

THE JOB MARKET FOR NEW PH.D. ECONOMISTS

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THE JOB MARKET FOR NEW PH.D. ECONOMISTS

The job market matches new economists with employers based on talents, fields of specialization, research interests, and employer characteristics. The events of the job market are well-organized yet hectic, but not as chaotic as the unfamiliar observer might conclude.

The job market is briefly summarized as follows: The student's role begins with a decision whether to participate. For the student who enters the market, there are four major events or stages in the market process. ① Contacting schools is the first. The student's home department distributes a packet containing the curriculum vitae of its students on the market. Letters of recommendation from advisors and the student's own mailing round out the contacting phase. ② The second phase is interviewing. Although some initial interviews take place on campus, the principal event of this stage is the American Economic Association's (AEA) annual meetings. ③ Recruiting trips or call-backs are the next round. A one or two day visit to a potential employer results in the decision whether to extend a job offer. ④ Finally, offers are received, negotiated, and accepted or rejected. The result? Within perhaps eight months time, a year's crop of new Ph.D. economists are matched with employers.

The purpose of this paper is to introduce the student on the job market with the market's mechanisms. Familiarity with the job market is a partial determinant of success in placement. If the student becomes acquainted with the process beforehand, the seeming chaos can be orchestrated to a successful conclusion.

The paper is organized into six sections. The first contains my discussion of the methods for contacting schools. The scheduling of interviews and the interviews themselves are treated in sections II and III. Section IV covers the recruiting phase of the job market. The handling of job offers is the topic of section V. My concluding comments are presented in section VI. Each section begins with an overview of a particular phase of the market, and is followed by my statement of the student's role (e.g., how to schedule interviews). The sections conclude with a series of comments to fill in the gaps.

1. Since the active pursuit of a permanent job at the Ph.D. level is costly in terms of time and money, participation in the job market is an unwise choice for the ill-prepared. Reasonable prospects for placement require evidence of research potential (e.g., a scholarly paper) and an indication that the thesis can be completed within a year. Advice of thesis advisors is crucial in determining whether the student is ready.
2. Since the focus of this paper is the academic job market, potential employers are referred to as schools or departments. The experience with research firms (e.g., Brookings, Rand, etc.) is similar. However, major departures from the rules exist for other potential employers. These are noted at several points.
3. ~~The timing of the events is crucial. Appended is a~~ ~~table of contents. Also appended are samples of the~~ ~~events discussed in the text.~~ Appended is a table of contents. Also appended are samples of the events discussed in the text.
4. In addition to the current paper, I recommend Domowitz (1984) and Mather and Suslow (1983) which were written for Northwestern and Stanford students, respectively.

I. CONTACTING SCHOOLS

Contacting schools is the first stage in the job market process. Schools are contacted in three ways. ① The student's home department distributes a packet containing the vitae of its students on the market. ② The student's advisors mail reference letters to candidate schools at the student's request. ③ The final means of contact is the student's packet.

The department advertises its supply of job candidates by distributing its vita packet to hundreds of universities, research organizations, government agencies, and private businesses. The packet contains the abbreviated vitae--usually one page in length--of its students on the job market. Each vita includes information regarding the student's education, teaching preferences, teaching and research experience, and academic honors including fellowships. Also included are a brief description of the thesis topic, and lists of scholarly papers and academic references (name, address, and phone).

Reference letters from your advisors are an important way to contact schools. These letters evaluate your potential by someone knowledgeable of your course record and research capabilities; consequently strong letters of recommendation are influential. Since the letters are often detailed, ask your advisors to write letters well in advance, and provide them with evidence of your research.

Your packet should include a cover letter, an extended vita, a thesis abstract, and your principal scholarly paper. In the cover letter briefly state your purpose. Since your vita in the departmental packet is brief, it is important to include a more lengthy vita (e.g., 2-3 pages) with your mailing. Include

detailed information on teaching and research experience and perhaps more detailed references. Since the thesis summary included in the abbreviated vita is limited to eight to ten lines, include a two to three page thesis abstract. In the thesis, abstract, clearly state the economic problem, your approach to solving it, and how your approach contrasts with that of others. If the thesis includes or will include empirical work, outline the empirical strategy and the data to be employed. Since the job market paper is likely to be only a part of your thesis research, also discuss other elements of the thesis in the abstract. The final piece to include in the mailing is your job market paper. This is the paper to be discussed in interviews and presented at seminars. A well-written introduction is essential, since in screening job applicants few read the paper carefully.

