

Martti Eino Mikael Kaila

University of Helsinki
Department of Economics
+358 40 357 3291
martti.kaila@helsinki.fi

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

EDUCATION **Phd., Economics, University of Helsinki** 2017-2023¹
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 how individuals react to discontinuous changes in criminal sanctions and the role of optimization frictions in the responses. The context is Finland, where 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 utilize a regression discontinuity

¹Expected

design to show that, on average, the fine jumps around 200 euros at the income-based fine cutoff, which decreases drivers reoffending by 20 percent in the following six months. After 12 months, the sign of the point estimate is still negative but statistically insignificant and small in relative terms. These findings are consistent with the theory that people make speed decisions using the misspecified model.

“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 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 affect 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

Kristiina Huttunen

Associate Professor

+358 50 549 3368

Department of Economics

kristiina.huttunen@aalto.fi

Aalto University

Roope Uusitalo

Professor

+358 40 805 4863

Department of Economics

roope.uusitalo@helsinki.fi

University of Helsinki

Emily Nix

Assistant Professor

213-740-3759

USC Marshall School of Business

enix@usc.edu

PRESENTATIONS	2022 SOLE; EALE; IZA Summer School in Labor Economics; Helsinki Graduate School of Economics	
	2021 NBER Labor Summer Institute (coauthored); Helsinki GSE Lunch Seminar; Helsinki GSE Labor and Public Workshop; ETLA Economic Institute; Turku School of Economics	
	2020 Helsinki GSE Labor and Public Workshop; Criminological Seminar, University of Helsinki	
	2019 Princeton university; Nordic Summer Institute in Labor Economics; European Society for Population Economics Annual Conference; APPAM Fall Research Conference	
	2018 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	Sata, R, Latex, Java, SQL	
PERSONAL DETAILS	Citizenship: Finnish	
	Languages: Finnish (native), English (fluent), Swedish (basics)	