

HANNES SCHWANDT

Office Contact Information

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Personal Information

Citizenship: German
Date of Birth: 13.09.1982
City of Birth: Hamburg
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Employment:

Post-doctoral Research Associate
Center for Health and Wellbeing, Woodrow Wilson School, Princeton University, since Sept. 2012

Further Affiliations:

Associate, Center for Economic Performance, London School of Economics, since 2013
Research Affiliate, COHERE University of Southern Denmark, since 2014
Research Fellow, IZA – Institute for the Study of Labor, since 2014

Graduate Studies:

Universitat Pompeu Fabra, PhD in Economics, June 2012
Thesis Title: “Essays in the Economics of Health and Wellbeing”
Supervisors: Jörn-Steffen Pischke and Robin M. Hogarth

The London School of Economics and Political Science, visiting student, Sept. 2009 – June 2010

Universitat Pompeu Fabra, MSc. in Economics, *Honors*, 2007

References:

Professor Janet Currie
Princeton University
Department of Economics (chair)
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Professor Jörn-Steffen Pischke
London School of Economics
Department of Economics
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Professor Robin Hogarth
Universitat Pompeu Fabra
Department of Economics
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Professor Till von Wachter
University of California Los Angeles
Department of Economics
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Undergraduate Studies:

B.S., University of Munich (LMU), 2006

Job market paper

"The lasting legacy of seasonal influenza: In-utero exposure and human capital development."

November 2014.

Unfavorable circumstances in the fetal period have been shown to have impacts over the entire life course. Usually, these impacts are identified via catastrophes affecting cohorts such as pandemics, famines, and natural or manmade disasters. This study is the first to demonstrate long term effects of seasonal influenza, a more moderate threat that recurs every year and is preventable through vaccination. Using rich administrative data from Denmark, I show that in utero exposure to influenza is associated not only with worse health at birth, but with 10% lower earnings, a 7% decrease in labor market participation, and a remarkable 43% increase in welfare dependence. The effects are remarkably similar whether they are estimated either at the cohort level, or by tracking offspring of mothers who were known to have been infected. Birth outcomes are most strongly affected by third trimester exposure, while labor market outcomes are most affected by second trimester exposure. These findings suggest that influenza exposure has the potential to damage the fetus through multiple mechanisms.

Publications

"Short and Long-Term Effects of Unemployment on Fertility," *Proceedings of the National Academy of Sciences of the United States of America*, September 2014, with Janet Currie.

Scholars have been examining the relationship between fertility and unemployment for more than a century. Most studies find that fertility falls with unemployment in the short run, but it is not known whether these negative effects persist since women may simply postpone child bearing to better economics times. Using over 140 million U.S. birth records for the period 1975 to 2010, we analyze both the short and long-run effects of unemployment on fertility. We follow fixed cohorts of U.S. born women defined by their own state and year of birth, and relate their fertility to the unemployment rate experienced by each cohort at different ages. We focus on conceptions that result in a live birth. We find that women in their early 20s are most affected by high unemployment rates in the short-run and that the negative effects on fertility grow over time. A one percentage point increase in the unemployment rate experienced between the ages of 20 and 24 reduces the short-run fertility of women in this age range by 6 conceptions per 1,000 women. When we follow these women to age 40, we find that a one percentage point increase in the unemployment rate experienced at 20 to 24 leads to an overall loss of 14.2 conceptions. This long-run effect is driven largely by women who remain childless and thus do not have either first births or higher order births.

"Income and Population Growth," *Economic Journal*, forthcoming, with Markus Brückner.

Do populations grow as countries become richer? In this paper we estimate the effects on population growth of shocks to national income that are plausibly exogenous and unlikely to be driven by technological change. For a panel of over 139 countries spanning the period 1960-2007 we interact changes in international oil prices with countries' average net-export shares of oil in GDP. Controlling for country and time fixed effects, we find that this measure of oil price induced income growth is positively associated with population growth. The IV estimates indicate that a one percentage point increase in GDP per capita growth over a ten year period increases countries' population growth by around 0.1 percentage points. Further, we find that this population effect results from both a positive effect on fertility and a negative effect on infant and child mortality.

