

Announcing the 2019 class of academic grants and grantees

August 2019

Human Capital

Anna Gassman-Pines

Duke University

Elizabeth Ananat

Columbia University

Evaluating the Philadelphia Fair Workweek Standard to identify the consequences of scheduling regulation on workers and families

Grant Type: Academic

Grant Year: 2019

Grant amount: \$72,000

This research will assess before and after data in Philadelphia across industries that are and are not subject to the recent scheduling regulation in order to investigate the effectiveness of the policy, including unintentional consequences such as a reduction in the total number of hours offered to an employee. Using a daily diary study conducted via cellphone text message in English and Spanish, the project will survey 1,000 Philadelphia workers in low-wage service occupations who have a young child (ages 2 to 7). It will compare voluntary and involuntary schedule changes by using daily diaries to assess changes in hours and schedules in order to discern not only the frequency and distribution of unpredictability, but also its effect on low-wage parents and children. The results of this study will provide unique, causal information on the potential effects of new scheduling laws on both parents and children.

Hilary Hoynes

University of California, Berkeley

The effects of employment incentives and cash transfers on parent and child outcomes: Evidence from the long-run effects of welfare reform experiments

Grant Type: Academic
Grant Year: 2019
Grant amount: \$80,000

This project seeks to extend the evidence on welfare policies by examining the long-run effects of a high-impact set of randomized experiments conducted by the nonprofit organization MDRC in the late 1980s and 1990s involving more than 100,000 welfare recipients. This is the first study of its kind to look at the very long-term effects of welfare reform experiments on adult outcomes. In each study, welfare recipients were randomly assigned to either a control, Aid to Families with Dependent Children-like program, or to interventions involving different combinations of job training, job search assistance, financial incentives to work, childcare subsidies, time limits, and/or sanctions. Merging data from these experiments with administrative tax data and other data held at the U.S. Census Bureau, Hoynes will study the long-run impacts of welfare policies on many important outcomes, including earnings and employment, fertility, marriage, mortality, and program participation for adult welfare recipients and, importantly, their children.

Daniel Mangrum

Vanderbilt University

Federal financial aid and postsecondary success for low-income students

Grant Type: Doctoral
Grant Year: 2019
Grant amount: \$15,000

This research will investigate how low-income and first-generation students respond financially and academically to financial aid austerity by exploiting a 2011 change that the U.S. Congress made to Pell grant eligibility that affected nearly 286,000 students. As a result, an estimated 12,000 students were eliminated from eligibility for a Pell grant, and 274,000 students received fewer grant dollars. The project will estimate the impact of this sudden unexpected loss in financial aid on college attendance, financial aid, and labor supply outcomes for low-income college students using a combination of restricted-use data from the Beginning Postsecondary Students survey and the National Postsecondary Student Aid Study. The researcher will use the panel nature of the data to track changes in outcomes for students from one academic year to the next. A regression discontinuity design will be employed to estimate the causal effect of the loss on various educational and labor market outcomes.

Lauren Russell

Harvard University

Criminal record information and access to opportunity: Using the 2010 CORI reform as a natural experiment

Grant Type: Doctoral
Grant Year: 2019
Grant amount: \$15,000

Russell will explore whether the Massachusetts Criminal Offender Record Information, or CORI, reform affected the likelihood that ex-offenders moved to higher-opportunity neighborhoods. This work sits at the intersection of two important policy areas—criminal justice reform and neighborhood access/mobility—and brings a racial lens to the question. It also seeks to understand whether the reform promotes statistical racial discrimination in housing, as some research has suggested “Ban the Box” laws unintentionally have.

