

Accepted Manuscript

Learning by Doing and Ben-Porath: Life-cycle Predictions and Policy Implications

Adam Blandin

PII: S0165-1889(18)30093-9
DOI: [10.1016/j.jedc.2018.03.002](https://doi.org/10.1016/j.jedc.2018.03.002)
Reference: DYNCON 3570

To appear in: *Journal of Economic Dynamics & Control*

Received date: 18 October 2017
Revised date: 4 March 2018
Accepted date: 5 March 2018

Please cite this article as: Adam Blandin, Learning by Doing and Ben-Porath: Life-cycle Predictions and Policy Implications, *Journal of Economic Dynamics & Control* (2018), doi: [10.1016/j.jedc.2018.03.002](https://doi.org/10.1016/j.jedc.2018.03.002)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.



Learning by Doing and Ben-Porath: Life-cycle Predictions and Policy Implications*

Adam Blandin[†]
Virginia Commonwealth University

March 10, 2018

Abstract

Many government policies affect incentives to acquire human capital. Two workhorse models dominate the literature analyzing these policies: Learning by Doing (LBD) and Ben-Porath (BP). This paper makes two novel findings related to these models. First, LBD and BP generate different predictions for life-cycle earnings growth. BP predicts that the heterogeneity in earnings growth rates across workers should disappear over the life-cycle because the workers stop investing as they age. The LBD model cannot replicate this feature because workers accumulate human capital automatically throughout the life-cycle. Second, the same model features that generate different life-cycle predictions between BP and LBD also generate different implications for policies that affect the payoff to human capital accumulation. To illustrate this quantitatively, I show that increasing marginal labor tax rates for top earners depresses human capital accumulation more under BP. As a result, the Laffer curve for top marginal income tax rates is flatter, and peaks 10 percentage points lower, with BP versus LBD.

JEL Classification: E2, D91, H2, J24

Keywords: Life-cycle earnings, Human capital, Progressive taxes

*I am grateful to the editor and an anonymous referee for their constructive comments and suggestions. Thanks to Alex Bick, Todd Schoellman, Gustavo Ventura, and Matthew Wiswall for crucial discussions and guidance on this project. This project has also benefited from comments and insights by participants at Arizona State, the St. Louis Fed, the SED Annual Meeting in Warsaw, and multiple Midwest Macro meetings, especially those from Alejandro Badel, Domenico Ferraro, Ed Prescott, and Richard Rogerson. I am grateful to Kristen Granger for all her support and advice.

[†]Contact Info: Department of Economics, Virginia Commonwealth University, P.O. Box 844000, Richmond VA 23284-4000. *Email:* ajblandin@vcu.edu

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات