Initial Labor Market Conditions, Social Networks and Career Achievements: Evidence from the Economics Discipline *

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This version: September 2023
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Abstract

This paper studies the impacts of initial labor market conditions on young economists' early-career co-authorship networks and academic achievements. The identification leverages the plausibly exogenous variation in labor market conditions at initial entry, instrumented by predicted year of graduation unemployment rates. Utilizing new data collected on U.S. economics PhD candidates from top 10 departments, their co-authorship in the top 5 journals, and NBER affiliation, I find that economists graduating during adverse initial labor market conditions develop larger co-authorship networks and increase research output in their first five years post-graduation, with the difference diminishing afterward. The findings suggest that economists graduating during the Great Recession, who are male and non-US citizens, face reduced probabilities of securing tenure at top-ranked economics departments compared to their non-recession counterparts. Additionally, heterogeneity analysis reveals that the effects of adverse initial labor market conditions primarily affect economists who are white, male, non-US citizens, or graduating from Tier 1 schools. I also explore the mechanisms behind the effects. The results indicate that increased extrinsic motivation may boost early-career social networks and research output, while anticipated tenure and post-doctoral pursuits may partially explain the later impact reversal. Moreover, underperformance in non-research factors may account for reduced tenure prospects at top-ranked economics departments.

Keywords: Labor Market Conditions, Social Networks, Research Output, Economists.
JEL Classification: A11, D85, E32, I23, J22, J24, J44.

*I sincerely thank Neel Rao for his exceptional support and invaluable help in developing this paper. I am grateful to Randall P. Ellis at Boston University for originating the topic and sharing many of ideas pursed in this paper. Special thanks to Jiarui Wang and Changwoo Lee for their valuable assistance. I also appreciate the insightful input from Justin Downs, Michael Coury, Aisling Winston, Scott Barkowski, Mingliang Li and Zhiqiang Liu, as well as the feedback received during seminars at the University at Buffalo. All errors are my own.

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