Macroeconomic Policy

Simon Jäger

Massachusetts Institute of Technology

Benjamin Schoefer

University of California, Berkeley

Workers in the board room: The causal effects of shared governance

Grant Type: Academic

Grant Year: 2019

Grant amount: \$55,000

Whether and how to involve workers in decision-making at the workplace is a fundamental question of the organization of firms and economies more broadly. This project proposes to use a novel research design to study a 1994 reform in Germany that sharply abolished employee board representation in newly incorporated firms with fewer than 500 workers in order to analyze the effects of shared governance on a variety of firm and worker-level outcomes, including wages, distribution of profits, and inequality of pay within a firm. The authors will use a regression discontinuity design that exploits the 1994 reform, supplemented with a difference-in-difference approach that compares changes among shareholder firms to changes among nonshareholder firms that were never subject to co-determination and thus were not affected by the reform. This will allow them to control for general economic trends that may have impacted firm and worker outcomes around the timing of the reform.

Scott Kominers

Harvard University

Mohammad Akbarpour

Stanford University

Piotr Dworzak

Northwestern University

Ravi Jagadeesan

Ph.D. student, Harvard University

Market design responses to inequality

Grant Type: Academic

Grant Year: 2019

Grant amount: \$29,400

Much of the theory of market design operates in two extreme environments: One where monetary transfers are prohibited, and one where there are transfers but each individual values one dollar in the same way. This research seeks to understand how to optimally design goods markets in the presence of wealth inequality and is conducted across three discrete research papers. The first project develops an analytic framework for a middle ground where agents are wealth constrained or have income effects. The second project develops a continuous-time model of dynamic capital taxation, and the third project considers dynamic effects of inequality using formal models.

Juan Carlos Suárez Serrato

Duke University

Mark Curtis

Wake Forest University

Eric Ohrn

Grinnell College

How does capital investment affect workers? Evidence from bonus depreciation and matched employer-employee data

Grant Type: Academic

Grant Year: 2019

Grant amount: \$55,000

The extent to which capital and labor are substitutes and how this substitutability shapes worker outcomes is a key determinant of economic inequality. This project proposes to study the effect of bonus depreciation on worker outcomes using employer-employee matched Census data in order to understand whether capital investments in the form of new technologies are replacing workers and whether the impact is different for workers of various skill levels.

Jacob Orchard

University of California, San Diego

Does inflation inequality matter for monetary policy?

Grant Type: Doctoral

Grant Year: 2019

Grant amount: \$15,000

This project will investigate how individual specific inflation rates affect the transmission of monetary policy. This research seeks to extend previous work to understand if inflation inequality matters for aggregate monetary policy response by using a quantitative model similar to Kaplan, Moll, and Violante to investigate how the joint-distribution between inflation rates and wealth (liquid and illiquid) matter for aggregate monetary policy response. Also, while inflation inequality between income groups and individuals differs over time, this work also seeks to uncover whether dispersion has increased, following income inequality trends. Nielsen Homescan consumer panel data will be used to measure household's nondurable consumption.

Christian Wolf*Princeton University****The missing intercept: A sufficient statistics approach to general equilibrium effects*****Grant Type: Doctoral****Grant Year: 2019****Grant amount: \$15,000**

How can estimates of microlevel causal effects be mapped into general equilibrium counterfactuals? Using a derivation of the central general equilibrium invariance result, this work studies general equilibrium counterfactuals for income tax rebate stimulus. The project develops a theoretically valid approximation of general equilibrium effects of spending and investment shocks in business-cycle models. It then uses estimates of responses to certain types of shocks to develop estimates of the impact of certain types of policies, which include general equilibrium effects. This research will add to our understanding of the effect of stimulus tools on the macroeconomy.

Market Structure

Randall Akee*University of California, Los Angeles***Elton Mykerezi***University of Minnesota****Business dynamics on American Indian Reservations: Understanding the role of the gaming industry and secondary employment growth*****Grant Type: Academic****Grant Year: 2019****Grant amount: \$70,000**

This project will investigate whether large-anchor economic development projects in relatively isolated rural areas provide spillover economic effects into other industries. Specifically, the authors will provide community-level analysis of business expansion and contraction by community type and characteristics for American Indian Reservations and adjacent communities. Using data going back to the 2000s, the project will examine the impact of the gaming industry on noncasino business establishments and their expansion (prior to the Great Recession of 2007–2009) in order to assess whether the development of the gaming industry has had a spillover impact on employment in these regions. The data allows the researchers to follow whether ancillary businesses (in the transportation, food services, retail operations, and lodging services industries) start up or expand in order to service the gaming industry. It will build upon previous data work allowing for the identification of whether an establishment is located on or off of an American Indian Reservation.

