Research Statement

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I am a labor economist whose work often overlaps with industrial organization and spatial-trade economics. My research focuses on two primary areas: equilibrium wage-setting in the presence of labor market power and the reallocation of workers in response to structural shocks. In this statement, I will outline my contributions to these two research areas.

In my first paper related to labor market power, *"Imperfect Competition, Compensating Differentials, and Rent Sharing in the US Labor Market,"* [PDF] co-authored with Thibaut Lamadon and Magne Mogstad, we addressed why wage inequality is so large across employers for similar workers, a question that has long challenged labor economists. In our model, wage offers have a closed-form representation in terms of worker skill differences, compensating differentials, and rent-sharing. We developed the conditions under which these three components are separable and can be identified using a combination of two-way fixed-effect estimators and instrumental variable regressions. Analyzing IRS tax records, we estimated the impact of each of these three components on wage inequality. Importantly, we found that workplaces offering higher wage premiums to a given worker attract higher-skilled employees and offer better workplace amenities. Published by the **American Economic Review** in 2022, the paper has been cited about 600 times and was awarded an NSF Grant.

My second paper in this area, *"How Much Should We Trust Estimates of Firm Effects and Worker Sorting?,"* [PDF] co-authored with Stephane Bonhomme, Kerstin Holzheu, Lamadon, Elena Manresa, and Mogstad, aimed to carefully measure the contribution of employers to wage inequality. We accessed and harmonized administrative data from five countries – Austria, Italy, Norway, Sweden, and the US – and applied an array of cutting-edge methods to estimate the role of employers in each country's wage inequality. We found that employers' direct contribution to wage inequality is smaller than previously believed. Instead, the sorting of high-ability workers to high-paying firms plays a larger role. These results suggest that understanding employers' impact on inequality requires considering the matching between workers and employers. The paper was published as the lead article by the **Journal of Labor Economics** in 2023 and has been cited about 300 times.

My third paper in this area, *"Imperfect Competition and Rents in Labor and Product Markets: The Case of the Construction Industry,"* [PDF] co-authored with Kory Kroft, Yao Luo, and Mogstad, estimates both labor and product market power within an industry. We showed that greater labor market power leads to higher consumer prices, while greater product market power results in lower wages, so prices and wages are fundamentally linked by labor and product market power within the firm. Utilizing a new dataset we built by linking

US tax records on construction firms to government auctions for procurement contracts, we developed an identification strategy that compares winners of procurement contracts to almost-winners that placed close bids. This design allowed us to isolate how firms respond to idiosyncratic demand shocks by changing wages and prices. We found that employers suppress wages and raise prices more than previously thought due to the compounding effects of labor and product market power. The paper was published by the **American Economic Review** in 2025 and has been cited about 150 times.

My fourth paper in this area, *"Labor and Product Market Power, Endogenous Quality, and the Consolidation of the US Hospital Industry,"* [PDF] is sole-authored. Existing structural analyses of mergers focus on either product or labor markets in isolation, yet product market competitors often compete for workers as well. In this paper, I develop a unified framework for merger evaluation when firms hold both oligopoly power in product markets and oligopsony power in labor markets. I show theoretically that the simultaneous exercise of both forms of market power amplifies the harm from mergers for both consumers and workers. The model's predictions are tested and quantified in the context of the recent consolidation of the US hospital industry. I show that hospital mergers significantly reduce patient volume, increase prices, reduce employment, lower wages, and deteriorate quality of care, resulting in higher patient mortality. After recovering the structural parameters of the model, counterfactual exercises reveal that ignoring increased labor (product) concentration would lead one to under-predict the harm of mergers to consumers (workers). This paper received a **revise and resubmit request from Econometrica** in December of 2025 and has been widely presented at seminars and conferences, including at Michigan, Ohio State, Princeton, Stanford, Washington University, and four NBER program meetings.

