I am an applied microeconomist investigating policy-relevant topics in public finance, education, and development economics. My research examines how tax and social policies can reduce poverty and inequality and promote upward mobility. I use state-of-the-art empirical methods to identify constraints on governments' redistributive capacity and to evaluate how targeted interventions can shape the life trajectories of individuals from disadvantaged backgrounds. My work focuses on Latin America—a region marked by acute inequality and persistent immobility—where high-quality administrative data and rich experimental or quasi-experimental policy variation enable credible causal inference.

Tax Policy: Taxing Wealth Under Weak Enforcement.

Progressive wealth taxation has attracted renewed attention as a tool for reducing inequality and raising revenue in both developed and developing countries. Yet enforcement challenges are thought to be severe: many fortunes are hidden offshore, and elite evasion is substantial, even in high-compliance settings like Scandivania. Despite growing scholarly and policy interest, empirical evidence on the feasibility of wealth taxes is scarce.

In **Londoño-Vélez and Ávila-Mahecha** (2025, *Review of Economic Studies*), I fill this gap by studying how taxpayers respond to Colombia's personal wealth tax. I shed light on a critical but elusive margin of response: offshoring to tax havens. Leveraging Colombia's personal tax returns, which track wealth annually, I link taxpayers to the Panama Papers—a treasure trove of leaked records from Mossack Fonseca, the go-to firm for creating hard-to-trace entities, trusts, and foundations in Panama, Colombians' preferred tax haven. I identify causal effects by exploiting Colombia's substantial cross-sectional and panel variation in wealth taxes thanks to a series of reforms that changed the wealth tax schedule over two decades. Using bunching and difference-in-difference techniques, I find that wealth tax hikes trigger sharp and immediate responses, prompting taxpayers to strategically shrink their reported wealth. These effects do not vanish when the tax does. Instead, they persist for years, creating hysteresis effects that reshape the distribution of reported wealth and erode the tax base long after the policy is gone. Multiple pieces of evidence point to tax sheltering as the key mechanism, with the wealthiest taxpayers hiding assets in complex, hard-to-trace entities in tax havens. The findings suggest that behavioral responses to wealth taxation can be large, forward-looking, and sticky—a cautionary tale for countries hoping to tax the ultra-wealthy.

Offshore tax evasion poses a major challenge for tax policy and governments' ability to tax wealth. In **Londoño-Vélez and Ávila-Mahecha** (2021, *AER: Insights*, lead article), I use Colombia's tax microdata and a government-designed program for voluntary disclosures of hidden wealth. I document widespread evasion—primarily offshore—among the wealthy: 40% of Colombia's top 0.01% evade, triple the rate observed in Scandinavia. Offshore assets accounts

for over four-fifths of exposed wealth tax evasion, with one-third of the wealth of evaders hidden abroad.

However, I also show that enforcement can improve tax compliance. A combination of incentives—tax breaks for voluntary disclosure—and deterrents—threats of prison sanctions and scrutiny for individuals named in the Panama Papers—led to sharp increases in wealth disclosures, reported income, and tax payments. These gains were substantial and persistent, boosting both revenue and the progressivity of the tax system. The findings have broader implications: if a middle-income country with historically weak enforcement can implement progressive wealth taxation effectively, others may be able to do so as well.

Similarly, in **Londoño-Vélez and Tortarolo** (2025, *Journal of Public Economics*), I show that recent enforcement policies in Argentina have significantly boosted tax compliance, increased revenue, and enhanced tax progressivity, underscoring that wealth taxation must be complemented by robust third-party reporting, international cooperation, and carefully designed enforcement tools. I survey broader challenges and design options for taxing high-net-worth individuals in Latin America in **Bérgolo, Londoño-Vélez, and Tortarolo** (2023, *Oxford Review of Economic Policy*), part of a special issue edited by Joel Slemrod and İrem Güçeri.

Social Policy: Promoting Upward Economic Mobility and Resilience Among Disadvantaged Populations.

The first set of papers focuses on educational policy, specifically a financial aid program for students from low socioeconomic status (SES) backgrounds. Although education is widely seen as a pathway to upward mobility, low-SES students remain significantly less likely to enroll in and complete college, especially at selective universities. Targeted financial aid has the potential to relax credit constraints and improve long-term outcomes for these students. Yet existing evidence on its later-life effects is limited and mixed. In the U.S., overlapping federal, state, and institutional programs typically restrict identification to marginal changes to already generous aid packages, yielding imprecise or null effects on earnings. In theory, financial aid could generate larger returns in settings where credit constraints are more severe. However, evidence remains scarce: a single study from Chile finds no labor-market gains, leaving open the question of whether—and under what conditions—financial aid enhances economic mobility.

