well as the skill premium. The literature on the rise of superstar firms links the emergence of highly productive firms to a decline in the aggregate labor share. I show that the same phenomenon also widens the gap between skilled and unskilled workers. I develop a Burdett–Mortensen search model with heterogeneous labor types and capital-skill complementarity in production and calibrate it to data on US job flows. The calibrated model shows that a thickening of the right tail of the firm productivity distribution disproportionately reduces unskilled labor's share and increases the skill premium.

Work in Progress

Ambiguity Trap and Investment Stimulus in General Equilibrium
with Krishna Kamepalli

Why does fiscal policy become less effective at stimulating private investment precisely when intervention is most valuable? We develop a general-equilibrium theory in which ambiguity-averse firms act as if adverse outcomes are more likely. This generates endogenous required-return wedges that weaken their response to improved investment opportunities. This mechanism creates an ambiguity trap: as pessimistic belief distortions increase, the social value of additional capital rises while the private investment response to conventional fiscal stimulus falls. A central implication is that ambiguity changes the ranking of fiscal instruments—policies whose benefits depend on uncertain future profits lose effectiveness as ambiguity rises, while front-loaded investment incentives and policies that insure downside risk are more effective.

Price Setting with Dynamic Sentiments and Monetary Non-Neutrality

In this paper, I examine how firms' pricing decisions are shaped by their time-varying beliefs about marginal costs. I develop a sticky-price general equilibrium model in which firms' sentiments evolve dynamically in response to cost shocks, and use it to study how monetary shocks propagate through the economy. The model highlights that the dynamic evolution of firms' sentiments is essential to reproduce the empirical responses of prices and output to monetary policy shocks.

The Vanishing Bottom Rung? AI, Career Ladders, and Inequality
with Grace Chuan and Korok Dasgupta

In this paper, we investigate how AI reshapes career ladders across occupations. Combining task-level AI usage measures from Anthropic with career histories and job postings from Revelio Labs, we examine whether AI weakens entry-level jobs that serve as pathways to skill accumulation and higher earnings, while also potentially lowering barriers to more advanced work at the same time. Preliminary evidence suggests that occupations with higher AI exposure have experienced larger declines in junior-level hiring than less-exposed occupations. These occupations have also historically offered greater mobility from junior to senior positions, suggesting that AI may be disproportionately affecting important pathways for career advancement and social mobility. At the same time, we find evidence of lower entry requirements for senior positions. We use a general equilibrium model to study the implications of these competing forces for career progression, social mobility, and inequality.

Fellowships

Dissertation Fellowship, Department of Economics, Columbia University 2025–2026

Dean's Fellow, Columbia University 2021–2026
Teaching Fellow, Department of Economics, Columbia University 2022–2023
Wueller Best Teaching Award for PhD Macroeconomics (Runner-up), Department of Economics, Columbia University 2023
Bartlett Fellow, EPIC, University of Chicago 2018

Teaching

Managerial Economics (MBA) Fall 2025
Columbia Business School; Lead Teaching Assistant. Instructors: Jonah Rockoff, Nachum Sicherman, Paola Valenti, and Tom Prusa.

Macroeconomic Analysis I (PhD) Fall 2023
Columbia University; Teaching Assistant. Instructors: Xavier Sala-i-Martin and Jennifer La'O.

Macroeconomic Analysis II (PhD) Spring 2023
Columbia University; Teaching Assistant. Instructors: Stephanie Schmitt-Grohé and Matthieu Gomez.

Introduction to Game Theory Spring 2018
The University of Chicago; Teaching Assistant. Instructor: Prof. Roger Myerson.

Research Experience

Research Assistant for Prof. Laura Veldkamp, Columbia Business School 2024–2025

Research Professional, Fama-Miller Center, The University of Chicago 2019–2021
Worked with Professors Raghuram Rajan, Elisabeth Kempf, and Emanuele Colonnelli on various projects.