Simcha Barkai*University of Chicago***Ezra Karger***Ph.D. student, University of Chicago****The causal effect of antitrust enforcement*****Grant Type: Academic****Grant Year: 2019****Grant amount: \$77,000**

This project will construct a comprehensive database of antitrust enforcement actions brought by the U.S. Department of Justice and the Federal Trade Commission against firms and individuals between 1890 and 2017. The authors will link this database to industry-level economic outcomes and to restricted firm-level tax records from the IRS and the U.S. Census Bureau, including the Economic Census, the Longitudinal Business Database, and the Standard Statistical Establishment List in order to measure the effect of antitrust enforcement on economic output. Two identification strategies will be used to measure the effect of antitrust enforcement. The first strategy involves investigating the appointment of Thurman Arnold to lead the DOJ Antitrust Division in a difference-in-difference framework, relying on detailed information about each case Arnold brought against firms. The second will use the modern-day random assignment of federal appellate judges to antitrust lawsuits and a Lasso-based econometric framework to measure the effect of procompetitive and anticompetitive judges on firms and industries.

Simon Mongey*University of Chicago***David Berger***Northwestern University***Kyle Herkenhoff***University of Minnesota****Labor market concentration and welfare*****Grant Type: Academic****Grant Year: 2019****Grant amount: \$60,000**

This project will examine how mergers have affected competition in the U.S. labor market from 1976 to 2014. The researchers will use the U.S. Census Bureau's Longitudinal Business Database from 1976 to 2014, in conjunction with a new theoretic framework of oligopsony, to measure the effects of mergers on monopsony power and labor market outcomes, including labor's share of income and welfare. In addition, they will use the Longitudinal Employer Household Dynamics database from 1992 to 2014 to measure how mergers differentially affect low- and high-wage workers, and how these effects differ systematically by characteristics of the worker's labor market, such as number of firms, and concentration. They will measure job mobility and subsequent earnings losses for those displaced following a merger, thus linking mergers to income inequality and the rich literature on earnings losses of displaced workers.

Ratib Ali*Boston College****Competitive effects of mergers with regulatory divestiture of assets: Evidence from airline industry*****Grant Type: Doctoral****Grant Year: 2019****Grant amount: \$15,000**

This proposal investigates the effects of mergers in the airline industry upon price, flight frequency, and consumer welfare. Specifically, it will investigate the competitive effects of the merger between US Airways and American Airlines in 2013 and ask whether (or to what extent) the structural remedies required by the U.S. Department of Justice mitigated the expected loss in consumer welfare. In doing so, the investigator seeks to provide a framework for antitrust authorities to approach welfare implications of future airline-related mergers and joint ventures when airport slots are involved.

Conor Walsh*Yale University****A unified analysis of declining dynamism and rising mark-ups*****Grant Type: Doctoral****Grant Year: 2019****Grant amount: \$15,000**

Using restricted access, revenue-enhanced data from the Longitudinal Business Database to estimate mark-ups for the full economy, this project seeks to examine whether slowing labor force growth contributes to the decline in new business startups and to increasing mark-ups.

Samuel Young*Massachusetts Institute of Technology***Sean Wang***Massachusetts Institute of Technology****Measuring firms' labor market power in the United States.*****Grant Type: Doctoral****Grant Year: 2019****Grant amount: \$15,000**

This project will jointly estimate production mark-ups and labor mark-downs with manufacturing data, and estimate rent-sharing with labor when there are productivity increases in the context of firms' labor market power using Longitudinal Employer-Household data. This dataset allows for heterogeneity analysis that helps understand the types of workers facing the most anticompetitive forces. Further, the research investigates how labor market power varies across geography, industries, and time, and how policymakers can target remedies taking these factors into consideration.

