

Love Life to the Extreme without Regret

– *the log book from a kind “pirate.”*

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Introduction

"Arr, it seems like the 20th day of April 2023 for our whole sailing trip! Casey, let us get up, and it is time for you to prepare for your father's retirement ceremony today! Hurry up, and prepare a speech about your life experience." I opened my eyes to my mother's urging. Today is my father retirement ceremony, the pirate captain of our clan. As the eldest daughter, I need to address this feast. In the 20th century, we were a unique clan of pirates. Usually, when people think of "Pirates," they portray pirates as evil, smashing and killing with violence and bloodshed. My grandfather is a very benevolent man who appreciated the attitude of Pirates of the Caribbean but did not support their actions. Hence, since the early 20th century, although our clan has lived at sea, we have lived as land dwellers. We earn money by conducting business at sea and trading with people on the land instead of looting and making fire. As we want to learn the way of life of people on the ground, we also often dock and stop our boats from moving at the harbor.

Born in a pirate family, I received a somewhat different childhood education, which influenced my personality, and subconsciously influenced my life goals. We appreciate the spirit of the Pirates of the Caribbean, who are brave, passionate, and fearless. Their attitudes towards education were different from the orthodox philosophy. My parents taught me from a young age to invest my time and passion in what I was most interested in, including deciding and creating

my own education and career path. To them, education is lifelong learning. I grew up longing for life on shore, so I asked my parents to attend school and pursue my future career as a child living on land. I was the first person to experience such a life in our clan, so I would give a speech at today's ceremony to share the unique experience that I indeed live the ideal life.

My motto in life is "You only live once." This "YOLO" mentality has also led to my ultimate objective: I always like to try new things and die with no regrets. Such a goal also strongly influenced how I made my life choices, including what kind of education I chose, what kind of interests I developed, what type of career I will pursue, and how I will start my family. I imagine myself at 80, lounging in a beach chair, enjoying the sun's freshness, and proudly sharing my life experience with my grandchildren. I wish I could thank myself for most of my choices when I was young, not regretting what I did and did not do. In addition to always looking forward to the future while growing up, I also realized the importance of learning lessons from history. Excessive idealism is not suitable for real-life situations. Therefore, I chose the best suited me for each period of my life by learning from previous information and observing the minutiae of life.

In the rest of the speech, I would elaborate more based on the financial worldview and personal preference. I will make different choices in education, career, and family and how those elements contribute to my lifetime objective, eventually leading me to my "good life."

Personal Choices and Economic Analysis

Education

My mom bought me a board game called "Hasbro Gaming Game of Life" when I was 7. I was obsessed with the game because I took an experience from college to retirement with my

parents, making decisions that would influence my future career and income (McDuff, 2023).

This game simulates my life, and my decision-making and life skills are enhanced by it. The play portrayed the different career paths and the payment after pursuing a college degree, which captivated me. At that time, the idea of going to college came to me. Later, a U.S. Bureau of Labor Statistics report strengthened my thought. According to BLS, occupations without a college degree typically get paid an annual income of \$36,700, only 42% of the average yearly income for jobs requiring a college degree in 2017 (Elizabeth, 2018). The data infers a different level of demand in the market for people with or without a college education. Therefore, they are rewarded differently; four years of a college education can create a salary gap of over 50%. The report from BLS showed that in 2019, people with the Bachelor's degree, Master's degree, and Doctoral obtained median annual wages of \$75,440, \$76,180, and \$107,660, respectively, while median yearly wages paid for people with a non-college degree were less than \$39,940 (2022).

Furthermore, regarding the causal effect of education on earnings, David Card stated that the relationship between hourly wages and years of completed education was positive, estimated by the 1994-1996 Current Population Survey. In other words, individuals with more education tend to earn more money than those without education, even after controlling for other factors, including age, experience, and ability. He also stated that education might influence income, such as increased productivity, better job options, and signaling effects (Card, 1999). All evidence indicates the high demand for higher education and skills in the labor market.

