

MATTHEW R. GUDGEON

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EDUCATION

Ph.D., Economics, Boston University, Boston MA, May 2018 (expected)
Dissertation Title: *Three Essays in Public Economics*
Dissertation Committee: Johannes Schmieder, Kevin Lang, and Samuel Bazzi
M.A., Political Economy, Boston University, Boston MA, 2015
B.A., Economics (*Summa Cum Laude*), Georgetown University, Washington D.C., 2008

FIELDS OF INTEREST

Labor Economics, Public Economics, Political Economy

WORKING PAPERS

"Earnings Responses, Adjustment Costs, and the Role of Firm Labor Demand," (with Simon Trenkle), *job market paper*, October 2017

"Local Government Proliferation, Diversity, and Conflict," (with Samuel Bazzi), *under revision for resubmission*, November 2016

WORK IN PROGRESS

"The Labor Supply Effects of Unemployment Insurance for Older Workers," (with Johannes Schmieder, Simon Trenkle, and Han Ye)

"The Limits of Conflict Prediction: Evidence from Indonesia and Colombia," (with Samuel Bazzi, Robert Blair, Christopher Blattman, Oeindrila Dube, and Richard Peck)

PRESENTATIONS

6th Lindau Meeting on Economic Sciences 2017, SOLE 2017*, AEA/ASSA 2017*, NBER Political Economy Summer Institute 2016*, SOLE 2016, NBER Economics of National Security Winter Meeting 2016*, IZA European Summer School in Labor Economics 2016, ESOC 2016, NEUDC 2016*, NEUDC 2015*, NBER Economics of National Security Winter Meeting 2015*
(*coauthor presentations which I attended)

FELLOWSHIPS, GRANTS, AND HONORS

Research Grant, Boston University 2016
Weiss Family Program Fund Grant, Harvard University, 2015
Distinction, Boston University Microeconomics & Macroeconomics Qualifying Exams, 2013
Dean's Fellowship, Boston University 2012-2017

RESEARCH EXPERIENCE

Research Assistant for Johannes Schmieder, Boston University, 2015 - Present
Research Assistant for Juan Ortner, Boston University, 2015
Research Assistant for Samuel Bazzi, Boston University, 2014
Research Assistant for Bart Lipman, Boston University, 2013

REFEREE EXPERIENCE

Journal of Labor Economics, Labour Economics, Journal of Peace Research, Studies in Comparative International Development, Defence and Peace Economics, Conflict Management and Peace Science, Journal of Global Security Studies.

TEACHING EXPERIENCE

Instructor, Economics, Boston University Summer Challenge Program, Summer 2016

Instructor, Economics of Lesser Developed Regions (EC320), Department of Economics, Boston University, Summer 2015

Teaching Fellow, Introductory Microeconomics (EC101), Department of Economics, Boston University, Spring 2014

High School Mathematics Teacher, American School of Doha, 2009-2012. Courses Taught: Advanced Placement Statistics (2010-2012), International Baccalaureate HL Math Year 1 (2010-2011), Honors Pre-Calculus (2010-2012), Pre-Calculus (2009-2012), Algebra 1 (2009-2010)

COMPUTER SKILLS

Stata, Matlab, R, ArcGIS, \LaTeX , Microsoft Office Suite

CITIZENSHIP

Dual citizen, U.S.A. and Italy

REFERENCES

Professor Johannes Schmieder

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Earnings Responses, Adjustment Costs, and the Role of Firm Labor Demand, Job Market Paper, (with Simon Trenkle)

This paper studies the speed at which workers' pre-tax earnings respond to tax reforms. We do so in the context of Germany, where a large discontinuity – or notch – in the tax schedule induces sharp bunching in the earnings distribution at the threshold. We estimate the quickness with which earnings adjust after each of two policy reforms that increase this threshold. We find, using bunching estimators, that short-run elasticities are significantly attenuated: while some workers adjust instantly, others take several years to increase their earnings. We offer a novel explanation for this short-run heterogeneity in adjustment based on idiosyncrasies in firm labor demand in the presence of search costs. When constrained by search costs, workers become dependent on whether their firms offer them additional hours post-reform, with such offers most likely to come from growing firms. We find support for these demand-side mechanics in our linked employer-employee data. First, there is sizable correlation in adjustment rates within firms. Second, firms that hire idiosyncratically in the reform period are more likely to have workers adjusting immediately. Third, firms growing in scale among workers far from the notch also exhibit quicker adjustment. We assess the explanatory power of this proposed demand-side channel by exploiting differences in bunching patterns across firms with differential hiring patterns. Overall, this work enhances our understanding of the drivers of short-run adjustment to tax reforms and helps policymakers better calibrate short-run expectations.

Local Government Proliferation, Diversity, and Conflict, under revision for resubmission, (with Samuel Bazzi)

The redrawing of administrative boundaries and creation of new local governments are pervasive features of decentralization across the world. This redistricting process constitutes a dramatic shift in the locus of politics and often causes substantial changes in two widely debated sources of conflict: diversity and contestable public resources. Using new geospatial data on violence and the plausibly exogenous timing of district creation in Indonesia, we show that allowing for redistricting along group lines can reduce conflict. However, these reductions are undone and even reversed if the newly defined electorates are ethnically polarized, particularly in areas that receive an entirely new seat of government. We link changes in the salience of group cleavages to the violent contestation of political control by identifying new cycles of electoral violence and ethnic favoritism. Our findings illustrate some unintended consequences of redistricting in diverse settings and offer novel insight into the instrumental role of diversity in shaping conflict.

The Labor Supply Effects of Unemployment Insurance for Older Workers (with Johannes Schmieder, Simon Trenkle, and Han Ye)

Extending Unemployment Insurance (UI) benefits can affect labor supply along two margins: it can lengthen the unemployment duration of an individual who is entering UI – the intensive margin – and it can alter the inflows into UI – the extensive margin. We study the labor supply effects of UI for older workers using German Social Security data and policy variation over 3 decades. We present evidence of extensive margin responses in the form of sharp bunching in UI inflows at various age discontinuities in UI eligibility for workers in their 50s, who may use UI as a pathway into early retirement. Using a combination of regression discontinuity designs and bunching techniques we quantify the magnitude of these responses exploiting a variety of thresholds, kinks and notches. To provide estimates of the combined effects of UI extensions on time out of work through extensive and intensive margin responses, we estimate a dynamic life-cycle model of labor supply where individuals face retirement and search intensity decisions. Results point to the importance of considering extensive margin UI responses.