# WILBUR TOWNSEND

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Education

## **Harvard University**

Ph.D., Business Economics, 2019 to 2025 (expected)

### Victoria University of Wellington

Master of Commerce, Economics, 2016

Bachelor of Arts, Economics and Philosophy, 2015

Bachelor of Science, Mathematics, 2015

**Fields** 

Labor economics; applied econometrics

References

Professor Zoe Cullen Professor Jesse Shapiro jshapiro@hbs.edu zcullen@hbs.edu

Professor Raj Chetty Professor Lawrence Katz chetty@opportunityinsights.org lkatz@harvard.edu

Fellowships & Awards

Graduate fellowship, James N. Bailey Fellowship Fund Jan Whitwell Prize, New Zealand Association of Economists Best political writer, Aotearoa Student Press Association

Sir Frank Holmes Prize, Motu Economic and Public Policy Research

**Teaching** 

Designing Real-World Experiments to Improve Firm Decision-Making and Public Policy, Harvard College, teaching fellow for Professor Amanda Pallais, 2024 Mid-career MPA summer program, Harvard Kennedy School, Economics Instructor, 2023

Research

Research assistant for professors Jesse Shapiro and Zoe Cullen, 2023 Predoctoral Fellow, Opportunity Insights, 2017–19

Research Analyst, Motu Economic and Public Policy Research, 2016-17

Job Market Paper

**Assistantships** 

How Restricting Migrants' Job Options Affects Both Migrants and Residents (with Corey Allan)

Governments often restrict international migrants' job options. This paper shows that these restrictions can hurt not only migrants but also the existing residents whom they aim to protect. We study New Zealand's 'Essential Skills' work visa, which was New Zealand's main work visa between 2008 and 2022. Essential Skills migrants could only work for firms which could not find New Zealanders. Loosening restrictions for a single individual has no impact on their wages: migrants who win an unrestricted resident visa through a lottery switch jobs more frequently, but receive no gain in wages. However, when the Essential Skills job restrictions were loosened for all migrants in an occupation, both job-switching and wages typically grew. These results are consistent with a wage-posting model in which each firm pays migrants and residents equally; in such a model, the wage received by each worker will not depend directly on her own outside option but rather on the distribution of outside options among her colleagues. We estimate a wageposting model, and compare equilibrium wages under the Essential Skills job restrictions to a counterfactual simulation in which migrants' job options are unrestricted. The restrictions

decreased migrants' average wage by 8%. Although most residents were unaffected by the restrictions, 2.1% had their wage decreased by more than 2%. The restrictions increased profits, especially in firms which employed many migrants. The restrictions decreased annual welfare by \$292m NZD — 30% of migrants' earnings — largely because migrants could not move to firms which they preferred for non-pecuniary reasons.

# **Working Papers**

Job Matching without Price Discrimination (with Jesse Silbert)

In many labor markets, firms do not price discriminate among their workers. In this paper, we study how a labor market with uniform salaries matches workers to jobs. To do so, we construct a job matching model in which each firm views workers as interchangeable and must pay all its workers the same salary. While an efficient stable outcome always exists, inefficient outcomes can be stable as well. Workers' preferred stable outcome is efficient. In contrast, firms prefer inefficient stable outcomes in which they pay lower salaries. Though a strategyproof mechanism that implements an efficient stable outcome can elicit how workers value employment, it cannot elicit firms' production technologies.

## **Papers in Progress**

Why Some Workers Earn More Than Others (with Jesse Silbert)

In this paper, we first document substantial earnings inequality between workers employed in the same narrow occupation. In the median occupation, roughly half of the variance in log earnings can be explained by a worker's hours of work, their age, their qualifications, their location and their firm; in every occupation, substantial *residual* inequality remains between observably similar workers. We then ask whether this residual wage inequality reflects variation in firms' willingness to pay for workers. We estimate firms' willingness to pay for long-term workers by asking how a firm's profits are affected by a worker's separation. Though firms have greater willingness to pay for better-paid workers, we find no relationship between *residual* wages and value-add. A 10% increase in residual wages is associated with at most a 1% increase in firms' willingness to pay. This result is inconsistent with wage-posting models, but corroborates models in which wages are negotiated between workers and firms.

Can Market Power Explain the Gender Wage Gap? (with Savannah Noray)

Women tend to earn less than men in the same occupation. Women also tend to work in lower-paying occupations. This paper presents a unified model of both the within-occupation and the between-occupation gender wage gaps. In a calibration exercise, employers' market power explains 90% of the within-occupation wage gap and all of the between-occupation wage gap.

#### **Publications**

Social Capital I: Measurement and Associations with Economic Mobility (with Raj Chetty, Matthew O. Jackson, Theresa Kuchler, Johannes Stroebel et al.), Nature, 608(7921), 2022.

Social Capital II: Determinants of Economic Connectedness (with Raj Chetty, Matthew O. Jackson, Theresa Kuchler, Johannes Stroebel et al.), Nature, 608(7921), 2022.

Earnings Dynamics and Measurement Error in Matched Survey and Administrative Data (with Dean Hyslop), Journal of Business & Economics Statistics, 138(2), 2020.

Joint Culpability: The Impact of Medical Marijuana Laws on Crime (with Luke Chu), Journal of Economic Behavior & Organization, 159, 2019.

Effects of (Ultra-Fast) Fibre Broadband on Student Achievement (with Arthur Grimes), Information Economics and Policy, 44, 2018.

Ethnic and Economic Determinants of Migrant Location Choice (with Arthur Grimes and Cindy Smart), in New Frontiers in Inter-Regional Migration Research (eds.: Biagi, B., Faggian, A. & Rajbhandari, I), 2018.

The Longer Term Impacts of Job Displacement on Labour Market Outcomes (with Dean Hyslop), The Australian Economic Review, 2018.

*Employment Misclassification in Survey and Administrative Reports* (with Dean Hyslop), Economics Letters, 155, 2017.

**Academic Service** Referee, The Quarterly Journal of Economics

Organizer, Harvard Graduate Student Workshop in Labor Economics and Public Economics

**Research Grants** Graduate research grant, Michael S. Chae Macroeconomic Policy Fund

Graduate Sabbatical Grant, Institute for Humane Studies