Scrambling for Economists: The Ph.D. Job Search

BY JESSIE ROMERO

"Bring granola bars or other portable snacks with you in your briefcase and eat between interviews. One professor advises that you carry a bottle of water in your bag, in particular because sometimes you will have to take many flights of stairs because of long lines for the elevators. You must make sure to eat and stay hydrated in order to remain responsive, cheerful, and relaxed."

So John Cawley of Cornell University recommends in his guide to the job market, a handbook for young economists who are about to embark on the job interview process that takes place every January at the annual meeting of the Allied Social Sciences Association (ASSA). In the interest of efficiency, the vast majority of first interviews for about 1,200 soon-to-be economics Ph.D.s each year are conducted at the meeting. Employers reserve suites at multiple hotels in the host city, requiring candidates to race from location to location. The process can be stressful, but it isn't all bad, says Marie Hull, who earned her Ph.D. from Duke University in 2015. "You're selling to them, but they're selling to you too, so you get some positive reinforcement," she says. "And it's fun to talk about your research." (She accepted an appointment as an assistant professor at the University of North Carolina at Greensboro.)

The job market kicks off in the fall, when both academic and non-academic employers begin posting jobs in earnest. The largest source of job postings is Job Openings for Economists, which the American Economic Association (AEA) started publishing in 1974; since 2002, it has been online-only. Roughly 2,000 new academic jobs and 850 non-academic jobs are posted each year, the majority between September and December, although not all of these are for junior positions.

Job hopefuls apply for about 80 jobs on average, although some — including Hull — apply for more than 100. Employers generally start making calls in early December to schedule interviews. After the ASSA meeting, employers invite their top candidates on a "flyout" to the institution, where the prospects give a seminar on their research and meet with their potential colleagues. Most institutions make their offers in February and March, although a few select candidates might receive offers as early as December.

From a market design perspective, the job market for young economists is very "thick," meaning there are many applicants and many employers. But it's also very congested. Because the marginal cost of sending one more application is low, departments end up receiving hundreds of applications. This is a particular problem for smaller or less prestigious programs because they can't be sure if applicants are actually interested or if they're applying as a fallback.

"Take Vanderbilt as an example," says John Siegfried, an economics professor at the university from 1972 until 2010. "Our general practice was to take our top three candidates and cross them off the list, because we assumed they'd also be getting offers from higher-ranked schools. But what if one of those candidates also played country music as a hobby, and here we are in Nashville? We would skip them when actually they had a unique interest in us."

To help solve this problem, in 2006 the AEA introduced an online signaling mechanism that allows job applicants to send up to two signals of interest to institutions where they've applied. Sending signals requires considerable strategizing; the AEA advises applicants not to send signals to an employer that would already be fairly confident of their interest (such as a top-ranked academic department) or to an employer that would be likely to interview them anyway. The majority of applicants do send signals, which appears to increase the likelihood of getting an interview by about 7 percent.

The signaling mechanism was the brainchild of the AEA's Ad Hoc Committee on the Job Market, which was chaired by Alvin Roth of Stanford University and included Cawley, Siegfried, and several other economists. The committee also decided to address the issue of the secondary job market: After the primary job market cleared, there were still a number of employers with unfilled positions and candidates without jobs, but they lacked an efficient way to find each other. The committee designed a job market "scramble," modeled after the medical residency matching system. (Roth received the economics Nobel Prize in 2012 in part for his work to refine residency matching.)

The scramble started in 2006. During a week in mid-March, unmatched candidates and employers can register for the scramble; candidates who have accepted an offer aren't allowed to participate. In 2014, the most recent year for which the AEA has published data, 452 candidates and 61 jobs were registered. Once the scramble goes live in late March, employers can see the unmatched candidates and candidates can see the unfilled positions. To reduce stigma, only registered candidates have access to the site, and they can't see which other candidates are registered. "If someone knew that their peers could log in and see that they hadn't found a job yet, they'd be less likely to participate," says Siegfried.

While new Ph.D.s might want a job in the highest-ranked department possible, Cawley advises seeking a job "in which your work is understood and appreciated." That was the deciding factor for Hull. "At the end of the day, I had to think about where I thought I would fit in and where I could see myself being successful." **EF**