

Ulrich C. Schneider

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Research Interests

Topics Empirical Microeconomics, Public Economics, Labor Economics, Decision Making

References

Peter Haan

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Education

- 10/2014 - today **PhD Candidate, Economics**, *DIW Berlin Graduate Center*, DIW Berlin and FU Berlin, (employed at DIW Berlin).
Expected graduation date: Summer 2018
- 10/2013 - 10/2014 **Doctoral coursework**, *DIW Berlin Graduate Center*, DIW Berlin, HU Berlin and FU Berlin.
- 10/2011 - 10/2013 **Master of Science in Economics**, *University of Erlangen-Nuremberg*, Grade: 1.2.
- 08/2006 - 01/2010 **Bachelor of Science in Economics**, *University of Mannheim*, Grade: 1.9.

Research Stays

- 09/2015 - 12/2015 **Research Stay**, *Arizona State University (Alexander Bick)*, Tempe, AZ, USA.
- 02/2017 - 04/2017 **Research Stay**, *Institute for Fiscal Studies (Richard Blundell)*, London, United Kingdom.

Scholarships

- 2013 - 2014 PhD scholarship by the Graduate Center of DIW Berlin
- 2012 - 2013 Fellow of the Emerging Field Initiative “Taxation, Social Norms, and Compliance: Lessons for Institution Design”, University of Erlangen-Nuremberg

Affiliations

- 2017 - Team member of Collaborative Research Center SFB TRR 190 (DFG) “Rationality and Competition: The Economic Performance of Individuals and Firms”
- 2017 - Team member of Fördernetzwerks Interdisziplinäre Sozialpolitikforschung (FIS) (Interdisciplinary research network funded by the German Federal Ministry of Labour and Social Affairs)
- 2015 - Team member of Priority Program SPP 1764 (DFG) “The German Labor Market in a Globalized World”
- 2015 - 2016 Board Member, BeNA (Berlin Network for Labor Market Research)

Working Papers

Life Cycle Cost of Overconfidence: Evidence from Maternity Leave Reforms (Job Market Paper)

This paper investigates the life cycle costs of overconfidence in future employment possibilities, focusing on females who experience child-related career breaks. To estimate these costs, I develop a novel strategy to identify expectations about employment prospects within a life cycle model of female labor supply and human capital accumulation. Reactions to a discontinuity in the future expected value of non-employment caused by the end of an employment protection allows for identification of expectations. In addition, reforms that exogenously vary the length of this protection period permit to separately identify each of expectations, job-arrival rates, and preferences. In line with suggestive evidence, the estimated life cycle model indicates that expectations are substantially biased: on average women expect the half-yearly job arrival rate to be twice the actual rate. This overconfidence prolongs the average child related career break by eight months, resulting in a larger share of mothers staying non-employed beyond the protection period. The implications of forgone wages and human capital are large, since overconfidence decreases life-time earnings from employment by 14%.

Time Preferences and Female Labor Supply (with Peter Haan and Luke Haywood)

We estimate a dynamic life cycle model of labor supply with a focus on women’s time preferences. We extend the dynamic discrete choice model of female labor supply to accommodate for potentially time-inconsistent behavior. Time-inconsistent behavior may lead mothers, who interrupted their working career due to childbirth, to repeatedly postpone their decision to re-enter employment, which increases the cost of motherhood. For identification of the time preferences we exploit natural experiments: we use several parental leave reforms which extend the parental leave from one to three years. Preliminary results provide evidence for significant time inconsistent behavior. Child related career breaks are on average longer when women exhibit time-inconsistent behavior. Our approach allows us to shed light on the importance of time preferences in explaining important labor supply choices.

Work in Progress

Identification of Time Preferences in Dynamic Discrete Choice Models: Presenting New Exclusion Restriction

Although time preferences are a crucial factor for decisions in dynamic settings, most empirical approaches take the discount factor as known, assuming the economic agent to be an exponential discounter. Incorrect assumptions about time preferences are most likely leading to false conclusions from counterfactual policy analysis. Building on the previous literature on identification for dynamic programming discrete choice models, I offer a new interpretation of the exclusion restrictions necessary to recover time preferences from choice data. In settings, where the decision maker faces a probabilistic restriction of the choice set depending on a previous choice, exogenous variation of the restriction probabilities identifies time preferences. Intuitively, the variation creates groups that differ only with regard to their probability of being restricted in their future choice set, and thus in regard to their expected futures. Comparing choices of these groups informs how the economic agents value their future outcomes. I argue that these models are common, especially in labor economics. The newly derived exclusion restriction are easy to interpret and various examples are provided when these are satisfied.

Policy Related Work

- 2015 **Drahs, S., Schneider, U., and P. Schrauth**, *Geplante und tatsächliche Erwerb-sunterbrechungen von Müttern (Planned and Realized Career Breaks of Mothers)*, DIW Roundup.
- 2012 **Büttner, T., and U. Schneider**, *Policy Analysis for the state of North Rhine-Westphalia about the impact of municipal financial equalization*.

Conference Organization

- 2015 1st BeNA Labor Economics Workshop, Berlin, Germany

Presentations

- 2017 Institute of Fiscal Studies, London, United Kingdom
Ohlstadt Natural Experiments and Controlled Field Studies Workshop, Ohlstadt, Germany
Collaborative Research Center - Rationality and Competition Workshop, Tutzing, Germany
- 2016 IIPF Annual Congress, Lake Tahoe, Nevada, USA
IAAE Annual Conference, Milano, Italy
DFG Priority Program 1764, “The German Labor Market in a Globalized World: Challenges through Trade, Technology and Demographics”, Mannheim, Germany
EEA-ESEM Annual Congress, Geneva, Switzerland (Presentation by Co-Author)
VfS Annual Conference, Augsburg, Germany (Presentation by Co-Author)
(Ce)² Workshop, Warsaw, Poland (Presentation by Co-Author)
- 2015 Arizona State University, Arizona, USA
- 2014 DFG Priority Program 1764, “The German Labor Market in a Globalized World: Challenges through Trade, Technology and Demographics”, Mannheim, Germany

Summer Schools

- 2016 International Institute of Public Finance Doctoral School, Mannheim, Germany

ZEW Summer Workshop for Young Economists, Mannheim, Germany

Teaching

10/2015 - 03/2016 **Econometric Methods (PhD)**, *Helmut Lutkepohl*, FU Berlin.

10/2014 - 03/2015 **Econometric Methods (PhD)**, *Helmut Lutkepohl*, FU Berlin.

Professional Experience

- 2013 **Student Research Assistant, University of Erlangen-Nuremberg, Chair for Economic Policy**, *Johannes Rincke*.
- 2012 **Student Research Assistant, University of Erlangen-Nuremberg, Chair for Public Finance**, *Thiess Büttner*.
- 2009 - 2010 **Student Research Assistant, Mannheim Research Institute for the Economics of Aging**, *Christina Wilke and Axel Börsch-Supan*.

Miscellaneous

Programming C++, C, MATLAB, R, Stata, Python, L^AT_EX, Vi, Git, shell script
Citizenship German