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Education

Harvard University
Ph.D. Economics, 2017 to 2023
A.B. Economics, *summa cum laude,* 2015
University of Oxford
MPhil Economics, 2017

Fields

Public Economics
Labor Economics

References

Professor Nathaniel Hendren
Massachusetts Institute of Technology
nhendren@mit.edu

Professor Raj Chetty
Harvard University
chetty@fas.harvard.edu

Professor Edward Glaeser
Harvard University
eglaeser@harvard.edu

Professor Lawrence Summers
Harvard University
lawrence_summers@hks.harvard.edu

Employment and Professional Activities

Post-Doctoral Research Fellow, Opportunity Insights, Harvard University, 2023-2024
Co-Director, Policy Impacts, 2020-

Fellowships & Awards

Outstanding Doctoral Dissertation Award, National Tax Association, 2023
Certificate of Distinction in Teaching, Harvard University, 2022
National Science Foundation Graduate Research Fellowship, 2017-2020
Rhodes Scholar, 2015
Sophia Freund Prize (top GPA in graduating class), Harvard University, 2015
John H. Williams Prize (top undergraduate in Economics), Harvard University, 2015
World Universities Debating Champion, 2014

Teaching

Public Economics and Fiscal Policy II, Harvard University, Teaching Fellow for Professor Nathaniel Hendren, 2022

Job Market Paper

"The Economic Geography of Lifecycle Human Capital Accumulation: The Competing Effects of Labor Markets and Childhood Environments." (with Sonya Porter)

Abstract: We examine how place shapes the production of human capital across the lifecycle. We ask: do those places that most effectively produce human capital in childhood also have local labor markets that do so in adulthood? We begin by modeling wages across place as driven by 1) location-specific wage premiums, 2) adult human capital accumulation due to local labor market exposure, and 3) childhood human capital accumulation. We construct estimates of location wage premiums using AKM-style estimates of movers across US commuting zones and validate these estimates using evidence from plausibly exogenous out-migration from New Orleans in response to Hurricane Katrina. Next, we examine differential earnings trajectories among movers to construct

estimates of human capital accumulation due to labor market exposure. We validate these estimates using wage changes of multi-time movers. Finally, we estimate the impact of place on childhood human capital production using age variation in moves during childhood. Crucially, our estimates of location wage premiums and adult human capital accumulation allow us to construct estimates of the causal effect of place during childhood that are not confounded by correlated labor market exposure. Using these estimates, we show there is a tradeoff between those places that most effectively produce human capital in childhood and the local labor markets that do so in adulthood. We find that each 1-rank increase in earnings due to adult labor market exposure trades off with a 0.43 rank decrease in earnings due to the local childhood environment. This pattern is closely linked to city size, as adult human capital accumulation generally increases with city size, while childhood human capital accumulation falls. These divergent trajectories are associated with differences in both the physical structure of cities and the nature of social interaction therein. There is no tradeoff present in the largest cities, which provide greater exposure to high-wage earners and higher levels of local investment. Finally, we examine how these patterns are reflected in local rents. Location wage premia are heavily capitalized into rents, but the determinants of lifecycle human capital accumulation are not.

Publications

"A Unified Welfare Analysis of Government Policy." (with Nathaniel Hendren). *The Quarterly Journal of Economics*. 2020; *135*(3), 1209-1318.

Abstract: We conduct a comparative welfare analysis of 133 historical policy changes over the past half-century in the United States, focusing on policies in social insurance, education and job training, taxes and cash transfers, and in-kind transfers. For each policy, we use existing causal estimates to calculate the benefit that each policy provides its recipients (measured as their willingness to pay) and the policy's net cost, inclusive of long-term effects on the government's budget. We divide the willingness to pay by the net cost to the government to form each policy's Marginal Value of Public Funds, or its "MVPF". Comparing MVPFs across policies provides a unified method of assessing their effect on social welfare. Our results suggest that direct investments in low-income children's health and education have historically had the highest MVPFs, on average exceeding 5. Many such policies have paid for themselves as the government recouped the cost of their initial expenditures through additional taxes collected and reduced transfers. We find large MVPFs for education and health policies among children of all ages, rather than observing diminishing marginal returns throughout childhood. We find smaller MVPFs for policies targeting adults, generally between 0.5 and 2. Expenditures on adults have exceeded this MVPF range in particular if they induced large spillovers on children. We relate our estimates to existing theories of optimal government policy, and we discuss how the MVPF provides lessons for the design of future research.