Where do you send this packet? First, talk with your advisor about the type of job you are interested in (e.g., research university, liberal arts college, nonacademic, etc), and find out what your market is or whom you should target. Broaden your base beyond the target group. **Twenty-five to thirty schools is a reasonable number.** Construct a mailing list for your packet as well as mailing lists for your advisor's reference letters.

1. In addition to these three modes of contact, your advisors make direct contacts over the phone. Their colleagues from other schools inquire about students on the market. Some advisors are aggressive with respect to placing their students. They call their colleagues at other schools in order to push you.
2. Some schools contact the department's placement director to discuss "who's coming out in what," etc. Many departments survey their faculty to construct a general ranking of their students on the market. Hence even if the placement director does not know you personally, he has information about your qualifications.
3. **Most schools require three reference letters.** Some advisors are willing to send their letters to particular colleagues at each school. Others send the letters to the heads of the search committees or department chairs.

An advantage of the former is that it gets you extra contacts within each school. In any case, have these letters written and mailed early.

4. Several sources are helpful in constructing a list of schools and in obtaining their mailing addresses. Graves, Marchand, and Thompson (1982, 1984), Davis and Paprek (1984), Hirsch, et. al. (1984), and Hogan (1984) provide rankings of economics departments by various methods. Business schools, research institutes, public policy departments, etc. are omitted from the rankings, but should be considered as well. The AEA periodically publishes Job Openings for Economists (JOE), which contains school's advertisements of openings. Although JOE's listings give an indication of what schools are looking to fill positions in which fields, not all schools list in JOE; do not limit yourself to the listings. The listings in JOE also provide information on who to contact (the name of the search committee's head or department chairman) and the mailing address. The AEA's membership directory (AEA 1985) is also a good source for the names of the department chairmen, the spelling of names, and mailing addresses.
5. You should distribute your (typed) list of schools--complete with names and addresses--to each advisor so they can send the reference letters. If your advisors send to different people, keep a copy of each list for your own records. Providing mailing labels is also helpful. Some computers have label programs or typed lists can be photocopied onto "label sheets."
6. To reduce postage costs, you might photocopy your paper on both sides (back-to-back). Use first class mail though, especially as the Christmas season nears.
7. Keep a record of everything you mail. The record should include names, mailing dates, version of the job market paper, etc. Things get misplaced, especially letters of recommendation if your advisors send them to their colleagues.
8. The AEA runs a professional placement service. You may get some additional contacts through this service. This service is particularly useful for contacts with nonacademic institutions. Registration forms for the placement service are included in the packet of AEA registration materials.

II. SCHEDULING INTERVIEWS

Interviews are requested by representatives (professors, administrative assistants, or secretaries) of interested schools. First requests for interviews arrive as early as the first week of November, but the first two-and-a-half weeks of December are the main scheduling period.

The AEA meetings cover two-and-a-half days (December 28-30) with the professional placement service opening December 27th. This allows interviews over four days: the afternoon of the 27th, all day the 28th and 29th, and the morning of the 30th. Since interviews last thirty to forty-five minutes and it sometimes takes twenty minutes to travel between two rooms in the same hotel, one should schedule interviews at one hour intervals. Hence fifteen interviews (perhaps the mode) can be spread out comfortably across the four day period. One can less comfortably handle 22 (=3 + 8 + 8 + 3) interviews, but only if they are spread out over the four days.

When scheduling an interview, obtain and keep a record of the following information: the name and phone number of the school's representative handling their schedule, the day and time of the interview, its approximate length, the hotel (room numbers are not known in advance), the person in whose name the suite or room is reserved, whether a message indicating the room number will be left on the message board, and the name of the likely interviewers. This information helps you in scheduling other interviews, in rescheduling this interview (if necessary), and in locating the hotel room.

1. You need some mechanism or method for receiving calls requesting interviews. An answering machine, call forwarding, or a spouse are several alternatives.
2. Fill in the half days of December 27th and December 30th whenever possible as not all schools interview on these days. If a school does, schedule the interview then.
3. You may turn down requests for interviews, or think it over (e.g., "I will get back to you after I talk it over with my advisors."). A scheduled interview may be re-scheduled if conflicts arise, or may be cancelled. However, take care not to offend any individual or department by cancelling.
4. Some schools send a letter confirming the time and place of the interview.
5. Keep a detailed interview schedule containing all the particulars about each interview.
6. When returning calls, call collect. It is an accepted practice.
7. If by mid-December your interview schedule is not filling out, consult your advisors. They might extend an extra push especially if it appears that you have been overlooked. They might also suggest a different target group.
8. You may contact schools requesting interviews, but wait until mid-December to do so. Allow them to play their hand first. Think twice before calling the top-ranked schools.