"Within-mother analysis of seasonal patterns in health at birth," *Proceedings of the National Academy of Sciences of the United States of America*, July 2013, with Janet Currie.

A large literature spanning many scientific fields for almost a century has investigated the relationship between season of birth, health, and socioeconomic outcomes. Seasonal patterns have been found, among others, for birth outcomes, mental health, neurological disorders, body height, life expectancy, intelligence quotient, educational attainment, and income. Recent papers have argued that the relationship of the birth season with health and economic outcomes could be entirely driven by maternal selection into conception months. We use within-mother comparisons and balancing regressions in a large sample of 647,050 groups of US siblings representing 1,435,213 children to show that selection

hardly affects the seasonal pattern. Moreover, we show that the seasonality in conception rates is a strong confounder that is usually dismissed in the literature. Removing these two potential sources of bias, we find dramatic spikes in prematurity rates among siblings nearing full term in months with greater prevalence of influenza. These results suggest that seasonal patterns in health at birth are not entirely driven by selection and they provide the first society-wide evidence of in-utero effects of seasonal influenza on infant health.

Working Papers

"Unmet Aspirations as an Explanation for the Age U-Shape in Wellbeing," CEP DP 1229, January 2014, revise & resubmit *Journal of Economic Behavior and Organization*.

A large literature in behavioral and social sciences has found that human wellbeing follows a U-shape over age. Some theories have assumed that the U-shape is caused by unmet expectations that are felt painfully in midlife but beneficially abandoned and experienced with less regret during old age. In a unique panel data set of 132,609 life satisfaction expectations that I match to the same respondents' subsequent life satisfaction realizations, I find people to err systematically in predicting their life satisfaction over the life cycle. They expect -- incorrectly -- increases in young adulthood and decreases during old age. These errors are large, ranging from 9.8% at age 21 to -4.5% at age 68, and stable over time. They are observed within individuals and cohorts as well as across socio-economic subgroups in the population. These findings support theories that unmet expectations drive the age U-shape in human wellbeing.

"The 9/11 Dust Cloud and Pregnancy Outcomes: A Reconsideration," NBER WP 20368, August 2014, with Janet Currie, revise & resubmit *Journal of Human Resources*.

The events of 9/11 released a million tons of toxic dust into lower Manhattan, an unparalleled environmental disaster. It is puzzling then that the literature has shown little effect of fetal exposure to the dust. However, inference is complicated by pre-existing differences between the affected mothers and other NYC mothers as well as heterogeneity in effects on boys and girls. Using all births in utero on 9/11 in NYC and comparing them to their siblings, we show that residence in the affected area increased prematurity, low birth weight, and admission to the NICU after birth, especially for boys.

"Wealth Shocks and Health Outcomes: Evidence from Stock Market Fluctuations," CEP DP 1281, June 2014, submitted.

Do wealth shocks affect the health of the elderly in developed countries? In this paper I exploit the booms and busts in the US stock market over the past 15 years as a natural experiment that generated considerable gains and losses in the wealth of stock-holding retirees. Using panel data from the Health and Retirement Study I construct wealth shocks as the interaction of stock holdings with stock market changes. These wealth shocks strongly affect health outcomes of elderly US retirees. A 10% wealth shock leads to an improvement of 2-3% of a standard deviation in physical health, mental health and survival rates. Effects are heterogeneous across physical health conditions, with strongest effects on high blood pressure, smaller effects for heart problems and no effects for arthritis, diabetes, lung diseases and cancer.

"Poorly Measured Confounders are More Useful on the Left But Than on the Right," October 2014. This is a follow-up project of "A Cautionary Note on Using Industry Affiliation to Predict Income," NBER WP 18384, with Jörn-Steffen Pischke.