Overall, my work in this area has aimed to develop equilibrium wage-setting analyses of labor market power that combine innovative theoretical models, rigorous estimation strategies, and large-scale administrative data. I have several ongoing projects that continue to develop this field. In preliminary work with Michael Rubens and Chen Yeh, which I presented for the first time at ASSA 2026, titled *"Conduct in US Labor Markets,"* we use LEHD micro-data on firms and workers to test the conduct of each US local labor market. Our approach allows us to identify which employers suppress wages by taking advantage of market concentration or colluding with other employers. The study of imperfectly competitive labor markets is a fast-growing field and I look forward to contributing in the years ahead.

In my second broad area of research, I study the reallocation of workers across jobs and non-employment in response to structural shocks. My first paper in this area, *"Disability Benefits, Consumption Insurance, and Household Labor Supply,"* [PDF] co-authored with David Autor, Andreas Kostol, and Mogstad, investigates how households maintain their standards of living after a worker suffers a negative health shock. Using Norwegian administrative records and a natural experiment, we compared households receiving disability benefits with similar households that did not. We found that married households largely maintain their standards of living through the "added-worker effect," wherein the spouse enters the workforce to make up for lost income, while unmarried households experience a decline in consumption. Our theoretical model of household behavior shows that unmarried workers place a higher value on disability benefits, even after considering the loss of spousal leisure in married households. This paper was published by the **American Economic**

Review in 2019 and has been cited about 250 times.

My next paper in this area, *"The Effects of Foreign Multinationals on Workers and Firms in the United States,"* [PDF] co-authored with Felix Tintelnot, examines the impact of foreign plant openings and expansions on local workers and firms. We developed a model that shows how foreign investments spill over to local wages through monopsonistic wage-setting. While these spillovers benefit local workers by creating new demand, they also raise labor costs for local firms, potentially offsetting some of the local benefits. Through an analysis of US tax records, we found that workers directly employed by foreign multinational plants receive higher wages, especially when the plant is owned in a high-income country. Despite facing higher costs, domestic firms tend to hire more local workers and generate higher revenues, indicating that foreign investments indirectly benefit these firms through mechanisms such as improved local knowledge or infrastructure. Published by the **Quarterly Journal of Economics** in 2021, this paper has been cited about 200 times.

My third paper in this area, *"Places versus People: The Ins and Outs of Labor Market Adjustment to Globalization,"* [PDF] co-authored with Autor, David Dorn, Gordon Hanson, and Maggie Jones, examines the effects of Chinese import competition on US manufacturing workers during the 2000s. We introduced a novel inflow-outflow framework at the worker-level in order to isolate the pathways through which workers reallocated in response to the import competition shock. Analyzing linked tax records and Census records on workers and firms, we found that the regions that were hardest hit by import competition from China recovered by 2015 through sectoral reallocation, with manufacturing jobs being replaced by service sector jobs in health care, education, retail, and hospitality. However, the recovery was experienced by different individuals, with a notable shift from non-college-educated workers being paid relatively high wages to those with a college degree being paid relatively low wages. We conclude the paper by comparing the reallocation mechanisms in the data to those assumed by well-known models in spatial economics. This paper was published by the **Handbook of Labor Economics** in 2025.

In summary, my research in this area characterizes how workers reallocate across jobs and non-employment in response to important structural shocks. I have several ongoing projects in this area. In a promising project with Autor, Dorn, Hanson, Jones, and John Voorheis, tentatively titled *"The Children of the China Shock,"* we are investigating the intergenerational effects of manufacturing decline on the children of affected workers. Using tax records that link parents to children combined with Census records, we examine whether the children exposed to manufacturing decline pursued higher education or relocated to avoid their parents' hardships. In early-stage work with Daniel Haanwinckel, we are using a spatial equilibrium model to analyze the effectiveness of labor market policies in easing the transition after labor markets are disrupted by trade shocks. In an ambitious empirical project, I have partnered with the OECD LinkEED 2.0 research team to analyze employer-employee micro-data from about 15 countries to study worker mobility in response to trade and automation shocks. I look forward to continuing my work at the intersection of labor and spatial-trade economics to understand how labor markets reallocate in response to structural change.

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