Moreover, David Autor stated that there is rising earnings inequality among the bottom 99% of workers in the United States, primarily driven by changes in the demand for skills in the labor market, which have resulted in a growing wage premium for workers with higher levels of education (Autor, 2014). At that age, I was only concerned about my future in salaries. Suppose

we have the same supply of people with higher education. The growing demand shifts the whole demand curve to the right, increasing wages and more workers. Since earnings would increase with education and the rising demand for a society of higher levels of skills and education, I decided to attend college.

Some people also believe in the Signaling Theory that the current education in the United States fails to deliver the purpose of providing skills and values to students but only serves as a signal to employers that a worker is capable and motivated. Caplan argues in his book critical of the educational system because the current system discourages independent learning and creativity (Caplan, 2019). Whether education serves as a signal or provides human capital to society is debated. From my perspective, signaling does not mean ignorance of educational values. For the individual, the degree received after receiving an education objectively proves that the student has mastered problem-solving skills. For society, education serves as a signal which invariably shapes an atmosphere of universal esteem for education, which leads to the improvement of national literacy and quality. There is no doubt that credential inflation decreases the expected advantages given to a degree holder in the job market by the signaling effect. The value brought by a higher education level indeed increases, but at a slower pace as the years of education increase. Caplan ignores the adding up value obtained by education through human capital.

After entering college, I was torn about what major to choose. I wanted to study both what I was interested in and something practical. My mom taught me to pursue what I love from a young age. In my view of life, I only live once. If I do not study what I am interested in, I will regret it.

Conversely, at the same time, I also want to learn something that can help me integrate into society; I cannot live as a descendant of pirates at sea for the rest of my life! Therefore, I contacted my advisor, Ms. Lee, for help. Ms. Lee showed me the research conducted by Georgetown University (2015). It offers a significant variation in earnings and employment rates across different majors, with the highest annual income obtained by students with an Engineering major (\$83000) and the lowest received by students majoring in Education (\$45000). Averagely, individuals who opt for majors in engineering, computer science, and business tend to have higher salaries and lower unemployment rates average than those who choose majors in Education, social science, and the arts (2015).

There is no such saying as which major is better, only which is more suitable. Nuclear engineering students are not necessarily better than education students because students in different majors face different labor markets. In the atomic engineering labor market, both the demand and supply curves are steep, indicating little flexibility in the production process in that market. The income change in the nuclear engineering labor market has little effect on labor quantity, giving atomic scientists high salary returns. Nuclear engineering students are less flexible than education majors, allowing a higher entry barrier into that market. This factor ensures that students in the program can compete for higher wages. Therefore, I chose Neuroscience as my minor to pursue my interests and Statistics and Economics as my majors to assist me in entering industries with higher barriers and higher needs for practical skills.

Career

As a graduating student, I will inevitably choose to pursue graduate studies or work. Many of my peers have decided to go to graduate school because it gives them more time to think about their future work direction. Moreover, because I am a pirate clan identity, I cannot

work legally on land for the time being. However, through my efforts, I got the "magic visa" I studied the profession can allow me to work on the ground for three years. Regarding personal preference, I want to save valuable time, so I would like to know if working directly after my undergraduate degree would be better. In terms of family situation, after my grandfather let us leave the lifestyle of a pirate family, we could not "plunder" the wealth but had to work on the sea to survive by ourselves. Therefore, the family's financial burden of studying is also a factor that I need to consider in real life. After careful consideration, I discovered that the opportunity cost of attending a master's school is weight higher than the benefits. Therefore, I decided to go to work right after I graduated from college.

I want to join a market that maximizes my utilities, including salaries, the balance of leisure and work time, and the use of the practical skills I learned in college. According to George Borjas, labor markets requiring differentiated skills have a higher income and lower labor quantity than those with undifferentiated skills. Moreover, the needs with higher barriers to enter obtained higher wages than those in the lower barriers markets (Borjas, 2019). Linking back to my majors, I am studying statistics in college, corresponding to greater demand, more challenging, and more differentiated labor markets (McDuff, 2023). However, reality always makes me think, do I want to do data-related work? Will I be happy if I do not do what interests me? My goal is to choose a job that combines my interests and competitiveness. Luckily, I got inspired by the concept of "Ikigai." Sam Dogen argues that people should not be afraid of retirement as long as they have a strong sense of Ikigai with four components, including what you love, what you are good at, what the world needs, and what you can be paid for, which helps them alleviate fear (Dogen, 2018) eventually. Hence, considering my ability, interests, and market demand, I aim to enter a career.

