

University of Toronto
Department of Economics

ECO338S: Economics of careers
Winter 2015
WI 1017

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

Lectures: W 11am-1pm
Tutorial: F noon (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 Tuesday Feb 17, 9-11am.at my office.

Reading schedule:

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

Jan 7 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.

Sheryl Sandberg, Barnard College Commencement Address 2011.

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

Jan 14 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.

Jan 21 Incentives

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

Jan 28 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.

Feb 4 Finding the right match & S shaped learning curve

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.

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.

Feb 11 Mid term (open book and notes)

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

Feb 25

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.

Mar 4 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.

Mar 11 Investment and mobility within teams and hierarchies

WSJ, "Breaking the competency curse".

WSJ, "Asia's Aging Tech Leaders Struggle to Find Successors."

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..

Mar 18 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.

Mar 25 Occupations with consumption externalities.

Marianne Bertrand, Emir Kamenica, and Jessica Pan, "Gender Identity and Relative Incomes within Households". *Quarterly Journal of Economics*, forthcoming.

WJS "At Facebook, Boss is a Dirty Word".

Apr 1 Meetings