Researchers frequently test identifying assumptions in regression based research designs (which include e.g. instrumental variables or differences-in-differences models) by adding additional control variables on the right hand side of the regression. If such additions do not affect the coefficient of interest (much) a study is presumed to be reliable. We caution that such invariance may result from the fact that many observed variables are poor measures of the potential underlying confounders. In this case, a more powerful test of the identifying assumption is to put the variable on the left hand side of the candidate regression. We provide relevant derivations for the estimators and test statistics involved, as well as power calculations, which can help applied researchers to interpret their findings. We

illustrate these results in the context of various strategies which have been suggested to identify the returns to schooling.

Papers in Progress

"Smoking and Inequality at Birth," with Janet Currie.

"Subjective Wellbeing and Goals in Life," with Marc Fleurbaey.

"Lifetime Effects of Recessions and the Role of Government," with Anna Aizer, Adriana Lleras-Muney and Till von Wachter.

"Unlucky Cohorts: Income, Health Insurance and AIDS Mortality of Recession Graduates," April 2013.

Grants:

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| 2013-2016 | <u>Principal Investigator.</u> Danish Research Council, "Sick of Shocks to Homes, Jobs, and Stocks," DFF- 1327-00018, with Mickael Bech and Christian M. Dahl, \$293,712. |
| 2014-2016 | <u>Co-PI.</u> Princeton CHW Program on U.S. Health Policy "Influenza Spread and Old-Age Mortality", with Janet Currie, Bryan Grenfell and Jessica Metcalf. |
| 2014-2015 | <u>Co-PI.</u> Princeton Center for Human Values "Wellbeing and Goals in Life", with Marc Fleurbaey. |

Teaching and Research Fields:

Primary fields: Health Economics, Labor Economics, Economic Demography

Secondary fields: Applied Microeconometrics, Behavioral Economics

Scholarships, and Fellowships:

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| 4.-5.2011 | EBES grant (Catalan government), held at RAND Corporation |
| 2009-2010 | BE grant (Catalan government), held at London School of Economics |
| 2008-2012 | FI Graduate Research Scholarship, Catalan government |
| 2007-2008 | Doctoral Fellowship, Universitat Pompeu Fabra |
| 2006-2007 | Graduate Scholarship, German Academic Exchange Service (DAAD) |

Teaching Experience:

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| Dec 2014 | Disease Ecology, Economics and Policy ENV 304 (guest lecture); Princeton University; Prof. Bryan Grenfell |
| Fall 2010 | Econometrics I (undergraduate, in Spanish), Universitat Pompeu Fabra, assistant to Prof. Christian Fons-Rosen |
| Spring 2008 | Business Strategies (graduate), Universitat Pompeu Fabra, assistant to Prof. Francisco Ruiz-Aliseda |

- Winter 2007 Macroeconomics II (graduate, PhD track), Universitat Pompeu Fabra, assistant to Prof. Jordi Galí
- Fall 2007 Macroeconomics I (graduate, PhD track), Universitat Pompeu Fabra, assistant to Prof. Antonio Ciccone

Professional Service:

Referee for: Biodemography and Social Biology, British Journal of Industrial Relations, Economic Journal, European Economic Review, Health Economics, IZA World of Labor, Journal of Health Economics, Journal of Economic Behavior & Organization, Journal of Ecological Economics, Kyklos, Review of Income and Wealth, Social Choice and Welfare

Conference and Seminar Presentations:

