

# Jacob Bastian

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Updated Version Here

<b>APPOINTMENTS</b>	Rutgers University, Department of Economics, Assistant Professor	2019-
	Council of Economic Advisors, Senior Economist	2023-2024
	Princeton University, Industrial Relations Section, Visiting Research Scholar	2022-2023
	University of Chicago, Harris School of Public Policy, Post-Doctoral Scholar	2017-2019
<b>EDUCATION</b>	Ph.D. Economics, University of Michigan	2017
	M.A. Economics, New York University	2012
	B.A. Mathematics, Azusa Pacific University	2002
<b>FIELDS</b>	Public Economics, Labor Economics, Economic Demography, Applied Microeconomics	
<b>GRANTS AND AWARDS</b>	Arnold Ventures	2023-2025
	Upjohn Institute Early Career Research Award	2023-2024
	Russell Sage Foundation	2021-2024
	Smith Richardson Foundation	2018-2021
	Upjohn Institute Early Career Research Award	2020-2021
	National Tax Association Outstanding Doctoral Dissertations in Government Finance and Taxation	2017
	Michael J. Moore Dissertation Prize for Best Paper in Applied Microeconomics	2016
<b>PUBLICATIONS AND PAPERS UNDER REVIEW</b>	<b>“The Long-Term Impact of the Earned Income Tax Credit on Children’s Education and Employment Outcomes”</b> with Kathy Michelmore	
	▪ <i>Journal of Labor Economics</i> (2018, Vol. 36, No. 4, pp. 1127-1163)	
	▪ Abstract: Using 4 decades of variation in the federal and state Earned Income Tax Credit (EITC), we estimate the impact of exposure to EITC expansions in childhood on education and employment outcomes in adulthood. Reduced-form results suggest that an additional \$1,000 in EITC exposure when a child is 13–18 years old increases the likelihood of completing high school (1.3%), completing college (4.2%), and being employed as a young adult (1.0%) and earnings by 2.2%. Our analysis reveals that the primary channel through which the EITC improves these outcomes is increases in pretax family earnings.	
	<b>“The Rise of Working Mothers and the 1975 Earned Income Tax Credit”</b>	
	▪ <i>American Economic Journal: Economic Policy</i> (2020, Vol. 12, No. 3, pp. 44-75)	
	▪ Abstract: The rise of working mothers radically changed the U.S. economy and the role of women in society. In one of the first studies of the 1975 introduction of the EITC, I find that this program increased maternal employment by 6 percent, representing one million mothers and an elasticity of 0.58. The EITC may help explain why the U.S. has long had such a high fraction of working mothers despite few childcare subsidies or parental-leave policies. I also find evidence that this influx of working mothers affected social attitudes and led to higher approval of working women.	
	<b>“Do EITC Expansions Pay for Themselves? Effects on Tax Revenue and Public Assistance Spending”</b> with Maggie R. Jones	
	▪ <i>Journal of Public Economics</i> , (2021, Vol. 196, pp. 104355)	
	▪ Abstract: The EITC increases labor supply and income, thereby increasing taxes paid by households and reducing public assistance payments to households. These revenue sources reduce the EITC’s net cost. Using linked IRS-CPS data and several EITC policy changes, we find an EITC self-financing rate of 83 percent. The EITC’s net cost is only 17 percent of the (\$70 billion) budgetary cost. Although the EITC is one of the largest and most important public assistance programs in the U.S., it is actually one of the least expensive anti-poverty programs in the U.S., costing less than the school lunch and breakfast programs.	
	<b>“The EITC and Maternal Time Use: More Time Working and Less Time with Kids?”</b> with Lance Lochner	

- *Journal of Labor Economics*, (2022, Vol. 40, No. 3)
- Abstract: Parents spend considerable time and resources investing in their children’s development. Given evidence that the EITC affects maternal labor supply, we investigate how the maximum available EITC amount affects a broad array of time-use activities, focusing on the amount and nature of time spent with children. Using 2003-2018 time-use data, we find that federal and state EITC expansions increase maternal work time, which reduces time devoted to home production, leisure, and time with children. However, almost none of the reduction comes from time devoted to “investment” activities, such as active learning and development activities.

**“How Did Safety-Net Reform Affect the Education of Adolescents from Low-Income Families?”** with Luorao Bian and Jeff Grogger

- *Labour Economics*, 2022, Vol. 77, pp. 102031
- Abstract: Roughly 25 years ago, the US safety net was substantially reformed. Here we ask how those reforms affected the educational attainment of youths who were teens at the time those reforms took place. We take a dif-in-dif approach, following adolescents from two generations roughly 20 years apart. In each generation, we compare two groups, one which was more likely to have been affected by safety-net reform, and one which was less likely to have been affected. Under some assumptions, our approach identifies the joint, or bundled, effects of the constituent policy changes that make up safety-net reform. We find evidence that safety-net reform may have reduced educational attainment for women, and had small positive effects on education for men. We offer suggestions as to why our findings differ from those of previous studies of the components of safety net reform.

