

# David Zentler-Munro

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## Personal

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Born on October 22, 1984, United Kingdom Citizen.

## Research Fields

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Wage, Income and Wealth Inequality, Labor Economics, Search and Macro.

## Education

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Ph.D. Economics, University College London, 2014-2019  
*Thesis: "Essays on frictional labour markets in the presence of capital skill complementarity"*  
*Primary supervisor: Vincent Sterk, Secondary supervisor: Fabien Postel-Vinay*

MRes. Economics, University College London, 2013-2014.

MS.c. Economics, Toulouse School of Economics, 2007-2008.

BA. Economics, University of Cambridge, 2002-2005.

## Employment

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2022-present	Assistant Professor (Lecturer), Department of Economics, University of Essex;
2021-2022	Post-Doctoral Researcher, Department of Economics, University of Essex; University College London;
2019-2021	Post-Doctoral Researcher, Centre for Research and Analysis of Migration, University College London;
2008-2013	Senior Economic Adviser: Tax, Labour Market and Welfare Policy, UK Treasury;

## References

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Carlos Carrillo-Tudela  
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## Working Papers

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### **(Job Market Paper) Rising Wage Inequality: Technological Change and Search Frictions**

*Reject and Resubmit, Journal of European Economic Association.*

This paper examines whether labor market frictions can explain the level and growth of the college wage premium in the US. I develop a novel model where both capital skill complementarity and differences in the search frictions faced by college and non-college workers drive the college wage premium. The presence of search frictions, and hence monopsonistic power, provides a range of explanations for rising college premiums not present in competitive models i.e. changes to relative job offer rates, to firm heterogeneity or to bargaining power between education groups. College workers enjoy substantially lower job destruction rates and higher job offer rates than non-college workers, which generates the presence of a significant, and relatively stable, college wage premium in my model. I also find that bargaining strength, as captured by unionization rates, starts off at similar levels for college and non-college workers but declines more severely for non-college workers. This trend explains a substantial portion of the growth in the college wage premium in my baseline model.

### **Seeing Beyond the Trees: Using Machine Learning to Estimate the Impact of Minimum Wages on Labor Market Outcomes**

*With Doruk Cengiz, Arindrajit Dube, and Attila Lindner. Paper invited for the special issue of the Journal of Labor Economics in honor of Alan Krueger*

We assess the effect of the minimum wage on labor market outcomes such as employment, unemployment, and labor force participation for most workers affected by the policy. We apply modern machine learning tools to construct demographically-based treatment groups capturing around 75% of all minimum wage workers—a major improvement over the literature which has focused on fairly narrow subgroups where the policy has a large bite (e.g., teens). By exploiting 172 prominent minimum wages between 1979 and 2019 we find that there is a very clear increase in average wages of workers in these groups following a minimum wage increase, while there is little evidence of employment loss. Furthermore, we find no indication that minimum wage has a negative effect on the unemployment rate, on the labor force participation, or on the labor market transitions. Furthermore, we detect no employment or participation responses even for sub-groups that are likely to have a high extensive margin labor supply elasticity—such as teens, older workers, or single mothers. Overall, these findings provide little evidence for changing search effort in response to a minimum wage increase.

### **Minimum Wages in the UK: Searching for Nonlinearities**

This paper examines the impact of minimum wages when search frictions are present and firms can substitute away from low skilled workers to both higher skilled workers and to capital. This represents a contribution to the search literature, which typically assumes labour is the only input of production and perfect substitution between labour inputs. I examine whether the model I develop features significant nonlinearities in the impact of the minimum wage on unemployment. I find that the theoretical contribution of this paper, i.e. allowing for search frictions and imperfect substitutability of factor inputs, is quantitatively significant. Specifically, the nonlinear unemployment response in my model is much less pronounced if I use the typical assumptions of the search literature, which imply a considerably more linear response of unemployment to the minimum wage.

### **Minimum Wages, Risk Aversion and Asset Accumulation**

I find that the workers' ability to self-insure via asset accumulation has an important role in determining the response of consumption inequality to minimum wage increases. Workers increase their savings to self-insure against the increased unemployment risk of higher minimum wage levels. This means that in

my baseline model minimum wages achieve reductions in consumption inequality even when set at relatively high levels that cause unemployment to rise. In a model without savings, increasing the minimum wage level to such levels would increase consumption inequality because increased unemployment risk has a more significant pass-through to consumption inequality.

## Teaching Experience

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2016 BSc Econ Industrial Relations;  
 2015 BSc Econ Introduction to Economics;  
 2014 BSc Econ International Trade;

## Refereeing Services

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*Journal of Human Resources, Labour Economics, Oxford Bulletin of Economics and Statistics*

## Conference & Seminar Presentations

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2021 Essex, Warwick, Waseda (Tokyo)  
 2020 UCL, Applied Micro Reading Group;  
 2019 Centre for Research and Analysis of Migration, Labour Workshop (Milan);  
 2018 Toulouse School of Economics, ENTER Jamboree; UCL Structural Estimation Workshop;  
 UCL PhD Workshop; UCL Centre for Research and Analysis of Migration Brown Bag  
 2017 Stockholm School of Economics, ENTER Exchange; UCL PhD Workshop  
 2016 ZEW, Mannheim, Structural Labour Workshop; UCL PhD Workshop

## Awards, Grants and Scholarships

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2014-2017 UCL, Ricardo Scholarship;  
 2014 UCL, Teaching Excellence Award;

## Skills

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Computer: R, Julia, Matlab, Stata, L<sup>A</sup>T<sub>E</sub>X, Microsoft Office;  
 Languages: English (native), French (basic);