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Fields of Concentration:
Behavioral Economics
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Behavioral Economics
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Comprehensive Examinations Completed:
2016 (Oral): Behavioral Economics/ Behavioral Finance, Public Finance
2015 (Written): Microeconomics, Macroeconomics

Dissertation Title: *Essays on Information Use in Consumer Decision Making*

Committee:
Professor Ebonya Washington
Professor Nicholas Barberis
Professor Syon Bhanot

Expected Completion Date: May 2019

Degrees:
Ph.D., Economics, Yale University, 2019 (expected)
M.Phil., Economics, Yale University, 2017
M.A., Economics, Yale University, 2016
B.A. (high honors), Economics (major) & Psychology (minor), Swarthmore College, 2011

Fellowships, Honors and Awards:

Yale University Dissertation Fellowship, 2018-2019
Falk Foundation Fellow, 2017-2018
Whitebox Advisors Doctoral Fellowship, 2016-2017
Merrill G. Hastings Fellow, 2016-2017
Russell Sage Foundation Summer Institute in Behavioral Economics, 2016
Yale University Doctoral Fellowship, 2014-2016
Phi Beta Kappa, Chapter: Epsilon of Pennsylvania, 2011

Teaching Experience:

Yale University
Certificate of College Teaching Preparation, Yale University
Spring 2018, Teaching Fellow for Prof. Pinelopi Goldberg and Dr. Eoin McGuirk, Introduction to Microeconomics (U), Yale College
Fall 2017, Teaching Fellow for Prof. Larry Samuelson, Intermediate Microeconomics (U), Yale College
Spring 2017, Teaching Fellow for Prof. Christopher Udry and Dr. Eoin McGuirk, Introduction to Microeconomics (U), Yale College
Fall 2016, Head Teaching Fellow for Prof. Amanda Kowalski, Economics of Health and Healthcare (U), Yale College

Swarthmore College
Spring 2011, Teaching Assistant for Prof. Mark Kuperberg, Intermediate Macroeconomics
Fall 2010, Teaching Assistant for Prof. John Caskey, Introduction to Economics
Fall 2009, Teaching Assistant for Prof. Thomas Dee, Statistics for Economics
Spring 2009, Teaching Assistant for Prof. Robert Tayon, Statistics for Economics

Research and Work Experience:

Volunteer Research Partner, Philadelphia Behavioral Science Initiative, 2017-2018
Research Affiliate, Applied Cooperation Team, 2016-2018
Research Assistant, Federal Reserve Bank of San Francisco, 2012-2014
Analyst, Analysis Group, 2011-2012

Publications:

"Cyclical and Market Determinants of Involuntary Part-Time Employment" (2018) [with Robert G. Valletta and Catherine van der List], *Journal of Labor Economics,* Forthcoming.

Working Papers:

"(In)attention to the Costs of Homeownership: Evidence from the Residential Real Estate Market" (November 2018), *Job Market Paper.*

"Why Are Consumers Inattentive to Hidden Costs?" [with Syon Bhanot], (November 2018).

Policy Publications (pre-PhD):

"The Wage Growth Gap for Recent College Grads" (2014) [with Bart Hobijn], *FRBSF Economic Letter*, 2014-22.

"Is It Still Worth Going to College?" (2014) [with Mary C. Daly], *FRBSF Economic Letter*, 2014-13.

"What's Behind the Increase in Part-Time Work?" (2013) [with Robert G. Valletta], *FRBSF Economic Letter*, 2013-24.

"Will Labor Force Participation Bounce Back?" (2013) [with Mary C. Daly and Robert G. Valletta], *FRBSF Economic Letter*, 2013-14.

"U.S. Economic Mobility: The Dream and the Data" (2013) [with Mary C. Daly], *FRBSF Economic Letter*, 2013-06.

Seminar and Conference Presentations:

2019 (scheduled): Western Economic Association International
2018: Yale Department of Economics Labor/ Public Economics Workshop
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Dissertation Abstract

My dissertation investigates how individuals make decisions involving costs that are not directly written on a product's price tag. The contexts I study range from decisions with relatively small hidden costs (chapter 2) to financially large decisions with substantial hidden costs (chapters 1 and 3). In all three chapters, I find consistent evidence that individuals partially ignore hidden costs when making decisions.