**“How Did Safety-Net Reform Affect Early Adulthood among Adolescents from Low-Income Families?”** with Luorao Bian and Jeff Grogger

- *National Tax Journal*, 2021, Vol. 74, No. 3, pp. 825–865
- Abstract: In the 1990s, the US safety net was substantially reformed. We ask how those reforms collectively affected early-career outcomes among youths who were teens when the reforms took effect. We consider employment, safety-net participation, marriage, and childbearing between the ages of 18 and 32. We take a dif-in-dif approach, tracking adolescents from two generations roughly 20 years apart. In each generation, we compare two groups, one of which was more likely to have been affected by safety-net reform than the other. We find evidence that safety-net reform increased women’s labor supply and decreased marriage.

**“The EITC and Migrating Out of Rural and Economically Distressed America”** with Dan Black

- *Journal of Public Economics (Accepted)*
- Abstract: There is a strong and growing interest in helping families move to areas with higher economic opportunity. This paper is the first to examine whether the EITC affects migration, with a focus on women from rural and economically distressed areas. We find that the EITC increases migration out of rural and distressed areas, with many of these moves occurring across counties or commuting zones. We also find decreases in living “doubled up” with another family, and reductions in commute length. Our results suggest that the EITC relaxes credit constraints and helps women move to economic opportunity.

**“Tax Credits in Rural and Economically Distressed Areas: More Bang Per Buck?”**

- *International Tax and Public Finance (2023)*
- Abstract: Numerous papers show that EITC expansions have consistently increased maternal labor supply. However, little is known about how the EITC’s effects differ by metropolitan status. Using various datasets and exploiting several EITC expansions, I find that the EITC consistently had larger effects on the labor supply of unmarried mothers in rural and economically distressed areas. Among married mothers, I find small negative effects in urban areas and small positive effects in rural areas. I also replicate and extend previous EITC research to show that these effects hold for EITC expansions spanning 1975 to the 2010s.

**“How Would a Permanent 2021 Child Tax Credit Expansion Affect Poverty and Employment?”**

- *National Tax Journal (Accepted)*

- **Abstract:** There is strong disagreement over how a permanent version of the 2020-to-2021 Child Tax Credit (CTC) change would impact poverty and employment. Previous research has used different approaches and concluded that a permanent CTC would lead between 0.3 and 1.5 million parents to stop working. I am the first to show how different elasticity assumptions affect both the predicted impact on parental employment and child poverty, and to decompose these effects by family type. Using CPS and ACS data, my preferred approach predicts that a permanent CTC would lead (1) 354,000–367,000 parents to stop working, (2) to a 28–30% decrease in child poverty, and (3) to a 43–49% decrease in **deep** child poverty. A permanent CTC would pull 3.0–3.1 million kids out of poverty and 1.3–1.5 million kids out of deep poverty. I show how different elasticities affect these estimates. Even in the unlikely scenario where unmarried mothers have an elasticity of 2.0 and all other parents have an elasticity of 0.25, child poverty would still fall by 20% (representing 2 million kids) and deep child poverty would fall by 30% (representing 1 million kids). I conclude that a permanent version of the 2021 CTC would reduce poverty and deep poverty by more than the 2020 CTC and Earned Income Tax Credit **combined**.

**“The EITC and Divorced Mothers: Delaying Remarriage to Find a Better Spouse?”** with Ze Song

- **Submitted**

- **Abstract:** Previous research looking at the EITC’s impact on marriage has found mixed results. We examine remarriage decisions of divorced mothers and traits of their spouses. Using four decades of panel data, we find each \$1,000 increase in the maximum available EITC reduces remarriage within 1–10 years by 1.5–2 percentage points (or 6–8%). Results are robust to various controls and are largest for younger mothers. We also find precise null effects on first marriages and a small positive effect on first divorces. Finally, we find suggestive evidence that delayed remarriage allows mothers to find spouses with more education and higher income.

**WORKING PAPERS “Does Working Cause Women To Vote Less and Become More Politically Conservative?”**

- **Submitted**

- **Abstract:** While the correlation between working and voting is positive, I provide some of the first evidence that the causal relationship for individuals is negative. Instrumenting for working using EITC expansions and welfare reform, I find that working women are less likely to vote and become more politically conservative. Consistent with these effects, I find decreases in being registered to vote, civic participation, and political knowledge, and increased preferences for conservative government policies. Effects are driven by younger, White, lower-educated mothers, and are consistent across four data sources that span five decades. Overall, working leads to more votes for Republicans and less votes for Democrats. While recent decades have seen more and more women voting Democrat, even more women would have voted Democrat if not for decades of pro-work public policy targeting lower-income mothers.

**“Unintended Consequences? More Marriage, More Children, and the EITC”**

- **Abstract:** The EITC provides a “marriage bonus” to some couples but a “marriage penalty” to others. The EITC also encourages some households to have more children but others to have less. The average incentive is theoretically ambiguous, has changed over time, and existing empirical evidence has been mixed. Using 30 years of household panel data, I find that federal and state EITC expansions increase marriage and fertility, and decrease non-marital cohabitation. These results imply that some estimates in the EITC literature may be biased, since endogenous switching from unmarried to married or increasing fertility would violate the stable-group-composition condition required by difference in differences.

