

OFFICE CONTACT INFORMATION

MIT Department of Economics
 77 Massachusetts Avenue, E52-301
 Cambridge, MA 02139
stepner@mit.edu
<https://economics.mit.edu/grad/stepner>

HOME CONTACT INFORMATION

22 Smith St
 Medford, MA 02155
 Mobile: 617-888-3846

PRIOR EDUCATION McGill University 2012
 BA in Economics, First Class Honors

CITIZENSHIP Canadian

LANGUAGES English, French

FIELDS Primary Field: Public Finance
 Secondary Fields: Health, Labor

RELEVANT POSITIONS Research Assistant to Professor Amy Finkelstein 2016
 Massachusetts Institute of Technology, Cambridge MA

Research Assistant to Professors Raj Chetty, John Friedman and
 Nathan Hendren 2012-13
 Harvard University, Cambridge MA

FELLOWSHIPS, HONORS, AND AWARDS NBER Economics of an Aging Workforce Pre-Doctoral Fellowship 2017-19

NBER Retirement Research Center Fellowship 2016-17

SSHRC Doctoral Fellowship 2013-17

MIT Fellowship 2013-15

McGill University
 Governor General's Academic Medal 2012
 C.W. Snyder, C. Peters and J.W. McConnell Scholarships 2009-12

PROFESSIONAL ACTIVITIES **Referee**
American Economic Review *New England Journal of Medicine*
European Journal of Health Economics *Quarterly Journal of Economics*

PROFESSIONAL ACTIVITIES (CONT.)	Invited Presentations	
	UQAM Human Capital Research Group	2019
	The Dartmouth Institute	2018
	NBER Aging Spring Meeting (discussant)	2018
	Statistics Canada	2018
	Employment and Social Development Canada (ESDC)	2017
	CIFAR Social Interactions, Identity and Well-Being Group	2016
	Stata Conference Boston	2014

Selected Software Publications

binscatter: Stata module to produce binned scatterplots

maptile: Stata module to produce choropleth maps

vam: Stata module to compute drift-adjusted teacher value-added

PUBLICATIONS **“The Association Between Income and Life Expectancy in the United States,”**
with Raj Chetty, Sarah Abraham, Shelby Lin, Ben Scuderi, Nick Turner,
Augustin Bergeron and David Cutler. *The Journal of the American Medical
Association* (2016), Vol. 315, No. 14. <https://healthinequality.org>

RESEARCH PAPERS **“Insuring the Labor Market Risks of Hospitalization”**
Tax and transfer programs insure labor market risks by (i) replacing lost earnings with increased transfers, (ii) providing a stream of transfer income not sensitive to earnings declines, and (iii) charging progressive tax rates that decline with income. This paper examines the distribution of income risk that adults face from severe illness and the social insurance provided by taxes and transfers, using an event study research design with linked Canadian hospital and tax records. I find that adults with lower incomes face larger pre-tax earnings risk from hospitalization events, primarily due to extensive margin exits from employment. Canada’s tax and transfer system insures 44% of post-hospitalization income losses in the bottom income quintile and 12% of losses in the top income quintile. But less than two thirds of this insurance comes from replacing lost earnings with increased transfers. In the bottom income quintile, 30% of insurance is due to a stable stream of transfers; in the top income quintile, 30% of insurance is due to progressive taxation. Using a calibrated model, I find that the marginal value of additional insurance against hospitalization risk is approximately flat across the income distribution. Together, these findings underscore the importance of considering redistributive taxation as part of the social insurance system.

“The Long-Term Externalities of Short-Term Disability Insurance”

This paper shows that employer-provided short-term disability insurance (STDI) increases long-term disability insurance (LTDI) take-up and imposes a negative fiscal externality on the government budget. Expanding private STDI has been touted as a way to lower public LTDI costs by giving employers a financial incentive to provide workplace accommodations. But private STDI can also raise

public LTDI costs, since STD I generates moral hazard by providing benefits during the waiting period for LTDI. Using variation in private STD I coverage caused by Canadian firms ending their plans, I find that the moral hazard effect dominates and private STD I raises two-year flows onto LTDI by 0.07 percentage points (33%). Extrapolating to Canada's entire population, private STD I generated 18,300 LTDI recipients and CA\$230 million dollars (5%) of public LTDI spending in 2015. The efficient Pigouvian tax on Canadian private STD I that internalizes this externality is approximately CA\$35 per insured worker.

**RESEARCH IN
PROGRESS****“Social Insurance of Intensive and Extensive Margin Earnings Risk: Insuring the Risks of Job Loss and Illness”**

Job loss and illness are the two largest risks faced by prime age workers, and unemployment insurance, health insurance and disability insurance constitute the bulk of government social insurance expenditures. This paper contrasts the distribution of income risk that adults face from job displacements and hospitalizations and examines how well those risks are insured by tax and transfer programs. Both job displacements and hospitalizations generate large declines in earnings that persist for at least five years. I show that earnings losses following job displacements are predominantly due to intensive margin earnings losses among workers with above-median income prior to displacement. By contrast, earnings losses following hospitalizations are predominantly due to extensive margin earnings losses concentrated among lower-income workers. I find that Canada's progressive tax and transfer system provides substantially more insurance against the income risks of hospitalizations than job displacements. The discrepancy in the social insurance for these risks is caused by a lack of wage insurance and because job displacements affect higher income individuals who derive the bulk of their income from wages.

“Health Inequality Around the World: Examining the Relationship Between Income and Life Expectancy in Seven High-Income Countries,”

lead author with Yiqun Chen, Raj Chetty, David Cutler, Andreas Haller, Claus Thustrup Kreiner, Hsienming Lien, Kevin Milligan, Thomas Minten, Torben Heien Nielsen, Petra Persson, Maria Polyakova, Tammy Schirle, Benjamin Ly Serena, Johannes Spinnewijn, Stefan Staubli and Josef Zweimüller.

This paper studies variation around the world in the relationship between income and life expectancy using administrative data from Austria, Canada, Denmark, the Netherlands, Sweden, Taiwan and the United States. Building on the methods of Chetty et al (2016), we measure inequality in life expectancy at age 40 in each country using linked administrative tax and mortality records. We examine how well variation in the relationship between life expectancy and income is explained by differences in income inequality, progressive taxation, health behaviors and health care systems.