

# **Field of Study, Career Choice, and Globalization**

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## **Abstract :**

This paper highlights the importance of modeling students' field of study choices in understanding the labor market consequences of globalization shocks. We develop a dynamic general equilibrium framework that incorporates both a labor market where workers of different fields of study supply heterogeneous skills and an education technology that allows for students to choose their skills in anticipation of future skill demands. Leveraging the uniquely rich Danish administrative data and their colleague application system, we develop a new methodology to estimate students' field preferences, together with key labor market parameters. Our preliminary results indicate that accounting for field choices increases the switching elasticity with respect to wage shocks by over threefold.