

Seminar Applied Economic Policy

Human Capital

Summer Term 2024

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Course Description

During the seminar, participants will discuss a broad range of current topics in the economics of human capital. This will include topics such as sorting into specific professions and/or study fields. The list of topics below provides more details, including references and brief comments on the research questions covered in the respective literature.

The seminar has two consecutive parts. In the first part, **students write a thesis** under the guidance of their advisor. In an introductory session, students learn about the principles of scientific work and the scope of analysis that is expected. The thesis elaborates on the literature (see the list of topics for the main article(s) to be covered). Students are expected to search for additional literature and then work independently on their topic. Advisors provide close guidance during this process. The second part consists of a **blocked seminar (June 12)** of students' presentations. Before preparing their presentations, supervisors will provide students with detailed feedback on their thesis.

Organizational details and grading

- Students should have passed Introduction to Econometrics before participating.
- To express your interest, please submit the registration form to bianca.haustein@fau.de **until March 25, 2024**.
- Topics will be assigned to students by March 29, 2024. Please note that the maximum number of participants is 6 students. After being assigned to a specific topic, students can repeal their participation within a week's time. After that deadline has passed, participation in the seminar is mandatory. Students not handing in a thesis in time will fail the seminar.
- We will have a short introduction over Zoom on April 15, 2024, at 17:00. Additional information on how to write a seminar paper, how to search for literature, etc. will be provided in this introductory session.
- The deadline for submitting the seminar theses is May 27, 2024.
- Grading: The overall grade will reflect the quality of the thesis (50%), the presentation in the seminar (30%), and the student's contributions to the discussion following each of the presentations (20%). To pass the seminar, students must obtain at least a grade of 4.0 in each of the parts.

List of Topics

1. The Value of Leadership

Do teams perform better when there is a leader? If leadership is valuable, can one quantify its value? Does the value of leadership depend on the context studied? If leadership is valuable, through which channels does it affect team performance?

Literature: Englmaier, F., S. Grimm, D. Grothe, D. Schindler, and S. Schudy (2021): The Value of Leadership: Evidence from a Large-Scale Field Experiment, CESifo Working Paper No. 9273.

2. The Socioeconomic Gap in Higher Education

How significant is the socioeconomic gap in enrollment rates into higher education institutions and what are the economic implications? What factors contribute to the enrollment gap and how can it be reduced?

Literature: Dynarski, S., Libassi, C. J., Michelmore, K., & Owen, S. (2021). Closing the Gap: The Effect of Reducing Complexity and Uncertainty in College Pricing on the Choices of Low-Income Students. *American Economic Review*, 111 (6), 1721–1756.

3. Gender differences in wage expectations

How pronounced is the gender gap in expected earnings? What are potential reasons for the observed gap? How does the gap potentially influence the actual gender wage gap?

Literature: Kiessling, L., Pinger, P., Seegers, P., & Bergerhoff, J. (2024). Gender differences in wage expectations and negotiation. *Labour Economics*, 87, 102505.

4. Self-selection into the police force

Are prospective members of the police force different from the rest of the population? How do these differences manifest themselves? What can be concluded regarding the match between jobs and applicants in this context and is this conclusion observed in other parts of the literature, too?

Literature: Friebel, G., Kosfeld, M., & Thielmann, G. (2019). Trust the police? Self-selection of motivated agents into the German police force. *American Economic Journal: Microeconomics*, 11(4), 59-78.

5. Homophily in Student Networks

What observation does homophily describe and on which dimensions can homophily be observed? What are possible consequences of homophilous student networks? Does other literature find homophily in similar contexts?

Literature: Bhargava, P., D. Chen, M. Sutter, and C. Terrier (2022): Homophily and transmission of behavioral traits in social networks, IZA Discussion Papers No.15840.

6. Beliefs and Human Capital Investments

What are subjective expectations data and when are they used? On what dimensions do students expect human capital returns from their major choice apart from earnings? How informative are elicited beliefs regarding actual choices?

Literature: Wiswall, M., & Zafar, B. (2021). Human capital investments and expectations about career and family. *Journal of Political Economy*, 129(5), 1361-1424.