

MICHAEL GERUSO

001 Fisher Hall
Department of Economics, Princeton University
Princeton, NJ 08544

US Citizen, Male
cell: 512 585-2049
mgeruso@princeton.edu
www.princeton.edu/~mgeruso

EDUCATION	Ph.D. in Economics, Princeton University (expected date)	May 2012
	General Examinations: Development Economics, Labor Economics	
	M.A. in Economics, Princeton University	2008
	B.S. in Mechanical Engineering, Virginia Tech	2003
	B.A. in Political Science, Virginia Tech	2003
	B.A. in Philosophy, Virginia Tech	2003

RESEARCH INTERESTS Health Economics, Development Economics, Labor Economics, Economic Demography

JOB MARKET PAPER **“Selection in Employer Health Plans: Homogeneous Prices and Heterogeneous Preferences”**

Analysts of health care policy have long been concerned that adverse selection distorts consumers’ choices among health insurance options. Regulations that prohibit price discrimination on the basis of observable characteristics such as age, gender, or medical history can exacerbate adverse selection, but can also lead to another kind of inefficiency. I extend a standard selection model to show that if groups like men and women or young and old have systematically different preferences over insurance that are partly uncorrelated with their insurable risk, then uniform pricing can induce inefficient self-sorting into plans that cannot be corrected by the standard remedies for adverse selection. To assess the empirical relevance of the model, I analyze administrative health claims from a large US employer, and show a previously undocumented pattern of selection: Demand for more complete health insurance increases dramatically in age, even after controlling for expected healthcare expenditures. I estimate a structural model of plan choice to quantify the efficiency gains that would result if pricing were allowed to vary with age. The results indicate that the welfare gains from introducing even minimal-information age-adjusted prices are similar in magnitude to recent estimates of the welfare gains from perfectly correcting adverse selection under uniform prices in employer health plans.

PUBLICATIONS **“Racial Disparities in Life Expectancy: How Much Can the Standard SES Variables Explain?”** Forthcoming: *Demography*

This paper quantifies the extent to which socioeconomic and demographic characteristics can account for black-white disparities in life expectancy in the US. Past studies have decomposed racial mortality differences only over limited age ranges. Here, I show how the age-specific mortality effects aggregate over the life course by decomposing differences in life expectancy. The decomposition is facilitated by a reweighting technique that creates counterfactual estimates of black life expectancy in which the joint distribution of income, education, marital status, occupation, labor force participation and other relevant variables among blacks is made to match that of whites. Among males, 80% of the black-white gap in life expectancy at age

one can be accounted for by differences in these characteristics. Among females, 70% percent of the gap is accounted for. Labor force participation, occupation, and, among women only, marital status have almost no power to explain the black-white disparity in life expectancy once precise measures for income and education are controlled for.

SHORTER
ARTICLES

"The Many Definitions of Social Security Privatization," *The Economists' Voice*. Vol. 3: No. 4, 2006. Reprinted in *The Economists' Voice: Top Economists Take On Today's Problems*. Eds. Joseph Stiglitz, Aaron Edlin, and J. Bradford DeLong. Columbia University Press, 2007. (with Don Fullerton)

WORK
IN PROGRESS

"The Impact of Education on Fertility: Quasi-Experimental Evidence from the UK"
(with Damon Clark and Heather Royer)

In this paper we examine the fertility effects of education. In particular, we exploit a quasi-experiment generated by a change in UK compulsory schooling laws. This change, introduced in 1972, forced all students to stay in full-time education until at least age 16. This reform was binding for many girls, inducing around one quarter of the female population of England and Wales in the relevant cohorts to attend an additional year of school. The reform was recent enough that access to legal abortion and modern contraception was quite similar to today, granting insight into the fertility effects of education in a modern context. We show that the affected girls had significantly lower fertility in their teen years. RD-IV estimates imply a 20% reduction in births at ages 16 and 17 caused by the additional year of schooling. The decline was not accompanied by any increase in abortions. We also find that the reform had negligible impacts on completed fertility. Our findings suggest that education-based policies might reduce teen pregnancies without impacting completed fertility rates.

Dependent Verification in Employer Health Plans (with Harvey Rosen)

AWARDS AND
HONORS

Towbes Prize for Outstanding Teaching, Princeton	2009
Woodrow Wilson Fellowship, Princeton	2009, 2010
Graduate School Fellowship, Princeton	2006-2008
Williams Prize in Philosophy, Virginia Tech	2003
Harry S. Truman Scholarship, National	2002
H. Powell Award (Top student in College of Engineering), Virginia Tech	2000
National Champion, Metrologic Physics Bowl	1998

TEACHING

Junior Independent Project (ECO 981)	2011
Assistant Adviser for Prof. Nancy Reichman, Princeton	
Health Economics (ECO 332)	2011
Assistant Instructor for Prof. Emilia Simeonova, Princeton	
AI Orientation (Instructor skills seminar for new assistant instructors)	2009-2011
Instructor, Princeton	

TEACHING (CONT.)	Public Finance (ECO 341)	2009
	Assistant Instructor for Prof. Harvey Rosen, Princeton	
	Introduction to Microeconomics (ECO 100)	2008
	Assistant Instructor for Prof. Henry Farber, Princeton	
	Introductory Econometrics (Junior Summer Institute)	2007
	Instructor, Princeton	
OTHER EXPERIENCE	National Instruments Corporation	
	Team Manager, Applications Engineering Group	2004-2006
	Applications Engineer	2003-2004
	RAND Corporation	
	Adjunct Researcher	2003
	Central Intelligence Agency	
	Analyst	2001
REFERENCES	Anne C. Case (main adviser)	David S. Lee (second adviser)
	Professor of Economics Princeton University Phone: (609) 258-2177 accase@princeton.edu	Professor of Economics Princeton University Phone: (609) 258-9548 davidlee@princeton.edu
	Harvey S. Rosen Professor of Economics Princeton University Phone: (609) 258-4022 hsr@princeton.edu	
PLACEMENT	Placement Faculty	Placement Administrator
	Professor Dilip Abreu Phone: (609) 258-4021 dabreu@princeton.edu	Laura Hedden Phone: (609) 258-4006 lhedden@princeton.edu