

University of Toronto
Department of Economics

ECO338F: Economics of careers
Fall 2014
UC 161

Instructor: Aloysius Siow
Office: 301, 150 St. George St.
Office hours: Wed 4-6 pm

Lectures: W 11am-1pm
Tutorial: F 11 (mandatory)

This course **USES MICROECONOMICS** to study the economics of careers, focusing on university graduates, including occupational choice, investment in human capital, inter-firm mobility, mobility in hierarchies, team production and matching, specialization and the division of labor, cognitive versus communication skills, incentives, commitment and meetings.

***** Test and exam are open book. *****

Prerequisite: [ECO200Y1/ECO204Y1/ECO206Y1](#);

Grading scheme: 1 midterm (40%), 1 final (40%), in class quizzes (20%)

Class notes and readings on blackboard

If you miss the midterm and filled out the UT illness verification form (<http://www.illnessverification.utoronto.ca>) and have a doctor's note, there will be a makeup midterm on Friday, Oct 24, 9-11am. at my office.

Reading schedule:

First half of the course is on individual incentives and decisions.

Decisions and selection under certainty

Sept 10 Labor supply and heterogeneity

Altonji, Joseph G., and Christina H. Paxson. *Labor supply, hours constraints and job mobility*. No. w3474. National Bureau of Economic Research, 1990.

Sept 17 Investment in human capital and on-the-job training

Oster, Emily, Ira Shoulson, and E. Dorsey. 2013. "Limited Life Expectancy, Human Capital and Health Investments." *The American Economic Review* 103 (5): 1977-2002.

Bertrand, Marianne, Claudia Goldin, and Lawrence F. Katz. "Dynamics of the gender gap for young professionals in the financial and corporate sectors." *American Economic Journal: Applied Economics* (2010): 228-255.

Atlantic, "Why women still can't have it all".

Sept 24 Incentives

LAZEAR, EDWARD P. 2000. "Performance Pay and Productivity." *The American Economic Review* 90 (5): 1346-1361.

Oct 1 Hedonic labor market

Bloom, Nicholas, James Liang, John Roberts, and Zhichun Jenny Ying. 2013. Does Working from Home Work? Evidence from a Chinese Experiment. NBER WP.

Decisions and selection under uncertainty

Oct 8 Finding the right match

Nunley, John M., et al. *College Major, Internship Experience, and Employment Opportunities: Estimates from a Résumé Audit*. No. auwp2014-03. Department of Economics, Auburn University, 2014.

Oct 15 S-shaped learning curve

Bloomberg, "JPMorgan Bribe Probe Said to Expand in Asia as Spreadsheet Is Found"

NYT, "Following Her Parents' Lead, Chelsea Clinton Takes Stage as a Paid Speaker"

Burks, Stephen, Bo Cowgill, Mitchell Hoffman, and Michael Housman. 2013. "The Facts about Referrals: Toward an Understanding of Employee Referral Networks.", University of Toronto manuscript.

Oct 22 Mid term (open book and notes)

The second half of the course is on team production and hierarchies.

Oct 29 Team production and matching..

Groshen, Erica L. 1991. "Sources of Intra-Industry Wage Dispersion: How Much do Employers Matter?" *The Quarterly Journal of Economics* 106 (3): 869-884.

Nov 5 Introduction to hierarchies. specialization and the division of labor.

Garicano, Luis, and Thomas N. Hubbard. "Specialization, firms, and markets: The division of labor within and between law firms." *Journal of Law, Economics, and Organization* 25.2 (2009): 339-371.

Nov 12 Investment and mobility within teams and hierarchies

WSJ, "Breaking the competency curse".

Ariga, Kenn, Yasushi Ohkusa, and Giorgio Brunello. 1999. "Fast Track: Is it in the Genes? the Promotion Policy of a Large Japanese Firm." *Journal of Economic Behavior & Organization* 38 (4): 385-402..

Nov 19 Cognitive versus communication skills

New Republic, "Harvard, Ivy League should judge students by standardized tests."

Kuhn, P, and C. Weinberger (2005): .Leadership Skills and Wages,.*Journal of Labor Economics* 23(3): 395-436.

Nov 26 Meetings