MARCOS LEE

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ACADEMIC POSITIONS

Weatherall Postdoctoral Fellow, Queen's University	2024-

RESEARCH FIELDS

Labor Economics, Education Economics, Early Childhood Development

EDUCATION

PhD, Economics, Rice University	2024
MA, Economics, University of São Paulo, Brazil	2017
BA, Economics, University of São Paulo, Brazil	2014

WORKING PAPERS

"Subjective Beliefs, Uncertainty, and Costs of Investment in Early Childhood"

I study how parents perceive the uncertainty of the returns to investment of the child development process and how this uncertainty impacts their actual investment in children. To do so, I develop an elicitation procedure of parental subjective belief distributions about the technology of skill production and their subjective investment costs that is guided by a model of parental investment. I collect data using this procedure and extend existing measurement error correction methods that are necessary in the belief estimation. I show that parents hold downward-biased mean beliefs about 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 having 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 equalizatio 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

"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

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

"Wage Supplementation Policies in Texas", Texas Policy Lab

RESEARCH AND TEACHING EXPERIENCE

Instructor: ECON351 Introductory Econometrics, Queen's University, 2025 Winter (scheduled)

Instructor: ECON250 Introduction to Statistics, Queen's University, 2024 Fall

Graduate Student Fellow, Texas Policy Lab, 2019 – Present

Research Assistant, McNair Center for Entrepreneurship, 2018

Instructor: Statistics Summer Camp (G), 2021

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

ACADEMIC AND RESEARCH AWARDS

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

CONFERENCES AND PRESENTATIONS

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

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

LANGUAGES AND PROGRAMMING

Programming: Julia, R, Python, Stata, SQL
Languages: English (Fluent), Portuguese (Native), Spanish (Fluent), Korean (Basic)

REFERENCES

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Professor Rossella Calvi
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