Daniel J. Sonnenstuhl

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Office Contact Information

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Education

University of Chicago, PhD. Public Policy

2020-2026 (expected)

University College London, MSc. Economics, Distinction

2017-2018

University College London, BA. Philosophy and Economics, First Class Honors

2014-2017

References

Professor James Robinson (Chair) University of Chicago Harris School of Public Policy jamesrobinson@uchicago.edu Professor Gregory Lane University of Chicago Harris School of Public Policy laneg@uchicago.edu Professor Eduardo Montero University of Chicago Harris School of Public Policy emontero@uchicago.edu

Research Fields

Primary: Development Economics, Political Economy Secondary: Labor Economics, Behavioral Economics

Research Experience

Pre-Doctoral Fellow, The University of Chicago, Booth School of Business Feb 2020-Sept 2020 Pre-Doctoral Fellow, The University of British Columbia, Vancouver School of Economics Oct 2018-Jan 2020

Job Market Paper

Working Without Wages: The Consequences of Widespread Pay Delays (with Dauda Musa)

In this paper, we study a rarely documented firm practice in low-income countries that affects millions of workers and has far-reaching labor market implications: the withholding of employees' wages. Using original survey data from Lagos, Nigeria, we find that 30 percent of workers across firms of all sizes report delayed or unpaid salaries. We then develop a theoretical framework showing how wage arrears shape workers' behavior, and predicting that unpaid wages may initially increase effort. To examine how wage withholding affects workers' behavior and labor-market participation, we implement a field experiment. We find that delaying wages increases employees' initial effort, without affecting absenteeism or total hours worked. However, salary uncertainty induces worker selection: signaling salary reliability significantly increases job take-up by 25%, an effect driven by individuals who had initially expressed no interest in wage employment. Yet these workers are no more productive than those who accepted jobs without a salary guarantee. Combining intensive- and extensive margin estimates suggests that, in our setting, firms incur minimal productivity losses of about 0.2% from engaging in this practice. In contrast, workers place high value on reliable pay, but their limited avenues for redress create incentives for firms to withhold wages.

Publications

A Denial a Day Keeps the Doctor Away (with Abe Dunn, Joshua D. Gottlieb, Adam Shapiro and Pietro Tebaldi) The Quarterly Journal of Economics, 139(1): 187–233, February 2024.

Who bears the consequences of administrative problems in health care? We use data on repeated interactions between a large sample of U.S. physicians and many different insurers to document the complexity of health care billing, and estimate its economic costs for doctors and consequences for patients. Observing the back-and-forth sequences of claim denials and resubmissions for past visits, we can estimate physicians' costs of haggling with insurers to collect payments. Combining these costs with the revenue never collected, we estimate that physicians lose 18% of Medicaid revenue to billing problems, compared with 4.7% for Medicare and 2.4% for commercial insurers. Identifying off of physician movers and practices that span state boundaries, we find that physicians respond to billing problems by refusing to accept Medicaid patients in states with more severe billing hurdles. These hurdles are quantitatively just as important as payment rates for explaining variation in physicians' willingness to treat Medicaid patients. We conclude that administrative frictions have first-order costs for doctors, patients, and equality of access to health care. We quantify the potential economic gains — in terms of reduced public spending or increased access to physicians — if these frictions could be reduced and find them to be sizable.

Working Papers

The Causes and Implications of the Pentecostal Movement: Evidence from Nigeria

The global spread of Pentecostalism represents an unprecedented instance of religious dynamism. This paper estimates the causal effects of joining a modern Pentecostal church in Nigeria on individuals' behavior, perceptions, social identity, and well-being. I collect original data and leverage a partnership with one of Nigeria's largest Pentecostal denominations, Living Faith Church. This partnership allows me to exploit quasi-random variation in the denomination's proselytization activities. Constructing an appropriate control group, I instrument for church membership using exposure to the proselytization team. Joining the church increases religious participation but reduces individuals' perceived locus of control, with no detectable effects on income or mental health. Finally, combining survey data with administrative records on service attendance after proselytization, I exploit quasi-random variation in sermon topics to identify the messages that attract new members. Sermons emphasizing divine intervention and health are particularly effective in drawing individuals to the church.

