

Research Statement

Cormac O’Dea, February 2026

I work in public economics and household finance. My research has three strands: (i) the use of variation in retirement systems to study households’ saving and labor supply decisions; (ii) the analysis of how the design of these systems shapes outcomes over the lifecycle; and (iii) the study of intergenerational transmission of economic advantage. I conduct this research by combining administrative records, newly assembled datasets, and economic models.

1. Using retirement incentives to study household decision-making

Retirement saving institutions provide a natural laboratory for studying household decision-making in high-stakes settings. They can illuminate aspects of behavior that are otherwise difficult to observe, such as how spouses coordinate their decisions, the accuracy of individuals’ beliefs, the strength of intertemporal preferences, and anticipatory responses to policy incentives.

The extent to which spouses cooperate has long been a central question in household economics. In **Efficiency in Household Decision-making: Evidence from the Retirement Savings of U.S. Couples** (*American Economic Review*, 2025, with Taha Choukhmane & Lucas Goodman), we examine whether couples coordinate their retirement contributions. By codifying data on employer retirement plan matches for thousands of firms, and linking this plan data to the retirement savings choices of millions of workers, we show that many couples concentrate saving in one spouse’s account even when the other spouse’s employer offers a higher match rate, forgoing a higher rate of return on their combined saving. To understand why couples do this, we complement the administrative data with a custom survey. This survey allows us to distinguish financial mistakes (such as those caused by limited financial literacy or misunderstandings about the division of assets in divorce) from deliberate choices to preserve autonomy within marriage. We find that both motives play a role. That many couples forgo an arbitrage opportunity to maintain independence has implications for how we model household decision-making.

The theme of information and savings decisions is also central to **Survival Pessimism and the Demand for Annuities** (*Review of Economics and Statistics*, 2023, with David Sturrock), which demonstrates that biased beliefs about survival probabilities can shape how households decumulate wealth in retirement. Many individuals underestimate their longevity and so undervalue annuities, helping to explain why demand for annuities is low. This paper contributes to a growing literature integrating subjective expectations into structural models of economic behavior. In **Expectations Data in Structural Microeconomic Models** (*Handbook of Economic Expectations*, 2023, with Gizem Koşar), we review this field, showing how expectations data can relax strong modeling assumptions and complement evidence from observed choices.

Information frictions matter, but so do incentives. In **Household Portfolios and Financial Preparedness for Retirement** (*Quantitative Economics*, 2020, with Rowena Crawford), we show substantial heterogeneity in estimated discount factors, consistent with households differing in how

strongly they respond to intertemporal tradeoffs. Retirement incentives also shape labor supply, and can do so well in advance of retirement. In **Labor Supply and the Pension Contribution-Benefit Link** (*Accepted at the Review of Economic Studies, with Eric French, Attila Lindner, & Tom Zawisza*), we test whether labor supply responds to the incentives embedded in Social Security choices. Exploiting a sharp cohort-based discontinuity in a public pension scheme, we document that many individuals adjust behavior up to 15 years before normal retirement ages.

2. How retirement institutions shape saving and inequality

The first strand of my research analyzes household responses to retirement-related incentives; the second considers how these institutions directly shape saving and distributional outcomes, with a focus on the United States. Employer matches cover about 100 million U.S. workers, and the tax treatment of retirement accounts represents the second largest federal tax expenditure. Together, these subsidies make employer-sponsored retirement saving central to both saving behavior and wealth accumulation.

In **Who Benefits from Retirement Saving Incentives in the U.S.? Evidence on Gaps in Retirement Wealth Accumulation by Race and Parental Income** (*Conditionally Accepted, American Economic Review, with Taha Choukhmane, Jorge Colmenares, Jonathan Rothbaum, & Lawrence Schmidt*), we show that retirement saving subsidies disproportionately benefit White and Asian workers and those with wealthier parents or spouses, relative to coworkers with the same income who are Black, Hispanic, or from lower-income families. Because the former groups contribute more to retirement accounts than their coworkers with similar incomes, they capture larger subsidies. The scale of the policies makes these patterns consequential: roughly 1.5% of U.S. GDP is spent on employer matches and the favorable tax treatment of Defined Contribution accounts, and the mechanical effect of these subsidies accounts for more than 40% of the \$12 trillion held in employer-sponsored savings accounts.

A natural follow-up question is whether these distributional patterns are an inevitable feature of employer-sponsored retirement saving or a consequence of how match schedules are designed. In **The Design of Employer Match Schedules** (*Working Paper, with Guillermo Carranza, Taha Choukhmane, Fiona Greig, & Lawrence Schmidt*), we show that the structure of match formulas, specifically the range of contributions over which employers match and at what rate, affects both total retirement saving contributions and their distribution across earners. By combining administrative and custom survey data, we demonstrate that straightforward changes to match schedules can reduce inequality without lowering employee saving or raising employer costs. Many of the most common plans generate less saving and greater inequality than feasible, cost-equivalent alternatives. This includes plans encouraged by the federal government to qualify for “safe harbor” status, which exempts employers from income-based nondiscrimination testing. These findings have direct implications for the design of federal retirement plan regulations. Reflecting this policy relevance, I am preparing a piece for the Brookings Institution on safe harbor rules to come out in May 2026.