**RESEARCH IN PROGRESS**

**“The Rise of Joint Custody and the Decline of U.S. Migration”**

**“Attitudes Towards Working Women and World War II”**

**PROFESSIONAL PRESENTATIONS**

2024: UCLA; McMaster University; Texas A&M MicroEconomics Empirical Research Workshop

2023: ASSA; Clemson; Nebraska Labor Summit; NTA; Tax Policy Center (**video**)

2022: Princeton; IRP Summer Research Workshop; Washington State University; Lafayette College; APPAM; IIPF; NTA;

2021: ASSA; IRP Summer Research Workshop; Poverty and Tax Policy Conference; International Association for Time Use Research (Barcelona); VATT Institute for Economic Research (Helsinki); National Tax Association; University of Hong Kong; New York Fed

2020: ASSA; IRP’s Poverty and Tax Policy Network of the Collaborative of Poverty Centers; Society of Labor Economists

2019: NBER Spring Public Economics; Society of Labor Economists; University of Hawaii at Manoa; University of Delaware; Rutgers University; Montana State; University of Utah; Federal Reserve Bank of Dallas; National Tax Association; APPAM

2018: University of Chicago; University of Michigan; University of Wisconsin; University of Texas at Austin; University of Southern California; National Tax Association; Association for Public Policy Analysis & Management; International Institute of Public Finance; Columbia University Tax Colloquium; Society of Labor Economists; IZA Workshop on Gender and Family Economics; Research and Evaluation Conference on Self-Sufficiency; The National Association of Latino Elected and Appointed Officials Educational Fund.

2017: New York University; University of Illinois at Urbana-Champaign; National Tax Association; International Institute of Public Finance; U.S. Department of the Treasury; U.S. Bureau of Labor Statistics.

2016: Society of Labor Economists; National Tax Association; APPAM; Cleveland State University; Economic History Association; International Institute of Public Finance; Western Economic Association; Southern Economic Association; University of Michigan.

2015: National Tax Association; Mannheim Tax Conference; Association for Public Policy Analysis & Management; Midwest Economic Association; University of Michigan.

2014: University of Michigan H2D2 Research Conference.

**PROFESSIONAL SERVICE**

Member, Program Committee: National Tax Association Annual Meeting (2018 and 2022)

Member, Scientific Committee: International Institute of Public Finance Annual Meeting (2018 and 2024)

Member, Scientific Committee: APPAM 2022 Annual Meeting

Conference Discussant: International Institute of Public Finance (2016–2022); National Tax Association (2017–2022); Southern Economic Association (2015); Midwest Economic Association (2015).

Conference Session Chair: International Institute of Public Finance (2018); Western Economic Association (2016); National Tax Association (2019).

Referee: *American Economic Review*, *American Economic Review: Insights*, *American Economic Journal: Applied Economics*, *American Economic Journal: Economic Policy*, *American Journal of Health Economics*, *Canadian Journal of Economics*, *Children and Youth Services Review*, *Contemporary Economic Policy*, *Demography*, *Economic Inquiry*, *Economic Journal*, *Economica*, *Health Affairs*, *International Tax and Public Finance*, *IZA Journal of Labor Policy*, *Journal of Development Studies*, *Journal of Economic History*, *Journal of Economic Inequality*, *Journal of Human Resources*, *Journal of Labor Economics*, *Journal of Labor Research*, *Journal of Policy Analysis and Management*, *Journal of Public Economics*, *Labour Economics*, *National Tax Journal*, *National Science Foundation Grant*, *Poverty & Public Policy*, *Preventive Medicine Reports*, *Quarterly Journal of Economics*, *Review of Economic Studies*, *Review of Economics and Statistics*, *The Review of Economics Studies*, *Review of Economics of the Household*, *Social Forces*, *Social Service Review*.

**TEACHING EXPERIENCE**

**Rutgers University:** Economics of Taxation (Undergraduate); Public Economics (Ph.D. Level)

**Columbia University:** Public Economics (Undergraduate)

**Princeton University:** Senior Thesis Advisor

**University of Chicago:** Principles of Microeconomics and Public Policy II (M.A. Level)

**University of Michigan:** Introduction to Macroeconomics (Undergraduate)

**OTHER**

U.S. Citizenship; Special Sworn Status, U.S. Census Bureau (2015-present)

**CONSULTING**

Paid Public Service Consulting for Department of Labor (2021); R Street (2022–2024)

**REFERENCES**

- **Martha Bailey** • Professor of Economics • Michigan • baileymj@umich.edu • (734) 647-6874
- **Dan Black** • Professor of Economics • Chicago • danblack@uchicago.edu • (773) 702-0623
- **James Hines** • Professor of Economics • Michigan • jrhines@umich.edu • (734) 936-5669