

# Thinking about the impact of the NLS program

A look back on 50 years of research

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# Possible Impacts of the NLS Program

- Provide information, measurement, and understanding to help workers and the economy thrive, through studies of:
  - Employment-related policy change
  - Awareness of workplace phenomena that impact private sector activities
  - Awareness of family and other life domains that affect and are affected by labor force participation
  - Long-term change in our understanding of predictors/consequences of employment

# Understanding research study impact

- Progress on scientific problems comes through repeated study, with multiple data sets
- We can ask: “In what areas has the NLS made important contributions?”

# One labor economist's list of top ten findings from the NLS

Cognitive and non-cognitive skills in schooling and work

*Search for Employment*

Employers learning about workers' abilities

*Costs of teen childbearing* Family and early events influencing education and labor market outcomes

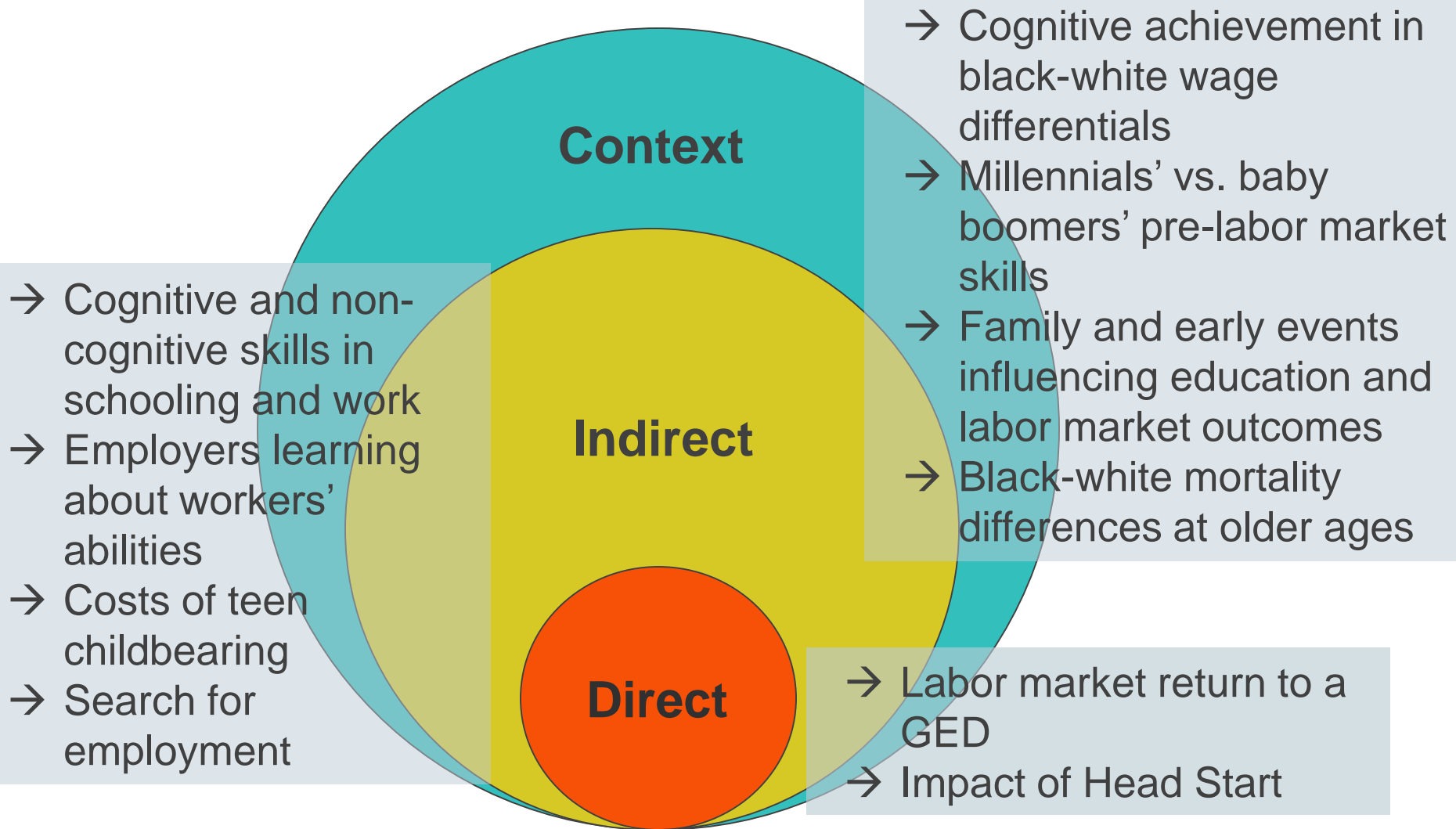
Impact of Head Start Millennials' vs.

