Northwestern
Economics

DAVID BENSON

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CONTACT INFORMATION

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PERSONAL INFORMATION

Citizenship: U.S.A.

RESEARCH AND TEACHING FIELDS

Research: Industrial Organization, Health Economics
Teaching: IO, Health, Microeconomics, Econometrics

DOCTORAL STUDIES

Ph.D., Economics, Northwestern University, Evanston, Illinois
     Dissertation: Essays in Industrial Organization
     Committee Chairperson: Professor Igal Hendel
     Date of Completion: June 2018 (expected)

PREDOCTORAL STUDIES

B.S. Economics and Mathematics, Duke University, Durham, NC, 2010

FELLOWSHIPS AND AWARDS

National Science Foundation Graduate Research Fellowship, 2012-2015
Distinguished Teaching Assistant Award – Northwestern Economics, 2016-2017

TEACHING EXPERIENCE

Teaching Assistant, Northwestern University, 2016-2017
     Economics of Medical Care (Fall, 2016)
     Econometrics (Spring 2017)

RESEARCH AND WORK EXPERIENCE

Research Assistant to Professor Alexander Torgovitsky, 2017
Research Assistant to Professors Igal Hendel and Leemore Dafny, 2014-2015
Associate Economist (microeconomics), Federal Reserve Bank of Chicago, 2010-2012

PROFESSIONAL ACTIVITIES

Invited seminar presentations:
- Federal Reserve Bank of Chicago, "How much is Medicare paying for market power?" May 2017
- University of Memphis, Department of Economics, "Product line competition" March 2017

Organizer: Northwestern IO graduate student seminar, 2014-2017

JOB MARKET PAPER

"Lemon Dropping: Do physicians respond to incentives?" - David Benson

I analyze a novel panel dataset on the U.S. primary care physician population, their practice patterns, and their financial incentives. There is geographic variation in practice costs and payment regulations from Medicare and Medicaid. I document several facts regarding physician migration across locations, acceptance of Medicare Part B and Medicaid Dual Eligible patients, and the medical procedures supplied to accepted patients. Motivated by these facts, I exploit physician migration to identify the effects of financial incentives on patient acceptance and practice patterns, and to estimate the migrant's response to broader environmental factors. I find that physicians are more likely to accept more profitable patients. However, environmental factors can only explain 45% of the change in patient acceptance following migration, and only 21-32% of the change in practice patterns. I use a structural supply model to estimate idiosyncratic financial incentives that affect acceptance and practice patterns. I find that the opportunity cost of labor is higher for Medicaid than for Medicare. For Medicare patients, I find that the opportunity costs of malpractice risk and medical equipment are most important. The estimates imply that equalizing Medicaid and Medicare payments would erase the primary care access gap for Medicaid consumers.

WORKS IN PROGRESS

"Revisiting competition in Panzar-Rosse" - David Benson, in progress

The results of Panzar and Rosse (1987) concerning a firm's elasticity of revenue with respect to factor prices are reanalyzed with observable output. Assuming firms are profit maximizing, the sum of factor price elasticities for revenue is shown to be linearly related through the Lerner index to the sum of output elasticities. The residual of this relationship is shown to depend on the partial effect of factor prices on the equilibrium output price. The profit model and assumptions regarding competition in the industry place nonparametric structure on this residual. The main result allows a firm-specific test of free entry when the Lerner index is known. When the Lerner index is unknown, weak structure on competition is sufficient to bound or point identify percent markups over marginal cost using reduced form output and revenue factor price elasticities. In the multi-product firm extension, the test of competitive entry given percent markups is robust. However, product-specific Lerner indices are only bounded by Panzar-Rosse elasticities and structure on competition, with bounds given by the solution to a simple linear program. A homogeneous N-firm Cournot model is used to illustrate the nonparametric results.

"IVCRC: An Instrumental Variables Estimator for the Correlated Random Coefficients Model with Endogeneity" David Benson, Matthew Masten, and Alexander Torgovitsky, in progress

We present the ivcrc command, which implements an instrumental variables (IV) estimator for the linear correlated random coefficients model. This model is a natural generalization of the usual linear model that allows for an endogenous, multivalued treatment with unobserved heterogeneity in treatment effects. The proposed estimator exploits recent semiparametric identification results that allow for flexible functional forms and permit many types of discrete or binary instruments. The command also allows for the estimation of varying coefficients regression, which is closely related to the proposed IV estimator. We illustrate usage of the estimator by estimating the labor market returns to education in the 1979 National Longitudinal Survey.

"Capacity constraints in education: An economic history of Native American boarding schools" – David Benson (in progress)

What are the long-term economic effects of capacity constraints in schooling? Using archives from the Bureau of Indian Affairs (BIA) and U.S. Census data, I tell an economic history of Native American education over 1890-1940. Federal compulsory education laws and capacity constraints in local schools forced Native children into low quality boarding schools. Custody contracts were 4-6 years. Curricula required manual labor and disallowed expressions of non-anglo culture. Race-based policies induced variation in school assignment for mixed race children, whereby boarding school capacity was allocated between otherwise similar children on the margin to those more Native in appearance. I exploit this exogenous assignment mechanism in a split-sample IV methodology to examine the long-term effects of boarding schools on Native Americans, using U.S. Census data on child schooling outcomes (1900-1930) and adult socioeconomic outcomes (1940). I find that exposure to boarding schools significantly and adversely affected secondary education attainment, adult income, and wealth. Labor force participation was unaffected, though boarding school exposure increased the likelihood of an agricultural occupation. Effects are larger for women than for men.

OTHER PAPERS

"Consumption and the great recession" – Mariacristina De Nardi, Eric French, and David Benson. NBER Working Paper #17688, 2012

"Determinants of Thailand household healthcare expenditure: the relevance of permanent resources and other correlates" – Albert Okunade, Chutima Suraratdecha, and David Benson. Health Economics 19(3), 2010

"Economic impact of a private sector microfinancing scheme in South Dakota" – David Benson, Aaron Lies, Albert Okunade, and Phanindra Wunnava. Small Business Economics 36(2), 2011

"Macroeconomic policy and labor markets: lessons from Dale Mortensen's research" Chicago Fed Letter, August 2011

"How do sudden large losses in wealth affect labor force participation?" with E. French, Chicago Fed Letter, January 2011

LANGUAGES

English (fluent)

REFERENCES

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