

University of Toronto
ECO 338F – Fall 2024: Economics of careers
Instructor: Aloysius Siow
Lectures: Wed 6pm-8pm, Tutorials 8pm-9pm
Office: 150 St. George St.
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: (25%) 1st midterm test. (25%), 2nd midterm test. (50%), Final exam.

All tests and exams are open book (non-electronic notes and papers). No electronic aid allowed.

Class notes and readings will be posted on dropbox:

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

Reading schedule:

- Required reading.
- *Tutorial

Sept 4 Lecture 1: The organization of the labor market I

- Adam Smith, *Wealth of Nations*, Book 1: Chapters 1- 4
- Karl Marx, Theory of alienation of labor. Wikipedia, 2024.
- DJ Deming - [Four facts about human capital](#) Journal of Economic Perspectives, 2022
- DJ Deming [The value of soft skills in the labor market](#) NBER Reporter, 7-11

Sept 11 Lecture 2: Organization of labor market II

- * D Deming, LB Kahn, [Skill requirements across firms and labor markets: Evidence from job postings for professionals](#), Journal of Labor Economics 36 (S1), S337-S369

Sept 18 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>
- Barrero, Jose Maria, et al. "Working from home around the world." *Brookings Papers on Economic Activity* (2022).
- "Eric Schmidt Walks Back Claim Google Is Behind on AI Because of Remote Work", WSJ 2024

Sept 25 1st midterm test. Open book (non-electronic aids only).

Oct 2 Lecture 4: A job is not a career

- * Oster, Emily, Ira Shoulson, and E. Dorsey. 2013. "Limited Life Expectancy, Human Capital and Health Investments." *The American Economic Review* 103 (5): 1977-2002.
- * Gronqvist, Erik, and Erik Lindqvist. "The making of a manager: evidence from military officer training." *Journal of Labor Economics* 2016.

Oct 9: 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.

Oct 16 Lecture 6: Finding the right fit

- * Virginia Minni. 2023. "Making the invisible hand visible".
- Ben Weidmann, et. al. HOW DO YOU FIND A GOOD MANAGER?, NBER 2024

Oct 23 Lecture 7: Incentives

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

Nov 6 2nd midterm test (25%). Open book (non-electronic aids only). The questions will cover material after the first midterm.

Nov 13 Lecture 8: Specialization, matching and hierarchy.

- * Lazear, Edward P. "Balanced skills and entrepreneurship." *The American Economic Review* 94.2 (2004): 208-211.

Nov 20 Lecture 9: How to get a promotion.

- WSJ, "Breaking the competency curse".
- "An escape hatch from the professional rut", WSJ
- * Benson, A., Li, D., & Shue, K. (2019). Promotions and the peter principle. *The Quarterly Journal of Economics*, 134(4), 2085-2134.

Nov 27 Lecture 10: Reputation and collaborative skill

- * Kevin Devereux. 2021. "Returns to teamwork and professional network"

Final exam (50%). Open book (non-electronic aids only). The questions will cover material since the second midterm.