

HANNO FOERSTER

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Research Fields

Primary Labor Economics
Secondary Family Economics, Applied Microeconometrics

Academic Positions

Sep 2019 - BOSTON COLLEGE
Assistant Professor of Economics

Education

2013 - 2019 UNIVERSITY OF MANNHEIM
PhD in Economics

Fall 2016 UNIVERSITY COLLEGE LONDON
Visiting PhD Student

2011-2013 UNIVERSITY OF BONN, GERMANY
M.Sc. in Economics

2011-2012 UNIVERSITY OF CALIFORNIA BERKELEY
Visiting Student to the PhD program

2008-2011 UNIVERSITY OF BONN, GERMANY
B.Sc. in Economics

Affiliations

since 2019 IZA Research Affiliate

Working Papers

Untying the Knot: How Child Support and Alimony Affect Couples' Decisions and Welfare

Revise and Resubmit, *Review of Economic Studies*

Awarded with the UniCredit Best Paper Award on Gender Economics

Previously titled: "The Impact of Post-Marital Maintenance on Dynamic Decisions and Welfare of Couples"

A Structural Evaluation of Vacancy Referrals, Sanctions and Sickness Absence

With Gerard J. van den Berg and Arne Uhlenborff

Job Loss, Remarriage and Marital Sorting

with Tim Obermeier, Alexander Paul and Bastian Schulz

Work in Progress

The Equilibrium Effects of Vacancy Referrals

with *Gerard J. van den Berg*

The Political Economy of Laws to "Protect" Women

with *Matthias Doepke, Anne Hannusch and Michèle Tertilt*

Teaching Experience

Graduate Labor Economics (Boston College, 2nd year PhD)

Economics of the Family (Boston College, Undergraduate Elective)

Applied Econometrics (University of Mannheim, Graduate)

Introductory Econometrics (University of Mannheim, Undergraduate)

Microeconometrics (University of Bonn, Graduate)

Introductory Statistics (University of Bonn, Undergraduate)

Introductory Finance (University of Bonn, Undergraduate)

Awards & Scholarships

2020	Young Talent Award, Joachim Herz Foundation (Deutscher Wirtschaftspreis der Joachim Herz Stiftung, Nachwuchspreis)
2019	UniCredit Foundation, Best Paper Award on Gender Economics (9th edition)
2017	Research Grant, Karin Islinger Foundation
2013 - 2015	PhD scholarship, German Science Foundation (DFG)
2011 - 2012	Fulbright travel grant
2011 - 2012	Scholarship, German Academic Scholarship Foundation (Studienstiftung des Deutschen Volkes)
2011	Teaching Award, University of Bonn

Seminars & Conferences

2021	Search and Matching (SAM) annual conference (Copenhagen), Society of Economic Dynamics meeting (Minneapolis), University of Wuppertal, VfS-Conference (online), UNC Chapel Hill
2020	LISER Luxembourg Household Economics Workshop, NBER SI Gender in the Economy (recorded online presentation), University of Western Ontario
2019	Aarhus University, LMU Munich, Bocconi, Universitat Autònoma de Barcelona, Federeal Reserve Bank of Richmond, University of Western Ontario, Boston College, KU Leuven, Collegio Carlo Alberto, IZA Bonn, University of Edinburgh, Penn Conference "Marriage, Households, and Policy"
2018	Society of Economics of the Household (SEHO) meeting (Paris), EEA-ESEM congress (Cologne), EALE conference (Lyon), Families and the Macroeconomy (Mannheim), University of Copenhagen
2017	IZA workshop on Gender and Family Economics (Bonn), IZA summer school in Labor Economics (Buch/Ammersee), Aarhus University, Society of Economics of the Household (SEHO) meeting (San Diego), briq Workshop on Structural Analysis of Inequality (Bonn)
2016	LSE Methods Programme, Numerical Tools for Macroeconomists (London), EALE conference (Poster, Ghent), European Society for Population Economics (Berlin), EEA-ESEM congress (Geneva), Search and Matching (SAM) annual conference (Amsterdam), ZEW Summer Workshop on Structural Models and Policy Evaluation (Mannheim), University College London (PhD Seminar)
2015	ZEW SEEK Workshop on Policy Evaluations using Search and Matching Models (Mannheim)
2014	Barcelona Summer School, courses on Labor Market Outcomes (Prof. Robert Shimer) and Education Economics (Prof. Derek Neal)

