

# **CES Lecture: Labor Supply, Saving and Individual Income Taxation Fall 2024**

**13 June 2024 (may be updated throughout the term)**

## **LIST OF TOPICS AND READINGS**

(Required readings are marked with a 'B')

### **Lecture 1: Labor Supply and Personal Taxation**

**B** Kleven, Henrik. 2016. "Bunching," *Annual Review of Economics* 8, 435-464.

**B** Kleven, Henrik. 2021. "Sufficient Statistics Revisited," *Annual Review of Economics* 13, 515-538.

**B** Milligan, Kevin and Michael Smart. 2015. "Taxation and Top Incomes in Canada," *Canadian Journal of Economics* 48(2), 655-681.

Meghir, Costas and David Philips. 2010. "Labour Supply and Taxes," In James Mirrlees et al., (eds.). *Dimensions of Tax Design: The Mirrlees Review*, 202-274.

Saez, Emmanuel. 2010. "Do Taxpayers Bunch at Kink Points?" *American Economic Journal: Economic Policy* 2(3), 180-212.

**B** Saez, Emmanuel, Joel B. Slemrod and Seth H. Giertz. 2012. "The Elasticity of Taxable Income with Respect to Marginal Tax Rates: A Critical Review," *Journal of Economic Literature* 50(1), 3-50.

### **Lecture 2: Savings and personal taxation**

Agersnap, Ole and Owen Zidar. 2021. "The Tax Elasticity of Capital Gains and Revenue-Maximizing Rates," *American Economic Review: Insights* 3(4), 399-416.

Atkinson, Anthony B. and Joseph E. Stiglitz. 2015. "Lecture 3: Taxation, Savings and Decisions over Time." In Atkinson, Anthony B. and Joseph E. Stiglitz (eds.) *Lectures on Public Economics*, Second Edition. Princeton, New Jersey: Princeton University Press.

Attanasio, Orazio P. and Thomas DeLeire. 2002. "The effect of individual retirement accounts on household consumption and national saving." *Economic Journal* 112(481), 504-538.

Baker, Michael and Dwayne Benjamin. 1999a. "How do retirement tests affect the labour supply of older men?" *Journal of Public Economics* 71(4), 27-51.

Baker, Michael and Dwayne Benjamin. 1999b. "Early Retirement Provisions and the Labor Force Behavior of Older Men: Evidence from Canada." *Journal of Labor Economics* 17(4), 724-756.

Banks, James and Peter Diamond. 2010. "The Base for Direct Taxation," in Dimensions of Tax Design: The Mirrlees Review, J. Mirrlees, et al. (eds), Oxford University Press. (Available [online](#)).

Benjamin, Daniel J. 2003. "Does 401(k) eligibility increase saving? Evidence from propensity score subclassification." *Journal of Public Economics* 87(5), 1259-1290.

Bernheim, B. Douglas. 2002. "Taxation and Saving." In Auerbach, Alan J. and Martin Feldstein (eds.) *Handbook of Public Economics*, Volume 3, pp. 1173-1249. Amsterdam, The Netherlands: Elsevier.

Beshears, John, James J. Choi, David Laibson and Brigitte C. Madrian. 2017. "Does Front-Loading Taxation Increase Savings? Evidence from Roth 401(k) Introductions." *Journal of Public Economics* 151, 84-95.

Beshears, John, James J. Choi, Christopher Harris, David Laibson, Brigitte C. Madrian and Jung Sakong. 2020. "Which Early Withdrawal Penalty Attracts the Most Deposits to a Commitment Savings Account." *Journal of Public Economics* 183, 104144.

Beshears, John, James J. Choi, David Laibson, Brigitte C. Madrian and William L. Skimmyhorn. 2022. "Borrowing to Save? The Impact of Automatic Enrollment on Debt." *Journal of Finance* 77(1), 403-447.

Card, David and Michael Ransom. 2011. "Pension Plan Characteristics and Framing Effects in Employee Savings Behavior." *Review of Economics and Statistics* 93(1), 228-243.

**B** Chetty, Raj, John N. Friedman, Soren Leth-Petersen, Torben Nielsen and Tore Olsen. 2014. "Active vs. Passive Decisions and Crowd-Out in Retirement Savings Accounts: Evidence from Denmark." *Quarterly Journal of Economics* 128(3), 1141-1219.

**B** Choukhmane, Taha. 2023. "Default Options and Retirement Savings Dynamics." Working Paper.

Choi, James J. 2015. "Contributions to Defined Contribution Pension Plans." *Annual Review of Financial Economics* 7(1), 161-178.

Duflo, Esther, William Gale, Jeffrey Liebman, Peter Orszag and Emmanuel Saez. 2006. "Savings Incentives for Low- and Middle-Income Families: Evidence from a Field Experiment with H&R Block." *Quarterly Journal of Economics* 121(4), 1311-1346.

Duflo, Esther, William Gale, Jeffrey Liebman, Peter Orszag and Emmanuel Saez. 2007. "Savings Incentives for Low- and Moderate-Income Families in the United States: Why is the

Saver's Credit Not More Effective." *Journal of the European Economic Association* 5(2-3), 647-661.

Duflo, Esther and Emmanuel Saez. 2002. "Participation and investment decisions in a retirement plan: the influence of colleagues' choices." *Journal of Public Economics* 85, 121-148.

Engelhardt, Gary V. and Anil Kumar. 2007. "Employer Matching and 401(k) saving: Evidence from the health and retirement study." *Journal of Public Economics* 91(10), 1920-1943.