Labor Market

Peter Blair

Harvard University

Morris Kleiner

University of Minnesota

The labor market consequences of ex-offender licensing laws

Grant Type: Academic

Grant Year: 2019

Grant amount: \$80,000

This project will create a publicly available database of statutory and administrative laws governing the ability of ex-offenders to be granted an occupational license for all universally licensed occupations in the United States. The newly created time-series will be linked with Census microdata, including data from the American Community Survey, Current Population Survey, and Survey of Income and Program Participation. The research team will then use the changes in these ex-offender occupational licensing laws over time and across states to estimate the impact of these laws on the labor market outcomes of workers, with particular attention to the labor market outcomes of minorities. There are very few high-quality studies of the impacts of such licensing laws on employment and earnings among individuals with felonies. This research creates a new, detailed, and valuable dataset of state occupational licensing laws, which will allow both this research team and future researchers to study the impact of these laws on wage and employment outcomes.

Erin Kelly

Massachusetts Institute of Technology

Hazhir Rahmandad

Massachusetts Institute of Technology

Alex Kowalski

Massachusetts Institute of Technology

Scheduling strategies for warehouse work

Grant Type: Academic

Grant Year: 2019

Grant amount: \$80,000

This project will partner directly with a warehousing firm in order to: document the risks of certain schedules for subjective well-being and self-reported health for workers and specific demographic groups; document the relationships between work schedules and turnover for workers and for specific demographic groups; quantify the costs of current scheduling practices for the organization by building a more systemic view of the interdependencies of scheduling, absenteeism, productivity, and turnover; and develop and evaluate a workplace intervention targeting workers' control over their schedules using a cluster-randomized trial.

Nirupama Rao*University of Michigan***Max Risch***Economics postdoctoral researcher, Princeton University****Understanding the incidence of minimum wage increases*****Grant Type: Academic****Grant Year: 2019****Grant amount: \$60,000**

This project aims to understand how firms accommodate increases in the minimum wage by using granular compensation data that the research team will construct by merging the individual tax returns of all employees and contractors of a firm to the business tax return of the firm. These data allow for an exploration of how changes in the minimum wage affect the full distribution of employee and contractor compensation within affected firms, including changes in employment and income. They will look at which kinds of workers, if any, lose or gain employment following increases in the minimum wage and how the incomes of covered and uncovered workers, as well as firm owners, are affected. Notably, the 17-year data panel will enable them to study dozens of minimum wage increases legislated at the federal, state, and substate level.

Jennifer Romich*University of Washington***Scott Allard***University of Washington***Heather Hill***University of Washington***Mark Long***University of Washington****New evidence on local minimum wage laws and earnings inequality*****Grant Type: Academic****Grant Year: 2019****Grant amount: \$50,000**

The research team will develop the Washington Merged Longitudinal Administrative Data, which will link demographic information to employment records, and public program administrative data. It will construct households from these state-level data, including the creation of detailed documentation and testing that will allow other scholars to replicate these methodological innovations for analysis of a host of policy interventions on household income and program participation.

David Weil*Brandeis University***Ellora Derenoncourt***Economics postdoctoral researcher, Princeton University*

Do social norms around pay influence the wage-setting behavior of firms?**Grant Type: Academic****Grant Year: 2019****Grant amount: \$70,000**

This project investigates the impact of wage increases at large employers in the United States. It will study the wages of other similarly skilled workers in the labor market exposed to one of these large employers in order to better understand how actions by firms, the government, and worker advocacy organizations influence wages in their local labor markets more broadly. This topic helps to contribute to our understanding of how to improve economic outcomes at the bottom of the earnings distribution. The research uses a difference-in-difference design and will compare outcomes for similarly skilled workers that are exposed versus not-exposed to one of the major employers when that employer changes its wage policy. They will use Burning Glass data to isolate spillovers from mechanical effects since they will be able to look at posted wages for employers that are not the ones changing their wage policy.

