



Occupational Choice, Matching and Earnings Inequality

by Prof Aloysius Siow, Goh Keng Swee Professor, Dept of Economics, NUS;
Professor of Economics, University of Toronto



Seminar chaired by
Provost's Chair Prof John Ham,
Dept of Economics,
CFPR Deputy Director, NUS

Date: 5 September 2016, Monday

Time: 12.00nn - 1.30pm

Venue: AS7-06-42

All are welcome!

Light lunch will be provided.

Register at

<https://goo.gl/forms/tjKA924m9IkIMVYA3>

by 2 Sept 2015.

Every labour market has many occupations. Within most occupations, the distribution of earnings is single-peaked and right skewed. Firms and establishments have large explanatory power in log earnings regressions. Within several countries, most of the recent changes in earnings inequality are due to changes in earnings inequality across firms and not within firms. The paper investigates a model of team production consistent with these findings. Workers differ by cognitive and non-cognitive skills. The talk investigates how the labour market sorts workers into different teams and roles within teams. The model integrates the Roy model of occupational choice with Becker's model of positive assortative matching. We use the model to quantitatively evaluate the role of increased educational attainment in reducing recent earnings inequality in Brazil.

Authors: Eric Mak and Aloysius Siow

ABOUT THE SPEAKER

Professor Aloysius Siow teaches economics at the University of Toronto. He visits NUS regularly as the Goh Keng Swee visiting professor of economics. His research focuses on the family and labor economics. Recently, he has been working on empirical marriage matching models and matching models of the labor market. He has estimated these models using Canadian, Chinese, US and more recently, Brazilian data. His research has been published in the *American Economic Review*, *Demography*, *Journal of Political Economy*, *European Journal of Population Economics* and other academic journals. His most recent paper, jointly authored with Kirsten Cornelson, is "A Quantitative Review of Marriage Markets: How Inequality is Remaking the American Family by Carbone and Cahn", published in the *Journal of Economic Literature* in 2016. He has recently given talks in Asia, Europe, North and South America.