

# MARCOS LEE

+1 832-998-0295 | [marcos.k@queensu.ca](mailto:marcos.k@queensu.ca) |  
[sites.google.com/view/marcoslee/](https://sites.google.com/view/marcoslee/)

## ACADEMIC POSITIONS

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Weatherall Postdoctoral Fellow, Queen's University

2024-

## RESEARCH FIELDS

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Labor Economics, Education Economics, Early Childhood Development

## EDUCATION

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PhD, Economics, Rice University

2024

MA, Economics, University of São Paulo, Brazil

2017

BA, Economics, University of São Paulo, Brazil

2014

## WORKING PAPERS

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“Eliciting Subjective Belief Distributions About Returns to Investment in Early Childhood”

A growing body of research measures and subsequently accounts for how parents perceive the average returns to investment in the child development process and how this uncertainty impacts their actual investment in children. This paper moves this research beyond the mean and is the first to allow for uncertainty in parental beliefs. I first develop and collect an elicitation procedure of parental subjective belief distributions concerning the technology of skill production and their subjective investment costs that is guided by a model of parental investment. Second, I extend existing measurement error correction methods that are required with belief estimation. I show that there is a significant amount of heterogeneity in parental beliefs and ignoring this can overstate the importance of socio-economic background in explaining parental investment. Parents hold downward-biased mean beliefs about the returns to investment. Moreover, parents who have higher mean beliefs also hold lower levels of uncertainty about their beliefs. Both mean beliefs and uncertainty correlate with actual investment measures. Finally, I estimate a model of parental investment with reference-dependent preferences and show that even though parents hold low mean beliefs, they have a strong incentive to invest if their child is at risk of experiencing a developmental delay.

“One Says Goodbye, Another Says Hello: Turnover and Compensation in the Early Care and Education Sector”, with Flavio Cunha [*NBER Working Paper 31869*]

The quality of the early environment children experience profoundly influences their human capital development. We investigate recruitment and retention of the Early Care and Education workforce by merging datasets from three different government agencies in Texas. We construct a longitudinal panel of individuals born between 1980 and 1989. We study their educational background and their lifecycle labor market dynamics. Turnover in the ECE sector is 37% higher and earnings are 12% to 20% below those in the sectors that employ similar types of workers. We uncover steep educational and racial differences in turnover rates and earnings. We estimate a dynamic discrete choice model of schooling and work decisions for a sample of potential entrants of the ECE sector. We estimate an extensive labor supply elasticity of 2 but a turnover elasticity of -0.5. Our model predicts that entry and retention bonuses would have a small positive impact on recruitment and retention in the ECE industry.

“School Funding Equalization and Teacher's Labor Market”, with Aloisio Araujo, Gabriel Sallum

School funding equalization is a common policy in the United States that redistributes revenue from property-rich school districts to property-poor ones. This paper examines the impact of the Texas school funding equalization policy, known as Recapture, on teacher wages and skill composition using a structural equilibrium model. We first use a policy change in 2019 that changed school funding formulas in Texas to understand how school districts allocate new revenue between payroll and other administrative functions. We find that about 20% of new revenue is put into payroll mainly via wage increases. The other 80% goes towards bureaucracy

functions like consulting, contracting and legal services. We then build and estimate an equilibrium model of teacher and non-teacher labor supply and school district budget allocation informed by our reduced form evidence. Counterfactual simulations reveal that eliminating the recapture policy allows wealthier districts to offer higher wages and attract more teachers but may lower average teacher quality due to an influx of less-skilled individuals. Less affluent districts face budget reductions and reduced teaching resources but could experience an increase in average teaching quality. Our findings highlight important trade-offs in policy design regarding funding redistribution and educational equity.

## WORK IN PROGRESS

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“Mental Health and Human Capital Formation in Children”

“Using Structural Models to Devise Policies for the Fertility Challenges Across Countries”, with Steve Lehrer and Jin Young Yoon

“Changed Parenting Practices: Between Increased Input Into Childcare and Worsened Outcomes for Children”, with Steven Lehrer, Weili Ding, Michael Kottelenberg

## POLICY BRIEFS

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“Identifying Impact in the Context of Recovery: TWC Child Care Business Coaching Program”, Texas Policy Lab

“Wage Supplementation Policies for Childcare Workers in Texas”, Texas Policy Lab

## RESEARCH AND TEACHING EXPERIENCE

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Instructor: ECON250 Introduction to Statistics (Fall 2024), ECON351 Introductory Econometrics (Winter 2025) Queen’s University

Graduate Student Fellow, Texas Policy Lab, 2019 – Present

Instructor: Statistics Summer Camp (2021), Rice University

Teaching Assistant: Evaluation of Social Programs (UG), Mathematical Economics (UG), Financial Engineering (UG), Macroeconomics (UG), 2018 – 2021, Rice University

## ACADEMIC AND RESEARCH AWARDS

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Dissertation Grant, Rice University	2022
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Best 3rd Year Paper, Rice University	2020
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Graduate Fellowship, Texas Policy Lab	2022 – Present
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Graduate Fellowship, Rice University	2017 – 2022
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Best Undergraduate, Masters, or PhD Thesis - 2nd Place, Brazilian Association of Regional Studies	2015
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Best Undergraduate Thesis - Honorable Mention, University of Sao Paulo	2014
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## CONFERENCES AND PRESENTATIONS

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2025: Third Workshop on Economics of Education (Chile)

2024: Queen’s University; SEHO Annual Meeting; North American ES Conference; EEA-ESEM Conference; EALE Conference (cancelled); SEA Annual Meeting

2023: 7th Workshop on Subjective Expectations (Bocconi); Bocconi University Brown Bag Seminar; Rice University Brown Bag Seminar

## REFeree SERVICE

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Journal of Applied Econometrics; Economic Journal; Journal of Labor Economics; Journal of Human Capital

## OTHER INFORMATION

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Citizenship: Brazil

Languages: English (Fluent), Portuguese (Native), Spanish (Fluent), Korean (Basic)

Programming: Julia, R, Python, Stata, SQL

## REFERENCES

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Professor Flavio Cunha  
Rice University  
fc15@rice.edu

Professor Steve Lehrer  
Queen's University  
lehrers@queensu.ca

Professor Rossella Calvi  
Rice University  
rossella.calvi@rice.edu