

Title: Field Choice, Skill Specificity, and Labor Market Disruptions

*\*with [Valerie Smeets](#) and [Sharon Traiberman](#)*

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Abstract:

We argue that college students' field-of-study choices significantly influence how economies respond to labor market disruptions. To do so, we develop and estimate a framework featuring forward-looking students who choose a field of study when entering college, and subsequently make decisions over occupations after graduating and entering the labor market. Different fields endow workers with distinct comparative advantages and varying costs associated with switching occupations. Simulating both a trade war and wide scale adoption of AI, we use our model to make three points. First, relative to models that ignore how new cohorts adjust their field-of-study choices, our framework predicts larger aggregate income responses and greater distributional differences. Second, policies that enhance flexibility in field-of-study decisions—such as relaxing capacity constraints in high-demand programs—raise aggregate output. Finally, these policies also lessen the adverse distributional consequences of shocks, by affording more opportunities to students with lower earnings potential.