

Opportunities for New PhD Economists, 2021

Discussion

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In August and September of 2021, we conducted a survey on the state of the 2020–21 job market for PhD economists—with the generous help of many individuals and organizations—and reported our results in [a companion document](#).

Based on our reading of the survey results, the authors of the present note believe the following recommendations may be helpful starting points for discussion as the profession grapples with the implications of the recent events for the market.

Improve liquidity. Our data suggests that schools will be able to make a number of offers much closer to their number of open positions than in prior years. If this is the case, they will want to make sure that their offers are accepted. This will reduce liquidity.

We see three practical implications:

1. The timing of offers and official response deadlines may take on added significance.
2. Both employers and students can provide positive externalities to the rest of the market by helping it clear quickly once it has begun. Parties that have the information they need to make decisions can help others by negotiating and deciding quickly. The increased reliance on and comfort with video-conferencing will, we hope, reduce frictions in this process. Speed would also be greatly helped by minimizing post-offer visits,

even if travel becomes less difficult, as such visits can considerably delay the progress of the market.

3. Finally, *signaling interest* may be particularly valuable this year. This can be done through the AEA's official mechanism, or via other channels. Advisors may have a role to play.

Maintain the informational functions of the job market. As we see it, there will still be an active job market this year. In addition, the move to online presentations—which can also be recorded and shared afterward—means that search costs have diminished. Thus, the market can still help job candidates present and get feedback on their work. It can also help candidates and employers assess potential matches, even if those matches cannot take place this year.

Concretely, we suggest the following:

1. Students should be encouraged to go on the market rather than sitting out, planning to reapply next year if they wish. We don't believe there will be any stigma in applying twice in a row given the circumstances.

In addition, if too many students sit out, they may miss out on jobs this year and encounter a very congested market in the future.

2. Students may consider posting videos of their job talks to reduce search costs.
3. Employers should actively communicate to students whether they would potentially like to make them an offer in the future. This will let those students know that they may want to continue to consider options in academia, even if they take non-academic jobs this year. Beyond communicating to specific candidates, schools may want to publicize more broadly that they plan to be active on the lateral market when they are able, to encourage candidates to reapply.

Apply broadly. Our results imply that there is heterogeneity in the way different employers are affected. We encourage students to apply broadly, especially to non-academic employers.

Because many potential employers do not typically advertise via the ASSA, we suggest applying through several different routes. University placement offices may be very helpful in this respect. Online job search options should not be disregarded.

Longshot: facilitate postdocs. A number of departments seem to have difficulty creating postdocs due to university-wide constraints on hiring, even if individual researchers theoretically have the funds to support them.

We think there is an opportunity for third-party professional organizations or think-tanks to help by hosting postdocs jointly with university researchers.