III. INTERVIEWS

Some interviews take place in the autumn as potential employers--usually nonacademic institutions--visit campus. However, my concern here is primarily with the interviews at the annual AEA meetings. Interviews at the meetings take place in hotel rooms or suites with one to eight interviewers. Some of the interviewers are familiar with the student's thesis topic; few read the paper.

The content of these interviews can be decomposed safely into three areas: discussion of the student's thesis, other questions about the student's background and qualifications, and questions about the school. In the fifteen to thirty minute discussion of the thesis, a common concern is with the importance of the topic and why the results are or are not interesting. Some want to know the details of the model, others just an overview. Consequently, the student must be able to vary the length of his talk based on the interests of the interviewers.

The interviewers are interested in characteristics of the student beyond his current work. The student is often asked about future ~~research~~ (specific ideas or areas of interest), to comment on a ~~topic~~ in his field, how deep his interest is in his secondary fields (i.e., to research or to teach). The non-econometrician is often asked whether he can teach econometrics.

The interview also gives the student a chance to inquire about the university and department. Some suggested areas for questioning are: the faculty members in particular fields, teaching load (undergraduate and graduate), workshops, and computer system and money. One might also ask about the

to write
up
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interviewers

orientation of the department (research or teaching), and the department's primary strengths.

Finding the interview is no small task. An alphabetically arranged message board is located near the AEA's registration booths. A message indicating the room number of an interview might be found under the school's name (a general notice) or under your name. Check this board frequently. The alternative is the house phone. Since the hotel desk does not give out room number, you must be connected to the room by the hotel operator. To do this, you need the identity of the individual in whose name the room is registered. The hotel operator does not know which schools are where. Once connected to the room, identify yourself and ask for the room number.

1. Although some interviews are in the living rooms of suites others are in standard hotel rooms with interviewers sitting on the beds: Despite the environment, the interviews are formal!
2. As you might expect, the interview begins with introductions and handshakes, and ends with handshakes.
3. Prepare for interviews. Practice interviewing with the other students on the job market. Also, find out "who's where" in the profession.
4. Carry with you a few copies of your vita, and thesis ~~paper~~. If you have revised your paper, use the ~~interview~~ to distribute the latest version. Also keep a ~~few~~ copies of your other papers in case they are requested.
5. When looking over the message board for school names, do not neglect "U" for university or "C" for college. University of Pennsylvania might be under "U" or "p".
6. If you do not have a room in this particular hotel, use the house phones. There are usually long lines for the house phones in the lobby; try the house phones on the upper floors.

7. Try to get all your room numbers on the first day or evening. If you have a full interview schedule, you do not have time to get room numbers between interviews.
8. Take notes at each interview. Without notes, nothing will be remembered. You might prepare a special form for this purpose with space for the answers to the questions you ask. A check-list for the materials you distribute or they request might also be included.
9. You might ask what fields of specialization they are looking to hire in and when they intend to make call back decisions.
10. On the evening of December 28th (the first full day), many departments sponsor cocktail parties in the meeting rooms of the hotels. Enjoy the break.
11. The content of an interview depends on the institution's research orientation. Liberal arts colleges focus on teaching; government agencies and consulting firms might be more interested in your breadth of knowledge or your ability to reach conclusions than with your thesis.

IV. RECRUITING TRIPS

The next stage in the job market process is the recruiting trip. These one (or infrequently two) day campus visits serve several functions. First, it's the final device the prospective department employs to screen candidates, and vice versa. Second, visits are the profession's introduction to the new Ph.D. economist, and again vice versa.

Most one day campus visits conform to the following agenda. The day consists in part of a series of 30 or 45 minute appointments with individual faculty members and possibly a dean. There is a break for lunch at the faculty club with one or several professors. The seminar is usually in the late afternoon, and is preceded by a short period for preparation. The day concludes with drinks at the faculty club and dinner at a local restaurant.

The appointments with faculty members do not follow the format of interviews at the AEA meetings. Although some professors like to discuss aspects of the job candidate's dissertation, many prefer to converse on other topics. These include ~~their~~ own research, the candidate's other research (past, current, ~~and~~ prospective), and teaching interests. Others want to know the candidate's impression of some new niche of the literature, or even of specific unpublished papers.

