MIT Economics

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DOCTORAL STUDIES

Massachusetts Institute of Technology — 2019
PhD in Economics

DISSERTATION: Essays on Health and Social Insurance

DISSERTATION COMMITTEE AND REFERENCES

Professor Amy Finkelstein
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Professor David Autor
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Professor Raj Chetty
Opportunity Insights, Harvard University
1280 Massachusetts Ave., Office #213
Cambridge, MA 02138
650-646-5527
chetty@fas.harvard.edu

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

Post-Doctoral Fellow, Retirement and Disability Policy Research 2019-20
National Bureau of Economic Research, Cambridge MA

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*

Invited Presentations

Retirement and Disability Research Center, Annual Meeting 2019
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 chloropleth 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"
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 STDI generates moral hazard by providing benefits during the waiting period for LTDI. Using variation in private STDI coverage caused by Canadian firms ending their plans, I find that the moral hazard effect dominates and private STDI raises two-year flows onto LTDI by 0.07 percentage points (33%). Extrapolating to Canada's entire population, private STDI generated 18,300 LTDI recipients and CA$230 million dollars (5%) of public LTDI spending in 2015. The efficient Pigouvian tax on Canadian private STDI 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 Nine High-Income Countries," *lead author* with Lorena Di Bono, Yiqun Chen, Raj Chetty, Luke Chu, David Cutler, Andreas Haller, Jonas Minet Kinge, 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, New Zealand, Norway, 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.