

Albert Jan Hummel

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Education

- 2015 – present Ph.D., Economics
Erasmus University Rotterdam and Tinbergen Institute
Fields: Public Economics, Labor Economics
Advisor: Prof. Bas Jacobs
- 2013 – 2015 MPhil, Economics
Tinbergen Institute
with distinction *cum laude* (GPA: 8.5/10)
- 2010 – 2013 BSc., Economics
Rijksuniversiteit Groningen
with distinction *summa cum laude* (GPA: 9.1/10)
- 2009 – 2013 BSc., Business Economics
Rijksuniversiteit Groningen
with distinction *cum laude* (GPA: 8.7/10)

Research

1. Unemployment and tax design (*Job Market Paper*)
2. Optimal income taxation in unionized labor markets (*with Bas Jacobs, in submission*)
3. Taxation and sorting (*work in progress*)
4. Are food subsidies helpful for redistribution? (*with Vinzenz Zieseemer, work in progress*)

References

Prof. Bas Jacobs
Erasmus University Rotterdam
bjacobs@ese.eur.nl

Prof. Pieter Gautier
VU University Amsterdam
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Prof. Dominik Sachs
University of Munich
dominik.sachs@econ.lmu.de

Prof. Stefanie Stantcheva
Harvard University
sstantcheva@fas.harvard.edu

Research visits

- 2018 Harvard University (host: Prof. Stefanie Stantcheva)
2017 European University Institute (host: Prof. Dominik Sachs)

Honors and awards

- 2017 Travel grant, C. Willems Foundation
2015 Jan Brouwer thesis award in Economics
2015 Teaching assistant of the year, Tinbergen Institute

2014 Tinbergen Institute scholarship program
2010 Freshman of the year in Business Economics, Rijksuniversiteit Groningen

Teaching

Erasmus University Rotterdam

- Advanced Public Economics (MSc level), lecturer, student evaluation: 4.6/5.0
- Seminar Economic Policy (MSc level), lecturer, student evaluation: 4.1/5.0
- Microeconomics (BSc level), teaching assistant, student evaluation: 4.4/5.0
- Macroeconomics (BSc level), teaching assistant, student evaluation: 4.2/5.0

Tinbergen Institute

- Macroeconomics I (PhD level), teaching assistant, student evaluation: 5.0/5.0
- Macroeconomics III (PhD level), teaching assistant, student evaluation: 5.0/5.0

Rijksuniversiteit Groningen

- Macroeconomics (BSc level), teaching assistant, no evaluation available
- Microeconomics (BSc level), teaching assistant, no evaluation available
- Mathematics (BSc level), teaching assistant, no evaluation available

Policy contributions

Hummel, A.J., B. Jacobs, M. Oosterveen. Een nuchtere blik op de maatschappelijke kosten en baten van alcohol. *Economische Statistische Berichten*, 101 (4741). In Dutch.

Other relevant experience

2012 – 2013 Research assistant to Prof. Paul Elhorst, Rijksuniversiteit Groningen

Conferences and talks

2018 SaM Cambridge, IIPF Tampere, ZEW Mannheim, CRED Paris, VU Amsterdam
2017 EUI Florence, APET Paris, NED Amsterdam
2016 IIPF Lake Tahoe, NED Amsterdam
2015 NARSC Atlanta

Refereeing

Oxford Economic Papers, Economics of Education Review, IZA Journal of Labor Economics

Computer skills

Matlab, Latex, Stata, Eviews

Addendum: abstracts

Unemployment and Tax Design

This paper studies the implications of unemployment for the optimal design of the tax-benefit system. To do so, I develop a directed search model where individuals face heterogeneous and uninsurable unemployment risk. They differ in terms of their skills and participation costs and supply labor on the intensive and extensive margin. Matching frictions give rise to a trade-off for workers between high wages and low unemployment risk. The government affects this trade-off by altering the costs and benefits of searching. The associated changes in unemployment generate fiscal externalities which modify optimal tax formulas. How unemployment affects optimal tax policy depends on the elasticity of unemployment with respect to the marginal and average tax rate and on the hazard rate of the income distribution. I show that optimal employment subsidies (such as the EITC) phase in with income. Moreover, financing unemployment benefits through lump-sum or proportional taxes on labor income – as is commonly assumed in the literature – is sub-optimal even in the absence of a motive for redistribution. I calibrate the model to the US economy and find that unemployment is an important margin to consider when setting tax rates at low levels of income. In my preferred calibration, unemployment generates a negative fiscal externality which lowers the mechanical revenue gain of income taxes by 3%.

Optimal Income Taxation in Unionized Labor Markets

This paper extends the Diamond (1980) model with labor unions to study optimal income taxation and to analyze whether unions can be desirable for income redistribution. Unions bargain with firms over wages in each sector and firms unilaterally determine employment. Unions raise the efficiency costs of income redistribution, because unemployment benefits and income taxes raise wage demands and thereby generate involuntary unemployment. Optimal unemployment benefits and optimal income taxes are lower in unionized labor markets. We show that unions are socially desirable only if they represent (low-income) workers whose participation is subsidized on a net basis. By creating implicit taxes on work, unions alleviate the labor-market distortions caused by income taxation. Numerical simulations demonstrate that optimal taxes and transfers are much less redistributive in unionized labor markets than in competitive labor markets.

Taxation and Sorting

How does taxation affect sorting patterns in the labor market? I study this question in a directed search environment where heterogeneous firms compete for heterogeneous workers by posting wages and the government levies a non-linear income tax. I show that taxation hinders positive assortative matching (PAM) if two empirically reasonable assumptions hold: (i) the tax system is progressive and (ii) the matching elasticity is decreasing in labor-market tightness. This result can help explain why hourly wage inequality is higher in the US than in Europe.