# Adam M. Lavecchia

#### **Business Address**

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Citizenship	Canadian
Languages	English (native), Italian, French (intermediate)
<b>Research Interests</b>	Public Economics, Labour Economics, Applied Microeconomics
Teaching Interests	Public Economics, Labour Economics
Education	
2011-present	PhD, Economics, University of Toronto (expected June 2017) Dissertation: Essays in Public Economics Committee: Michael Smart (supervisor), Kory Kroft, Philip Oreopoulos
2010-2011	MA, Economics, University of Toronto
2006-2010	Bachelor of Arts, Economics and Political Science (cum laude), York University

#### **Working Papers**

"Minimum Wage Policy with Optimal Taxes and Unemployment" (Job Market Paper)

"Do 'Catch-up Limits' Raise Retirement Saving? Evidence from a Regression Discontinuity Design" (Revise and resubmit, *National Tax Journal*)

#### **Journal Articles**

"Pathways to Education: An Integrated Approach to Helping At-Risk High School Students (with Philip Oreopoulos and Robert S. Brown) Accepted, *Journal of Political Economy* 

## **Non-Refereed Publications**

"Behavioral Economics of Education: Progress and Possibilities" (with Heidi Liu and Philip Oreopoulos) in *Handbook of Economics of Education* Volume 5, edited by E. Hanushek, S. Machin, and L. Woessmann, Elsevier, 1-74, 2016.

"Evaluating Student Performance in Pathways to Education" (with Philip Oreopoulos and Robert S. Brown) C.D. Howe Institute E-Brief 203. January 2015.

## **In Progress**

"Minimum Wage Policy with Two-Earner Households"

"Tax-Free Savings Accounts: Who uses them and how" (with Michael Smart)

"Long-Term Impacts of the Pathways to Education Program" (with Philip Oreopoulos)

## **Presentations (including scheduled)**

2016: National Tax Association 109<sup>th</sup> Annual Conference on Taxation; Canadian Public Economics Study Group; Society of Labor Economists (SOLE) Twenty-First Annual Meetings; 50<sup>th</sup> Annual Meeting of the Canadian Economics Association

2015: National Tax Association 108<sup>th</sup> Annual Conference on Taxation; CRDCN National Conference; 49<sup>th</sup> Annual Meeting of the Canadian Economics Association

2014: National Tax Association 107<sup>th</sup> Annual Conference on Taxation; Canadian Public Economics Study Group; Canadian Law and Economics Association Annual Meeting; EconCon (Princeton); 48<sup>th</sup> Annual Meeting of the Canadian Economics Association; 78<sup>th</sup> Annual Meeting of the Midwest Economics Association

#### Selected Awards, Grants and Honours

Ontario Graduate Scholarship. 2016-2017 SSHRC Doctoral Fellowship, 2015-2016 H. Stanely Hunnisett Fund Award, 2014-2015 University of Toronto Graduate Fellowship, 2011-2015

#### **Referee for**

American Economic Journal: Economic Policy, Journal of Labor Economics, Canadian Public Policy, Economics of Education Review

#### **Professional Experience**

2010-present: Teaching Assistant, University of Toronto (number of semesters in parentheses)

Labour Economics and Public Policy (4); Public Economics (4); Personnel Economics (3); Microeconomic Theory (for Commerce) (3); Urban Economics (2); Health Economics (2); Introduction to Economics (2); Microeconomic Theory (1); Topics in Health Economics (1)

2012-2015: Research Assistant, University of Toronto

Philip Oreopoulos (2012-2014), Kory Kroft (2015)

## References

Professor Michael Smart Department of Economics University of Toronto 150 St. George Street Toronto, ON M5S 3G7

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Professor Philip Oreopoulos Department of Economics University of Toronto 150 St. George Street Toronto, ON M5S 3G7

Phone: (416) 946-3776 Email: <u>philip.oreopoulos@utoronto.ca</u> Professor Kory Kroft Department of Economics University of Toronto 150 St. George Street Toronto, ON M5S 3G7

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# **Dissertation Abstract**

#### Minimum Wage Policy with Optimal Taxes and Unemployment

(Job Market Paper)

This paper sheds new light on the desirability of the minimum wage in the presence of an optimal nonlinear income tax. Using a search-and-matching framework, I show that the minimum wage is welfare improving if it pushes the labor market tightness – the ratio of the aggregate number of vacancies to job seekers – to its efficient level. This is the case if the minimum wage increases low-skilled labor force participation and if the welfare weight on low-skilled workers is greater than one. I also show that the total welfare gains from introducing a minimum wage can be expressed in terms of three sufficient statistics: (1) the macro labor force participation elasticity with respect to the minimum wage for lowskilled individuals; (2) the macro employment elasticity with respect to the minimum wage for lowskilled individuals; and (3) the welfare weight on low-skilled workers. I estimate the first two of these sufficient statistics using an event study design and state and federal minimum wage variation from 1979-2014. I estimate a macro labor force participation elasticity of -0.24 and a macro employment elasticity of -0.32. With these estimates in hand, I simulate the total welfare gains from introducing a minimum wage beginning from the optimal income tax allocation. The simulations show that the minimum wage is welfare improving only if the government has very strong redistributive tastes.

#### Do `Catch-up Limits' Raise Retirement Saving? Evidence from a Regression Discontinuity Design (Revise and resubmit, *National Tax Journal*)

This paper studies the effect of raising contribution limits on retirement saving by exploiting the `catch-up limit' provision, a rule which allows those over the age of 50 to make higher IRA and 401(k) contributions than those under 50. Use an age-related regression discontinuity design, I find that eligibility for `catch-up limits' increases IRA contributions by 23 percent and the likelihood of making an IRA contribution by 24 percent, with no significant effects on overall 401(k) contributions. The findings suggest that, contrary to the neoclassical life-cycle model, the response to eligibility for `catch-up limits' was not limited to constrained savers.

# **Tax-Free Savings Accounts: Who uses them and how** (with Michael Smart)

This paper presents new evidence on the profile of Tax-Free Savings Account (TFSA) owners using microdata from the Survey of Financial Security. TFSA balances accumulate tax-free and withdrawals are not taxable. We make two important contributions. First, we describe the profile of TFSA owners, documenting patterns in account ownership and balances. Ownership and balances are positively correlated with age, educational attainment, income and saving in other retirement accounts. Second, we estimate the causal effect of TFSA balances on saving in taxable and traditional tax-deferred accounts. Using an identification strategy that exploits the maximum amount members of a family can contribute to a TFSA, we estimate that a \$1 increase in TFSA balances decreases holdings in taxable fixed income accounts by nearly \$1. We discuss the implications of these findings for the recent increase in the annual TFSA contribution limit.