

# SHIHANG HOU

## CONTACT

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## REFERENCES

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Prof. Margaret Stevens  
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Prof. Barbara Petrongolo  
University of Oxford  
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University of Oxford  
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## EDUCATION

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University of Oxford  
DPhil in Economics 2018 - 2023 (expected)  
*"Essays on the Relation between Labour Market Outcomes and Higher Education"*  
Supervised by Professor Margaret Stevens, and Professor Abigail Adams-Prassl

MPhil in Economics 2016 - 2018  
*"The Role of Expected Wages in Choosing a Subject of Study in Higher Education"*,  
supervised by Professor Margaret Stevens

BA in Philosophy, Politics and Economics 2013 - 2016  
St Hilda's College, specialising in Philosophy and Economics

## TEACHING AND RESEARCH FIELDS

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Labour economics; Economics of education

## JOB MARKET PAPER

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The Role of Uncertainty in Education Mismatch  
(Job Market Paper)

In many developed economies, there is both a high share of students selecting into higher education (HE) and a large share of graduates who end up working in non-graduate occupations. Does this mean that the level of education is inefficiently high? In this paper, I propose an explanation of overeducation based on the observation that the causal effect of HE on human capital is both heterogeneous and imperfectly observed by the student. I propose a model in which workers first decide whether to invest in higher education on the basis of limited information, and then match to jobs in a labour market. In this setting, workers could be over-educated if they do not benefit from HE after attending, and under-educated if they could have benefited but did not attend HE. Structurally estimating my model on UK data, I calculate that 18.2% of the population are over-educated and 14.7% are under-educated. In general, the equilibrium in the

model is inefficient, because of a hold-up externality which causes under-investment and a congestion externality which causes over-investment. These externalities offset each other, and in general, it is ambiguous whether the level of education is inefficiently high or low.

## WORKING PAPERS

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The Butcher, the Brewer, or the Baker: The Role of Occupations in Explaining Wage Inequality  
(with Luke Heath Milsom)

Google does not pay its canteen chefs the same premium as it does its software engineers; there is heterogeneity in pay premia within a firm. To study the implications of this observation, we estimate a two-way, worker-job, fixed effect model that builds upon the canonical model by Abowd et al. (1999) by allowing for within-firm heterogeneity. Estimating our model on UK administrative data, we find that even if workers, and firms, were identical, 25% of current log-wage variance would remain, due solely to heterogeneity between occupations. We further document that worker heterogeneity accounts for a relatively small proportion of log-wage variance, and that between-firm pay heterogeneity is more important in higher-wage occupations and larger labour markets.

Determinants of University Subject Choice in the UK

Students applying to British universities have to choose to specialise in a particular subject at the point of application. What factors play into their choice of subject of study? I analyse students' subject choices in university using a cohort panel dataset (LSYPE), and in particular, whether those choices respond to their expected wages conditional on studying the subject. I find that earnings, defined as earnings at age 25 or as lifetime earnings, are positively associated with choice probability, although the quantitative impact of expected earnings on subject choice is small. I also find that there are substantial differences in choice probability between students of different sexes, ethnicities and to a lesser extent, socio-economic classes.

## WORKS-IN-PROGRESS

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Labours of Love: Search for Occupational Meaning and Worker Welfare  
(with Luke Heath Milsom and Hannah Zillesen)

How Informative are Grades about Labour Market Outcomes?

## RESEARCH EXPERIENCE

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With Prof Margaret Stevens and Prof Patricia Rice Jun 2018 - Jan 2020  
Assisted on a project studying differences in achievement by students of different ethnicities at the University of Oxford.

With Prof Imogen Goold Dec 2018 – Mar 2020  
Assisted in reviewing admissions procedures at the Law Faculty for undergraduates by analysing admissions data and making recommendations for changes in the admission system.

## TEACHING EXPERIENCE

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- TA in Macroeconomics for the MSc in Economics for Development (2018-19), under Prof Christopher Adam.

- Non-stipendiary Lecturer, FHS Microeconomics and Quantitative Economics, Christ Church (2019-20), under Prof Petr Sedlacek
- Stipendiary Lecturer, FHS Microeconomics and Quantitative Economics, New College (2020-21), under Dr Richard Mash
- TA in Quantitative Economics for the MSc in Economics for Development (2021-22), under Prof Chris Woodruff.

## CONFERENCES AND EXTERNAL PRESENTATIONS

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2022: Royal Economic Society Annual Conference; Warwick 10th PhD Conference; University of Surrey Micro PhD Workshop; Young Economist Symposium; Asian & Australasian Society of Labour Economics Conference 2022\*

2021: Warwick 9th PhD Conference (presented by co-author)

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## OTHER PROFESSIONAL ACTIVITIES

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- Interviewer in E&M undergraduate admissions (Exeter College, 2018; Christ Church, 2019)
- Organiser of Applied Microeconomics group DPhil reading group (2018-20)
- Co-organiser of DPhil Structural Estimation reading group (2021-22)

## SKILLS AND LANGUAGES

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Languages: Mandarin Chinese (native), English (fluent)

Software: Stata, R, Matlab, Julia, OxMetrics, LaTeX, SQL, Microsoft Office suite