Luisa Cefalà

CONTACT INFORMATION

SC Johnson College of Business, Warren Hall 451B
Ithaca, NY

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EMPLOYMENT

Cornell University, Ithaca, NY — 2025 –

Assistant Professor in Applied Economic and Management at the SC Johnson College of Business, Dyson School

Haas School of Business, UC Berkeley, Berkeley, CA — 2023 – 2025

Post-Doctoral Fellow at The Initiative in Behavioral Economics and Finance, supervised by Ulrike Malmendier

EDUCATION

UC Berkeley, Berkeley, CA — 2017 – 2023

Ph.D. in Economics
Co-chairs: Supreet Kaur, Edward Miguel

Bocconi University, Milan, Italy — 2010 – 2016

B.Sc. and M.Sc., Economics and Social Sciences, **110/110 cum laude**

RESEARCH FIELDS

Development Economics, Behavioral Economics, Labor Economics

WORKING PAPERS

"The Economic Consequences of Knowledge Hoarding" *with F. Irakoze, P. Naso, and N. Swanson*

Abstract: Social learning is an important source of knowledge diffusion in low-income countries. However, because developing country markets are often highly localized, individuals with social ties may compete more directly for the same economic rents, creating incentives for individuals to "hoard" their knowledge. This paper studies the impact of knowledge hoarding on the diffusion of profitable skills and technologies in rural Burundi, and measures its aggregate and distributional consequences for the village economy. In a field experiment covering 223 villages (labor markets), workers skilled in high-return agricultural technologies are encouraged to share their knowledge with unskilled individuals. We randomize at the local labor market level whether the unskilled worker is a competitor (i.e., someone from the same labor market) and whether the training is about a technology with rivalrous rents (row planting, which commands a wage premium in the labor market). We first establish that knowledge hoarding indeed reduces social learning. When incumbents are matched with an individual from the same labor market, knowledge transmission occurs only 3% of the time but reaches 43% if the unskilled worker is not a competitor. In contrast, transmission of technologies with nonrivalrous rents (e.g., composting) is high regardless of the unskilled worker's identity. Next, we show that knowledge hoarding creates winners and losers: by hoarding knowledge, incumbents earn 6% more, and the skilled equilibrium wage is 3% higher. Instead, unskilled workers' earnings and farm output are 7% and 20% lower, respectively. Altogether, knowledge hoarding reduces technology adoption by over 20%, suggesting substantial yield losses. Finally, our results suggest that fear of social sanction is a mechanism that sustains knowledge hoarding among the incumbents, highlighting how social ties can foster social learning but also inhibit it when knowledge diffusion threatens incumbents' rents.

"Undertraining by Employers in Informal Labor Markets: Evidence from Burundi" *with P. Naso, M. Ndayikeza, and N. Swanson*

Abstract: Workers obtain limited human capital through on-the-job experience in low- and middle-income countries, but the reasons for this are unclear. We test whether one friction contributes to low worker productivity: firms unwillingness to train because they do not appropriate the returns from training. We study casual labor markets in Burundi, where employers can train workers in a

newly introduced agricultural practice in the region, row-planting—a technique that substantially raises yields. In a first field experiment, in some randomly selected local labor markets (villages), we induce 1/3 of employers to train workers in row planting—leading to a 20-percentage point increase in the share of skilled workers in the village. Training generates meaningful economic returns: employers in treated villages increase their adoption of row-planting by 10 percentage points (20%)—raising farm profitability by 9%. However, employers fail to appropriate most of this surplus: 2/3 of the surplus generated is captured by non-training employers, because many of the trained workers work for others following training. In a second experiment, we randomize employers into a condition that increases the likelihood that the worker will return to work for the employer in the future. Employers receiving this guarantee are 50 percentage points more likely to train the worker. This suggests the wedge between private and social returns from investments meaningfully reduces worker productivity.

"Habit formation and labor supply" *with S. Kaur, H. Schofield, and Y. Shamdasani*

Abstract: Economists have long hypothesized the presence of hysteresis in labor supply: transitory labor market shocks may have persistent effects. We examine hysteresis through the lens of habit formation. We undertake a field experiment with casual urban laborers in Chennai, India, where attendance at labor stands provides a revealed preference measure of labor supply. We randomly provide some workers with small financial incentives for attendance over 7 weeks, leading to a 23% increase in labor supply. We test for habit formation by examining subsequent impacts after the incentives are removed. First, we see a persistent 16% increase in labor supply over the next 2 months, resulting in an 11% increase in employment. Second, treated workers exhibit a higher willingness to accept work contracts that are of longer duration and less flexible. They also self-report an increase in automaticity and self-identity around work—suggesting a change in preferences. Third, shocks that temporarily pull workers out of the labor market lead subsequent treatment effects to collapse to zero; in the absence of these shocks, we cannot reject that there is no decay in effects over time. Fourth, in incentivized measures, employers accurately predict treatment effects, and prefer hiring workers who have been treated with a stronger habit stock in the past—findings that have relevance for understanding duration dependence. Finally, in supplementary data from other settings, we replicate short-run persistent effects of transitory labor supply shocks—indicating the broader generalizability of hysteresis in labor supply. Together, our results suggest that the intermittent nature of employment and frequent shocks experienced in low-income settings may inhibit workers from becoming habituated to regular work—with potential implications for absenteeism and labor supply levels.

