



Official Prize Ceremony
Berlin, November 25, 2002

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Award Statement of the IZA Prize Committee

The IZA Prize in Labor Economics 2002 is awarded to one of the most influential labor economists of our time, Jacob Mincer (Professor Emeritus at Columbia University, New York), for his fundamental contributions to the field.

In a series of pioneering studies, Mincer showed the power of price theory in organizing and interpreting bewildering and apparently contradictory empirical evidence on differences in wages across persons and on patterns of female labor supply. His creative use of economic theory applied to interpret data on households and the labor market helped to transform labor economics into one of the major scientific fields in economics. His work is a paragon of empirical science in economics.

Jacob Mincer's scholarly contributions fall into two main categories. Mincer was a leading member of a group of economists at Columbia University and the University of Chicago who systematically developed the empirical foundations of human capital. His 1958 *Journal of Political Economy* article showed the power of the concept of equalizing differences in explaining earnings inequality due to education. His 1962 *Journal of Political Economy* paper presented the first systematic empirical analysis of learning on the job as a determinant of life cycle wage growth. His magisterial *Schooling, Experience and Earnings* (1974) showed the power of the human capital investment concept in accounting for diverse patterns of earnings inequality and wage growth over the life cycle. He demonstrated the empirical importance of complementarity in skill formation – that skill begets skill – and that more educated people do more post-schooling investment in learning. This research established the Mincer earnings function as a widely used and widely replicated cornerstone for interpreting earnings data in many fields of economics. His subsequent work on job turnover, on the measurement of firm specific training, on investment responses to technology change and in accounting for the recent rise in wage inequality within an economic framework, enrich the basic model and show its analytical and empirical power.

Jacob Mincer also pioneered the study of female labor supply and the economics of the household. His seminal 1962 paper on the labor supply of married women showed that accounting for the influence of the price of time on labor – the market wage – explains why female labor supply increased at the same time real wealth of society was increasing. That work, and a subsequent 1963 paper, showed the importance of accounting for the household choices women face in explaining female labor supply and fertility. This research helped to foster the emergence of household economics as a separate independent field. Mincer's insights on labor supply, human capital and fertility helped lay the foundations for understanding how economic development transforms the role of women and the family.

Professor Mincer also played a major role in transforming labor economics into an analytical field through his teaching and his participation in the legendary Labor Workshop at Columbia University. Led and inspired by Jacob Mincer the students and faculty associated with that workshop went on to revolutionize labor economics.

Jacob Mincer is the founding father of modern empirical labor economics. His efforts in developing the scientific instruments and methods used by today's economists to analyze the problems and prospects of the working world are almost unparalleled. The IZA Prize in Labor Economics 2002 honors the lifetime achievement of an outstanding scholar and pioneer in labor market research.

George A. Akerlof

Gary S. Becker

Jan J. Heckman

Edward L. Glaeser

R. F. J. J. J. J.
