

**Comment:** Are Chemists Good Bankers?  
Returns to the Match between Training and  
Occupation

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# Motivation

- ▶ How does education affect wages?
- ▶ Mincerian regression:  $\ln w_i = \alpha + \rho s_i + \beta_0 x_i + \beta_1 x_i^2 + \epsilon_i$
- ▶ But this obviously suffers from selection bias, treats schooling as homogeneous, and doesn't speak to the interaction between education field and occupation

# Contribution

- ▶ Individuals select into a training field, and subsequently select into occupations. The first decision shapes the latter
- ▶ Can estimate the returns to combinations of education *and* occupation choice
- ▶ How? Expected vacancies in *other* occupations and **subsequent shocks** to these expectations as instruments for selection

# Extensions

1. Are apprenticeships representative of labour market?
2. Occupation task-content might be changing, could this lead to more selection into certain training? Or more overlap between occupations?
3. Could you test for inclusion of other propensity scores in the control function (like Dahl, 2002)?