Research Statement

Cormac O'Dea, July 2026

Some of the largest subsidies in the U.S. economy run through households' saving decisions. Retirement systems everywhere influence how households save, work, and manage wealth in later life. These decisions carry high stakes for individuals, and because the policies behind them are large, they shape the distribution of wealth within and across generations. Those policies are also the subject of active policy debate: public pensions are under pressure globally, and private retirement-saving institutions are regularly reworked.

My research uses retirement institutions in two ways: as objects of policy design and as laboratories for studying household behavior. Working at the intersection of public economics, household finance, and intergenerational mobility, I ask how institutional design affects saving, labor supply, and inequality, and how resources and opportunity pass across generations. I combine administrative records, new microdata, custom surveys, and economic models.

1. How retirement institutions shape saving and inequality

Employer matches (firms' contributions to workers' accounts when workers save) and the favorable tax treatment of defined contribution accounts cost roughly 1.5% of GDP and account for more than 40% of the $12 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 income. The mechanism is straightforward: among workers with the same earnings, those who save more capture larger tax and matching benefits, and saving differs systematically across households. The result is to widen gaps in retirement wealth: those from higher-income families accumulate more than equally paid coworkers from lower-income families, as do White and Asian workers relative to their same-earning Black and Hispanic coworkers.

This raises a design question: how should employer matches be structured when there is concern about raising private saving and about the distribution of the resulting subsidies? Answering this requires tracing the feasible saving-equity frontier: which reforms raise saving, which reforms reduce inequality, and where the two goals trade off. **Improving 401(k) Matches Using Hypothetical Choices** (*with Carranza, Choukhmane, Greig, & Schmidt*) combines administrative data from Vanguard clients with a survey eliciting choices under counterfactual formulas to estimate that frontier. We find that the most common match formulas, including those favored by federal "safe harbor" rules, are dominated: at equal employer cost, alternatives with lower match rates, higher caps, and non-elective contributions can raise saving while improving targeting.

2. Using retirement incentives to study household decision-making

The same institutions are also a natural laboratory for studying household decision-making: they are high-stakes settings where incentives can be measured and the forces behind people's choices identified.

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.

Public pensions, with their sharp rules, help isolate how households respond to incentives. In **Labor Supply and the Pension Contribution-Benefit Link** (*with French, Lindner, & Zawisza*), we find that labor supply responds as much as 15 years before the normal retirement age. These settings also reveal beliefs and preferences. In **Survival Pessimism and the Demand for Annuities** (*with Sturrock*), we show that pessimistic survival beliefs can affect how households draw down wealth. In **Household Portfolios and Financial Preparedness for Retirement** (*with Crawford*), we find that households differ widely in patience, valuing future resources very differently even when they face similar circumstances.

In ongoing work, I use retirement plan design to create quasi-experimental variation in the return to saving. How strongly households respond to such variation, summarized by the elasticity of intertemporal substitution (EIS), is central to questions in public economics, finance, and macroeconomics, but has been 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 the hand-coded data from Choukhmane, Goodman, & O'Dea (2025) to extract matching formulas from over 150,000 plans across 16 years. The resulting panel captures thousands of employer-initiated changes to match schedules, each a sharp shift in the return to saving. 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.

Together, these papers distinguish several forces behind household choices: coordination failures and autonomy within families, responses to the return to saving, subjective beliefs about survival, and deeper preference heterogeneity.

3. Intergenerational transmission of resources and opportunity

A common theme in my work is how households make investments whose consequences unfold over many years. A third strand extends this perspective across generations, asking how parents invest time and money in their children, and how those investments shape the transmission of opportunity.

In **The Intergenerational Elasticity of Earnings** (*with Bolt, French, & Hentall-MacCuish*), we use a panel that follows a cohort from birth to age 55 to show that early parental time investments drive much of the persistence of earnings across generations. Using the same cohort, **Intergenerational Altruism and Transfers of Time and Money** (*same coauthors*) asks what motivates parents to invest in their children. 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.

Ongoing work connects my research on saving to my work on intergenerational transmission. The new retirement-plan panel described above provides plausibly exogenous variation in household wealth, since plan design generates large differences among otherwise similar workers. Work in progress uses this variation, linked to Census records on earnings, employment, and children's outcomes, to ask whether parental wealth spills over into children's education and early-career earnings.

References

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