I address this gap through a series of papers that evaluate whether and how financial aid can promote upward mobility and reduce economic disparities. In Colombia, financial aid was historically limited, and private credit markets failed to support high-achieving, low-SES students—particularly at high-return institutions. In 2014, the government launched "Ser Pilo Paga" (SPP), a landmark financial aid program that offered full tuition coverage at government-certified "high-quality" universities. The program's strict eligibility cutoffs—based

on standardized test scores and a poverty index—combined with comprehensive administrative data, enable causal identification using regression discontinuity design and difference-in-differences.

In **Londoño-Vélez et al.** (2020, *American Economic Journal: Economic Policy*), I show that financial aid increases college enrollment and quality for low-SES students. Most strikingly, their likelihood of attending private, high-quality universities—previously financially out of reach—rises by 47 percentage points, representing a more than *fifteenfold* increase relative to the comparison group. Furthermore, by enabling low-SES students to enroll in colleges they previously could not afford, the policy had the knock-on effect of increasing socioeconomic diversity at elite universities—on average, by nearly 50%.

In **Londoño-Vélez et al.** (Accepted, *Journal of Political Economy*), I demonstrate that these enrollment gains translate into substantial improvements in long-term educational and labor-market outcomes for low-SES students. These students are more likely to complete college at high-value-added institutions. They perform better on Colombia's college *graduation* exam—the first causal evidence that colleges shape cognitive skills. Nine years later, aid recipients earn 18 log points more than their peers who narrowly missed the eligibility cutoff and are more likely to make it into the top 1% of earners in their cohort, demonstrating enhanced upward economic mobility.

And the policy doesn't just lift boats—it narrows gaps, bridging socioeconomic disparities in college quality, attainment, skill development, earnings, and returns to ability. Remarkably, it achieved this without crowding out high-SES individuals from high-quality colleges or compromising instructional quality, thereby enhancing overall efficiency and improving social welfare. As public finance meets education policy, SPP stands out as a compelling case of how targeted spending can equalize opportunity and unleash potential.

At one elite institution, the policy's impact on economic diversity was substantial: the share of low-SES students increased from 7% to 33%. In **Londoño-Vélez** (2022, *Journal of Public Economics*), I conducted a survey to examine how increased diversity affects the social networks, perceptions, and policy preferences of high-SES individuals. Exploiting variation in exposure to low-SES peers across majors and cohorts, I find that high-SES students became much more likely to befriend low-SES classmates. This exposure shifted their views on poverty, inequality, and fairness, and increased their support for redistribution. These findings highlight how socioeconomic integration in higher education can reshape attitudes and preferences.

In **Londoño-Vélez et al.** (2025, *AEA Papers and Proceedings*), I trace the evolution of Colombia's SPP program, documenting how its design changed over time in response to rising demand, binding budget constraints, and political pressure for reform. **Londoño-Vélez et al.** (2025, *Working Paper*) uses these policy shifts to evaluate equity-efficiency trade-offs in

financial aid targeting. Another ongoing project draws on original survey data to study the non-pecuniary returns to attending selective colleges.

A second set of papers investigates programs intended to help populations that have experienced adverse shocks.

One such policy is reparations for victims, which aim to acknowledge and redress harms from war, conflict, and authoritarian rule, either directly perpetrated by the state or by its failure to prevent atrocities. More than 30 countries have implemented reparations programs, including the U.S., South Africa, Indonesia, and Côte d'Ivoire. Evaluating their development impact and how they affect victims' lives is crucial, especially considering that many of these programs operate in fragile and conflict-affected states, where an increasing share of the world's extremely poor is expected to live.

Despite widespread advocacy and the high political and fiscal costs of reparations, causal evidence on their effectiveness remains scarce. In **Guarín, Londoño-Vélez, and Posso** (R&R, *American Economic Review*), I fill this gap by estimating the causal impact of reparations for conflict victims. I study Colombia's reparations program—the world's largest, providing reparations to over one million individuals affected by forced displacement, homicide, landmines, rape, torture, and other gross human rights violations. The one-time, lump-sum cash transfer is large, up to US$26,000 in 2019 PPP, depending on the type of abuse. Since most recipients are in the bottom wealth quartile, the average transfer exceeds three times their annual household income. I exploit the staggered rollout of the policy to estimate causal effects using difference-in-differences and construct a novel panel dataset to track outcomes over time. By linking more than ten administrative sources, I assemble rich longitudinal data on victims and their children, capturing detailed information on employment and earnings, entrepreneurship and firm survival, consumption and asset accumulation, health care utilization, educational achievement, and postsecondary attendance.