If I have to rank the importance of these three to me, I will prioritize market demand, my ability, and my interests. Since we grew up living at sea, we will have plenty of food and water every time we go to sea, and we will always be prepared to deal with unexpected accidents at sea. Hence, from a young age, I have developed a sense of “deep learning”; I need to understand each step I take and be proficient in applying what I have learned to deal with possible dangers. Such a mindset makes me strongly resonate with Cal Newport's Deep Work Theory. Newport proposed that deep work is in high demand and low supply, cultivating people's ability to focus on complex problems (Newport & Billon, 2017). The supply and demand analysis for the deep work model would end up with increasing personal abilities and eventually with higher wages.

Regarding the passion hypothesis, passion could lead people astray because they focus more on their desire than the marketplace demands (Newport, 2012). I agree with Newport, so I put market demands at the top of my list. With the advent of the significant data era, data analysis type of work is the center of the future market. Growing up socially has taught me how to communicate with people and be very good at observing other people's emotions. Combining my ability and interest, I would like to work in consulting related job.

However, life is uncertain, just like when I live on a boat; I do not know when the next storm is coming. The fearless spirit of brave adventure also made me realize that we must have the courage to face uncertainty. Adam Smith believes that economists make decisions based on their expectations of the future, whose information was shared with them (Smith, 2011). The expected benefits for "go for it" when people are confronted with uncertainty would be $E[\text{Go for it}] = P[\text{Success}] * U(\text{Success}) + P[\text{Fail}] * U(\text{Fail})$, while for the expected benefits for "stay safe" would be $E[\text{Stay safe}] = P[\text{Fulfillment}] * U(\text{Fulfillment}) + P[\text{Regret}] * U(\text{Regret})$ (McDuff, 2023). In mathematics, rational economists would choose the option with higher expected values. My

probability for regret would be high enough, and if the utility for it is a negative value, then my expected value of "stay safe" would be much lower than that of "go for it" due to my YOLO mindset. Therefore, I am confident in taking risks and adventures. Just like when I was choosing my major, I was unsure I could do well in statistics and worried about my grades being bad. However, I would never know what I could eventually accomplish in the field if I were only on the fence. In the face of such uncertainty, I decided to try it. This brave attempt proved to be effective, and I am now enjoying my classes, and I am enjoying being together with data.

It is not a good idea to rush blindly into uncertainty, either. We need some strategies that can maximize our utility. The New York Times magazine gives us valuable strategies, including diversification decisions (Urban, 2022).

Family

Influenced by the love and harmony expressed by my parents, I also aspire to get married. According to BLS (2013), 72% of people with a bachelor's or higher degree were percent staying married, which is approximately 20% higher than people with a high school degree. According to US Census Bureau, the average age of the first marriage has kept increasing since 1960 (Bureau, 2022). Such a social trend of marriage also supports my desire for marriage to be universal. A good marriage is a mutual commitment allowing for trust, investment, and cooperation (McDuff, 2023). It is also the economics of responsibility. One of the typical applications of game theory applied to marriage is the model for decision-making of staying married or divorced, in which the spouses have the option of remaining married or initiating a divorce. If both spouses choose to stay married, the marital surplus, in this case, is the highest among the other three. However, if only one of them decides to stay married, the person who initiates a divorce would have a higher personal utility than the person who wants to keep in

marry, turning out to have an unbalance of emotional satisfaction, financial stability, and the well-being of children between two spouses. From my perspective, I would like to choose a partner with high loyalty to maintain the stabilization between us so that we will not have to end up with the game theory situation to make a decision that contains potential risks and hurt.

