CEBI
HIGHLIGHTS 2025

CENTER FOR ECONOMIC BEHAVIOR & INEQUALITY

Publications in top academic journals
Research by CEBI members resulted in 25 new articles being published or accepted for publication in international academic journals in 2025. These include five articles in three of the so-called top five journals in economics: American Economic Review, Quarterly Journal of Economics, and Review of Economic Studies.

A new approach to measure income responses to taxation
The long-run impact of taxes on labor supply and income is critical for assessing the welfare costs of income taxation and redistribution. Because randomized experiments are not feasible, it is notoriously difficult to measure how much income responds in the long run. State-of-the-art empirical methods use quasi-experimental variation in tax rates from tax reforms to estimate income responses, but they miss important long-run effects because income often adjusts only gradually and through job switches. In an article in the American Economic Review, Claus Kreiner, Kristian Larsen, and Jakob Søgaard, together with external CEBI member Henrik Kleven, develop a new method that uses job switchers to better identify the long-run effects of taxation. Their results point to significantly larger income responses than standard short-run estimates suggest.

How money moves through the economy
In an article forthcoming in the Quarterly Journal of Economics, Asger Andersen, Niels Johannesen and Emil Vestergaard develop a new way of mapping how economic decisions are linked across the economy by tracing who buys from whom, who earns income from whom, and how money flows between households, firms, government, and the rest of the world. Using detailed Danish data, they show that spending patterns differ sharply across places and groups: rural, older, and less-educated consumers spend more locally and domestically, while cities attract spending from surrounding areas and generate relatively more spending abroad. The paper also shows that some groups' spending does more than others' to support jobs and incomes elsewhere in the economy. Their analysis suggests that, in recessions, government transfers are more effective when they are targeted toward groups whose spending is more likely to reach unemployed workers.

Educating the next generations
CEBI is deeply committed to educating the next generation of economists at all levels. In 2025, this included course responsibility and lecturing for more than 350 first-year students by Asger Andersen, Miriam Wüst, and Mette Gørtz; supervision of 40 BA theses and 61 MA theses by CEBI members; the organization of a PhD course on Modern Approaches to Economic Research with Professor Ingar Haaland; weekly how-to-do-it PhD discussions with CEBI Deputy Director Søren Leth-Petersen; weekly internal work-in-progress seminars; a PhD poster session; and much more.

High-impact research by CEBI PhD students
CEBI PhD students are expected to complete at least one independent research project, either individually or in collaboration with junior colleagues. The projects often result in publications in leading journals, reflecting the students' creativity and the strong skills developed during their PhD training. For example, Ida Lykke Kristiansen has conducted important research showing how physicians' socio-economic backgrounds contribute to socio-economic inequality in health. Her findings demonstrate that physicians from low-SES families are significantly more effective in treating patients from low-SES backgrounds. She has discussed these findings in radio and television interviews, and her work is now forthcoming in the Review of Economics and Statistics.

Many coauthor visits and seminar guests
CEBI had 36 short-term visitors in 2025. This included eight visits by international collaborators on ongoing research projects: external CEBI member Henrik Kleven from Princeton University, Abi Adams from Northwestern University, Hamish Low from Chicago Fed, Jonathan Zhang from Duke University, Laura Blow from IFS, Astrid Kunze from NHH, Stefanie Schurer from University of Sydney, and Itzik Fadlon from UCSD. CEBI organized 24 seminar visits with international scholars doing frontier research on the CEBI agenda, including Mikhail Golosov and Peter Ganong from the University of Chicago, Gopi Shah Goda from the Brookings Institute, and Jonas Hjort from UCL. The visits also included short one-to-one meetings to discuss ongoing research with CEBI members.

Input to policy making by CEBI members
A recent assessment of DNRF highlights CEBI as one of the centers that has helped strengthen the evidence base for policymaking through its research and through the participation of several CEBI members in government-appointed commissions and councils. This role continued in 2025. For example, Amalie Sofie Jensen is one of four members of an expert commission on the future design of car taxation in Denmark. Mette Ejrnæs continued as co-chair of the Danish Economic Council, while Kreiner joined the Danish Competition Council. Kreiner and Søgaard also contributed to the Danish debate on differentiated value-added taxation through articles in Altinget and Politiken, as well as radio and television interviews on P3, Radio4, and TV 2 News.

Interest in CEBI research by international policy makers
Policymakers around the world are also taking an interest in CEBI's research. Hjalte Boas and Claus Kreiner presented their recent joint research with Niels Johannesen and external member Gabriel Zucman on the effectiveness of new international policies aimed at reducing the amount of wealth hidden in tax havens at events organized by the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD). Boas also presented his research on tax compliance and cryptocurrency at an OECD event. Jakob Søgaard presented the research on income responses to taxation, described above, at a workshop organized by the French government's Council of Economic Advisers.

Center for Economic Behavior and Inequality (CEBI) is a center-of-excellence at the University of Copenhagen, founded in 2017, financed by a grant from the Danish National Research Foundation. The goal of CEBI is to understand the role of behavior and attitudes of people for the formation of inequality in society in income, wealth and many other outcomes. More information can be found at www.econ.ku.dk/cebi.

Danmarks Grundforskningsfond
Danish National Research Foundation