

# Vesa-Matti Heikkuri

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## Brown University

Placement Director: Toru Kitagawa  
Graduate Administrator: Angelica Spertini

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### Primary Fields

Inequality, Demographic Economics, Macroeconomics

### Secondary Fields

Economic Growth, Mathematical Economics

### Education

**Brown University**  
Ph.D., Economics, expected completion May 2023  
M.A., Economics, 2018

**University of Helsinki**  
M.Sc., Mathematics, 2022

**University of Groningen**  
Visiting student (Erasmus), Spring 2015

**University of Oulu**  
M.Sc., Economics, 2016  
B.Sc., Economics, 2014

### References

**Professor David Weil**  
James and Merryl Tisch Professor of Economics  
Department of Economics, Brown University  
(401) 863-1754  
david.weil@brown.edu

**Professor Oded Galor**  
Herbert Goldberger Professor of Economics  
Department of Economics, Brown University  
(401) 863-2117  
oded\_galor@brown.edu

**Professor John Friedman**  
PDBF Distinguished Professor of Economics  
Department of Economics, Brown University  
(401) 863-9590  
john\_friedman@brown.edu

## Research Experience

**Research Assistant, Brown University**  
Professor David Weil, Summers 2018 and 2019

**Research Assistant, University of Oulu**  
Professor Ilmo Mäenpää, Spring 2016  
Professor Rauli Svento, Fall 2015  
Professor Mikko Puhakka, Summer 2014

## Teaching Experience

**Teaching Assistant, Brown University**  
Mathematics for Economists (graduate course), Lecturer Alex Poterack, Fall 2018 and Fall 2022  
Economic Growth, Professor David Weil, Fall 2021  
Essential Mathematics for Economics, Lecturer Alex Poterack, Fall 2019, Spring 2020, and Summer 2021  
Economania (Summer course for high school students), Summer 2019  
Economic Development, Professor Louis Putterman, Spring 2019

**Teaching Assistant, University of Oulu**  
Economic Theory II (macro), Professor Mikko Puhakka, Fall 2014 and Fall 2015

## Invited Seminars and Conference Presentations

**2022:** PAA Annual Meeting  
**2021:** Stone Center on Socio-Economic Inequality at City University of New York<sup>†</sup>, Max Planck Institute for Demographic Research<sup>†</sup>

## Professional Activities

**Referee**  
Journal of Economic Growth

## Awards and Fellowships

**Brown University Merit Dissertation Fellowship**  
Spring 2022  
**James M. and Cathleen D. Stone Wealth and Income Inequality Project Fellowship**  
Spring 2021  
**Stephen R. Ehrlich Fellowship Fund**  
2017-2018

## Languages and Skills

Finnish (native), English (fluent)  
Matlab, R, Stata, Python,  $\text{\LaTeX}$

## Working Papers

**Job Market Paper 1:** *Population Aging, Cohort Replacement, and the Evolution of Income Inequality in the United States* [Latest version]  
with Matthias Schief

We study how demographic change affects the evolution of household income inequality in the United States both historically and prospectively. We emphasize the distinct roles of population aging and cohort replacement, and develop a methodology to study their joint compositional effect on income inequality. In the process, we also develop a novel methodology to aggregate sub-population Gini coefficients into a population-

level Gini coefficient based on the principle of maximum entropy. We find that rising income inequality is embodied in birth cohorts born since the mid-20th century and that most of the increase in inequality over the past two decades can be accounted for by demographic change. Furthermore, we predict that demographic change over the next two decades will lead to further increase of the Gini coefficient by one to six percentage points.

**Job Market Paper 2:** *Subgroup Decomposition of the Gini Coefficient: A New Solution to an Old Problem*

[Latest version]

with Matthias Schief

We study inequality decomposition by population subgroups. We define properties of a satisfactory decomposition and ask what these properties imply for the decomposition of familiar inequality indices. We find that the Gini coefficient, the generalized entropy indices, and the Foster-Shneyerov indices all admit satisfactory decomposition formulas derived from a common set of axioms. While our axiomatic approach recovers the known decomposition formulas for the generalized entropy and the Foster-Shneyerov indices, it leads us to a novel decomposition formula for the Gini coefficient. The decomposition of the Gini coefficient is easy to compute, and it has both a geometric and an arithmetic intuition.

Work in Progress

*On the Determinacy of Equilibrium in a Continuous-time Overlapping Generations Model*

*Institutional Changes and the Allocation of Talent: Macroeconomic Effects of a School Reform in Finland*

with Cosimo Petracchi and Matthias Schief

*Tight Bounds for the Gini Coefficient of Composite Populations*

with Matthias Schief

<sup>†</sup>Presentation by co-author