Referee

Annals of Economics and Statistics, European Economic Review, Journal of Demographic Economics, Journal of Human Capital, Journal of Labor Economics, Journal of the European Economic Association, Labour Economics, Plos One, Quarterly Journal of Economics, Review of Economic Studies

Languages

German (native), English (fluent), French (basic), Spanish (basic)

Untying the Knot: How Child Support and Alimony Affect Couples' Decisions and Welfare

Revise and Resubmit, Review of Economic Studies,

Awarded with the UniCredit Best Paper Award on Gender Economics,

Previously titled: "The Impact of Post-Marital Maintenance on Dynamic Decisions and Welfare of Couples"

In many countries divorce law mandates post-marital maintenance payments (child support and alimony) to insure the lower earner in married couples against financial losses upon divorce. This paper studies how maintenance payments affect couples' intertemporal decisions and welfare. I develop a dynamic model of family labor supply, housework, savings and divorce and estimate it using Danish register and survey data. The model captures the policy trade off between providing insurance to the lower earner and enabling couples to specialize efficiently, on the one hand, and maintaining labor supply incentives for divorcees, on the other hand. I use the estimated model to study various counterfactual policy scenarios. I find that alimony payments come with strong labor supply disincentives and as a consequence fail to provide consumption insurance. The welfare maximizing policy involves increasing the lump sum component of child support, increasing the dependence of child support on the payer's income and reducing alimony payments relative to the Danish status quo. Switching to the welfare maximizing policy makes women better and men worse off, but comparisons to first best allocations show that Pareto improvements are feasible, highlighting a limitation of child support and alimony policies.

Job Loss, Remarriage and Marital Sorting

with Tim Obermeier, Alexander Paul and Bastian Schulz

We investigate how job displacement affects whom men marry, and study implications for marriage market matching theory. Leveraging quasi-experimental variation from Danish establishment closures, we show that job displacement leads men to match with higher earning women. We use a general marriage market search and matching model as conceptual framework, to derive several implications of our empirical findings: (i) husband's and wife's earnings are substitutes, rather than complements on the marriage market (ii) our findings are challenging to reconcile with one-dimensional matching, while consistent with multi-dimensional matching (iii) a substantial part of the measured correlation in spouses' incomes arises spuriously from sorting on unobserved characteristics. We highlight the policy relevance of our results, by contrasting the impact of simulated tax reforms on marital sorting and income inequality in one-dimensional versus multidimensional specifications of our framework.

A Structural Analysis of Vacancy Referrals with Imperfect Monitoring and Sickness Absence

with Gerard J. van den Berg and Arne Uhlenborff

Unemployment insurance agencies often punish refusals to apply for assigned job vacancies by reducing UI payments for a fixed time span. This element of job search monitoring is intended to reduce moral hazard among UI benefit recipients. In practice however such sanctions are rarely imposed. Two potential reasons for the low sanction rate are that sanctions may be avoided by strategically reporting sick and that caseworkers may use their substantial discretionary leeway to suspend due sanctions. This paper provides a structural framework for evaluating labor market policies related to job referrals and sanctions, explicitly taking into account strategic sick reporting and imperfect sanction enforcement. We use German register data to estimate our structural model. Implications of our estimates are that the number of sick reports is increased by a factor of 1.9 in periods where a job referral occurs and that sanction enforcement varies between 13% and 29%, depending on components of observed and unobserved heterogeneity. Policy simulations suggest that moving to a regime where two thirds of all sanctions are enforced reduces the average unemployment duration by 0.5 months.

The Equilibrium Effects of Vacancy Referrals

with Gerard J. van den Berg

Job vacancy referrals (VRs) are used by public employment services to bring together unemployed workers and firms who otherwise would not have matched. Existing quasi-experimental evidence shows that VRs positively impact the job finding probabilities of VR recipients. The impact on the economywide employment rate however depends on the magnitude of equilibrium effects. This paper studies the equilibrium effects of VRs and the channels through which they operate. We develop a search and matching model that accounts for three channels through which equilibrium effects arise: crowding out in the hiring process, disincentive effects on workers own job search effort and changes in firms' vacancy posting behavior. We estimate our model using German data on unemployed workers' job search behavior and firm hiring decisions. Based on the estimated model we find the average individual level effect (net of equilibrium effects) of a VR on job finding probabilities is 3.1 p.p. In contrast, a reform that increases the VR rate from 58% (the status quo) to 80% increases job finding rates only by 2.8 p.p. A simple randomized experiment would overstate the effect of the reform by 14%. The main channel accountable for the discrepancy is crowding out in the hiring process.