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HARVARD UNIVERSITY

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Undergraduate Studies:

BA in Economics, Cambridge University, First Class, 2013
(awarded Adam Smith Prize for joint best performance in economics)
Dissertation: "*Did Rising Income Inequality Affect the Build-up of US Household Debt?"*

Masters Studies:

Master in Public Policy, Harvard Kennedy School, 2013-15
Policy Analysis Exercise: *"Tackling Financial Exclusion Through Community Investment"*

Doctoral Studies:

Harvard University, 2016 to present
Ph.D. Candidate in Economics
Thesis Title: *"Essays on Labor Market Power"*
Expected Completion Date: May 2021

References:

Professor Lawrence Summers
Harvard University
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Professor Lawrence Katz
Harvard University
Phone: 617-495-5148
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Professor Claudia Goldin
Harvard University
Phone: 617-495-3934
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Professor Karen Dynan
Harvard University
Phone: 617-496-3374
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Teaching and Research Fields:

Primary field: Labor Economics
Secondary field: Macroeconomics

Teaching Experience:

2020, 2019, 2017, 2015 — *The Political Economy of Globalization* (Harvard College and Kennedy School)
Professors: Lawrence Summers and Robert Lawrence
Position: Teaching Fellow (2019, 2015); Head Teaching Fellow (2020, 2019, 2017)

2020 — *The Financial Crisis and the Great Recession* (Harvard College)
Professor: Karen Dynan
Position: Teaching Fellow

2017	*Inside Government* (Harvard Law School and Kennedy School) Professors: Lawrence Summers and Cass Sunstein Position: Course Assistant
2016, 2015	*American Economic Policy* (Harvard College and Kennedy School) Professors: Martin Feldstein, Jeff Liebman, Kate Baicker, Lawrence Summers Position: Teaching Fellow
2014	*Great Powers in the Global System* (Harvard Kennedy School) Professor: Nicholas Burns Position: Course Assistant
2014	*Game Theory* (Harvard Kennedy School) Professor: Janina Matuszeski Position: Teaching Fellow

Research Experience and Other Employment:

2015-present	Harvard University, Research Assistant for Professor Lawrence Summers
2017	Harvard University, Research Assistant for Professor Gabriel Chodorow-Reich
2015-2016	NBER, Research Assistant for Professor Martin Feldstein
2015-2016	Harvard University Center for International Development, Growth Lab Fellow
2014	Busara Center for Behavioral Economics, Nairobi, Summer Consultant
2014	Tanzania Gatsby Trust, Dar es Salaam, Summer Intern
2013-2014	Harvard Kennedy School Journalists' Resource Center, Economics Writer
2012	Morgan Stanley, London, Equity Research Summer Intern

Honors, Scholarships, and Fellowships:

2019	Washington Center for Equitable Growth Doctoral Grant *(with Gregor Schubert)*
2017-present	James M. and Cathleen D. Stone Ph.D. Scholar in Inequality and Wealth Concentration, Harvard's Multidisciplinary Program in Inequality & Social Policy
2015, 2016, 2019	Harvard Certificate of Distinction in Teaching (Spring & Fall 2015, Spring 2016, Fall 2019)
2013-2015	Kennedy Memorial Scholarship to Harvard
2013	Adam Smith Prize (joint) for Best Performance in Economics, Cambridge University

Professional Activities:

Presentations (including upcoming):

2020	Equitable Growth Grantee Conference; Southern Economic Association Conference (seminar session and panel); IZA Bonn workshop on "Labor Markets and the Phillips Curve"; Harvard Multidisciplinary Program in Inequality and Social Policy Seminar Series "Five Big Ideas in Inequality"; OECD Employment, Labour, and Social Affairs Seminar Series; Virtual Urban Economics Association Conference; Labor and Finance Online Seminar; MIT Institute for Work and Employment Research; Harvard Center for International Development Growth Lab Seminar; Oxford NuCamp Virtual PhD Workshop; Brookings Papers on Economic Activity (with Lawrence Summers).

2019	Midwest Macro Meetings panel on Women and Diversity in Macroeconomics; Wharton School People and Organizations Conference; 2nd IDSC of IZA/CAIS workshop "Matching Workers and Jobs Online"; Bank of Canada workshop "Productivity: Filling the Knowledge Gaps"; Peterson Institute for International Economics panel "Facing Up to Low Productivity Growth" (video).
2018	briq Institute on Behavior and Inequality workshop on "Firms, Jobs, and Inequality"; Peterson Institute for International Economics panel on "Central Bank Independence Revisited" (with Ed Balls) (video); European Central Bank Wage Expert Group; European Central Bank Directorate General Economic Developments; Resolution Foundation.
2017	Peterson Institute for International Economics conference on "Policy Implications of Sustained Low Productivity Growth" (with Lawrence Summers) (video), Harvard University (with Ed Balls).
Refereeing:	Quarterly Journal of Economics, Journal of Public Economics, Journal of the European Economic Association.

