

University of Toronto
ECO338H1F
Economics of careers
Instructor: Aloysius Siow
Lecture: T 9-11am, MP 134
Tutorial (mandatory): F11-1, MP 134
Office hours: T4-6pm
Office: rm 301, 150 St. George St.

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

Prerequisite: Intermediate microeconomics, calculus and introductory statistics.

Grading scheme:

(25%) In class quizzes

(25%) 5 page paper due Nov 1. Guidelines on paper in dropbox.

(50%) final exam.

Class notes and readings will be posted on dropbox:

https://www.dropbox.com/sh/k16svjxek2hocua/AABlQQuQw_SgDcoCHzWeaHyca?dl=0.

Reading schedule:

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

Sept 13 Lecture 1: 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".

Sept 20, 27: Lecture 2 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.

"CoCo Vandeweghe's exercise routine" WSJ

"Coding Boot Camp", WSJ

Oct 4: Lecture 3 Gender roles

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.

Oct 11: Lecture 4: Incentives

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

Kaur, Supreet, Michael Kremer, and Sendhil Mullainathan. "Self-control at work." *Journal of Political Economy* 123.6 (2015): 1227-1277.

Oct 18 Lecture 5 Hedonic labor market and finding the right fit

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

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.

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

Nov 1: Lecture 6 Team production and matching..

Adam Smith, *Wealth of Nations*, Book 1: Chapters 1- 4

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 15: Lecture 7 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 22: Lecture 8 Careers in hierarchies & team work

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..

Nov 29 Lecture 9: 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.

Stevenson, Betsey. "Beyond the classroom: Using Title IX to measure the return to high school sports." *The Review of Economics and Statistics* 92.2 (2010): 284-301.

Toronto Star. "John Chen: The man who saved Blackberry".

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

Dec 6 Lecture 10: Meetings.