

BEN HANDEL

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RESEARCH AND TEACHING FIELDS

Research: Industrial Organization, Health Economics, Applied Microeconomics

Teaching: Microeconomics, Industrial Organization, Health Economics, Game Theory, Econometrics

DOCTORAL STUDIES

Ph.D., Economics, Northwestern University, Evanston, Illinois

Dissertation: Consumer Choice and Market Design in Health Insurance

Committee Chairpersons: Professor Igal Hendel, Professor Michael Whinston

Date of Completion: May 2010 (expected)

PREDOCTORAL STUDIES

A.B.: Economics, Princeton University, Princeton, New Jersey, 2004
with concentrations in Applied Mathematics and Finance

Magna Cum Laude, Phi Beta Kappa

M.A.: Economics, Northwestern University, Evanston, IL, 2005

FELLOWSHIPS AND AWARDS

Center for the Study of Industrial Organization Research Fellowship, 2008-2010

Northwestern 12 Month Fellowship, 2004-2008

Program in Applied and Computational Mathematics Independent Project Prize, Princeton University, 2004

Presidential Scholar, 2000

TEACHING EXPERIENCE

Teaching Assistant, Kellogg School of Management

Retail Pricing with Professor Eric Anderson, Winter 2009

Teaching Assistant, Northwestern University

Graduate Econometrics I with Professor Charles Manski, Fall 2006 and 2007

RESEARCH EXPERIENCE

Research Assistant to Professor Charles Manski, Northwestern University, 2006-2008

Optimal Poker Analysis, Chief Game Theoretic Analyst, 2006-2008

Research Assistant to Professor Jeffery Ely, Northwestern University, 2005-2006

Polish Nuclear Power Task Force, Economic Analyst, Summer 2006

Research Assistant to Professor Robert Porter, Northwestern University, Fall 2004

Research Assistant to Professor David Scharfstein, Harvard Business School, Summer 2004

JOB MARKET PAPER

“Adverse Selection and Choice Complexity in Health Insurance Markets: When Nudging Hurts”

Abstract: How to design and regulate health insurance markets is an important and complex policy question. Despite the attention given to this topic, there is significant room for improvement in understanding the micro-foundations of consumer choice in this market. Since insurer costs depend on the consumers enrolled, adverse selection is a potential problem that interacts with these foundations in a non-trivial manner. I study consumer choice of health insurance plans

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using a novel propriety data set that contains a panel of plan choices and detailed utilization information of employees from a large firm. During the period studied, the firm changed the menu of health plans causing an exogenous shock to the set of choices available to the employees. We use this variation along with several unique features of the choice environment to estimate a structural choice model that quantifies differences in choice adequacy across states when employees are allowed to default into a specific plans and those where they are not. The model identifies the level of inertia in the population separately from heterogeneity in risk preferences to provide the most detailed assessment of choice foundations in this setting. As an input into the choice model, I develop a new methodology to estimate individual-plan specific ex ante distributions of out of pocket costs.

I find evidence of substantial choice inadequacy when consumers are allowed to default into a health plan as opposed to not, controlling for the level of risk aversion. In addition, I reveal that there is substantial adverse selection against the most comprehensive insurance plan in this market. Based on these results I study two questions of market design (i) whether plan prices in ‘active’ choice period have an overly large impact on long run market outcomes and (ii) whether information provision that reduces choice inadequacy is a good policy initiative. I find that (i) the price in active choice periods impacts the long run enrollment levels, prices, and degree of selection and (ii) that information provision *reduces* aggregate welfare in my setting.

OTHER PAPERS AND WORK IN PROGRESS

“Market Power and Market Ignorance,” October 2009

“Counterfactual Prediction and Robust Firm Pricing with Panel Data” with Kanishka Misra and James Roberts, Oct 2009

“Health Insurance Exchanges: Optimal Market Design”, in progress

“The Structure of Long-Term Health Insurance: An Empirical Study,” in progress

“An Empirical Study of Strategic Ambiguity in Auctions,” with Kanishka Misra and James Roberts, in progress

“Social Choice with Partial Compliance under Limited Information,” in progress

PERSONAL INFORMATION

Age: 27

Marital status: Single

Citizenship: United States

REFERENCES

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