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Research Statement

My research centres on how psychological factors shape the optimal design of public programs, particularly in the context of mental health and social safety net provision for the most vulnerable.

I employ a broad methodological approach, integrating theoretical and empirical analysis to derive policy implications tailored to each problem. Theoretically, I utilise microeconomic models from public and behavioural economics, ranging from static reduced-form to dynamic structural frameworks. Empirically, I apply modern causal inference techniques, descriptive analysis of large administrative datasets, numerical simulations, and survey experiments. This combination leverages my rigorous theoretical training in Mathematics and practical experience at The Behaviouralist, where I tackled real-world policy challenges. Additionally, I am building an empirical infrastructure using Dutch administrative data, having developed domain-specific knowledge through several ongoing projects.

My passion for Public Economics and Psychology & Economics stems from their focus on improving people's lives and the innovative blend of theory and empirics that drives these fields forward.

Job Market Paper

Mental Health and the Targeting of Social Assistance (solo work) exemplifies my research focus and methodological approach. This project is about people with poor mental health being screened out of receiving government benefits by barriers to access. I focus on a key challenge of mental disorders: the very source of vulnerability also makes it difficult to navigate the system to get help. Despite this, the welfare consequences of excluding those with mental disorders from assistance have not been documented. In this paper, I combine theory with causal inference on a novel, linked administrative dataset covering the population of the Netherlands (17 million individuals) to identify these welfare effects and show that people with poor mental health are inefficiently excluded from social assistance. I show this in three steps.

First, I develop a theoretical framework to disentangle the need for benefits from the cost of overcoming barriers using take-up responses to changes in benefits and barriers. The challenge with mental disorders is that they affect the cost of overcoming barriers but also in principle the need for benefits. I show that responses to two instruments, one for benefits and one for barriers, solves this issue. Second, I examine the take-up of social assistance empirically using Dutch administrative data. I link eligibility for and take-up of the flagship Dutch low-income cash transfer to surveyed and admin mental health measures. I estimate the model quantifying take-up responses to two separate instruments. I find that a policy increasing barriers disproportionately screens out people with poor mental health. They also take-up more in response to an increase in benefit level relative to those with good mental health. I estimate the

latter with a regression kink design using the kinked benefits schedule as a function of income. Third, I combine theory and empirics to show that people with poor mental health have a two times higher marginal value of benefits than those with good mental health, controlling for income. However, barriers impose a 65% higher cost on those with poor mental health. I show that these estimates mean reducing barriers would be an effective policy, in fact twice as effective as increasing benefits.

Robustness of Optimal Policy to Psychological Factors

My research in behavioural public economics focuses on the design of optimal policy in the face of two key challenges: first, the difficulty of observing the psychological mechanisms behind deviations from apparent rationality, and second, the uncertainty of whether such behaviour reflects true preferences or errors. I explore how policy can be effectively crafted despite these complexities, where choices provide limited but valuable insights into welfare.

In <u>Intrapersonal Comparisons as Interpersonal Comparisons</u> (with Daniel Reck at UMD), we investigate optimal policy when governments are uncertain about the extent to which choices reflect true preferences. While extensive literature in behavioural economics highlights cognitive biases in decision-making, less attention has been given to how policy is influenced by normative ambiguity—where decisions *noisily* reveal preferences—even though the gap between choices and true utility remains unmeasurable. By applying theories of choice under uncertainty and classical welfare economics, we characterise the social planner's problem in these contexts. Our findings reveal that risk or ambiguity aversion regarding true preferences results in new policy implications across various applied settings.

In future work, Daniel and I will apply our framework to ask: should governments default low-income individuals into saving more? Low savings rates may arise from psychological biases, such as present focus, or indicate a truly high marginal value of current consumption. Additionally, the perceived costs of opting out of a default savings option may be overestimated. We plan to use experimental methods to elicit willingness to pay for savings defaults and identify the robust optimal policy under various underlying behavioural models. More generally, in this space I am interested in investigating the welfare consequences of incomplete take-up of climate adaptation technologies due to psychological barriers as well as nudges and classical policy instruments in the context of externalities.

A Welfare Analysis of Public Housing Allocation Mechanisms (with Neil Thakral at Brown) emerged from a collaboration with a UK housing authority eager to understand the effectiveness of their social housing allocation policy and whether its complexity hindered applicants. Social housing allocation is a context of extreme excess demand. Therefore, policy often restricts choice, which directly impacts welfare by influencing which homes people receive. Authorities suspect that applicants struggle with the complex allocation process, raising concerns about choice errors affecting program outcomes. Unlike existing studies, which focus either on theoretical models or revealed-preference analysis using administrative data, our approach focuses specifically on bias. We compare flagship housing policies in the US and UK, simulating welfare outcomes under different mechanisms, and find that these policies are differently

sensitive to choice error. Using new data from survey experiments with 600 UK social housing residents, we directly measure housing preferences and various biases, revealing that welfare effects crucially depend on applicants' estimated choice error—an essential insight for local authorities.

We aim to explore additional behavioural policy questions using our comprehensive dataset on psychological biases among low-income individuals, as most studies analyse these biases in isolation. Our data allows us to examine the correlations between different biases, theorised to stem from a common source–finite cognitive resources–and their implications for optimal policy.

Economics of Mental Health

I aim to develop a research agenda on the economics of mental health. I have two works in progress focusing on mental health and its role in inequality and climate catastrophe recovery.

In <u>The Social Determinants of Mental Health</u> (with Jon Kolstad at UC Berkeley, Will Parker and Johannes Spinnewijn - both LSE), we analyse socio-economic inequality in mental health across the Netherlands using the national administrative data I also analyse in my Job Market Paper. Our findings show that poorer individuals are more likely to experience mental disorders, with a notably non-linear mental health-income gradient—prevalence sharply increases below the 20th income percentile. Our descriptive analysis suggests sorting plays a significant role, where poor mental health leads to exits from the labour market and hence lower-income.

Exciting new projects have propelled my research journey through the final stages of my PhD, particularly *Rebuilding Lives: Integrating Mental Health and Economic Recovery in Climate Disaster Response*, a collaboration with Amen Jalal and Pol Simpson (both at LSE). This early-stage project addresses a critical gap in climate disaster recovery: while governments primarily focus on reconstructing physical infrastructure, the profound mental health impacts of such events are often overlooked and could undermine full recovery. Our project, based on a sample of 5,100 households affected by Pakistan's 2022 floods, has measured participants' mental health two years post-disaster—revealing significant needs. We plan to roll out and evaluate a locally-developed mental health literacy program interacted with a housing reconstruction initiative, enabling us to test the hypothesis that long-term recovery requires both physical and psychological support. The potential interaction between these interventions is expected to provide critical insights into the holistic needs of disaster-affected populations.

I have several future research ideas centred on how mental health influences optimal policy. Building on my job market paper, I aim to examine if individuals with poor mental health are inefficiently screened out of mental healthcare itself. Additional projects include exploring the vicious cycle between homelessness and poor mental health, analysing the rise in disability benefit claims due to mental health issues, and developing a theory of decision-making under depression and anxiety. I'm also interested in investigating the use of large language models (LLMs) for mental health interventions and referrals, as well as machine learning approaches for suicide prediction.