I find that reparations help victims rebuild their lives. They significantly improve the well-being of victims and their children, with investments in physical and human capital leading to enhanced living and health conditions, increased asset-building and entrepreneurship, and better educational outcomes for their children. These results highlight that reparations can serve not only transitional justice goals but also act as effective tools for economic development, with benefits that extend across generations. They are particularly relevant for fragile and conflict-affected states attempting to implement human rights agendas and stimulate economic development under binding fiscal constraints.

In **Guarín et al.** (2023, *AEA Papers and Proceedings*), I discuss constraints in implementing Colombia's reparations program and the trade-offs between restorative and transformative justice under tight fiscal limits. I review the broader role of reparations and social protection in conflict

mitigation and recovery in **Guarín and Londoño-Vélez** (forthcoming, *Handbook on Social Protection in the Developing World*, edited by Rema Hanna and Ben Olken).

In **Londoño-Vélez and Querubín** (2022, *Review of Economics and Statistics*), I evaluate a nationwide emergency cash transfer program launched by the Colombian government just one week after the COVID-19 lockdown. The program delivered modest transfers—about US$19 (PPP US$55.6)—to one million poor households every five to eight weeks. Using a randomized control trial and linked administrative and survey data collected in June 2020, I document the pandemic's severe toll: 57% of households were unemployed, and 58% experienced food insecurity. Despite its small size, the transfer modestly improved households' financial security and food access, while also increasing support for emergency policy and social cooperation. The analysis also reveals key infrastructure constraints—particularly in digital delivery systems—that limit the effectiveness of social protection during crises.

Social Policy: The Consequences of Abortion Policy.

Abortion is far more common than many assume: at least one in four women worldwide will have an abortion in their lifetime. Yet over 753 million women—roughly 40% of those of reproductive age—live in places with restrictive abortion laws, including many in the U.S. following the Supreme Court's decision in *Dobbs v. Jackson Women's Health*.

What happens when a woman seeks a legal abortion but is denied? It's a critical question, yet one we know surprisingly little about. For women denied legal abortions, the options are stark: either continue an unwanted pregnancy or seek an illegal—and potentially unsafe—procedure to terminate it. Both alternatives pose serious risks to their life and well-being, and the welfare of their families.

Despite intense global debates over abortion rights, credible evidence on the causal effects of restricting access remains scarce. The empirical challenges are considerable: women who obtain abortions often differ systematically from those who do not, making causal inference difficult. Moreover, it is hard to track women who seek abortions. As a result, we know little about the impact of abortion denial on women's lives—and even less about how it affects their families.

In **Londoño-Vélez and Saravia** (2025, *Quarterly Journal of Economics*, lead article), I address this gap by estimating the causal effects of being denied a wanted abortion on women and their children. Colombia's institutional context and rich data infrastructure make this possible. Women seeking legal abortions often file a *tutela*—a constitutional writ to enforce fundamental rights, including access to legal abortion. These filings allow us to track individuals, and the random assignment of *tutelas* to judges creates plausibly exogenous variation in abortion access: a

favorable ruling increases access, while an unfavorable ruling leads to denial. This unique setting enables credible causal inference.

Between 2006 and 2022, about 20,000 women in Medellín—Colombia's second-largest city—filed abortion *tutelas*, and about half were denied. Denial is strongly predicted by the sex of the randomly assigned judge: female judges are 20 percentage points less likely than male judges to deny abortions. I use judge sex as an instrument for abortion denial and demonstrate robustness using the standard "judge fixed effect" design, using the average denial rate of all other abortion *tutelas* assigned to the same judge as an alternative instrument.

Being denied a wanted abortion has immediate and long-lasting consequences for women, with ripple effects on their families. It increases the risk of death within nine months by 2.5 percentage points, primarily due to septicemia and infection, providing the first causal evidence that abortion denial raises women's mortality by pushing women toward unsafe procedures. It also raises the likelihood of carrying the pregnancy to term by 31 percentage points, distorting not only *when* women have children, but also *whether* and *how many*. Tracking outcomes up to 15 years later, women denied abortions experience worse health, higher divorce rates, lower educational attainment, and reduced labor-force participation. Their households face lower income, greater poverty, and increased reliance on public assistance, translating into a broader fiscal cost on the state. Because many women seeking abortions were already mothers, I also examine the effects on their existing children. Abortion denial reduces children's schooling and increases their likelihood of entering the labor force early, indicating that the consequences extend beyond the woman to her family.

