

## Macro Roundup Article

**Headline:** [Innovation Booms, Easy Financing, and Human Capital Accumulation](#)

**Article Link:** <https://www.nber.org/papers/w32012>

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**Tweet:** French workers who joined the technology sector from 1994-2002 earned 6% lower wages 15 years out relative to similar workers starting in other sectors, presumably driven by faster skill obsolescence. @johanhombert @AdrienMatray

**Summary:** We study the late 1990s boom in the Information and Communications Technology (ICT) sector. We use annual French administrative matched employer-employee data for the period 1994–2015, which we link to the universe of firms' financial statements from tax filings. The data contain high-quality, longitudinal information on workers' wages and career paths and on firms' financial statements. We find that workers who enter in the ICT sector during the boom earn 5% higher entry wages on average but end up with 6% lower wages 15 years out relative to workers from the same cohort with the same characteristics starting in other sectors. Larger capital flows during the boom are indeed associated with larger labor flows in the cross-section of firms. Then, we show that larger capital flows for firms are associated with higher human capital depreciation for these firms' workers, indicating that capital flows can worsen long-term aggregate human capital during episodes of intense technological change since it both increases the number of workers exposed to a depreciation of their human capital and amplifies the depreciation each worker experiences.

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**Primary Topic:** Wages/Income

**Topics:** Academic paper, Database, Important!, Wages/Income, Weekly, Workforce

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