

## Martti Eino Mikael Kaila

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RESEARCH INTERESTS      Labor Economics, Economics of Education, Economics of Crime

EDUCATION      **Phd., Economics, University of Helsinki**      2017-2023<sup>1</sup>  
Committee: Kristiina Huttunen, Roope Uusitalo and Emily Nix

**Visiting PhD Student, Princeton University**      2019-2020

**M.A., Economics, University of Helsinki**      2017

**B.A., Economics, University of Helsinki**      2015

ACADEMIC POSITIONS      **Research Assistant**      2018  
Supervisors: Emily Nix and Kristiina Huttunen

**Assistant Researcher**      2017  
VATT Institute for Economic Research  
Helsinki, Finland

**Research Trainee**      2016  
VATT Institute for Economic Research  
Helsinki, Finland

TEACHING EXPERIENCE      **Teaching Assistant**  
Public Economics 1 Taxation Policy: 2023  
Advanced Macroeconomics: 2021  
Intermediate Macroeconomics 1: 2021, 2022  
Intermediate Macroeconomics 2: 2019, 2021  
Intermediate Microeconomics 1: 2018  
Intermediate Microeconomics 2: 2018

RESEARCH IN PROGRESS      **“How Do People React to Income-based Fines” - *JOB MARKET PAPER***  
This paper studies the impact of income-based criminal punishments on crime. In Finland, speeding tickets become income-dependent if the driver’s speed exceeds the speeding limit by 20 km/h leading to a substantial jump in the size of the speeding ticket. Despite considerable incentives, individuals do not bunch below the fine hike, but instead, the speed and speeding distributions are smooth at the cutoff. However, I demonstrate that the size of the speeding ticket has sizable but short-lived impacts on reoffending. I use a regression discontinuity design to show that 200 euros larger fines decrease drivers reoffending by 20 percent in

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<sup>1</sup>Expected

the following six months. After 12 months, the effect has largely disappeared. I build a theoretical model to illustrate that the "ironing" heuristic and learning may explain the results. In the model, people make the decision using a rule of thumb that size of the fine increases linearly with speed, ruling out the bunching. Experienced fines that are larger than expected reduce future speeding. However, due to misspecified learning, beliefs may fail to converge, leading to fade out in effect.

**"The Impact of an Early Career Shock on Intergenerational Mobility"** with Emily Nix, and Krista Riukula

Children's incomes are highly correlated with their parents' incomes. Differences in the first job explain part of this intergenerational persistence in incomes, but little is known about how subsequent labor market shocks might contribute to intergenerational mobility. In this paper, we focus on a consequential early career shock, job loss. We document three results. First, those born to lower-income parents suffer more from job loss. After an exogenous job loss, adult children born to parents in the bottom 20% of the income distribution have double the unemployment compared with those born in the top 20%, with 118% higher earnings losses. Second, this causes the rank-rank correlation, a measure of persistence of incomes, to increase by 34% for those impacted and country-level rank-rank correlations to increase as children age. Third, direct interventions by parents after their child loses a job and earlier life investments both explain our main results

**"The Punishment Ladder: Estimating the Impact of Different Punishments on Defendant Outcomes"** with Kristiina Huttunen and Emily Nix

Most criminal justice systems use a "ladder of punishments" that starts with less severe punishments and progresses to more severe punishments according to crime severity and criminal history. Using random assignment to judges, we estimate the causal impacts of three common punishments on the ladder - fines, probation, and prison - on defendants' criminal and labor market outcomes. We find that fines increase recidivism. However, this increase is concentrated among those committing less severe crimes. Probation decreases recidivism for those committing less severe crimes and first offenders. Neither fines nor probation affects earnings. Prison has a mixed impact, decreasing future charges but also decreasing earnings.

**"Inequality in College Applications: Evidence from Three Continents"**

with Adam Altjmed, Aspacia Bizopoulou, Martti Kaila, Christopher Neilson, Sebastian Otero, and Xiaoyang Ye

REFERENCES

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**Emily Nix**

Assistant Professor

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PRESENTATIONS	<b>2022</b> SOLE; EALE; IZA Summer School in Labor Economics; Helsinki Graduate School of Economics	
	<b>2021</b> NBER Labor Summer Institute (coauthored); Helsinki GSE Lunch Seminar; Helsinki GSE Labor and Public Workshop; ETLA Economic Institute; Turku School of Economics	
	<b>2020</b> Helsinki GSE Labor and Public Workshop; Criminological Seminar, University of Helsinki	
	<b>2019</b> Princeton university; Nordic Summer Institute in Labor Economics; European Society for Population Economics Annual Conference; APPAM Fall Research Conference	
	<b>2018</b> OECD, France	
GRANTS	OP Financial Group Research Foundation	2022
	Yrjo Jahnsson Foundation Grant	2019
	Finnish Cultural Foundation Grant	2018
	Yrjo Jahnsson Foundation Grant	2017
SOFTWARE SKILLS	Stata (advanced), R (intermediate), Latex (advanced), Python (basics) Java (Basics), SQL (basics)	
PERSONAL DETAILS	Citizenship: Finnish	
	Languages: Finnish (native), English (fluent), Swedish (basics)	