Working Papers

"A Welfare Analysis of Tax Audits Across the Income Distribution" (with William C. Boning, Nathaniel Hendren and Ellen Stuart)*. Revision Requested, Quarterly Journal of Economics.*

Abstract: We estimate the returns to IRS audits of taxpayers across the income distribution. We find an additional $1 spent auditing taxpayers above the 90th income percentile yields more than $12 in revenue, while audits of below-median income taxpayers yield $5. We draw upon comprehensive internal accounting information and audit-level enforcement logs to quantify the average costs and revenues associated with each audit. We begin by estimating the average initial return to all audits of US taxpayers filing in 2010-2014. On average, $1 in audit spending raises $2.17 in initial revenue. Audits of high-income taxpayers are more costly, but the additional revenue raised more than offsets the costs. Audits of the 99-99.9th percentile have a 3.2:1 return; audits of the top 0.1% return 6.3:1. We then exploit the 40% audit reduction between tax years 2010 and 2014 to examine the returns to marginal audits. We find they exceed the returns to average audits. Revenues remain relatively unchanged but marginal costs fall below average costs due to economies of scale. Next, we use randomly selected audits to examine the impact of an initial audit on future revenue. This specific deterrence effect produces at least three times more revenue than the initial audit. Deterrence effects are relatively consistent across the income distribution. This results in the 12:1 return above the 90th percentile. We conclude by estimating the welfare consequences of audits using the MVPF framework and comparing audits to other revenue raising policies. We find that audits raise revenue at lower welfare cost.

"State Taxes, Migration, and Capital Gains Realizations" (with Lucas Goodman).
Revision Requested, American Economic Journal: Economic Policy

Abstract: We analyze the impact of state capital gains tax rates on migration and realization. We find the probability of migrating to a zero-tax state before realization rises with one's potential tax savings. Exploiting individual-level variation in tax savings, we use a dynamic discrete choice model to quantify the behavioral effects of state capital gains taxes. We estimate that former residents of high-tax states realize an additional $2.8 billion yearly in zero-tax states due to tax savings. Reducing top rates would decrease tax avoidance by out-migrants, but the positive fiscal externalities would be less than 1% of the policy's mechanical cost.

"The Radius of Economic Opportunity: Evidence from Migration and Local Labor Markets" (with Nathaniel Hendren and Sonya Porter).

Abstract: We examine the geographic incidence of local labor market growth across locations of childhood residence. We ask: when wages grow in a US labor market, do the benefits flow to individuals growing up in nearby or distant locations? We begin by constructing new statistics on migration rates across labor markets between childhood and young adulthood. This migration matrix shows 80% of young adults migrate less than 100 miles from where they grew up. 90% migrate less than 500 miles. Migration distances are shorter for Black and Hispanic individuals and for those from low-income families. These migration patterns provide information on the first order geographic incidence of local wage growth. Next, we explore the responsiveness of location choices to economic shocks. Using geographic variation induced by the recovery from the Great Recession, we estimate the elasticity of migration with respect to increases in local labor market wage growth. We develop and implement a novel test for validating whether our identifying wage variation is driven by changes in labor market opportunities rather than changes in worker composition due to sorting. We find that higher wages lead to increased in-migration, decreased out-migration and a partial capitalization of wage increases into local prices. Our results imply that for a 2 rank point increase in annual wages (approximately $1600) in a given commuting zone (CZ), approximately 99% of wage gains flow to those who would have resided in the CZ in the absence of the wage change. The geographically concentrated nature of most migration and the small magnitude of these migration elasticities suggest that the incidence of labor market conditions across childhood residences is highly local. For many individuals, the "radius of economic opportunity" is quite narrow.

Research Grants

Support for Policy Impacts, Spiegel Family Foundation, 2020-2027

Seminars & Conferences

NBER Summer Institute, Public Economics, July 2023
University of Kentucky, Martin School Seminar Series, February 2022
NBER Summer Institute, Labor Studies, July 2022
NBER Summer Institute, Urban Economics, July 2022
Annual Conference on Taxation, National Tax Association, November 2019 and November 2020

Academic Service

Referee for: *Quarterly Journal of Economics*, *American Economic Review*, *American Economic Journal: Economic Policy*, *Journal of Public Economics*, *Journal of Urban Economics*, *Review of Economic Studies*

Co-Organizer: Harvard Graduate Student Labor/Public Workshop 2020-2021, Harvard Graduate Student Labor/Public Early Stage Presentation Workshop 2019-2020