

Research Statement

Shrathinth Venkatesh

I focus my research in labour economics, particularly the economics of education and health. I currently have three projects in the economics of education and two in health economics. Describing these gives a good sense of both my interests and the trajectory that my future research will likely follow.

My job market paper recognizes that returns to a college degree have been both a fixture in research and increasing for most of the 20th century. More recently, the college wage premium has stagnated or declined yet the number of degrees awarded continues to increase. I show that current research has missed an emerging college hours premium. I use two cohorts of the NLSY, those born from 1957 to 1964 and those born from 1980 to 1984 to show that men with college degrees have recently been working more hours than those with high school degrees and that this is a new phenomenon. This is important as the income difference between college and high school graduates continues to grow and it is the emerging hours premium that is driving this continued growth. Moreover, I show that the hours premium exists throughout the hours distribution but remains most prominent in heart of the distribution. The premium reflects much more than differences in overtime or part time work. I use the larger ACS to confirm my results and show the pattern of the emerging hours premium on larger samples and over a longer time period.

My earlier paper directly on the college wage premium itself is among those confirming its stagnation. I again use the two cohorts of the NLSY to show that despite past research showing a consistent increase in the college hours premium, this is no longer true. Castex and Dechter (2014) show an increase in the college wage premium between the same two cohorts of the NLSY I use. However I look further into one's career by including latter waves of both cohorts. The stagnation in the college wage premium is driven by wages later in a career.

My third education project studies how education influences sorting into occupations. The occupations are identified by the tasks and skills required using the O*NET. This identification isolates groups of occupation by the requirements for cognitive tasks and social tasks. A variety of a priori and machine learning taxonomies are identified. The central finding is that the sorting associated with a college degree has changed between the two cohorts of the NLSY. In the early cohort those with a college degree sorted into occupations requiring high social skills, high cognitive skills or both. In the latter cohort those with a college degree sort only into occupations that require both high social and high cognitive skills. Thus, a college degree remains an important signal, but this changing pattern deserves more study. In initial estimations, I show that the sorting in the second cohort is less strongly associated with earnings differences and the

occupations with high cognitive skills often make the most in both cohorts regardless of education level. This new sorting pattern may be one reason behind the decreasing premium to college that I identify in my earlier paper.

In my first health paper, I focus on the return to drinking alcohol. Past research finds robust evidence of an earnings return to moderate drinking, but the mechanism remains highly disputed. Together with co-authors, we show that the return is largely driven by those in social jobs. These jobs are not just sales jobs or jobs at restaurants and bars, but a broad range of jobs in which social interaction is critical. We argue this would be anticipated if drinking helps develop social capital. We go on to show that the resulting social capital is both general (transferable across employers) and specific (of value only to the current employer). The former would include improving communication skills and learning about job opportunities. The latter would include building better relations with co-workers.

My second health paper grows from my work with the UWM College of Nursing and the Medical College of Wisconsin. We estimate the influence of a tele-health intervention designed to improve a provider's ability to monitor and improve the mental health of perinatal women. Using claims from both Medicare and private insurance providers we show that the intervention both increases mental health related prescriptions filled and reduces emergency care costs.

As reviewing these projects shows, I am an active and engaged researcher. I work well individually or with other researchers. I have come across a number of ideas that I hope to pursue in the future. My near-term future research is likely to build off what I have already done. For example, I hope to eventually integrate the second and third education projects to explore how the selection into certain occupations has influenced the college wage premium. This will likely require identifying instruments associated with the selection but not earnings. While difficult, it could provide great insight into why the size of the college premium has started to reverse.