

Baxter Robinson

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Citizenship:

Canadian and British

Research Interests:

Macroeconomics, Entrepreneurship, Public Finance, Labour Economics

Teaching Interests:

Macroeconomics, Public Finance, Microeconomics

EDUCATION

Ph.D. in Economics, University of Toronto 2020 (Expected)

Committee: Gueorgui Kambourov (co-supervisor), Burhan Kuruscu (co-supervisor),
Sebastian Dyrda

M.Phil in Economic Research, University of Cambridge 2012

B.Sc in Economics, Queen Mary, University of London 2011
First Class Honours

RESEARCH PROJECTS

Risky Entrepreneurship and Wealth (Job Market Paper)

Wealth Composition and the Determinants of Wealth Inequality: The Role of Housing with Bulent Guler and Burhan Kuruscu

Income Dynamics Before, During, and After Entrepreneurship: Evidence and Theory with Gueorgui Kambourov and Burhan Kuruscu

AWARDS AND GRANTS

Productivity Partnership Research Grant (Co-applicant) (\$17,000)	2019
School of Graduate Studies Research Travel Grant (\$4,000)	2019
Ontario Graduate Scholarship (\$15,000)	2017
University of Toronto Doctoral Fellowship (\$12,000 × 5)	2013 - 2017

PROFESSIONAL EXPERIENCE

Lead Writing Teaching Assistant 2015 - 2018

- Responsible for running writing workshops for undergraduates, designing writing assignments, and training TAs to both teach and grade student writing.

Teaching Assistant 2013 - present

- ECO 2061: Macroeconomics [Graduate]
- RSM 1210: Managerial Economics [MBA]
- ECO 206: Microeconomics [Undergraduate]
- ECO 208: Macroeconomics [Undergraduate]
- ECO 404: Managerial Economics [Undergraduate]

Research Assistant 2014 - 2015

- Michelle Alexopoulos: Textual Analysis
- Ismael Mourifie: Numerical Simulation of Matching Models

CONFERENCE PRESENTATIONS

North American Summer Meeting of the Econometric Society (Seattle)	2019
Annual Conference of the Canadian Economics Association (Banff)	2019
CIREQ Ph.D. Students' Conference (Montreal)	2019
Annual Conference of the Canadian Economics Association (Montreal)	2018
Fall Midwest Macroeconomics Meetings (Pittsburgh)	2017
Annual Conference of the Canadian Economics Association (Antigonish)	2017

ACADEMIC SERVICE

Graduate Advisory Committee, Faculty of Arts and Sciences	2015 - 2017
Co-President, Graduate Economics Union	2014 - 2016

LANGUAGES

English (native), French (basic)
Programming: Fortran 90/95, OpenMP, MATLAB, Stata

REFERENCES

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Abstracts

Risky Entrepreneurship and Wealth

(Job Market Paper)

This paper studies how the uninsurable nature of entrepreneurial risk reduces entrepreneurial activity and affects aggregate output, productivity, and the distribution of wealth. I model the occupational choice of individuals who can choose to become workers or entrepreneurs. Individuals that choose to be entrepreneurs also choose how risky a business to start, with higher-risk businesses leading to higher expected productivity. The model features two distinct financial frictions. First, a missing market for entrepreneurial risk prevents entrepreneurs from insuring themselves against entrepreneurial income risk and the risk of business failure. Second, the size of an entrepreneur's business is limited by borrowing constraints. I contribute to a literature on financial frictions and entrepreneurship by studying the missing market for entrepreneurial risk and by studying its interaction with borrowing constraints, which have been extensively studied. I calibrate the strength of these two financial frictions using micro data on new U.S. firms from the Kauffman Firm Survey. I find that completing the missing market for entrepreneurial risk improves aggregate productivity by 9%, which is more than twice as much as relaxing borrowing constraints would. I also find that completing the missing market for entrepreneurial risk reduces the share of wealth held by the wealthiest 1% by two thirds. In a policy experiment, I show that a partial insurance scheme for unsuccessful entrepreneurs can increase aggregate productivity and output as it encourages entrepreneurs to start riskier businesses.

Wealth Composition and the Determinants of Wealth Inequality:

The Role of Housing

with Bulent Guler and Burhan Kuruscu

This paper studies wealth inequity by analyzing the composition of household wealth over the wealth distribution. We document four key facts in the Survey of Consumer Finances. First, the share of wealth invested in housing follows a hump-shaped pattern over the wealth distribution. It rises below median net-worth because wealthier households are more likely to own a home. The subsequent decline is due to the fact that, conditional on owning a home, wealthier households tend to have a lower share of their wealth invested in housing. Second, the share of wealth invested in businesses is increasing over the wealth distribution. Third, the ratio of mortgage debt to housing assets decreases over the wealth distribution. Fourth, we observe that many wealthy households have assets they could use to prepay their mortgage debts but choose not to. Based on these facts, we build a life-cycle model of heterogeneous households. These households choose to either rent or buy houses, can take out long-term mortgage debt, invest in risky assets, and save in a risk-free asset. We use the model to compare two different theories of wealth inequality. In the first, superstar income shocks give extremely large

but temporary incomes to some households. In the second, persistent differences in ability allow some households to earn higher rates of return on their investments. We evaluate the two theories based on their ability to generate both the composition and distribution of wealth that we observe in the data.

Income Dynamics Before, During, and After Entrepreneurship: Evidence and Theory

with Gueorgui Kambourov and Burhan Kuruscu

We study the income dynamics of entrepreneurs using the Canadian Employer-Employee Dynamics Database. This linked employer-employee administrative data allows us to observe both the employment and entrepreneurial incomes of individuals before they start a business, while running their business, and, if they exit, after shutting down a business. Based on prior labour market or entrepreneurial experience, we analyze the patterns of selection into entrepreneurship and how total earnings initially change as individuals start new businesses. As these businesses grow, we document the correlation between entrepreneurial income growth and firm growth in assets, profits, and employment. For unsuccessful entrepreneurs, we compare the characteristics of those that return to the labour market with those that start subsequent businesses and measure how earnings after shutting down the business compare to earnings prior to starting the business. Lastly, we estimate a joint process for entrepreneurial and labour market ability. Informed by these facts, we build a life-cycle model of occupational choice. The model allows us to quantify the role of labour market experience and entrepreneurial experience in the success of new businesses. Finally, we evaluate the efficacy of government policy designed to encourage entrepreneurship, such as loan programs and the differential tax treatment of business income.