Marc-Antoine Schmidt

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Citizenship Canadian

Languages English, French (native)

Research Interests
Labor Economics
Public Economics
Applied Microeconomics
Personnel Economics

Teaching Interests
Labor Economics
Quantitative Methods in Economics
Public Economics
Programming for Economists

Education

2019 PhD in Economics, University of Toronto (2013–present, expected July 2019)
Dissertation: Understanding Short-Term Labor Supply Decisions
Committee: Robert McMillan (supervisor), Kory Kroft, Aloysius Siow

2012 MA in Economics, University of British Columbia (2011–2012)

2011 BSc in Economics, Université de Montréal (2008–2011)
- Graduated with honours

Awards

Ontario Graduate Scholarship, 2016–2017
Royal Bank Graduate Fellowships in Public and Economic Policy, 2016
University of Toronto Graduate Fellowship, 2013–2018
University of British Columbia Fellowship, 2011–2012
Roger-Dehem Award in Microeconomics, 2010
Outstanding Teaching Assistant Award, 2010

Conferences and Workshops

- NBER Summer Institute 2018, Labor Studies and Public Economics, Cambridge, MA
- Annual Conference of the Canadian Economic Association 2016, Ottawa, Canada
- Conference of the Société Canadienne de Science Économique 2016, Québec City, Canada

Research Papers

- Valuing Flexibility: A Model of Discretionary Rest Breaks **(job market paper)**
- The Daily Labor Supply Response to Worker-Specific Earnings Shocks

Work in Progress

- What Does the Meter Say? A Direct Approach to Valuing Urban Congestion (with Jonathan Hall and Robert McMillan)
- Valuing Reputation: Evidence from Online Scams (with Daniel Ershov and Scott Orr)

Other Relevant Experience

2015-2018: Research Assistant, University of Toronto

- Supervisor: Jonathan Hall (2015–2018)
- Supervisor: Kory Kroft and Yao Luo (2017–2018)

2013-2018: Teaching Assistant, University of Toronto

- ECO339 – Labour Economics
- ECO446 – Advanced Public Economics
- ECO333 – Urban Economics
- ECO331 – Behavioural and Experimental Economics
- ECO372 – Applied Regression Analysis

2012-2013: Economist, Bank of Canada, Montréal, Québec

- Main research: The Impact of Fiscal Policy in Recessions

Computing Skills Python/Cython, GIS programming, R, SQL, Stata, MATLAB

References

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Dissertation Abstract

Valuing Flexibility: A Model of Discretionary Rest Breaks (*Job Market Paper*)

As flexible work arrangements become increasingly prevalent in the labor market, more and more workers have discretion over when they take rest breaks—a feature that is likely appealing to many. Yet we do not have a formal economic model of the decision to take breaks, nor do we know how much workers value this 'breaks' flexibility. To fill the gap, I develop and estimate the first dynamic model of daily labor supply that incorporates rest breaks. The model includes several factors that influence the decision to take breaks: fatigue, opportunity costs, preferences across hours of the day, and random utility shocks. I estimate the model using high-frequency data on millions of taxi trips covering over 14,000 drivers in NYC during an entire year. This allows me to characterize heterogeneity across drivers in a flexible and transparent way, estimating the model separately for each driver. Using the estimated parameters, I first evaluate the welfare loss to workers if discretionary breaks were replaced by scheduled breaks. My results show that flexibility is valued highly: the average driver in my sample would require a 22 percent increase in revenue to accept a counterfactual fixed work schedule. Further, I find substantial heterogeneity in this valuation, indicating that for some workers, discretionary breaks bestow a large non-pecuniary benefit. I then use the model to study the effects of a realistic 'mandatory breaks' policy on the frequency of breaks and labor supply. Counterfactual evidence shows that such a policy would substantially increase the frequency of breaks but would reduce labor supply by 6 to 9 percent. This result highlights the need to weigh the benefits of break-oriented policies—including a reduction in accidents—with the negative consequences for labor supply and the welfare of workers. While I use a specific industry to estimate the model, the proposed framework is quite general and can be applied to various other industries to understand how workers make short-term labor supply decisions.

The Daily Labor Supply Response to Worker-Specific Earnings Shocks

This paper presents empirical evidence indicating that the daily labor supply elasticity of workers is large and negative in response to idiosyncratic earnings shocks (e.g. a large tip), contrary to the prediction of the standard neoclassical model. I use microdata covering the universe of New York taxi trips to reconstruct drivers' daily work shifts in 2013. In the main specification, I identify variation in idiosyncratic earnings using large tips received by drivers and find that they respond to these shocks by *decreasing* their labor supply substantially; I obtain similar results when using trips from Manhattan to JFK Airport as idiosyncratic earnings shocks. I also find that these shocks do not affect future labor supply, indicating that standard neoclassical income effects cannot explain this result. In contrast, a positive earnings shock at the *market level* causes drivers' labor supply to increase, consistent with optimizing rational agency. The large and negative response to idiosyncratic earnings shocks indicates that such shocks can have significant effects on labor supply. My results suggest that transferring the share of income earned through tips or bonuses to a more predictable wage structure could increase labor supply in a cost-neutral way.