

Berlin Applied Micro Seminar

Occupational Choice and Changes in the Wage Structure

Nicolas Roys (joint with Christopher Taber)

Abstract:

This paper proposes and estimates a model of occupational choice with time-varying skills prices and heterogeneous human capital to understand the evolution of the wage structure since 1979. A worker's multi-dimensional skills are exploited differently across different occupations. We allow for a rich specification of technological change which has heterogeneous effects on different occupations and different parts of the skill distribution. We estimate the model combining three datasets: (1) O'NET, to measure skill intensity across occupations, (2) NLSY, to identify life-cycle supply effects, and (3) MORG CPS, to estimate the role of technology. We document the relative role of demand-side factors and supply-side factors.