"How Do Workers Use Earned Wage Access? Evidence and Welfare Implications" *with E. Koepcke, A. Sial, and N. Swanson*

Abstract: Earned Wage Access (EWA)—a financial technology that gives workers access to their wages as they are earned, rather than having to wait until payday—can benefit workers by providing cheap, short-term liquidity. However, when workers have self-control problems or biased beliefs, particularly about their future earnings and liquidity shocks, they may use this technology sub-optimally, resulting in overconsumption. We partner with an EWA fintech firm to quantify these trade-offs using administrative data on earnings and EWA usage, in conjunction with a survey experiment. We find that workers systematically over-predict their future earnings, under-predict their future EWA usage, demand incentives to reduce their EWA usage, and are unable to predict future wage shocks. Using quasi-experimental variation in these wage shocks, we document that workers significantly increase their EWA usage in response to positive wage shocks in both their most recent paycheck and their next paycheck, which determines the amount they can withdraw. Using changes in withdrawal fees, we find patterns consistent with partial sophistication about self-control problems. We organize these facts in a consumption-savings model at the daily level, with workers with biased beliefs and partial awareness of their self-control problems. The estimates from our model imply that EWA increases worker's welfare on net, but that regulations such as fees and withdrawal limits can further enhance welfare.

Research in Progress

"Free-Riding and New Product Adoption: Evidence from Burundi" *with G. Killeen, R. Ndawiratsa, and N. Swanson*

The Long-Term Consequences of Childhood Exposure to Trauma *with H. Avivi, U. Malmendier, and M. Milgrom*

Honors and Awards

Development RookieFest Presenter	2025
NBER Pre-Doctoral Fellowship on Behavioral Macroeconomics	2021 – 2023
VisitINPS Fellowship winner (access to the Italian private sector universe of matched employer-employee data)	2021 – 2025
UC Berkeley Full Scholarship	2017 – 2022
Kellogg School of Management Pre-Doctoral Fellowship	2016 – 2017
Research Fellowship at Bocconi University	2013 – 2015

Grants

2025 PEDL Grant ($29,0000)

2024 Weiss Family Fund ($48,000), PEDL Grant ($29,0000)

2022 Weiss Family Fund ($45,000), J-Pal ATAI scoping grant ($8,000).

2021 SurveyCTO Graduate Research Grant (5,000), Berkeley Economics Gender Grant Initative ($10,000), IRLE seed grant ($6,000), India CCI ($7,500)
As Junior Co-PI: STEG Small Research Grant ($35,000).

2020 J-Pal Work of the Future Initiative Seed Grant ($5,000), J-Pal JOI ($9,000), PEP Seed Grant ($9,000), CEGA Spring Economic Challenge ($7,000), CEGA EASST Competition ($55,000),
As Junior Co-PI: Weiss Family Fund ($75,000), J-Pal Covid Off-cycle proposal ($35,000), J-Pal Jobs and Opportunities Initiative ($132,000)

2019 CEGA Spring Economic Challenge ($4,000), Weiss Fund Exploratory Grant ($6,000)

2018 CEGA Fall Economic Challenge ($10,000)

Teaching

Cornell University
- Intro to Econometrics — 2025 –

UC Berkeley Department of Economics
- Applied Econometrics with D. Card (Honors class) — 2020
- Microeconomics (×2) with S. Bianchi Y. Tang (Honors class) — 2018, 2019

Research Assistance

UC Berkeley, Department of Economics
Professor R. Perez-Truglia (2020-2021), Professor N. Tsivanidis (2020), Professors David Card and S. Della Vigna (2018-2019)

Field RA, Chennai (India)
Professor H. Schofield (Summer 2018)

Kellogg School of Business
Professors P. Giuliano and P. Sapienza (2016-2017)

Bocconi University, Department of Economics
Professors J. Adda and A. Trigari (2015-2016)

Presentations

2026 ASSA Metting

2025 Harvard/MIT, Yale University, NBER Summer Institute, Barcelona Summer Forum, CSEF Network and Development Economics, BREAD, Development RookieFest, University of Geneva, Wharton School of Business (BEPP), Paris School of Economics, UCLA, Cornell University, University of Southern California, University Oxford

2024 UC Berkeley Psychology and Economic Lunch, UC Berkeley Development Lunch

2023 PacDev, AFE

2022 NEUDC Yale University, CEGA African Evidence Summit, UC Berkeley Labor Lunch, UC Berkeley Development Lunch ($\times 2$)

2020 UC Berkeley Development Lunch, Psychology and Economics of Poverty reading group ($\times 2$)

Referee	Journal of Public Economics, Econometrica, Journal of Development Economics, Review of Economics and Statistics	
Services to the Profession	Grant Reviewer:	BRAC WEE-DiFine initiative, BEE Seed Grants SurveyCTO Primary Data Collection Research Grant
	Mentoring:	Co-instructor for the CEGA-EASST Catalyst Training on Impact Evaluation at the University of Burundi, year-long CEGA Fellow mentorship
Skills	Softwares:	`R`, Stata; some use of: Matlab, Python
	Languages:	Italian, English, French