Engen, Eric M. and William G. Gale and John Karl Scholz. 1996. "The Illusory Effects of Savings Incentives." *Journal of Economic Perspectives* 10(4), 113-138.

Feldstein, Martin and Jeffrey B. Liebman. 2002. "Social Security." In Auerbrach, Alan J. and Martin Feldstein (eds.) *Handbook of Public Economics*, Volume 4, pp. 2245-2324. Amsterdam, The Netherlands: Elsevier.

Gale, William G and John Karl Scholz. 1994. "IRAs and Household Saving." *American Economic Review* 84(5), 1233-1260.

Gelber, Alexander M. 2009. "How Do 401(k)s Affect Saving? Evidence from Changes in 401(k) Eligibility." *American Economic Journal: Economic Policy* 3(4), 103-122.

Gelber, Alexander M., Damon Jones, Daniel W. Sacks and Jae Song. 2022. "The Employment Effects of the Social Security Earnings Test," *Journal of Human Resources* 57(2), 341-371.

**B** Gelber, Alexander M., Damon Jones and Daniel W. Sacks. 2020. "Estimating Earnings Adjustment Frictions: Method and Evidence from the Earnings Test." *American Economic Journal: Applied Economics* 12(1), 1-31.

Goldin, Jacob and Daniel Reck. 2022. "Optimal Defaults with Normative Ambiguity." *Review of Economics and Statistics* 104(1), 17-33.

**B** Kopczuk, Wojciech. 2013, "Chapter 6: Taxation of Intergenerational Transfers and Wealth", in Auerbach, A., R. Chetty, M. Feldstein and E.Saez (eds.) *Handbook of Public Economics* Vol. 5, Amsterdam, Holland: Elsevier. (Available as earlier [NBER Working Paper No. 18584](#)).

Lavecchia, Adam M. 2018. "Do Catch-up Limits Raise Retirement Saving? Evidence from a Regression Discontinuity Design," *National Tax Journal* 71(1), 121-154.

Lavecchia, Adam M. 2024. "Family-level responses to the introduction of Tax-Free Savings Accounts." *Canadian Journal of Economics* 57(1), 108-139.

**B** Lavecchia, Adam M. and Alisa Tazhitdinova. 2024. "Permanent and Transitory Responses to Capital Gains Taxes: Evidence from a Lifetime Exemption in Canada," *Review of Economics and Statistics*, forthcoming.

Madrian, Bridgitte C. and Dennis F. Shea. 2001. "The Power of Suggestion: Inertia in 401(k) Participation and Savings Behavior." *Quarterly Journal of Economics* 116(4), 1149-1187.

Messacar, Derek. 2018. "Crowd-out, education and employer contributions to workplace pensions: Evidence from Canadian tax records." *Review of Economics and Statistics* 100(4), 648-663.

Milligan, Kevin. 2002. "Tax-preferred Savings Accounts and Marginal Tax Rates: Evidence on RRSP Participation." *Canadian Journal of Economics* 35(3), 436-456.

Milligan, Kevin. 2003. "How do contribution limits affect contributions to tax-preferred savings accounts?" *Journal of Public Economics* 87(2), 253-281.

Milligan, Kevin. 2012. "The Tax-Free Savings Account: Introduction to the Policy Forum and Simulations of Potential Revenue Costs." *Canadian Tax Journal* 60(2), 355-360.

Milligan, Kevin and Tammy Schirle. 2021. "The Evolution of Longevity: Evidence from Canada." *Canadian Journal of Economics* 54(1), 164-192. (Also available as NBER Working Paper No. 24929, National Bureau of Economic Research. <https://www.nber.org/papers/w24929>.)

Milligan, Kevin and Tammy Schirle. 2018. "Retirement Incentives and Canada's social security programs." In Börsh-Supan, Axel and Courtney Colie (eds.). *Social Security Programs and Retirement around the World: Reforms and Retirement Incentives*, Chicago: University of Chicago Press, forthcoming.

Poterba, James M. 2014. "Retirement security in an aging population." *American Economic Review* 104(5), 1-30.

Poterba, James M., Steven E. Venti and David A. Wise. 1995. "Do 401(k) Contributions Crowd-Out Other Personal Saving?" *Journal of Public Economics* 58, 1-32.

Poterba, James M., Steven E. Venti and David A. Wise. 1996. "How Retirement Savings Programs Increase Saving." *Journal of Economic Perspectives* 10(4), 91-112.

Saez, Emmanuel. 2009. "Details Matter: The Impact of Presentation and Information on the Take-up of Financial Incentives for Retirement Saving." *American Economic Journal: Economic Policy* 1(1), 204-228.

### **Lecture 3: Knowledge, Information and the Incidence of Personal Taxation**

B Chetty, Raj, Adam Looney and Kory Kroft. 2009. "Salience and Taxation: Theory and Evidence," *American Economic Review* 99(4), 1145-1177.

**B** Kotlikoff, Lawrence J. and Lawrence H. Summers. 1987. "Tax Incidence," In Alan J. Auerbach and Martin Feldstein (eds.). *Handbook of Public Economics*, Volume 2, pages 1043-1092.

Harberger, Arnold C. 1962. "The Incidence of the Corporation Income Tax," *Journal of Political Economy* 70(3), 215-240.

**B** Lavecchia, Adam M., Michael Smart and Alisa Tazhitdinova. 2024. "Learning the Tax Code: Immigrants, Tax Knowledge and Tax Avoidance," Working paper.

**B** Rothstein Jessie. 2010. "Is the EITC as Good as a NIT? Conditional Cash Transfers and Tax Incidence," *American Economic Journal: Economic Policy* 2(1), 177-208.