These appointments are also the job candidate's opportunity to learn about the department. We suggest the following as appropriate areas for questioning: the department's track record on promotions; the quality of the students; the availability of teaching and research assistants; teaching assignments (Who

teaches what? Do you get the courses you want?); the computer system (costs, funding, hardware, services, and access); library resources; secretarial support; the living area (housing prices, quality of life, etc.); and the interaction of the faculty (e.g., across fields, senior with junior faculty, etc.).

A few words on managing these trips. Shortly after the AEA meetings, interested schools begin to contact you by phone requesting campus visits. Begin by setting up a tentative date for the visit. The date is tentative because arranging a full slate of campus visits requires some manipulation. Trips should be scheduled in regional groups to reduce the time and money costs of travel; therefore, upon receiving an invitation to visit, contact other schools (with which you interviewed at the meetings) in that city or region to express your interest. Be prepared for some flat rejections.

As your schedule fills out, finalize your plans with each school. Inform the department of your travel arrangements (flights, arrival and departure times) and the night(s) you need hotel accommodations. The department handles the hotel reservations. Thus you need to know the name and location of the hotel. ~~about~~ about the agenda of your day, such as when the day begins, how much time is allotted for your seminar, and whether there are plans for dinner.

Travel expenses are reimbursed by the schools. Keep receipts of all expenses (airline tickets, taxifares, rental cars, meals, etc.). Send an invoice detailing and totalling your expenses with (photocopies of) your receipts to the department. During the visit inquire about to whom this bill should be sent and whether the original receipts are required.

1. Not all recruiting trips are made after the AEA meetings. If your dissertation is well along, campus visits in late November and early December are possible.
2. It is important to be familiar with the faculty of the department you are visiting. Interviews are more comfortable if you know the field of your interviewer, as well as all of that department's contributors to your fields. This requires some effort. Request a copy of the departmental brochure at the AEA meetings or over the phone when arranging the visit. Also the AEA's membership directory is useful.
3. The seminar is all important, consequently your presentation must be clear and you must maintain control. Remember that most of the audience is outside your field; hence the presentation resembles more of a lecture than a "workshop". Controlling a seminar requires practice. Practice your presentation before the meetings in a group with three or four other candidates on the job market. A practice session with an audience of a few first and second year graduate students is also advisable.
4. You need to know in advance how your visit will begin. Some departments send a professor to meet you at the hotel either for a breakfast appointment, or to drive you to campus. Others let you make your own way to campus. Visits begin at varying times as well.
5. When finalizing your plans, ask for the name and home phone number of a person you can contact if last minute problems arise (e.g., you are snowed in at another airport).
6. Some departments are billed directly by the hotel. Others have you pay and bill the department yourself.
7. For some meals you are on your own (e.g., if you arrive the afternoon before your visit). A convenient way--especially if the department is billed directly--is to eat at the hotel's restaurant and charge the meal to your hotel bill.
8. "Regional swings" result in joint costs which must be allocated across schools. Although there is no single rule for allocating such costs, one acceptable method is to divide up the joint costs (e.g., airfare) equally and bill each school for its specific costs (e.g., meals and taxifares while at the school). Describe your method in the invoice.
9. Travel light. If you do not limit yourself to carry-on baggage, your winter will be wasted at airport baggage claims.
10. Keep a liquid portfolio as trips to the bank become infrequent. You are likely to be on the road when your bank is open, and home when it is closed. Credit cards

are a must. If you do not have Visa, Mastercard, or American Express, apply for them early in the fall. If you have one or all of these cards, request higher credit limits.

11. On your trips, carry a list of names and phone numbers for contacts at all the schools with which you interviewed. This list becomes important especially once you have a job offer.

V. HANDLING JOB OFFERS

The final stage of the job market process is the handling of offers. A job offer is made over the phone--sometimes within a week of a visit--usually by the department chair (or business school dean). The verbal offer is formalized in a letter stating in full the conditions of the offer. The terms include salary, position (e.g., assistant professor), length of the appointment (e.g., five years), teaching load and possible course reductions in the first year(s), summer pay (without teaching), and contingencies governing if the dissertation is not completed when the appointment begins (e.g., appointment as instructor, salary reduction, etc).