These findings underscore the broad and intergenerational costs of restricted abortion access—not only compromising women's life, health, and economic well-being, but also the well-being of their existing children. The results have important policy implications. They highlight one potential impact of female representation in the judiciary, which can be life-saving for women and economically consequential for families. In the context of ongoing rollbacks of abortion rights—most notably in the post-*Dobbs* U.S.—these findings offer timely evidence on the far-reaching implications of limiting access to reproductive healthcare.

Publications and Working Papers by Topic

Below, I list my publications and working papers by topic, following the order in which they were cited above. All papers are available on my homepage:

https://sites.google.com/site/julianalondonovelez/research

Tax Policy

1. **Londoño-Vélez, Juliana**, and Javier Avila-Mahecha. 2025. "Behavioral Responses to Wealth Taxation: Evidence from Colombia." *Review of Economic Studies, 92* (4), 2624-2655.
2. **Londoño-Vélez, Juliana**, and Javier Avila-Mahecha. 2021. "Enforcing Wealth Taxes in the Developing World: Quasi-Experimental Evidence from Colombia." *American Economic Review: Insights* 3 (2): 131–48. Editor's choice (lead article).
3. **Londoño-Vélez, Juliana**, and Darío Tortarolo. 2025."Revealing 21% of GDP in Hidden Assets: Evidence from Argentina," *Journal of Public Economics, 250,* 105471.
4. Bérgolo, Marcelo, **Juliana Londoño-Vélez**, and Darío Tortarolo. 2023. "Tax Progressivity and Taxing the Rich in Developing Countries: Lessons from Latin America." *Oxford Review of Economic Policy* 39 (3): 530–549.

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5. **Londoño-Vélez, Juliana**, Catherine Rodríguez, and Fabio Sánchez. 2020. "Upstream and Downstream Impacts of College Merit-Based Financial Aid for Low-Income Students: Ser Pilo Paga in Colombia." *American Economic Journal: Economic Policy* 12 (2): 193–227.
6. **Londoño-Vélez, Juliana**, Catherine Rodríguez, Fabio Sánchez, and Luis Esteban Alvarez-Arango. 2025. "Financial Aid and Upward Mobility: Evidence from Colombia's Ser Pilo Paga." Accepted, *Journal of Political Economy*.
7. **Londoño-Vélez, Juliana**. 2022. "The Impact of Diversity on Perceptions of Income Distribution and Preferences for Redistribution." *Journal of Public Economics* 214: 104732.
8. **Londoño-Vélez, Juliana**, Catherine Rodríguez, Fabio Sánchez, and Luis Esteban Alvarez-Arango. 2025. "Targeting Social Assistance: The Evolution of College Financial Aid in Colombia." *AEA Papers and Proceedings*, 115, 340–44.
9. **Londoño-Vélez, Juliana**, Luis Esteban Alvarez-Arango, Catherine Rodríguez, and Fabio Sánchez. 2025. "Equity and Efficiency in Financial Aid Targeting." *Working Paper.*
10. Guarin, Arlen, **Juliana Londoño-Vélez**, and Christian Posso. 2023. "Reparations as Development? Evidence from Victims of the Colombian Armed Conflict." R&R, *American Economic Review*.
11. Guarin, Arlen, **Juliana Londoño-Vélez**, and Christian Posso. 2023. "Reparations for Victims: Lessons from Colombia." *AEA Papers and Proceedings*, 113, 342–46.

12. Guarin, Arlen, and **Juliana Londoño-Vélez**. Forthcoming. "Conflict, Social Protection, and Reparations." In Rema Hanna and Benjamin Olken (Eds.), *Handbook on Social Protection in the Developing World*.
13. **Londoño-Vélez, Juliana**, and Pablo Querubin. "The Impact of Emergency Cash Assistance in a Pandemic: Experimental Evidence from Colombia." *The Review of Economics and Statistics* 104 (1): 157–165.
14. **Londoño-Vélez, Juliana** and Estefania Saravia. 2025. "The Impact of Being Denied a Wanted Abortion on Women and Their Children." *The Quarterly Journal of Economics* 140 (2): 1061–1110. Editor's choice (lead article).