Works in Progress

The Economics of Wage Withholding: Evidence from Nigerian Firms (with Dauda Musa)

Megachurches and Religious Messaging in Nigeria (with Olaitan Ogunnote)

Pentecostalism and Social Cooperation: The Big Gods Hypothesis in Action (with Olaitan Ogunnote)

Research Grants and Awards (Total funding received as PI or co-PI: ~\$240,000)

Becker Friedman Institute, Data Aquisition Grant (\$18,100)	2025	
Development Economics Center at the University of Chicago, Research Grant (\$30,000)		
The Pearson Institute, Small Research Grant, with Dauda Musa (\$5,000)		
The Weiss Fund, Research Grant (\$50,000)		
Structural Transformation and Economic Growth (STEG), PhD Student Research Grant (£15,000)	2024	
Development Economics Center at the University of Chicago, Research Grant (\$25,000)	2024	
Development Economics Center at the University of Chicago, Pilot Grant (\$10,000)		
The Weiss Fund, Pilot Grant (\$11,500)		
The Weiss Fund, Pilot Grant, with Olaitan Ogunnote (\$15,000)		
The Center for Effective Global Action (CEGA), Seed Grant, with Olaitan Ogunnote (\$10,639)		
PEDL, Seed Grant, with Nofiu Adebisi and George Agyeah (£5,000)		
The Pearson Institute, Small Research Grant (\$10,000)	2023	
Becker Friedman Institute Political Economics Initiative, Small Research Grant (\$5,000)	2023	
Development Economics Center at the University of Chicago, Pilot Grant (\$10,000)	2023	

Development Economics Center at the University of Chicago, Exploratory Grant (\$5,000)	2023
The Weiss Fund, Exploratory Grant (\$3,500)	2023
Development Economics Center at the University of Chicago, Exploratory Grant (\$5,000)	2022

Fellowships and Awards

Harris Graduate Student Fellowship	2020-2026
Erste Bank Group Scholarship	2015

Teaching Experience

Senior Thesis: Public Policy (undergraduate)	Preceptor	$Fall~2025 ext{-}Winter~2026$
Senior Thesis: Public Policy (undergraduate)	Preceptor	$Fall\ 2024 ext{-}Spring\ 2025$
Economics, Politics and African Societies (PhD)	TA for Prof. James Robinson	$Spring \ 2024$
Power and Development (master)	TA for Prof. Raúl Sánchez de la Sier	ra Spring 2024
Senior Thesis: Public Policy (undergraduate)	Preceptor	Fall~2023-Winter~2024
Principles of Microeconomics II (master)	TA for Profs. Sonin & Kumar	Winter~2023
Statistics for Data Analysis I (master)	TA for Profs. Frank & Moskowitz	Fall 2022
Senior Thesis: Public Policy (undergraduate)	Preceptor	$Fall\ 2022\text{-}Spring\ 2023$
Principles of Microeconomics II (master)	TA for Profs. Kumar & Lo	$Winter\ 2022$
Statistics for Data Analysis I (master)	TA for Profs. Frank & Moskowitz	$Fall\ 2021$
Senior Thesis: Public Policy (undergraduate)	Preceptor	$Fall\ 2021\text{-}Spring\ 2022$

Seminars and Conferences

Seminars		Leibniz Institute for Economic Research (Berlin), STEG Early Career Workshop Covenant University
Conferences	$2025 \\ 2024$	CSAE, DevPEC, EEA Meeting, Advances with Field Experiments Conference ASREC, SIOE, RES PhD Conference

Other

Citizenship: German

Programming Skills: Stata, Julia, Python, R

Languages: German (native), English (full professional proficiency)