(In)attention to the Costs of Homeownership: Evidence from the Residential Real Estate Market [Job Market Paper]
Many consumer decisions involve goods and services that have accompanying costs that are not salient at the moment of purchase. Much of the existing research studies small, quotidian purchases. In this paper I examine attention to the additional cost of annual property tax in the decision to buy a home. The effects of ignoring additional costs (on market equilibria and welfare, e.g.) in this decision are likely to be larger than when the stakes are small. I use a border discontinuity design, exploiting variation in annual direct assessments (a type of property tax) caused by special property tax district borders in California. Because these direct assessments fund non-excludable public goods, homes on the low tax side offer a similar bundle of home characteristics and public goods without the extra tax obligation.

I find that the higher annual cost of owning a house on the high tax side of these special tax borders is not fully passed through into home prices. Going from the low to the high tax side, I can rule out price drops larger than about $7,600 at the 95% confidence level, while in comparison the present discounted value of the average cross-border increase in annual direct assessments for comparable homes is about $15,300 over the 30-year life of the tax at a 5% annual discount rate. To interpret this result purely as inattention requires assuming no unobserved product differentiation across borders; however, given the size of the tax obligation, my results are unlikely to be driven fully by unobserved differentiation and the incomplete passthrough that differentiation would create. Having studied the average effect of direct assessments, I explore how attention varies with observable buyer characteristics, as this will shed light on possible explanations for inattention. I find only that financial constraints, as measured by the loan to value ratio, increase attention while disclosure, economic conditions, and prior experience have no effect. This suggests that inattention is a persistent feature of decisions in this context. I next examine mortgage lenders' reactions to a home's additional cost, as lender behavior may influence that of the borrower. My results indicate that lenders offer loans that are not sensitive to the variation in borrowers' annual tax obligation that results from these direct assessments. One interpretation is that lenders facilitate a consumer's inattentive behavior by offering equivalent loans to buyers on the high and low tax sides, allowing consumers to overpay for higher cost homes. An implication of my findings is that while consumers buying homes on the high tax side may be overpaying for their homes by partially ignoring the direct assessments, local governments may be benefiting from this inattention. Higher sale prices translate to more taxes collected, which may help fund local programs for all residents. My estimates indicate that all else equal, the extra tax revenue could fund about 40% or more of a county's annual library budget. A broader implication is that because individuals remain inattentive to costs when these costs are large, rational inattention is unlikely to be the explanation in this context and potentially also in contexts that involve small additional costs.

Why Are Consumers Inattentive to Hidden Costs? (with Syon Bhanot)
Using a series of experiments eliciting willingness to pay for a common consumer product (a reusable razor) that has additional costs (replacement blade cartridges), we test whether inattention to hidden costs arises because consumers lack knowledge of, forget about, or have incorrect information about hidden costs. Much of the existing work documenting inattention has difficulty differentiating between these hypotheses. We find that none of these explanations can account for inattention: participants demonstrate familiarity with the additional costs of buying a razor (ruling out lack of knowledge), yet willingness to pay is insensitive to reminders (indicating that consumers are not forgetful) and to the provision of objective information about costs (ruling out incorrect information). We find suggestive evidence that consumers do not aggregate the value of a product's individual attributes or components in a way that is consistent with their stated valuation of the whole product. This finding suggests that aggregation errors may contribute to the inattention that we and other researchers have documented.

How Do Homeowners' Association Fees Affect Buyer and Seller Valuation?
Consumers in the market to purchase a condominium know to ask about homeowners' association (HOA) fees for properties they view; however, knowing about a fee does not necessarily imply that a buyer will use that fee as an input of his or her decision process. I test whether buyers and sellers incorporate HOA fees, a well-known type of additional cost, into the offers they make and the prices they set by using data on sales of units in large multi-unit buildings in downtown San Francisco. By exploiting within-building variation in HOA fees that has no bearing on variation in services or amenities, I estimate the effect of an increase in monthly fees on list and sale prices. Based on preliminary results, I find that neither sellers nor buyers fully adjust their list prices and offers to reflect a property's HOA fees: when monthly HOA fees increase by $1, the effect on prices is a precisely estimated zero. I can reject price drops in excess of $6 at the 95% confidence level, whereas the present discounted value of a $1 increase in monthly HOA fees at a 5% annual discount rate is about $240. Because units within the same building are essentially similar goods with different costs, higher HOA fees should be offset by lower sale prices, assuming there are no unobservable differences in units within buildings. Though this is a strong assumption, the degree of fee insensitivity I find is unlikely to be purely the result of incomplete passthrough that stems from unobservable differences in units. This suggests that there is likely an important distinction between knowing about a cost and actually incorporating that cost into valuations, even in financially large decisions.