

Swiss Leading House

Economics of Education, Firm Behaviour and Training Policies



Co-Director
Prof. Dr. Uschi Backes-Gellner



Co-Director
Prof. Dr. Stefan C. Wolter

Spring Term 2025

<p style="text-align: center;">Leading House PH.D. Course Personality, Economic Preferences, Skills and Education - Syllabus -</p>

Lecturer: Prof. Dr. Thomas Dohmen; University of Bonn

Workshop dates: March 31 – April 4, 2025

Location: University of Zurich, Room tba

Preliminary Schedule: The lectures take place in the form of an intensive 5-day course.

Monday, March 31:	14:00-17:00
Tuesday, April 1:	08:30-17:00
Wednesday, April 2:	08:30-17:00
Thursday, April 3:	08:30-17:00
Friday, April 4:	08:30-12:00

Module Number; ECTS: tba; 3 ECTS

Course webpage: <https://www.educationeconomics.uzh.ch/en/international-course-program/courses.html>

Course overview

Individuals differ in many ways. They have different capabilities, skills, resources, and tastes. These sources of heterogeneity lead to vastly different behavior in all domains of life. Preferences (such as risk and time preferences), personality traits (e.g., conscientiousness), motivation, and beliefs (e.g. locus of control) can be viewed as facets of human capital. All of these facets have been shown to be associated with life outcomes. These preferences, skills, traits and beliefs interact and affect investment in schooling and education. While traditional models of skill formation have emphasized the role of cognitive skills – often measured by IQ scores – for investment in human capital, a more nuanced view has emerged during the past decade that stresses the role of preferences and personality. This course analyzes the complex relationships between cognitive skills, preferences and personality. It discusses their origin and development over the life course and their role in shaping education outcomes. Students will acquire the tools that

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The Swiss Leading House on “Economics of Education, Firm Behaviour and Training Policies”
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enable them to conduct their own research on the impact of character traits, preferences and other facets of personality on education outcomes.

Key literature

- Almlund, Mathilde, Angela Lee Duckworth, James Heckman, Tim Kautz (2011). "Personality Psychology and Economics" in Hanushek, E.A., S. Machin, L. Woessmann, eds. (2011). Handbook of the Economics of Education, Vol. 4. Amsterdam: North-Holland
- Becker, Anke, Thomas Deckers, Thomas Dohmen, Fabian Kosse, Armin Falk (2012). "The Relationship Between Economic Preferences and Psychological Personality Measures". Annual Review of Economics 4(1): 453-478. <https://doi.org/10.1146/annurev-economics-080511-110922>
- Dohmen, Thomas, Armin Falk, David Huffman, Uwe Sunde (2018). "On the Relationship Between Cognitive Ability and Risk Preference." Journal of Economic Perspectives, 32(2): 115-134. <https://doi.org/10.1257/jep.32.2.115>
- Dohmen, Thomas, Armin Falk, David Huffman, and Uwe Sunde (2012). "The Intergenerational Transmission of Risk and Trust Attitudes." Review of Economic Studies, 79(2): 645–677. <https://doi.org/10.1093/restud/rdr027>
- Dohmen, Thomas and Armin Falk (2010). "You get what you pay for: Incentives and selection in the education system." The Economic Journal 120(546): F256-F271. <https://doi.org/10.1111/j.1468-0297.2010.02376.x>
- Dohmen, Thomas and Tomáš Jagelka (2024). Accounting for Individual-Specific Reliability of Self-Assessed Measures of Economic Preferences and Personality Traits. Journal of Political Economy Microeconomics 2(3):399–46. <https://doi.org/10.1086/727559>
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- Falk, Armin, Anke Becker, Thomas Dohmen, David Huffman, Uwe Sunde (2023). The Preference Survey Module: A Validated Instrument for Measuring Risk, Time, and Social Preferences. Management Science 69(4): 1935–1950. <https://doi.org/10.1287/mnsc.2022.4455>
- Hanushek, Eric A., Lavina Kinne, Philipp Legetporer, Ludger Woessmann (2022). Patience, Risk-Taking, and Human Capital Investment across Countries. Economic Journal 132 (646): 2290-2307. <https://doi.org/10.1093/ej/ueab105>
- Heckman, J.J., T. Kautz (2013). "Fostering and Measuring Skills: Interventions That Improve Character and Cognition", IZA Discussion Paper 7750 (published in: J. Heckman, J.E. Humphries, and T. Kautz (eds.), The Myth of Achievement Tests: The GED and the Role of Character in American Life, Chicago: University of Chicago Press, 2014).
- Heckman, J.J., R. Pinto, P. Savelyev (2013). "Understanding the Mechanisms Through Which an Influential Early Childhood Program Boosted Adult Outcomes." American Economic Review 103 (6): 2052-86. <https://doi.org/10.1257/aer.103.6.2052>