Job Market Paper:

"Employer Concentration and Outside Options" *[joint with Gregor Schubert and Bledi Taska]*

This paper studies the effect of employer concentration on wages in the United States. We make two primary new contributions. First, we develop an instrument for employer concentration, based on differential local exposure to national firm-level trends. We use the instrument to estimate the effect of plausibly exogenous variation in employer concentration on wages across the large majority of U.S. occupations and metropolitan areas. Second, we adopt a flexible "probabilistic" approach to labor market definition, identifying relevant job options outside a worker's own occupation using new occupational mobility data constructed from 16 million resumes, and estimate the effect of these outside-occupation options on wages. We find that moving from the median to the 95th percentile of employer concentration reduces wages by 3.5%. But we also reveal substantial heterogeneity: the effect of employer concentration is at least six times higher for low outward mobility occupations than those with high outward mobility. Although the majority of U.S. workers are not in highly concentrated labor markets, our estimates suggest that a non-trivial subset of workers experience meaningful negative wage effects from employer labor market power. The implications are that labor market regulatory agencies and antitrust authorities should take employer concentration seriously, but that measures of employer concentration – typically calculated for narrowly defined occupational labor markets – need to be adjusted to incorporate the availability and quality of job options outside the focal occupation.

Publications:

"The Declining Worker Power Hypothesis: An explanation for the recent evolution of the American economy". *[joint with Lawrence H. Summers].* Brookings Papers on Economic Activity. (2020).

Rising profitability and market valuations of U.S. businesses, sluggish wage growth and a declining labor share of income, and reduced unemployment and inflation have defined the macroeconomic environment of the last generation. This paper offers a unified explanation for these phenomena based on reduced worker power. Using individual, industry, and state-level data, we demonstrate that measures of reduced worker power are associated with lower wage levels, higher profit shares, and reductions in measures of the non-accelerating inflation rate of unemployment (NAIRU). We argue that the declining worker power hypothesis is more compelling as an explanation for observed changes than increases in firms' market power, both because it can simultaneously explain a falling labor share and a reduced NAIRU and because it is more directly supported by the data.

"Productivity and Pay: Is the Link Broken?" *[joint with Lawrence H. Summers].* Chapter 8 in *Facing Up to Low Productivity Growth*, Eds. Adam Posen and Jeromin Zettelmeyer, Peterson Institute for International Economics: Washington DC. (2019)

Since 1973 median compensation in the United States has diverged starkly from average labor productivity. Since 2000, average compensation has also begun to diverge from labor productivity. These divergences lead to the question: Holding all else equal, to what extent does productivity growth translate into compensation growth for typical American workers? We investigate this question by regressing median, average, and production/nonsupervisory compensation growth on productivity growth in various specifications. We find substantial evidence of linkage between productivity and compensation: Over 1973–2016, one percentage point higher productivity growth has been associated with 0.7 to 1 percentage point higher median and average compensation growth and with 0.4 to 0.7 percentage point higher production/nonsupervisory compensation growth. These results suggest that other factors orthogonal to productivity have been acting to suppress typical compensation even as productivity growth has been acting to raise it. Several theories of the cause of this productivity-compensation divergence focus on technological progress. These theories have a testable implication: Periods of higher productivity growth should be associated with periods of faster productivity-pay divergence. Testing this over the postwar period in the United States, the authors do not find substantial evidence of co-movement between productivity growth and either the labor share or the mean/median compensation ratio. This tends to militate against pure technology-based theories of the productivity-compensation divergence. Together these results suggest that faster future productivity growth is likely to boost median and average compensation growth close to one-for-one.

Research Papers:

"Under the Wage Floor: Exploring firms' incentives to comply with the minimum wage". *[with Lindsay Judge]*. Resolution Foundation Briefing Note. (2020).

In this paper, we explore the incentives for firms to comply with the National Living Wage/National Minimum Wage (NLW/NMW) in the United Kingdom. We document the penalties that firms are subject to both in theory and in practice if caught underpaying the NLW/NMW; estimate their current upper bound rate of detection; and show that even if detection rates increased significantly they would need to go hand-in-hand with higher financial penalties to provide firms with a hard, economic incentive to comply with the law.

"Central Bank Independence Revisited: After the financial crisis, what should a model central bank look like?" *[with Ed Balls and James Howat]*. Harvard Kennedy School Mossavar-Rahmani Center for Business and Government Associate Working Paper 67. (2016).