Labor market return to a GED baby boomers' pre-labor market skills

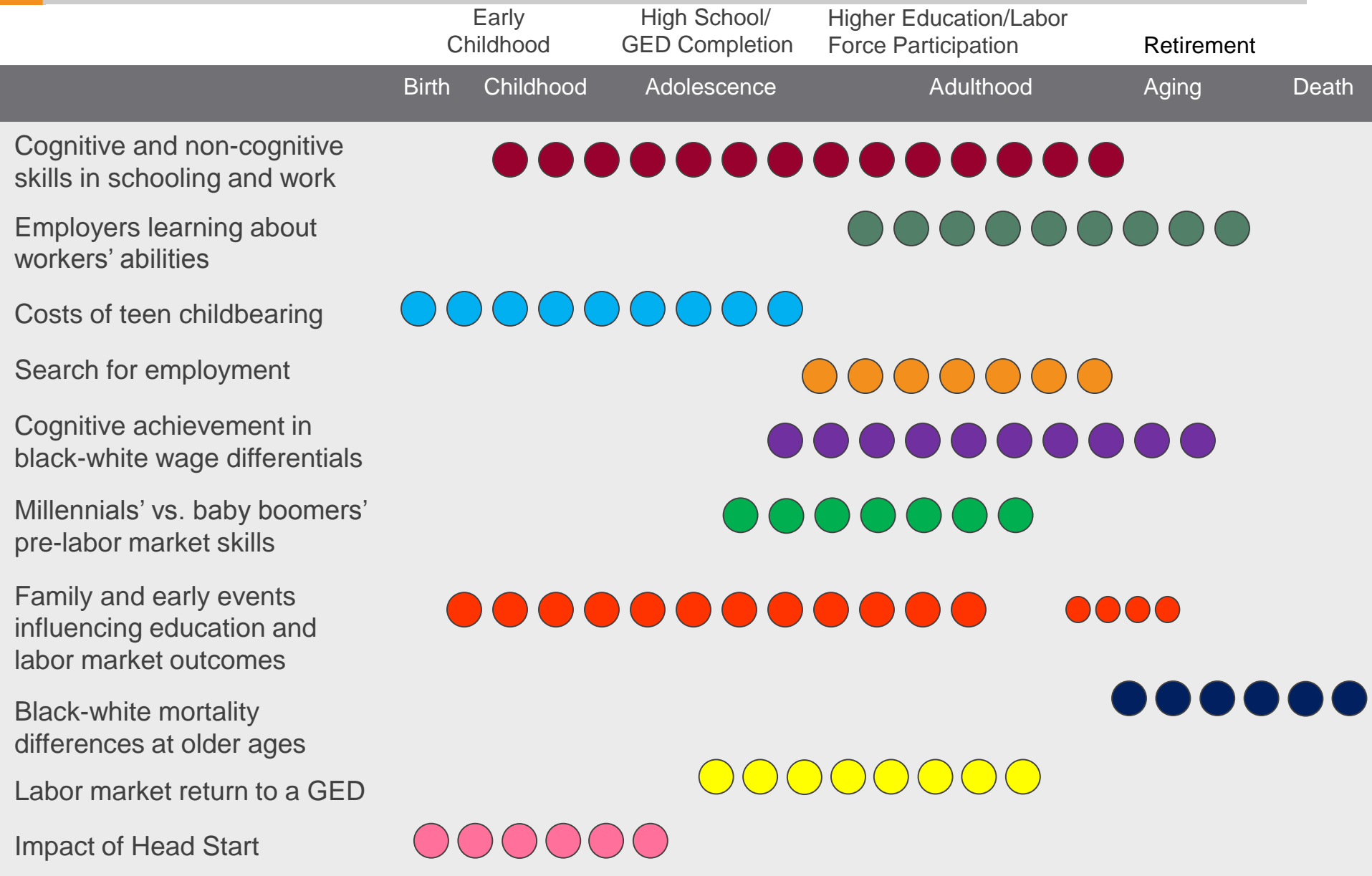
Black-white mortality differences at older ages