Upon receiving an offer you need to inform other schools of your new status. Those schools which you have already visited need to be kept up to date about your other prospects and especially of the timeframe for making a decision. The same applies to schools with which you have scheduled a visit. This speeds up the process of generating an offer, or the lack of one. As a byproduct, you find out your chances with these schools. Also, once you hold an explicit offer, you can initiate visits to other schools. Those schools which you might prefer to the offers you hold should be informed. Express your interest and ask them of their plans. Be prepared for rejections as they are inevitable.

In making a decision, consider the details. Many terms of an offer are negotiable; others you should know for comparison. Ask about reimbursement for moving expenses, computer money, availability of a personal computer and software, access to

mainframe computing from your office, teaching and research assistants, expected course assignments (how many preparations?), class sizes, paid leaves of absence, travel budget for conferences, secretarial support, pension and other benefit plans, and paid membership in the faculty club.

1. With the initial phone call, ask how long the offer is open. If you think you will require more time, let them know at the start.
2. Some campus visits might not seem fruitful once an attractive offer arrives. Two points are to be kept in mind. First, recruiting trips offer you valuable exposure to the profession. Second, these trips are expensive in terms of the time of the hosting department's faculty, as well as your time and the travel expenses. If you are no longer interested in a school to which a visit is scheduled, it's not good to make the trip under false pretenses. Contact the department, explain your position, and let them decide whether the visit is worthwhile.
3. The terms of the job offer are between you and (usually) the department chair. Other market participants want to know the prices at which the market is clearing. Realize you need not comply with their wishes.
4. Talk with your advisors and the professors at the prospective department about any uncertainties you might have. Resolve the uncertainties before committing.
5. Ask for a letter documenting all the verbal agreements.
6. ~~Once an offer is accepted~~ is final. Once an offer is accepted, it cannot be rejected in response to a new offer.
7. Once your decision is made, all other offers should be declined immediately by phone. Schools you have visited which are considering making an offer should be notified by phone as well. You should also inform any school with which you interviewed of your new status by mail so they can "close your file."

VI. CONCLUSION

In this paper, I have overviewed the job market for new Ph.D. economists in acquiring an academic or research position in the economics profession. I have emphasized the details of the student's role in contacting schools, scheduling interviews, interviewing at the AEA meetings, making campus visits, and handling job offers. Little emphasis has been placed on the timing of the student's activities. To rectify this organizational oversight, a timetable of the job market events is appended.

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Teaching Preferences

Primary Fields: Labor Economics, Price Theory
Secondary Field: Industrial Organization

THESIS: "The Quit-Layoff Distinction in a Joint Wealth Maximizing Approach to Labor Turnover"

My goal is to determine whether quits and layoffs are economically distinct labor force transitions. A theoretical model of efficient turnover--combined with the maintained assumption that quits and layoffs are economically inconsequential labels--is reconciled with the behavioral differences between quits and layoffs. Systematic application of these turnover labels generates implications consistent with observed phenomena. Additional implications are tested on panel data using discrete choice and selection-bias-correction techniques. The model is also applied to cyclical turnover movements and confronted with the aggregate data.

Teaching, Research and Other Work Experience

Lecturer in Industrial Relations, Graduate School of Business, University of Chicago, Spring 1986
Instructor, University of Chicago (Introduction to Labor Markets), 1984, 1985
Teaching Assistant, University of Chicago (Public Control of Economic Activity, Graduate Price Theory II, Graduate Price Theory III, Undergraduate Price Theory I), 1982-1984
Research Assistant, University of Chicago (Dennis Carlton 1983-85, George Stigler 1982-84)
Consultant to Jenner and Block, 1984
Economic Associate, Citibank NA, Summers 1980, 1982, 1983
Economic Associate, General Electric Company, Summer 1987

Fellowships, Scholarships, Academic Honors

Richard M. Weaver Fellowship, Intercollegiate Studies Institute, 1984-1985
Pew Teaching Fellow, University of Chicago, 1983-1984, 1984-1985
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Papers

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November 1985
"The Cyclicity of Labor Turnover: A Joint Wealth Maximizing Hypothesis," June 1985
"Aspects of Tournament Models: A Survey," March 1985
"On the Lucas-Rapping Model of Labor Market Equilibrium Over the Business Cycle," January 1985

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Professor Sherwin Rosen, Department of Economics, University of Chicago, 1126 East 59th Street,
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Consultant to Jenner and Block, Attorneys at Law, Chicago, IL, 1984
-- provided a summary of the economics literature on the determinants of
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Economic Associate, Economics Department, Citibank NA, New York, NY, Spring
1980, Summers 1980, 1982, and 1983

