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**DOCTORAL STUDIES** Massachusetts Institute of Technology (MIT) 2019  
PhD in Economics

DISSERTATION: “Essays on Health and Social Insurance”

## DISSERTATION COMMITTEE AND REFERENCES

Professor Amy Finkelstein  
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**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

<b>RELEVANT POSITIONS</b>	Post-Doctoral Fellow, Retirement and Disability Policy Research National Bureau of Economic Research, Cambridge MA	2019-20
	Post-Doctoral Affiliate, Harvard Economics, Opportunity Insights Harvard University, Cambridge MA	2019-20
	Research Assistant to Professor Amy Finkelstein Massachusetts Institute of Technology, Cambridge MA	2016
	Research Assistant to Professors Raj Chetty, John Friedman and Nathan Hendren Harvard University, Cambridge MA	2012-13
<b>FELLOWSHIPS, HONORS, AND AWARDS</b>	John Heinz Dissertation Award, Winner National Academy of Social Insurance	2019
	Outstanding Doctoral Dissertation Award, Honorable Mention National Tax Association	2019
	Network Leader: Health Trends and Inequalities NBER Center for Aging and Health Research NIA P30 Grant	2019
	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
	<b>PROFESSIONAL ACTIVITIES</b>	<b>Referee</b> <i>American Economic Review</i> <i>New England Journal of Medicine</i> <i>American Economic Review: Insights</i> <i>Quarterly Journal of Economics</i> <i>European Journal of Health Economics</i> <i>PLOS Medicine</i>
<b>Conference Organizer</b> NBER Workshop on Income and Life Expectancy (co-organizer)		2019

<b>PROFESSIONAL ACTIVITIES (CONTINUED)</b>	<b>Invited Presentations</b>	
	Harvard Economics, Opportunity Insights	2019
	Retirement and Disability Research Center Annual Meeting (poster)	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 ( <i>ESDC</i> )	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

### Public Service

*The Immigrant Doctors Project* 2017  
<https://immigrantdoctors.org>

*Effective Technical Collaboration: A Coding Style Guide* 2017  
<https://michaelstepner.com/style-guide>

*Git vs. Dropbox from a Researcher's Perspective* 2016  
<https://michaelstepner.com/blog/git-vs-dropbox>

### RESEARCH PAPERS

#### “The Insurance Value of Redistributive Taxes and Transfers” (Job Market Paper)

<https://michaelstepner.com/jmp>

Progressive tax and transfer schedules serve a redistributive role by transferring from high-income to low-income individuals, but they also serve an insurance role by transferring from the high-income years to the low-income years within each person's lifespan. This paper examines how the design of the tax and transfer system provides insurance against income risks by studying the two largest economic shocks faced by working-age households: layoffs and illness. Using 1.6 million layoffs and 1.2 million hospital stays linked to Canadian tax records, I first show that both events cause persistent declines in earnings lasting more than six years. The full tax and transfer system provides substantial insurance against these risks, shrinking the percentage of income lost post-layoff by 40% and post-hospitalization by 60%, which I estimate to be worth 7-10% of total post-event consumption. But less than half of this social insurance comes from the unemployment and disability insurance programs that formally insure these risks. The progressive shape of taxes and transfers provides the majority of social insurance, and is especially important for reducing the risk of catastrophic income losses and mitigating inequality in the income risks of layoffs and hospitalizations. Using a dynamic model, I find that the insurance value of redistributive taxes and transfers is considerable across the entire income distribution, and is more than twice as large at the bottom of the income distribution than at the top.

**RESEARCH PAPERS (CONTINUED)****“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****“Health Inequality Around the World: Comparing the Relationship Between Income and Life Expectancy in Ten High-Income Countries”**

*Lead author* with Lorena Di Bono, Yiqun Chen, Raj Chetty, Luke Chu, David Cutler, Andreas Haller, Katja Hofmann, Jonas Minet Kinge, Claus Thustrup Kreiner, Hsien-Ming Lien, Kevin Milligan, Benjamin Milner, Thomas Minten, Torben Heien Nielsen, Petra Persson, Maria Polyakova, Tammy Schirle, Benjamin Ly Serena, Johannes Spinnewijn, Stefan Staubli, Tzu-Ting Yang, Yuting Zhang and Josef Zweimüller.

This paper studies the sources of cross-national differences in life expectancy using linked income tax and mortality data from Australia, 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 by income percentile at age 40 within each country. We show that the gradient between income and life expectancy is significantly steeper in the United States than any of the nine peer countries studied. Men and women with below-median household income live more than two years longer in the nine other countries than in the United States. But life expectancies are similar in all countries for individuals with above-median income. In ongoing work, we examine how well the cross-national variation in the relationship between life expectancy and income is explained by differences in income inequality, progressive taxes and transfers, disease burdens, health behaviors, and health care systems.

**RESEARCH IN  
PROGRESS  
(CONTINUED)****“The Value and Efficiency of Wage Insurance: New Evidence from an Old RCT”** (with Ben Sprung-Keyser)

Wage insurance provides benefits to laid-off workers who find work at lower wages than their prior job, and has been touted as a way to help workers adjust to growing automation and offshoring. Yet there is little evidence about the efficiency costs or consumption smoothing benefits of wage insurance programs, in contrast to the extensive literature on optimal unemployment insurance. This paper uses newly linked data and modern welfare analysis to re-examine the Earnings Supplement Project, a large-scale RCT evaluation of wage insurance funded by the Canadian government in the mid-1990s.

**PUBLICATIONS  
IN MEDICINE**

**“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>

**“Data Resource Profile: The Canadian Hospitalization and Taxation Database (C-HAT),”** with Claudia Sanmartin, Alexander Reicker, Abel Dasylva, Michelle Rotermann, Sung-Hee Jeon, Randy Fransoo, Hannah Wunsch, Damon C Scales, Theodore J Iwashyna and Allan Garland. *International Journal of Epidemiology* (2018), Vol. 47, No. 3. <https://doi.org/10.1093/ije/dyy038>

**“Effects of Cardiovascular and Cerebrovascular Health Events on Work and Earnings: a Population-Based Retrospective Cohort Study,”** with Allan Garland, Sung-Hee Jeon, Michelle Rotermann, Randy Fransoo, Hannah Wunsch, Damon C. Scales, Theodore J. Iwashyna and Claudia Sanmartin. *Canadian Medical Association Journal* (2019), Vol. 191, No. 1. <https://doi.org/10.1503/cmaj.181238>

**“Effects of Cardiovascular Health Shocks on Spouses’ Work and Earnings: A National Study,”** with Sung-Hee Jeon, Michelle Rotermann, Randy Fransoo, Claudia Sanmartin, Damon C. Scales, Hannah Wunsch, Theodore J. Iwashyna and Allan Garland. *Medical Care* (forthcoming).