Cognitive achievement in black-white wage differentials

# Lens 1: Policy Interest



# Lens 2: Life Stages



## Example 1: Academic interest → Policy relevance

What is the role of cognitive achievement in explaining wage differences between African-American and non-Hispanic White male workers?

Neal and Johnson, 1996

## Percentage wage differences by race/ethnicity with and without controls for cognitive achievement

	(1)	(2)
AFQT controls (cognitive achievement)	No	Yes
Black-white difference	-21.7%	-6.9%
Hispanic –white difference	-10.7%	0.5%



## Example 2: Policy interest → Academic exploration

What is the labor market return to a GED, and is it the same as the return to a high school degree?

Cameron and Heckman, 1993

Heckman and LaFontaine, 2006

Heckman, Humphries, Kautz, Kiknadeze, 2014

# The Economic and Social Benefits of GED Certification

“After accounting for differences in their preexisting ability, GED recipients are virtually identical to other [high school] dropouts on almost all of the outcomes we study.”

## Attributes of GED Recipients

“If, as a group, GED recipients are as smart as high school graduates who do not attend college, why do they drop out of high school? GED recipients lack the character skills required to complete high school.”

# Examples in Other Life Domains

## Health

- Labor market effects of obesity

## Poverty

- Intergenerational transmission of wealth
- The effect of the Earned Income Tax Credit on children's outcomes

## Crime

- Lifetime arrest rates

## Family

- Difference in college-going over two generations
- Early investigations of maternal employment and child care use on children's outcomes

## Looking ahead

- How do the 'initial conditions' in the NLSY79 data enrich what we have learned about aging from many other studies?
- What's happening to our middle-skills workers?
- What will we learn about how early life experiences influencing the career and retirement of the NLSY97 cohort?

## Possible opportunities

**Environmental Data**  
+ NLS residence  
histories and medical  
records

- How does cumulative lifetime exposure to pollutants affect health?

**Cognition over the  
life course**

- How does cognition change throughout adulthood?

**Credit Scores + NLS**  
homeownership,  
labor market and  
earnings data

- Can labor force history improve the accuracy of credit scores?

# NLS Top 10 list in 2040?

- **Limits of imagination...**

Thank You!



## Citations for referenced work

1. How do cognitive and non-cognitive skills factor into learning, schooling, and labor market participation? (Cunha, Heckman, Schennach, 2010, Cunha & Heckman, 2008)
2. What is the labor market return to a GED? Is it the same as the return to a high school diploma? (Cameron & Heckman, 1993, Heckman & LaFontaine, 2006, Heckman, Humphries, Kautz, Kiknadeze, 2014)
3. What are the costs of teen childbearing for mothers and their children? (Hotz, McElroy, Sanders, 2005)
4. How do millennials differ from baby boomers in terms of their skills and training prior to entering the labor market? (Altonji, Prashant, Lange, 2012)
5. How and how fast do employers learn about workers' abilities? (Altonji & Pierret, 2001, Lange, 2007)

## Citations for referenced work (continued)

6. How much can pre-labor market skills explain black-white wage differences? (O'Neill, 1990, Neal & Johnson, 1996, Lang & Manove, 2011)
7. What is the impact of Head Start? (Currie & Thomas, 1995, Currie & Thomas, 1999, Currie, Garces, Thomas, 2002)
8. How do family background and events early in life influence children's future education, and labor market outcomes? (Currie, 2011)
9. How do workers search for employment? (Wolpin, 1987, Holzer, 1987, Holzer, 1988, Keane & Wolpin, 1997)
10. How do black-white mortality differences vary at older ages? (Black, Hsu, Sanders, Schofield, Taylor, forthcoming)