Marriage is also a market specialization, indicating that my future husband and I will serve different expertise in marriage. Gary Becker stated in 1981 that one family is a little treatise, with the division of labor in the family (Stevenson & Wolfers, 2007). After getting married, I will focus more on chores and taking care of children, while my husband will focus more on earning money for the whole family. This will be a more efficient way to serve a family since he and I will work on the sphere of our comparative advantages, and the opportunity costs for such an efficient way are the lowest. Since we are in the 21st century, the specialization model may extend beyond the household-based and emphasize more motivations and insurance (Stevenson & Wolfers, 2007).

How many children I would prefer to raise depends on the total budget. After the 1970s, most families had the desired family size of 2 children (Doepke & Zilibotti, 2019). After having children, parents' utility would switch from Egoism to the combination of Altruism and Paternalism, considering maximizing children's utility with their choices too (Doepke & Zilibotti, 2019). However, parents and children will not have the same preference. Even though we fixed the budget line, the indifference curves for parents and children are different, so the tangent points from both indifferent curves and the same budget lines would be other. For example, with the same budget, parents would prefer more textbooks and fewer party supplies, but children would choose party supplies over books. "Paternalism" would influence parenting style and the emotional bonds between children and parents. Therefore, to preserve my mental

happiness, I would prefer to have at most two children educated with authoritative parenting styles.

My “Good Life”

The "good life" concept has changed throughout my whole life. As a child, I thought a life with candy and toys was good. Growing up, I yearned for a life other than the sea and thought living like an average person on land was good. When my family educated me to form a more mature outlook on life and values, and I became the first person in my clan to experience life on land, my concept of a "good life" changed again. A life without regrets is the real "good life" to me. Reality will not be as good as a fairy tale, just as there will not be a prince who shows up in my life out of a sudden and take me to live a prosperous life.

Nevertheless, the influence of my family's education has helped me to develop a fearless personality. I am more afraid of the regret of not trying than the fear of uncertainty about the future. Therefore, my goal in life is not to die with regrets. However, this life goal needs to be narrower, so I want to divide this big goal into small goals in each stage of my life and achieve this ultimate goal step by step. If I can accomplish each stage of my life with as few regrets as possible, then at the final point of my life, I will be proud of myself, right? Therefore, a life that leaves me with no regrets is my "good life."

In terms of education, the way not to have any regrets is that I took full advantage of society's resources and benefits. Linear regression models help me analyze the solid causal relationship between whether or not I earn a college degree and my salary. The supply and demand model helped me understand the size of the labor market elasticity and how efficient each major corresponds to, which helped me choose my major better.

Regarding choosing between working and attending graduate school, I may regret not having the opportunity to experience graduate school. However, it is an even bigger regret that I did not take advantage of my "magic visa." The utility cost analysis allowed me to decide to maximize my utility between graduate school and work: work. When choosing what industry to enter, the market demand analysis allowed me to understand the current surplus of demand in the society and to find opportunities to maximize my income with limited resources. Therefore, the way to maximize my revenue and achieve a work-rest balance is to have no regrets in this area of employment.

In the family context, game theory tells me that when there are two or more decision-makers, we need to consider the potential exhaustion dilemma, i.e., how to make decisions that maximize the utility of two people. In addition, through marginal cost-benefit analysis of historical experience, I learned that from 2 to 3 children, marginal costs would start to increase, which means that my marginal benefits begin to decrease—so maximizing gifts for my family and me, i.e., raising two children. I am thankful that economics has taught me how to make more appropriate decisions.

At each stage of life, I make choices that minimize my regrets so that with the added benefit, I can achieve the life goal of walking away with no regrets when I die. I am grateful that I was born into a family of pirates, thanks to my grandfather, mother, and father for giving me the freedom to choose and develop my courageous personality to try. For me, a good life is to live without regrets at every stage of life, is to make yourself happy to live. I am also grateful that I once chose to study economics, which allows me to make more suitable decisions at every stage of my life. Maybe living hard and without regrets is my "good life."

“Girl, why are you still on your bed? We are going to be late! Hurry up!” I heard my mother's voice urging me and realized I was still sitting in bed. For five short minutes, I reviewed my life and what the future held for me in my head. I was living happily, living hard, and living without regrets. The next goal was to tell everyone at my dad's retirement ceremony a good story about what I had been through for 21 years.

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