Economic Associate, Economic Research Group, General Electric Company,
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University of Chicago Fellowships, 1982-1986

Papers

"The Quit-Layoff Distinction in a Joint Wealth Maximizing Approach to Labor
Turnover," November 1985

"The Cyclicalities of Labor Turnover: A Joint Wealth Maximizing Hypothesis,"
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"Aspects of Tournament Models: A Survey," March 1985

"On the Lucas-Rapping Model of Labor Market Equilibrium Over the Business
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(firm or worker) union indicates the wage revision determines the quit-layoff label. Beyond the empirical regularities noted above, the model yields such structural implications as the quit-layoff ratio is decreasing in the pre-separation wage and increasing in the value of outside opportunities. Effects on separations and turnover labels of education, experience, tenure, union status and race are produced in the reduced form. A side hypothesis considers the effect of subsidized unemployment insurance in increasing the incidence of layoffs relative to quits.

In preparation for estimation and testing, the theoretical model is recast as an empirical specification. Correcting for selection bias (due to systematic turnover), the two relevant parameters of the joint density of wage offers are estimated. These in hand, the model is estimable as a bivariate probit (with one empty cell) or two univariate probits. In the latter implementation, one probit corresponds to the separation decision, and the second to the quit-layoff labels conditional on separation. The implied differential effects across probits of outside opportunities and the pre-separation wage are used to test the hypothesis. The empirical work employs a sample of male-household-heads from the Panel Study of Income Dynamics (PSID) spanning the years 1975-1980.

An alternative empirical strategy is to estimate separate hazard rates for quits and layoffs (a competing risk model). The theoretical model predicts the hazard rates differ, so the challenge is to specify the hazard rates in such a way to control for the labeling process.

The joint wealth maximizing hypothesis is also applied to cyclical movements. It generates the well-known regularity that quits are procyclical and layoffs countercyclical, and provides additional implications for lagged business cycle effects and the cyclicalities of total separations. This application of the model is tested in two ways: The first uses both quarterly and annual aggregate manufacturing data from the BLS's turnover survey. The second employs aggregates computed from the PSID (1969-1980). The advantage of the PSID data is that an exact predictor (under my hypothesis) of the quit-layoff rate is computable, and can be contrasted with effects from the cyclical variable.

Time	Unit	Instructor	Topic
4:30 - 5:00	Unit 1010	Miscellaneous	Mark Cerler
5:15 -			
Monday			
8:30 - 9:00	Hilton 3537	Brown	William Poole Peter Garbar * Robert Moffitt
9:00 - 9:45	Hilton 3537	UC-San Diego	* Theodore Groves
10:20-11:00	Hilton 4337	UC-Berkeley	* Albert Fishlow
11:15-12:00	Omni 3737	Minnesota	* Neil Wallace
			Monetary Policy Bank Collapses Labor Economics
			Information, Incentives
			Debt, Development
			Monetary Theory

X indicates name in white res. v. brown field

INVOICE

FOR: Recruiting Trip to the Department of Economics,
University of Pennsylvania; 1/21/86 - 1/23/86

FROM: Kenneth J. McLaughlin
5254 S. Dorchester Avenue, #402
Chicago, IL 60615
(312) 947-8288
Soc. Sec. #: 292-62-4541

EXPENSES:	Description	\$
1. Airfare:	One-third of trip from Chicago to Rochester, Phila., and Columbus	230.67
2. Taxi:	One-third of van service to and from O'Hare; plus 2 fares in Phila.	5.83 33.50
3. Meals:		
4. Misc.:		
TOTAL		<u>270.00</u>