- 2014 NBER Summer Institute; ASSA 2014, Philadelphia; Department of Ecology and Evolutionary Biology, Princeton University; U Autònoma Barcelona; BeNA, Berlin; Barcelona Summer Forum; Max-Planck Center Odense; RAPIDD Copenhagen, APPAM 2104 Albuquerque
- 2013 NBER Universities' Research Conference, Princeton Health and Development Lunch, Max-Planck Institute Munich, Princeton Development Lab, UC Davis Public Finance-Labor Economics Seminar
- 2012 National University of Singapore; RES Meeting, London; SAEe Conference, Malaga; University of St. Gallen; University Southern Denmark; Stockholm University; Uppsala University; University Mannheim; Lancaster University; University Manchester; Universidad de Piura, Lima; Princeton University; University of Hamburg
- 2011 UCLA; RAND Corporation, Santa Monica; EEA Meeting, Oslo; VfS Meeting, Frankfurt; LMU Munich; UPF Labour Lunch, CREI Macro Breakfast; IZA EESLE, Ammersee; EDP Jamboree, Bonn; CEP/LSE Meeting, Brighthon
- 2009-2010 LSE Labour Markets Workshop; UPF Labour Lunch; LSE Labour Markets WIP; CREI Macro Breakfast, IMEBE Conference Granada, EDP Jamboree LSE

Selected media coverage (see my website for links):

Paper: "Unmet Aspirations as an Explanation for the Age U-Shape in Wellbeing"

The Atlantic (cover article), Dec. 2014: *"The Real Roots of Midlife Crisis"*

Financial Times, Sep. 18, 2014: *"Is the midlife crisis just an excuse?"*

Financial Times, Sep. 13, 2013: *"What makes life sag in the middle?"*

NPR Interview, July 29 2013: *"What's your number? Research shows happiness peaks at ages 23 and 69."*

TIME Magazine, July 22 2013: *"Study: 23 and 69 Are the Happiest Ages."*

New York Daily News, July 24 2013: *"Happiness peaks during 20s and 60s, slumps in mid-50s: study."*

FAZ, July 23 2013: *"Das Glück ist ein U."*

La Vanguardia, July 26 2013: *"Las edades en que somos más felices, según estudio."*

Toronto Star, July 22 2013: *"Happiness shaped by expectations: study."*

Sunday Times, July 21 2013: *"Research has identified the two ages at which our contentment is at its peak."*

Times of India, Aug 4 2013 : *"Happiness peaks in 20s and 60s."*

Paper: "Short and Long-Term Effects of Unemployment on Fertility," with Janet Currie

Wall Street Journal, Oct 2, 2014: *"What If American Women Never Have The Children They Delayed Because of the Recession?"*

The Atlantic, Sep 30 2014: *"The Recession's Baby Bust."*

The Washington Post, Sep. 30, 2014: *"How the recession affected womens' decision to have kids."*

Daily Mail, Sep. 30, 2014: *"More money, more babies: Why the birth rate plummets when America goes into recession"*

Associated Press, Sep. 29, 2014: *"Study: Recessions can postpone motherhood forever."*

Paper: "The 9/11 Dust Cloud and Pregnancy Outcomes: A Reconsideration," with Janet Currie

TIME Magazine, Aug. 13, 2014: *"Study: 9/11 Dust Cloud Likely Caused Widespread Pregnancy Complications."*

New York Magazine, Aug. 14, 2014: *"Dust From 9/11 May Have Led to a Lot of Complicated Pregnancies and Premature Births."*

Paper: "Within-mother analysis of seasonal patterns in health at birth," with Janet Currie

Health.com, Oct 12 2014: *"3 Weird Ways Birth Month Can Affect a Baby's Health."*

The Washington Post, July 22 2013: *"For the healthiest baby, summer is the best time to conceive."*

NPR Interview, July 11 2013: *"Princeton study shows birthdays could affect infant health."*

TIME Magazine, July 9 2013: *" Not This Month, Honey: Why You Shouldn't Conceive a Baby in May."*

The Sydney Morning Herald, July 9 2013: *"Babies conceived in spring 'more likely to be premature."*

Los Angeles Times, July 9 2013: *"Month of conception can affect child's health at birth."*

Science, July 8 2013: *"The Best Season to Get Pregnant."*