In the aftermath of the global financial crisis, countries around the world have dramatically expanded the objectives and powers of central banks beyond their traditional inflation targets and policy rates. But as these unelected, technocratic institutions become increasingly powerful, the pre-crisis academic consensus around central bank independence – put crudely, 'the more, the better' – has become inadequate. We show that operational independence of central banks – the ability to choose an instrument to achieve inflation goals – has been associated with significant improvements in price stability. But, in advanced economies at least, *political* independence – the absence of any possibility for politicians to influence central bank goals or personnel – is not correlated with inflationary outcomes. In light of this distinction between political and operational independence, this paper then evaluates the new powers that central banks have taken on over the last few years, focusing on advanced economies. The framework we develop examines how to maximize the benefits of locating new powers inside the central bank, while minimizing potential conflicts with monetary policy and limiting political threats to the legitimacy of central banks' operational independence.

Research Papers in Progress

"The end of the golden age of central banking? Secular stagnation is about more than the zero lower bound". *[with Lawrence Summers]*.
Preliminary draft available on request

The apparent decline of the neutral real interest rate, combined with the zero lower bound on nominal interest rates, risk making conventional monetary policy ineffective. We argue, however, that there may be a deeper issue which has made monetary policy ineffective at macroeconomic stabilization even away from the zero lower bound. We present evidence from a range of sources suggesting that the sensitivity of output and employment to interest rate cuts is low, may have decreased over time, and may even at some range be positive. This suggests that the neutral real interest rate may be substantially negative, if it exists at all. At the same time, there is growing evidence that low nominal interest rates may threaten financial stability and economic dynamism in the medium to long term. If this is the case, even if the short-term neutral rate is low and can be achieved, this may not be compatible with economic growth and stability in the long term, rendering the concept of the neutral rate less useful for policy. Overall, our evidence suggests that relying on conventional monetary policy in a recession may be at best ineffective and at worst destabilizing, implying that an increased focus on other methods of macroeconomic stabilization may be needed.

"Letting labor lose: quantifying the incentives to comply with federal minimum wage and labor law".
Preliminary draft available on request

Under a simple economic model of compliance with the law, firms will comply with the minimum wage and labor protections if the expected costs of non-compliance outweigh the expected benefits. Using data from the U.S. Department of Labor on the universe of federal penalties levied on firms which are non-compliant with the minimum wage, I infer the probability of detection which firms would have to expect to have an incentive to comply with the minimum wage. Under reasonable assumptions about the probability of detection, based on estimates of the prevalence of minimum wage underpayment, I show that the federal enforcement regime creates little incentive for many firms to pay the minimum wage. Using the scope for penalties for non-compliance with the NLRA laid out in the law, and empirical estimates of the effect of unionization on firms' stock market returns, I also show that the system of legal penalties or sanctions creates little to no incentive for most firms to comply with federal laws protecting labor organizing.

How does social class affect hiring decisions for elite occupations?" *[with Sophie Hill]*.
Slides available on request

Employment in elite occupations in the U.K. is disproportionately comprised of people from upper or upper-middle class backgrounds (even relative to the share of students at top U.K. universities with these backgrounds). Qualitative evidence suggests that a number of factors create barriers to access to elite occupations for individuals from working class backgrounds, including class bias, cultural fit with colleagues, and/or perceived competence when interacting with clients. On the other hand, to achieve a given set of academic qualifications, a working-class candidate may have had to overcome more barriers than a middle- or upper-class candidate, suggesting a reason for bias in favor of working-class candidates conditional on qualifications. To test whether hiring decisions for elite occupations are influenced by social class, we plan to execute an Incentivized Resume Rating exercise, following Kessler, Low, and Sullivan (2019), partnering with a career services office at an elite university to test employer responses to signals of class background on candidate resumes. Our resume rating experiment should elicit not only the degree of differential treatment of otherwise identical candidates with different class backgrounds, but also provide information as to the mechanism for any differential treatment.

"Higher wages, lower turnover: A case study from the food service industry".

If employee turnover is costly for firms, and if employees respond to higher wages by being less likely to quit, firms may raise wages to deter employee turnover. This simple observation has motivated a number of the canonical models of the labor market, including efficiency wage models, search-and-matching models, and models of dynamic monopsony. Understanding the degree to which these models apply in different contexts requires an understanding of the degree to which turnover responds to wages. I use proprietary data from a small food service company in the U.S. to study the effect of a policy resulting in quasi-random assignment of employees to a high-wage vs. low-wage environment, in a job which is otherwise very similar. I find large effects of higher compensation on employee turnover, but no evidence of any effects on indicators of employee productivity.

Community engagement (current/recent)

2016-present	The Wilberforce Society, UK, Trustee
2018-2020	Harvard Graduate Women in Economics, Co-Founder and Co-Chair Harvard Diversity & Inclusion in Economics, member Harvard Economics department peer mentor

Miscellaneous

Data: Stata, Matlab, SQL, Excel

Languages: English (native), French (proficient), German (proficient), Spanish (basic)

Citizenship: United Kingdom