## Mila Markevych

**Contact Information** 

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Research Interests

Macro Labour, Income Inequality, Structural Change

References

Giovanni Gallipoli

University of British Columbia Vancouver School of Economics Email: giovanni.gallipoli@ubc.ca

Phone: +1 (604) 822-4724

Nicole Fortin

University of British Columbia Vancouver School of Economics Email: Nicole.Fortin@ubc.ca Phone: +1 (604) 822-3222 Jesse Perla

University of British Columbia Vancouver School of Economics

Email: jesse.perla@ubc.ca Phone: +1 (604) 822-5721

Education

Ph.D. Candidate in Economics

University of British Columbia

M.A. in Economics

University of Saskatchewan

B.A. in Economics (Summa Cum Laude) National University of "Kyiv-Mohyla Academy" 2018–2025 (expected) Vancouver, Canada

2016-2018

Saskatoon, Canada

Sasnaroon, Canada

Kyiv, Ukraine

2010 - 2014

Summer Schools and Workshops

I.S.E.O. Summer Shool

2022

Institute for Studies on Economics and Employment

Iseo, Italy

2022

HCEO-FAIR Summer School on Socioeconomic Inequality

Bergen, Norway

University of Chicago, NHH Norwegian School of Economics

#### Job Market Paper

# Shifting Tastes, Advancing Technologies: A New Perspective on Income Inequality (paper)

Rising income inequality has been a defining feature of developed economies since the 1980s, with technological change widely cited as a key driver. Yet this narrative overlooks another fundamental transformation: the dramatic evolution in how consumers spend their money. This paper shows that changing consumer demand has played a crucial role in moderating income inequality in the US over the period 1989-2021. Using a novel framework that separates demand changes from price and income effects, I demonstrate that shifts in consumption patterns have benefited workers in service-oriented sectors that have traditionally been viewed as less productive, particularly those working in routine cognitive and non-routine manual jobs. Without these demand changes, the rise in income inequality would have been 73% larger. These shifts in consumer spending resulted in a reallocation of economic activity toward sectors with lower productivity growth — a pattern consistent with Baumol's cost disease. These changes, however, are associated with more equitable income distribution, suggesting that the demand-driven slowdown in productivity growth may be associated with a trade-off between growth and equity.

#### Working Papers

# Closing the Gender Pay Gap in the US Federal Service: The Role of New Managers (with Nicole M. Fortin and Marit Rehavi) (paper)

This paper estimates the causal effect of managerial homophily (getting a same-sex manager) on employee pay in the US Federal Civil Service. Using over 30 years of detailed payroll data, we exploit the appointment of new managers in an event study design. Same-sex managers are particularly important for female employees, whose pay increases by an additional 1.5 log points relative to male counterparts. Managerial homophily operates through increases in pay grades and occupational changes. A novel finding is that these effects are heterogeneous: same-sex managers have the largest effect on employees in less routine jobs even within education levels. Far from being an artifact of a bygone age, these effects are present across the four political eras we study. We conclude that even highly regimented pay systems are not immune to discretionary managerial actions.

#### Work In Progress

## The Taste of Change: Theory and Evidence on Demand Driven Structural Transformation

This paper examines the role of evolving consumer demand in driving structural change through the lens of time-varying demand shifters – Demand Growth Factors (DGFs) – in a general equilibrium model with technological change. I derive analytical solutions that demonstrate how DGFs interact with factor-augmenting technical growth rates in shaping sectoral composition. Using aggregate US expenditure data over the period 1960-2023, I provide empirical evidence of significant DGF effects driving structural change. The results show divergence in sectoral DGFs, with services outpacing manufacturing with a 5p.p. difference in the annual demand growth rates. DGF driven changes in consumer demand, not captured in traditional models, play a crucial role in structural transformation.

## From Policy to Paycheck: How Interest Rates Shape Wages In a Model With Evolving Demand and Technologies

In this paper, I examine the effects of monetary policy on income inequality through the lens of a multi-sector general equilibrium model with technological progress and changing demand in the US over the period of 1989-2021. Production is based on a constant relative elasticity of substitution (CRESH) function, which allows for different elasticities of substitution between capital and routine and non-routine labour. Results from the counterfactual analysis show a symmetric relationship between capital prices and wages: an increase(decrease) in capital prices leads to an increase(decrease) in wages across sectors. Lower capital prices are associated with lower income inequality, captured by the coefficient of variation (CV). In 2021, in the counterfactual where capital prices are lower by 10%, the CV is almost 50% lower.