3. Intergenerational transmission of resources and opportunity

The first two strands focus on how households save for their own future. A third extends the focus to the next generation, studying how parental resources and investments shape children’s outcomes.

The paper **Who Benefits from Retirement Saving Incentives** (introduced above) shows that, even among individuals with the same earnings, those with richer parents save more and therefore capture larger subsidies, contributing to intergenerational persistence in outcomes. **The Intergenerational Elasticity of Earnings: Exploring the Mechanisms** (*Conditionally Accepted at Journal of Political Economy*, with Uta Bolt, Eric French, & Jamie Hentall-Macculish) takes a longer-run perspective. Using the National Child Development Study, which follows a British cohort from birth to age 55, we estimate a multi-stage model linking parental resources and investments to children’s skill development and lifetime earnings. We show that early parental time investments are crucial drivers of cognitive development and account for much of the persistence of earnings across generations.

Using the same British cohort data, **Intergenerational Altruism and Transfers of Time and Money: a Life Cycle Perspective** (*Revise and Resubmit at Review of Economic Studies*, with Uta Bolt, Eric French, and Jamie Hentall-Macculish) takes a different approach. Rather than asking how parental resources affect children’s outcomes, we ask why parents invest in their children in the first place. We embed parental time, financial, and educational transfers into a dynastic model that allows us to distinguish between two motives: investing because parents value the resulting gains in their children’s future earnings, and investing time because parents derive direct utility from doing so. We find that both channels are quantitatively important: parental investments build children’s human capital and provide substantial direct utility to parents.

A complementary line of work examines how childhood attitudes, in addition to family resources, shape long-term outcomes. In **Imagine Your Life at 25: Gender Conformity and Later-Life Outcomes** (*Working Paper*, with Sree Ayyar, Uta Bolt, & Eric French), we use digitized essays written by 11-year-olds in 1969 Britain and a word embedding model to construct an index of gender conformity. Girls whose imagined futures conformed more closely to prevailing gender norms went on to earn less over their lifetimes, an association partly explained by reduced education, family formation, and lower-paid occupations. This complements my work on parental investments by showing that early attitudes and aspirations, alongside family resources, shape long-term outcomes.

4. Agenda

My research agenda builds on a new data infrastructure that greatly expands the scope for studying how retirement plan design shapes household behavior and wealth accumulation. In **Using Large Language Models to Measure U.S. Retirement Plan Design at Scale: Methods and Evidence** (*Working Paper*, with Taha Choukhmane, John Dedyo, & Lawrence Schmidt), we use large language models trained on the hand-coded data collected for **Efficiency in Household Decision-making** to extract and validate matching formulas from over 150,000 retirement plans spanning 16 years. The result is a panel of retirement incentives at a scale that has not previously

been possible. Linked to Census tax records, this dataset tracks the plan features, contributions, and wealth of millions of U.S. workers. This infrastructure supports two lines of my ongoing work.

The first targets a central preference parameter: the elasticity of intertemporal substitution (EIS). This measure of households’ willingness to shift consumption over time is fundamental to questions in public economics, macroeconomics, and finance, yet its level and heterogeneity have been hard to identify because plausibly exogenous interest-rate variation is limited. Our new dataset captures thousands of employer-initiated changes to match schedules, each of which generates a sharp shift in the rate of return on saving. In **Heterogeneity in Intertemporal Substitution: Evidence from \$2 Trillion in Retirement Subsidies** (*Work in Progress, with Taha Choukhmane, Jonathan Rothbaum, Lawrence Schmidt, & Kartik Vira*), we exploit the variation induced by these rich non-linear incentives within a lifecycle framework to estimate the distribution of the EIS.

The second line of work uses variation in plan features as plausibly exogenous shifters of household wealth. Because plan design can generate substantial differences in wealth accumulation among otherwise similar workers, it provides a powerful setting for studying how wealth shapes downstream outcomes. Initial applications focus on two questions: whether greater retirement wealth improves households’ ability to insure against job loss, and whether parental retirement wealth spills over into children’s educational attainment and early-career earnings. By linking the plan-level data to longitudinal records on employment, earnings, and children’s outcomes, we can trace the effects of wealth holdings over horizons that span generations, connecting the lifecycle focus of my first two research strands to the intergenerational questions at the heart of the third.

With this data infrastructure and collaborations that connect measurement to policy design, my agenda is well positioned to make sustained contributions to public economics and household finance.

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