Further Reading

- Borghans, L., A. Lee Duckworth, J.J. Heckman, and B. ter Weel (2008). "The Economics and Psychology of Personality Traits." Journal of Human Resources 43(4): 972-1059
- Borghans, L., H. Meijers, B. ter Weel (2008). "The Role of Noncognitive Skills in Explaining Cognitive Test Scores." Economic Inquiry. 46(1): 2-12.
- Borghans, L., B. H.H. Golsteyn, J.J. Heckman, and J. E. Humphries (2011). "Identification Problems in Personality Psychology." Personality and Individual Differences 51 (3): 315-320.
- Cunha, F., J.J. Heckman, S. Schennach (2010). "Estimating the Technology of Cognitive and Noncognitive Skill Formation." Econometrica, 78(3): 883-931.
- Cunha, F., J.J. Heckman (2010). "The Technology of Skill Formation." American Economic Review 97 (2): 31-4.

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- Dohmen, T., A. Falk, D. Huffman, and U. Sunde (2010). “Are Risk Aversion and Impatience Related to Cognitive Ability?” *American Economic Review* 100(3): 1238-1260.
<http://www.aeaweb.org/articles.php?doi=10.1257/aer.100.3.1238>
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- Doyle, O., C. P. Harmon, J. J. Heckman, C. Logue, S. H. Moon (2013). “Measuring Investment in Human Capital Formation: An Experimental Analysis of Early Life Outcomes.” IZA DP7550.
- Duckworth, A. L., M. E. P. Seligman (2005). “Self-Discipline Outdoes IQ in Predicting Academic Performance of Adolescents.” *Psychological Science* 16: 939–944.
- Heckman, J. J., Y. Rubinstein (2001). “The Importance of Noncognitive Skills: Lessons from the GED Testing Program.” *American Economic Review* 91: 145–149.
- Heckman, J. J., J. Stixrud, and S. Urzua (2006). “The Effects of Cognitive and Noncognitive Abilities on Labor Market Outcomes and Social Behavior.” *Journal of Labor Economics* 24(3): 411-482.
- Judge, T.A., Higgins, C.A., Thoresen, C.J., & Barrick, M.R. (1999). The big five personality traits, general mental ability, and career success across the life span. *Personnel Psychology* 52: 621-652.
- McCrae, R. R., & Costa, P. T., Jr. (2008). The five-factor theory of personality. In L. A. Pervin & O. P. John, & R.W. Robins (Eds.), *Handbook of personality theory and research* (Vol. 3). New York: Guilford Press.
- Roberts, B. W., Kuncel, N., Shiner, R., N., Caspi, A., & Goldberg, L. R. (2007). The Power of Personality: The Comparative Validity of Personality Traits, Socio-economic Status, and Cognitive Ability for Predicting Important Life Outcomes. *Perspectives in Psychological Science* 2: 313-345.
- Zumbühl, M., T. Dohmen, G. Pfann. Parental Investments and the Intergenerational Transmission of Economic Preferences and Attitudes. *Economic Journal*, 131(638): 2642-2670. <https://doi.org/10.1093/ej/ueaa141>

Additional reading will be announced in due course.

Target audience and preconditions for participation

The course is particularly designed for doctoral students in economics of education. Doctoral students in economics or business economics with a strong interest in personality traits, non-cognitive skills and education are welcome as well.

Credit requirements and grading

1. Full course attendance is required to receive ECTS-Points. Students are expected to come prepared to the course. It will facilitate discussions and improve overall learning.
2. Presentation in class.
3. Individual take-home exam.

Application

The number of participants is limited. Please send your application including a short CV to Aranya Sritharan (aranya.sritharan@business.uzh.ch) at the latest by **February 14, 2025**.

WWF Statutory Course Policies

According to WWF study regulations, all exam dates are final as published in the VVZ and syllabus. This means that final exam dates are not negotiable. It will not be possible to take any exams on different dates.

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Academic dishonesty in any form will not be tolerated. Anyone caught cheating or engaging in unethical behavior will be reported to the Dean's office according to the guidelines on academic dishonesty set forth by the University of Zurich.

The information in this syllabus supports the official information in the electronic university registration tool (VVZ–*Vorlesungsverzeichnis*). In cases of doubt, the official information in the VVZ is decisive.

For UZH students: Don't forget to officially register using the registration tool of the University of Zurich.

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