

Research Statement

Cormac O'Dea, August 2026

Public pensions are among the largest items in government budgets worldwide, and institutions that encourage private retirement saving are also widespread and costly. Their effects depend on how households save, work, and manage retirement wealth. The stakes are high for individuals and the distribution of wealth within and across generations. These systems are the subject of active policy debate: public pensions are under pressure globally, and private retirement-saving institutions are regularly reworked.

My research in public economics and household finance studies retirement institutions both as objects of policy design and as laboratories for understanding household behavior. I examine how institutional design affects saving, labor supply, and inequality, and how opportunity is transmitted from parents to children. I combine administrative records, new microdata, custom surveys, and economic models. Many projects involve ongoing partnerships with government and industry.

1. How retirement institutions shape saving and inequality

Employer matches (firms' contributions when workers save) and the favorable tax treatment of defined contribution accounts cost roughly 1.5% of GDP in the U.S. and account for more than 40% of the \$14 trillion held in such accounts.

In **Who Benefits from Retirement Saving Incentives in the U.S.?** (*with Choukhmane, Colmenares, Rothbaum, & Schmidt*), we show that these subsidies accrue unequally even among workers with the same earnings. Because these subsidies flow only to those who save, they track differences in saving: workers with higher-income parents receive more than equally paid coworkers with lower-income parents, as do White and Asian workers relative to their same-earning Black and Hispanic coworkers. This widens gaps in retirement wealth.

This raises a design question: how should employer matches be structured when policymakers care both about raising private saving and the distribution of the subsidies? Answering it requires tracing the saving-equity frontier, which involves predicting saving under formulas that do not yet exist.

Improving 401(k) Matches Using Hypothetical Choices (*with Carranza, Choukhmane, Greig, & Schmidt*) estimates that frontier by combining administrative data from Vanguard clients with a survey eliciting those same workers' choices under counterfactual formulas. We find that most existing match formulas, including those favored by federal "safe harbor" rules, are dominated: at equal employer cost, alternative formulas can raise saving while improving targeting across several measures. Those alternatives pair lower match rates with higher caps and non-elective contributions.

2. Using retirement incentives to study household decision-making

Measurable incentives and high-stakes choices make retirement institutions laboratories for household decision-making. Households can respond on several margins: their saving, their work, and how they

allocate saving between partners. My work studies each margin and uses retirement choices to learn about preferences and beliefs.

How saving responds. Retirement plan design creates quasi-experimental variation in the return to saving. The elasticity of intertemporal substitution (EIS), which summarizes that response, is central to public economics, finance, and macroeconomics but is hard to identify because exogenous variation in returns is scarce. In **Using Large Language Models to Measure U.S. Retirement Plan Design at Scale** (*with Choukhmane, Dedyo, & Schmidt*), we train large language models on 6,000 formulas we hand-coded for **Efficiency in Household Decision-Making** and extract matching formulas from over 150,000 plans across 21 years. This panel captures thousands of employer-initiated changes to match schedules, each a sharp shift in the return to saving. In ongoing work, we use this variation in **Heterogeneity in Intertemporal Substitution: Evidence from \$2 Trillion in Retirement Subsidies** (*with Choukhmane, Rothbaum, Schmidt, & Vira*) to estimate the distribution of the EIS across households.

How labor supply responds. While a large literature shows responses to pension incentives close to retirement ages, there was little direct evidence on whether individuals respond many years earlier. In **Labor Supply and the Pension Contribution-Benefit Link** (*with French, Lindner, & Zawisza*), we provide it: labor supply responds as early as 15 years before the normal retirement age.

How saving is allocated between partners. In **Efficiency in Household Decision-Making: Evidence from the Retirement Savings of U.S. Couples** (*with Choukhmane & Goodman*), we ask whether couples coordinate their contributions. Linking new retirement-plan data for thousands of firms to the choices of millions of workers, we show that many couples concentrate saving in one spouse's account even when the other's employer offers a higher match. A custom survey points to two explanations: financial mistakes and a deliberate willingness to give up money to preserve independence within the marriage.

Preferences and beliefs. In **Household Portfolios and Financial Preparedness for Retirement** (*with Crawford*), we find wide differences in patience among households facing similar circumstances. In **Survival Pessimism and the Demand for Annuities** (*with Sturrock*), we show that pessimistic survival beliefs can explain persistently low annuity demand.

3. Intergenerational transmission of resources and opportunity

A common theme in my work is investment with long-run consequences. A third strand extends this across generations: how parents invest in children and how early circumstances and expectations shape later opportunity.

In **The Intergenerational Elasticity of Earnings: Exploring the Mechanisms** (*with Bolt, French, & Hentall-MacCuish*), we use a panel following a cohort from birth to age 55 to show that early parental time investments account for much of the persistence of earnings across generations. Using the same cohort, **Intergenerational Altruism and Transfers of Time and Money** (*with Bolt, French, & Hentall-MacCuish*) asks what motivates these investments. Embedding parental

time, financial, and educational transfers in a dynastic model, we find that two motives are quantitatively important: investments build children’s human capital and give parents direct utility. Childhood expectations also predict later outcomes. In **Imagine Your Life at 25** (*with Ayyar, Bolt, & French*), we use essays about adulthood written by 11-year-olds in the 1960s to measure gender conformity and show that girls (but not boys) who described more gender-conforming futures subsequently earn less.

Retirement plan design generates plausibly exogenous variation in household wealth among otherwise similar workers. Linking this variation to Census records on earnings, employment, and children’s outcomes, ongoing work asks whether parental wealth spills over into children’s education and early-career earnings. The project uses retirement institutions to study how parental wealth shapes opportunity, bringing the strands of my research together.

References

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