Month	Week	Date	Advisors/Ref. Letters	Paper/Video/Packet	Rolling List	AEA Meetings/Interviews	Trips/Offera
Sept.	1		Discuss research with advisors: "Am I ready for the job market?"	Work on paper.	Think about your major; academic type of school?		
	2			Write/type short vln for department packet.			
	1		Ask advisors to write letters; consult about initial list.	Finish draft of paper.	Compile an initial list of schools.		
	4		Draft of paper to advisors by now.	Write/type long vln and thesis abstract for packet.	Prepare mailing list.	Register for AEA meetings/ placement service; reserve hotel room.	
Nov.	1		Mailing list to advisors; remind them to write letters.	Complete paper; write/ type cover letters.	Distribute completed mailing list to advisors.	Early-bird requests for interviews.	
	2		Reference letters mailed.	Photocopy long vln, thesis abstract, and paper for packets; MAIL PACKET.			
	1					Campus interviews begin.	Practice seminars.
	4					Schedule interviews.	Possible requests for Jan. vlns; recruiting trip or 2 (if advanced).
Dec.	1		Keep advisors informed.		Make additions to list (if nec.)		
	2					Practice interviews; call schools (if nec.).	
	1		Call schools (if nec.)			AEA meetings; Placement service opens; afternoon interviews; get room numbers. Full day of interviews; cocktail parties. Full day of interviews. Morning interviews.	
	4	27		Matthiote reviewed version of paper at AEA meeting (if nec.); carry extra copies of vln and thesis abstract for interviews.			
Jan.	1						First request for trips
	2	29					First trip(s); requests arrive.
	4	30					Recruiting trips; offers; negotiations.
Feb.							Fill schools; early decisions are made.
Mar.							
Apr.							
May							More rounds until the market clears.

December 10, 1985

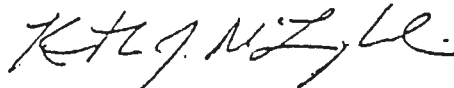
Kenneth J. McLaughlin
5254 S. Dorchester Avenue, Apt. 402
Chicago, IL 60615
(312) 947-8288

Professor Peter Linneman
Wharton School of Commerce
University of Pennsylvania
Philadelphia, PA 19104

Dear Professor Linneman,

I wish to be considered for a junior-faculty level appointment in your department. I have enclosed my vita, thesis abstract, and principal paper, "The Quit-Layoff Distinction in a Joint Wealth Maximizing Approach to Labor Turnover." Letters of recommendation from Sherwin Rosen, Gary Becker, and Edward Lazear have been mailed separately to you or other faculty members in your department. I look forward to an interview at the AEA meetings in New York.

Sincerely,



Kenneth J. McLaughlin

KENNETH J. MCLAUGHLIN

Address: 5254 S. Dorchester Avenue, Birthdate: October 12, 1959
Apt. 402 Citizenship: USA
Chicago, Illinois 60615
Telephone: (312) 947-8288

Education

Ohio State University, B.A. (Economics), 1981
University of Chicago, M.A. (Economics), 1983
University of Chicago, Ph.D. (Economics), expected 1986

Teaching Preferences

Primary Fields: Labor Economics, Price Theory
Secondary Field: Industrial Organization

Teaching Experience

Lecturer in Industrial Relations, Graduate School of Business, University of Chicago, Spring 1986
-- will teach labor economics to MBA candidates

Instructor, Department of Economics, University of Chicago, Springs 1984 and 1985
-- taught two labor economics courses to advanced undergraduates

Teaching Assistant, Graduate School of Business, University of Chicago, Autumn 1984
-- Professor George Stigler's "Public Control of Economic Activity"

Teaching Assistant, Department of Economics, University of Chicago, Winter 1984
-- Professor Sherwin Rosen's Graduate Price Theory II

Teaching Assistant, Department of Economics, University of Chicago, Spring 1983
-- Professor Dennis Carlton's Graduate Price Theory III

Teaching Assistant, Department of Economics, University of Chicago, Autumn 1982
-- Professor Sam Peltzman's Undergraduate Price Theory I

Research and Work Experience

Research Assistant to Professor Dennis Carlton, University of Chicago, 1983-1984
-- analyses of the longevity of futures markets, industrial price rigidity and sales variability by firm size

Research Assistant to Professor George Stigler, University of Chicago, 1982-1983
-- analysis of the extent of the market

Thesis Abstract

The Quit-Layoff Distinction in A Joint Wealth Maximizing Approach
to Labor Turnover

My goal is to determine whether quits and layoffs are economically distinct labor force transitions. That quits and layoffs are behaviorally distinct is well known, as the empirical regularities include: 1) quits (layoffs) separate to higher (lower) paying jobs, and 2) have a lower (higher) probability of experiencing an intervening spell of unemployment; 3) quits are procyclical, and layoffs countercyclical; and 4) the quit-layoff ratio declines with age. Previous research approached these systematic behavioral differences with models characterized (usually implicitly) by wage rigidity. My alternative is the following: The quit-layoff distinction is economically inconsequential--that is labor is allocated across firms efficiently. But the quit-layoff labels are applied systematically, generating the observed behavioral differences. In short, the quit or layoff label summarizes the labor market environment, rather than being determined by or determining it. If supported empirically, this hypothesis would justify the common practice of ignoring the quit-layoff distinction in the analysis of labor turnover.