# Upskilling for the Future: The Role of Training on Labour Market Outcomes in the Era of Technological Change

This paper examines skill dynamics and importance of training on skill development and employment in Canada from 2012-2020. Using data from the Longitudinal and International Study of Adults (LISA), I examine the dynamics of six skills: leadership, writing, reading, numerical, ICT, and manual skills. I then explore the role of training on skill development and labour market outcomes in a search and matching framework with human capital heterogeneity and endogenous training decisions. In the model, workers are motivated to train to increase their stock of skills, and, therefore, wages. Firms incentivize training to improve firm-worker specific match, which determines firm's surplus. The results reveal labour market adjustment patterns consistent with routine-biased technical change. Workers either acquire new skills through training, adapting to the labour market's increasing demand for skills, or move into low-skill non-routine service jobs.

#### Chasing the Boom: The Role of Geographic Mobility in Gender Wage Gaps

In this paper, I examine how differences in geographic mobility between men and women shaped gender wage disparities before, during, and after the resource boom in Canada in 2003-2013. The findings reveal that the resource boom triggered significant male-dominated migration to boom regions, whereas women's geographic mobility remained comparatively limited. Although the boom raised wages across all sectors within the resource-intensive region, including supporting services with large female employment, men disproportionately captured these gains due to their higher propensity to relocate. As a result, the gender wage gap has increased, particularly in the boom regions. This paper provides evidence that gender differences in geographic mobility play a crucial role in perpetuating and exacerbating wage inequalities in the presence of geographically concentrated economic growth.

#### Other Contributions

Engineering Economics (book)

- Chapter 1: Business and Accounting (contributor)
- Chapter 3: Time Value of Money (contributor)
- Chapter 4: Financing (contributor)

#### Seminar, Conference, and Other Presentations

- Shifting Tastes, Advancing Technologies: A New Perspective on Income Inequality
  - University of British Columbia (VSE and Sauder School of Business brownbag), 2024
- Closing the Gender Pay Gap in the US Federal Service: The Role of New Managers
  - University of Saskatchewan, Saskatoon, SK, 2023
  - CEA, Ottawa, ON, 2022
  - University of British Columbia (VSE brownbag), Vancouver, BC 2022
- Upskilling for the Future: The Role of Training on Labour Market Outcomes in the Era of Technological Change
  - University of British Columbia (VSE brownbag), Vancouver, BC 2021

#### Awards and Fellowships

– Stone Centre for Wealth and Income Inequality PhD Fellowship,	
University of British Columbia	2024 - 2025
– SSHRC Doctoral Fellowship	2021 – 2023
– Four-year doctoral fellowship (4YF), University of British Columbia	2021 - 2023
- Research Initiative on Education + Skills (RIES), University of Toronto	2021 - 2022
– British Columbia Graduate Scholarship	2019 – 2021
– President's Academic Excellence Initiative PhD Award, University	
of British Columbia	2020 – 2024
– Timlin Award for best Master's thesis (bi-annual)	2020
– CIDER Doctoral Fellowship, University of British Columbia	2018 – 2019
– Graduate Scholarship, University of Saskatchewan	2016-2018
– President's Scholarship, National University of "Kyiv-Mohyla Academy"	2010 – 2014

#### Research Grants

- CIDER Grant in Innovative Data (co-applicant) - \$37,500

#### Teaching Experience

#### University of British Columbia

Teaching Assistant

– ECON 336 Economic History of Canada	2020
– ECON 317 Poverty and Inequality	2019-2020
– ECON 328 Methods of Empirical Research	2019
– ECON 310 Principles of Microeconomics	2018

### University of Saskatchewan

#### Teaching Assistant

- ECON 409 Econometrics	2018
– ECON 404 Econometrics	2017
– ECON 227 Wage Determination	2017
– ECON 223 Labour Economics	2016
– ECON 211 Intermediate Microeconomic Theory	2016

### Academic Service

#### **Economics Graduate Student Association**

University of Saskatchewan

– Founder and President (2016–2018)

#### Referee Contributions

- Canadian Public Policy