Nathan Wilmers*Massachusetts Institute of Technology****Between exclusion and cumulative advantage: Effects of within-organization mobility on inequality*****Grant Type: Academic****Grant Year: 2019****Grant amount: \$30,510**

This research seeks to empirically disentangle and quantify job moves that occur within versus between employers. It utilizes two main sources of data: the Current Population Survey and restricted versions of the Survey of Income and Program Participation. The project investigates the extent to which aggregate trends in wage inequality are the result of increased within-organization job mobility and whether this shift has disproportionately benefited high-income/high-skill workers. It will also account for heterogeneity of outcomes among low-skilled/low-educated workers by exploring under what conditions less-educated workers benefit from internal labor markets and whether these conditions vary systematically by industry, occupation, or region.

Peter Fugiel*University of Chicago****Work as an option: Effects of unpredictable and unstable schedules on earnings, mobility, and skills*****Grant Type: Doctoral****Grant Year: 2019****Grant amount: \$15,000**

This research asks whether employers compensate workers for the implicit option of unpredictable and unstable schedules. It will use the National Longitudinal Survey of Youth, 1997 cohort, to analyze the labor market effects of unpredictable and unstable schedules. The project will focus on identifying marginal effects while controlling for observed and unobserved heterogeneity using fixed-effects or first-difference specifications.

Ingrid Haegele

University of California, Berkeley

Disentangling gender gaps: New evidence from personnel records

Grant Type: Doctoral

Grant Year: 2019

Grant amount: \$15,000

This research aims to empirically analyze potential explanations for gender wage gaps, glass ceilings, and differential labor market returns for women by looking at how gender gaps may be perpetuated within a firm. Using a dataset from a multinational firm employing 300,000 people that includes applications for promotions, as well as observed promotions, the project seeks to understand internal firm promotion processes that affect the gender wage gap over the career cycle.

Isaac Jabola-Carolus

The Graduate Center of the City University of New York

Regulating the care boom: Labor standards and in-home care work in three U.S. cities

Grant Type: Doctoral

Grant Year: 2019

Grant amount: \$15,000

This research seeks to understand how institutional interventions affect the realization of labor standards within the rapidly growing in-home care industry. Specifically, how do labor unions, government-civil society collaborations, and industry standards boards affect employer compliance, workers' ability to claim their rights, and resulting wages and job quality? Using targeted Facebook, Inc. advertising to conduct surveys in multiple languages, the project will include a comparative analysis of New York City, San Francisco, and Seattle—cities with more robust protections for in-home care workers.

Maningbe Keita

Johns Hopkins University

Examining the relationship between caregiving and work productivity loss among employed family caregivers of older adults

Grant Type: Doctoral

Grant Year: 2019

Grant amount: \$15,000

As the population ages and the cost of nursing-home care soars, more attention in the paid leave debate is turning to the importance of eldercare. This project examines how family caregiving of older adults impacts productivity at work and whether historically marginalized subgroups of working caregivers face an increased and inequitable risk of work productivity loss. The author will use the National Study of Caregiving and the National Health and Aging Trends Study, and, using a work productivity instrument validated for employed family caregivers, will provide estimates of the prevalence and cost of absenteeism, presenteeism, and work productivity loss in working family caregivers, including sociodemographic breakdowns.

Krista Ruffini

University of California, Berkeley

Do higher wages improve health outcomes? Evidence from nursing homes and minimum wage reforms

Grant Type: Doctoral

Grant Year: 2019

Grant amount: \$15,000

This project consists of an empirical analysis using a county-pair design to examine the relationship between minimum wages and the quality of services provided by low-wage workers by examining safety inspections and patient health outcomes in nursing homes following minimum wage reforms.

Anna Stansbury

Harvard University

Gregor Schubert

Harvard University

Getting labor markets right: Occupational mobility and outside options

Grant Type: Doctoral

Grant Year: 2019

Grant amount: \$15,000

How does the availability of job options outside workers' own occupations affect their labor market outcomes? This project uses Burning Glass data to define labor markets by the probabilistic occupational transitions that workers make. The research looks at the likelihood that a worker switches occupations based on location and other job determinants. In addition, the researchers will study differences based on the industrial composition of a location, local labor market shocks, and race and gender analyses, thus deepening our understanding of workers' outside options in regard to the impact of labor market concentration.