My specification of the joint wealth maximizing approach includes the following features: i) a simple matching framework, ii) employment relationships form in spot markets with flexible wages, iii) all separations are efficient, so voluntary versus involuntary interpretations do not apply, and iv) turnover labels (quit or layoff) are applied based on who initiates the separation. The quit-layoff distinction arises out of a censoring of wage revisions. The side

INTERVIEW SCHEDULE

Day	Time	Hotel	Room	Institution	Interviewer	Research
Friday	1:30- 2:00	Hilton	4317	Columbia	Jacob Mincer G. Galvo Arnold Collety	Labor; Human Capital Macro. Models Open Economy
	3:00- 3:30	Hilton	3306	Maryland	Charles Fulton	
	9:00- 9:45	Hilton	3657	Rand	Jim Smith	Racial Income Differences
	9:45-10:15	Hilton	1340	Stanford	John Pencavel	Labor Economics
	10:30-11:00	Hilton	2244	Washington	Gardner Brown Robert Pollak	R&D; Natural Res. Val. Household Beh.; Index Th.
	11:00-11:30	Hilton	3100	UCLA	John Riley Harold Demsetz Edward Leamer F. Milkovson	Asyurm. Info. Ownership-Control Emetric Method, Emp. Trade
Saturday	11:30-12:00	Hilton	940	Toronto	---	---
	12:00- 1:00				---	---
	1:00- 1:45	Hilton	412	UC-Santa Barbara	William Comaroff	
	1:45-	Hilton	422	Yale		
	2:45- 3:15	Hilton	3300	Ohio State	Robert Driskill	Exch. Rate Determ. (Empirica
	3:30- 4:15	Hilton	2046	Johns Hopkins	Robert Hawkins	
	4:15- 5:00	Hilton	3775	Cornell		
	5:15- 6:00	Hilton	7070	Cal. Tech.	Lance Davis	British Economic History
	8:30- 9:00	Hilton	870	Northernwestern	Joel Molyr William Rogerson	Western Economic History
	9:00-					
Sunday	9:45-	Hilton	710	Princeton		
	10:30-11:15	Hilton	607	Indiana	Lloyd Orr	Risk, Safety
	11:15-					
	12:00- 1:00				---	---
	1:00- 1:30	Hilton	810	MIT	Jerry Hausman Jean Tirole	Econometrics, Emp. Pub. Fin.
	1:30- 2:15					
	2:15- 3:00					
	3:00- 3:30	Hilton	7640	Rochester, CSM	Kevin J. Murphy	Executive Compensation
	3:45- 4:30	Hilton	3333	Iowa	George Neumann Andrew Pollicano	Stoch. Labor Mkt. Models Labor Contracts

Mr. The McLaughlin

UNIVERSITY OF ROCHESTER
Graduate School of Management

Schedule for Mr. Kenneth McLaughlin

Sunday, January 19

6:29p.m. Arrival in Rochester (American #276).
Reservations have been made at the Strathallan
Hotel for Sunday. Monday night Mr. McLaughlin
will stay with relatives.

Monday, January 20

7:45 - 9:00a.m. Breakfast with Professor Clifford Holderness

9:00 - 9:30a.m. Professor Kevin Murphy

9:30 - 10:00a.m. Dean Jerold Zimmerman

10:00 - 10:30a.m. Professor Michael Barclay

10:30 - 11:00a.m. Professor Clifford Smith

11:00 - 11:30a.m. Professor John Long

11:30 - 12:00noon Professor Ronald Schmidt

12:00 - 1:30p.m. Lunch at the Faculty Club with Professors Michael
Jensen, Charles Plosser*, Ross Watts, Dean Paul
MacAvoy

1:30 - 2:00p.m. Professor Michael Jensen

2:00 - 3:00p.m. Appointments scheduled with the Economics
Department

3:00 - 3:30p.m. Free time. Preparation for seminar.

3:30 - 5:00p.m. O&M Seminar, "The Quit-Layoff Distinction in a
Joint Wealth Maximizing Approach to Labor
Turnover" (Dewey Hall 301)

5:15 - 6:30p.m. Cocktails at the Faculty Club

6:45p.m. Dinner at the Excelsior with Professors Kevin
Murphy, Ronald Schmidt*, and Dean Jerold
Zimmerman

Tuesday, January 21

10:30a.m. Departure from Rochester (USAir #71)

*Indicates name in which reservation is held.