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Personal Information:

Citizenship: Australia

Undergraduate Studies:

B.Ec., Economics and Econometrics, University of Sydney, First Class Honors, 2009

Graduate Studies:

Harvard University, 2014 to present

Ph.D. Candidate in Economics

Thesis Title: "Essays on Incentives and Human Capital Investment"

Expected Completion Date: May 2019

References:

Professor Stefanie Stantcheva
Harvard University
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Professor Roland Fryer
Harvard University
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Professor Lawrence Katz
Harvard University
617-495-5148
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Professor David Laibson
Harvard University
617-496-3402
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Teaching and Research Fields:

Primary fields: Public, Labor, Applied Micro

Secondary field: Behavioral

Job Market Paper:

"Optimal Income Taxation with Spillovers from Employer Learning"

I study optimal income taxation when human capital investment is imperfectly observable by employers. In my model, Bayesian employer inference about worker productivity drives a wedge between the private and social returns to human capital investment by compressing the wage distribution. The resulting positive externality from worker investment implies lower optimal marginal tax rates, all else being equal. To quantify the significance of this externality for optimal taxation, I calibrate the model to match empirical moments from the United States,

including new evidence on how the speed of employer learning about new labor market entrants varies over the worker productivity distribution. Taking into account the spillover from human capital investment introduced by employer inference reduces optimal marginal tax rates by 13 percentage points at around 100,000 dollars of income, with little change in the tails of the income distribution. The welfare gain from this adjustment is equivalent to raising every worker's consumption by one percent.

Working Papers:

“Complementary Bias: A Model of Two-Sided Statistical Discrimination” (with Roland Fryer)

We introduce a model of two-sided statistical discrimination in which worker and firm beliefs are complementary. Firms try to infer whether workers have made investments required for them to be productive, and simultaneously, workers try to deduce whether firms have made investments necessary for them to thrive. When multiple equilibria exist, group differences are sustained by both sides of the interaction – workers and firms. Strategic complementarity between the two sides complicates both empirical analysis designed to detect discrimination and policy meant to alleviate it. Affirmative action is much less effective than in traditional statistical discrimination models. More generally, we demonstrate the futility of policies that are designed to correct gender and racial disparities but do not address both sides of the coordination problem. We propose a two-sided version of “investment insurance” – a highly effective and potentially cheap policy in which the government (after observing a noisy version of the employer's signal) offers to hire any worker who it believes to be qualified and whom the employers do not offer a job. The paper concludes by proposing a way to identify statistical discrimination by employers when beliefs are complements.

Research Papers in Progress:

“The Causal Effects of Student Suspensions” (with David Martin)

We identify the causal effect of out-of-school suspensions on student outcomes. Suspension policies are controversial among education policy-makers who seek to balance deterrence and the need for a peaceful classroom against keeping at-risk students in school where they can learn. There is a racial component to this debate, as black students are suspended at much higher rates than white students. Our identification comes from quasi-experimental variation in the impact of a policy change in 2012 in a large urban school district, which eliminated suspensions for minor offenses such as smoking or using obscene language. For the majority of schools, in which suspensions for minor infractions were used extremely rarely, the new suspension policy necessarily had no impact. However, it led to a sharp reduction in the total suspension rate in schools that had previously used them. Despite the strong association in our data between low test scores and high rates of suspension for minor offenses, our quasi-experimental results for students in grades 6 to 8 indicate that the policy change had no causal impact on test scores. Our calculations therefore suggest that differences in suspension rates for minor offenses are unlikely to contribute meaningfully to the racial achievement gap observed in our sample.

Publications:

Craig, A. C., Garbarino, E., Heger, S. & Slonim, R. (2017), “Waiting to Give: Stated and Revealed Preferences”, *Management Science*, 63 (11), 2017: 3672-3690.

We estimate and compare the effect of increased time costs on consumer satisfaction and behavior. We are able to move beyond the existing literature, which focuses on satisfaction and intention, and estimate the effect of waiting time on return behavior. Further, we do so in a prosocial context and our measure of cost is the length of time a blood donor spends waiting. We find that relying on satisfaction data masks important time cost sensitivities; namely, it is not how the donor feels about the wait time that matters for return behavior, but rather the actual duration of the wait. Consistent with theory we develop, our results indicate that waiting has a

significant longer-term social cost: we estimate that a 38% increase (equivalent to one standard deviation) in the average wait would result in a 10% decrease in donations per year.

Teaching Experience:

- Fall, 2017 Econ 1030, “Psychology & Economics”, Harvard University, teaching fellow for Professors David Laibson and Tomasz Strzalecki
- Spring, 2016 Econ 1420, “American Economic Policy”, Harvard University, teaching fellow for Professors Martin Feldstein, Jeffrey Liebman, Lawrence Summers, Katherine Baicker
- Spring, 2009 Econ 1002, “Introductory Macroeconomics”, University of Sydney, teaching assistant for Professor Catherine Roc
- Fall, 2009 Econ 1001, “Introductory Microeconomics”, University of Sydney, teaching assistant for Professor Andrew Wait

Research Experience and Other Employment:

- Feb 2010 – Aug 2014 University of Sydney, Research Assistant for Professor Robert Slonim
- Feb 2010 – Jul 2014 Reserve Bank of Australia, Research Economist / Senior Analyst
- Dec 2008 – Jan 2009 Reserve Bank of Australia, Cadet (Economic Research)

Professional Activities:

- Referee Service: *Quarterly Journal of Economics, Review of Economic Studies, Management Science*
- Invited Presentations: *Harvard Law & Economics Seminar, NBER Junior Researcher Series, Young Economists Symposium, National Tax Association Annual Conference*

Honors, Scholarships, and Fellowships:

- 2018 Dissertation Completion Fellowship (Harvard University)
- 2017 Derek Bok Center Certificate of Distinction in Teaching (Harvard University)
- 2017 Lara Warner Fellowship (Harvard Kennedy School Women & Public Policy Program)
- 2016 – 18 James M. and Cathleen D. Stone Ph.D. Scholar in Inequality and Wealth Concentration (Harvard Kennedy School Inequality & Social Policy Program)
- 2013 Post Graduate Study Award (Reserve Bank of Australia, declined)
- 2009 Cadetship Award (Reserve Bank of Australia)
- 2009 First Class Honors, Economics (University of Sydney)
- 2009 Dean’s Citation for Tutoring (University of Sydney)
- 2008 RSG Rutherford Prize for Best Student in Econometrics IIIA (University of Sydney)
- 2008 Operations Management & Econometrics Discipline Prize in Statistical Modelling (University of Sydney)
- 2008 Department of Employment and Workplace Relations Prize for Applied Econometrics (University of Sydney)