

University of Toronto
ECO 338 – Fall 2023: Economics of careers
Instructor: Aloysius Siow
Lectures: Thursdays 9am-11am, Tutorials 11am-noon, BL 205
Office 150 St. George St., #301
Office hours: Tue 4-5pm

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 and statistics.

Grading scheme: (40%) Midterm test. (60%) Final exam.

Both tests are open book.

Class notes and readings will be posted on dropbox:

https://www.dropbox.com/sh/k16svjkek2hocua/AABIQQuQw_SgDcoCHzWeaHyca?dl=0

Reading schedule:

- Required reading.
- *Tutorial

Sept 14 Lecture 1: The organization of labor market

- Adam Smith, *Wealth of Nations*, Book 1: Chapters 1- 4
- * Virginia Minni. 2023. “Making the invisible hand visible”.
https://www.dropbox.com/s/713rr6e0qez7rkr/Minni_JMP.pdf?dl=0

Sept 21 Lecture 2 Career concerns

- * 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

Sept 28 Lecture 3: Labor leisure choice

- * Wiswall, Matthew, and Basit Zafar. *Human capital investments and expectations about career and family*. JPE 2021. <https://www.journals.uchicago.edu/doi/pdf/10.1086/713100>

Oct 6 Lecture 4: A job is not a career

- * Nunley, J. M., Pugh, A., Romero, N., & Seals Jr, R. A. (2016). College major, internship experience, and employment opportunities: Estimates from a résumé audit. *Labour Economics*, 38, 37-46. <https://humanities.test.utah.edu/resources/documents/internships/major%20internship%20and%20employment.pdf>
- * Gronqvist, Erik, and Erik Lindqvist. "The making of a manager: evidence from military officer training." *Journal of Labor Economics* 2016. <https://www.journals.uchicago.edu/doi/pdf/10.1086/686255>

Oct 13 Lecture 5: Gender roles

- Sheryl Sandberg, Barnard College Commencement Address 2011.
- Atlantic, "Why women still can't have it all".
- 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.
- * Bailey, Martha J. "More Power to the Pill: The Impact of Contraceptive Freedom on Women's Life Cycle Labor Supply." *The Quarterly Journal of Economics*, vol. 121, no. 1, 2006, pp. 289–320.
- * Petter Lundborg, Erik Plug, and Astrid Würtz Rasmussen, "Can Women Have Children and a Career? IV Evidence from IVF Treatments", *American Economic Review* 2017, 107(6): 1611–1637

Oct 20 Mid term test – open book (40% of final)

Oct 27 Lecture 6 Finding the right fit

- * Burks, S. V., Cowgill, B., Hoffman, M., & Housman, M. (2015). The value of hiring through employee referrals. *The Quarterly Journal of Economics*, 130(2), 805-839. <http://www-2.rotman.utoronto.ca/facbios/file/HiringThroughReferrals.pdf>

Nov 3 Lecture 7: 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.

Nov 17 Lecture 8: Specialization, team production and matching..

- * Treble, John G. "Intertemporal Substitution of Effort: Some Empirical Evidence." *Economica* 70, no. 280 (2003): 579–95. <http://www.jstor.org/stable/3548895>.

Nov 24 Lecture 9: How to get a promotion/raise

- WSJ, "Breaking the competency curse".
- "An escape hatch from the professional rut", WSJ
- Kuhn, P, and C. Weinberger (2005). "Leadership Skills and Wages". *Journal of Labor Economics* 23(3): 395-436.
- * Benson, A., Li, D., & Shue, K. (2019). Promotions and the peter principle. *The Quarterly Journal of Economics*, 134(4), 2085-2134. https://www.researchgate.net/profile/Alan-Benson-3/publication/324658225_Promotions_and_the_Peter_Principle/links/5d486b1e92851cd046a55aa1/Promotions-and-the-Peter-Principle.pdf
- Lazear, Edward P. "Balanced skills and entrepreneurship." *The American Economic Review* 94.2 (2004): 208-211.

Dec 1 Lecture 10: Reputation and collaborative skill

- * Kevin Devereux. 2020. "Identifying the value to team work". https://www.dropbox.com/s/gf5tkg0k5v3vvmz/kdevereux_ItVoT-AtPT.pdf?dl=0