

UNIVERSITY OF CALIFORNIA, BERKELEY  
DEPARTMENT OF ECONOMICS

PLACEMENT SERVICE  
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## PATRICK KENNEDY

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### BUSINESS ADDRESS

Department of Economics  
530 Evans Hall, #610  
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### FIELDS OF CONCENTRATION

**Primary:** Public Economics

**Secondary:** Labor Economics, Economic Geography, and International Trade

### DISSERTATION TITLE “Assessing the Aggregate and Distributional Effects of Major Tax Policies”

Expected Date of Completion:	May 2023
Principal Advisor:	Jesse Rothstein
Other References:	Alan Auerbach, Danny Yagan, Amit Khandelwal

### WORKING PAPERS

- “The Efficiency-Equity Tradeoff of the Corporate Income Tax: Evidence from the Tax Cuts and Jobs Act”  
With Christine Dobridge, Paul Landefeld, and Jacob Mortenson. (**Job Market Paper**)
- “Neighborhood-Level Investment from the U.S. Opportunity Zone Program: Early Evidence.”  
With Harrison Wheeler.
- “The US-China Trade War and Global Reallocations.”  
With Pablo Fajgelbaum, Penelopi Goldberg, Amit Khandelwal, and Daria Taglioni.

### PUBLICATIONS

- “The Return to Protectionism”. *Quarterly Journal of Economics*. 2020. Lead article and editor’s choice.  
With Pablo Fajgelbaum, Penelopi Goldberg, and Amit Khandelwal.
- “Where Do People Get Their News?” *Economic Policy*. 2019. With Andrea Prat.

### WORK IN PROGRESS

- “High-End Housing and Gentrification: Evidence from a San Francisco Lottery.” With Harrison Wheeler.
- “Protectionism and Profit.” With Vanessa Alviarez, Jake Mortenson, and Roman Zarate.

### PROFESSIONAL EXPERIENCE

- The Joint Committee on Taxation, Washington, D.C. 2020-present. Policy and research on business taxation and place-based policies.
- United States Department of the Treasury, Financial Stability Oversight Council, Washington, D.C. 2015. Policy and research on global financial stability.
- Federal Reserve Board of Governors, Division of International Finance, Washington, D.C. 2013-2015. Policy and research on international capital flows.

### EDUCATION

Stanford University  
Phi Beta Kappa with distinction

### DEGREE

B.A.

### DATE

2013

### FIELD

Political Science

### JOURNAL REFEREE SERVICE

*The American Economic Review; The Quarterly Journal of Economics; Econometrica; The Review of Economics and Statistics; The World Bank Economic Review; The Journal of International Economics*

### TEACHING

Graduate Student Instructor, Berkeley Haas School of Business, Data and Decisions for MBAs.

## OTHER SERVICE

- UC Berkeley Research in Economics Mentoring Program. 2019-2022. Provided four years of time-intensive one-on-one mentoring and advising to underrepresented undergraduate women and students with interests in economics, with an emphasis on original research and developing technical skills.

## FELLOWSHIPS AND AWARDS

2022	UC Berkeley Dissertation Completion Fellowship
2020	Center for Equitable Growth
2020	Burch Center for Tax Policy and Public Finance
2019	Berkeley Opportunity Lab Fellowship, Inequality and Place Initiative
2017	National Science Foundation Graduate Research Fellowship
2017	Berkeley Regents Fellowship

## SELECT CONFERENCE AND SEMINAR PRESENTATIONS

2022	Brookings Institution, Washington, DC
2022	NBER Conference on Business Taxation, Stanford, CA
2021	European Research Workshop on International Trade, Milan, IT
2020	American Economic Association Meetings, San Diego, CA
2018	Economic Policy 67 <sup>th</sup> Annual Meetings, Zurich, CH

## OTHER INFORMATION:

Affiliations:	American Economic Association
Citizenship:	USA

## SELECT PAPER ABSTRACTS

- “The Efficiency-Equity Tradeoff of the Corporate Income Tax: Evidence from the Tax Cuts and Jobs Act.” With Christine Dobridge, Paul Landefeld, and Jacob Mortenson. (**Job Market Paper**)

This paper studies the effects of an historically large federal corporate income tax cut on U.S. firms and workers, leveraging quasi-experimental policy variation from the 2017 law known as the Tax Cuts and Jobs Act. To identify causal effects, we use employer-employee matched federal tax records and an event study design comparing similarly-sized firms in the same industry that faced divergent tax changes due to their pre-existing legal status. Reductions in marginal income tax rates cause increases in sales, profits, investment, and employment, with responses driven by firms in capital-intensive industries. Workers’ earnings gains are concentrated in executive pay and in the top 10% of the within-firm income distribution, while workers in the bottom 90% of the distribution see no change in earnings. Interpreted through the lens of a stylized model, our estimates imply that a \$1 marginal reduction in corporate tax revenue generates an additional \$0.10 in output, with 78% of the benefits flowing to the top 10% of the income distribution. Overall, the results imply that corporate tax cuts improve aggregate efficiency but exacerbate inequality.

- “Neighborhood-Level Investment from the U.S. Opportunity Zone Program: Early Evidence.” With Harrison Wheeler.

We use de-identified federal tax records from tax years 2019 and 2020 to document the first available evidence on the short-run response of financial capital to the Opportunity Zone (OZ) program, a federal place-based policy that provides tax incentives for capital investments in more than 8,000 low-income neighborhoods across the United States. We observe \$41.5 billion of aggregate cumulative OZ investments by tax year 2020. Using a subsample of electronically filed returns covering 78% of total observed investment, we document three emerging patterns in the data. First, OZ capital is highly spatially concentrated. Second, among OZ-designated neighborhoods, investors report greater equity and property investments in neighborhoods with relatively higher incomes, home values, educational attainment, and pre-existing income and population growth. Third, OZ investors have extremely high incomes relative to the US population, implying that the direct distributional incidence of the tax subsidy benefits households in the 99th percentile of the national income distribution. In ongoing research we study the causal effects of this program on local housing and labor markets.

- “The Return to Protectionism.” *Quarterly Journal of Economics*. With Pablo Fajgelbaum, Penelopi Goldberg, and Amit Khandelwal. Lead article and editor’s choice.

After decades of supporting free trade, in 2018 the U.S. raised import tariffs and major trade partners retaliated. We analyze the short-run impact of this return to protectionism on the U.S. economy. Import and retaliatory tariffs caused large declines in imports and exports. Prices of imports targeted by tariffs did not fall, implying complete pass-through of tariffs to duty-inclusive prices. The resulting losses to U.S. consumers and firms who buy imports was \$51 billion, or 0.27% of GDP. We embed the estimated trade elasticities in a general-equilibrium model of the U.S. economy. After accounting for tariff revenue and gains to domestic producers, the aggregate real income loss was \$7.2 billion, or 0.04% of GDP. Import tariffs favored sectors concentrated in politically competitive counties, and the model implies that tradeable-sector workers in heavily Republican counties were the most negatively affected due to the retaliatory tariffs.