

РОССИЙСКАЯ ЭКОНОМИЧЕСКАЯ ШКОЛА

NEW ECONOMIC SCHOOL

NES

GRADUATE

BAROMETER

New Economic School, Moscow

15 December, 2004

Acknowledgement

Special thanks go to Sergei Golovan, who provided the voting mechanism for anonymous participation in the survey.

Stas Kolenikov contributed most of the material in the statistics part of the survey.

And, my deepest thanks to all the graduates who agreed to participate in the survey and provided the answers. Comments and advice are most welcome.

In 2004, NES conducted a survey of the graduates regarding their labor market history, current status, attitudes about NES, and some other alumni activity topics. 202 responses were collected from the body of 408 graduates, with response rates ranging from 37% to 62% for different classes. This was a second survey, the first one took place at the end of 2000.

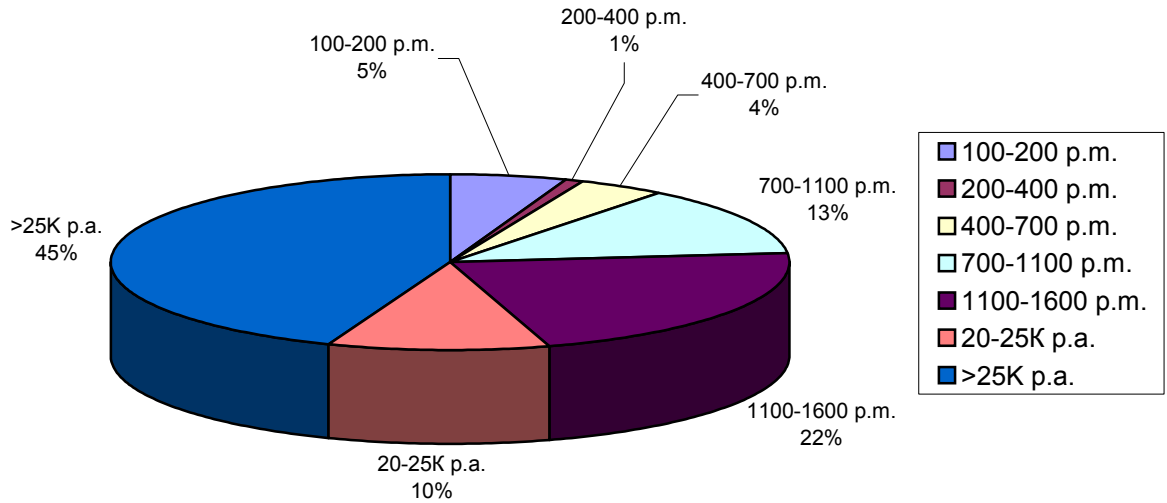
Table 1. Response rates in NES graduates surveys.

Class	Size	Responded, 2004	Response rate, 2004	Responded, 2000	Response rate, 2000
1994	35	13	37.1	14	40.0
1995	36	17	47.2	17	47.2
1996	29	18	62.1	8	27.6
1997	47	19	40.4	13	27.7
1998	40	22	55.0	16	40.0
1999	47	21	44.7	28	59.6
2000	26	14	53.8	15	57.7
2001	23	10	43.5	n/a	
2002	55	26	47.3	n/a	
2003	70	42	60.0	n/a	
Total	408	202	49.5	111	42.8

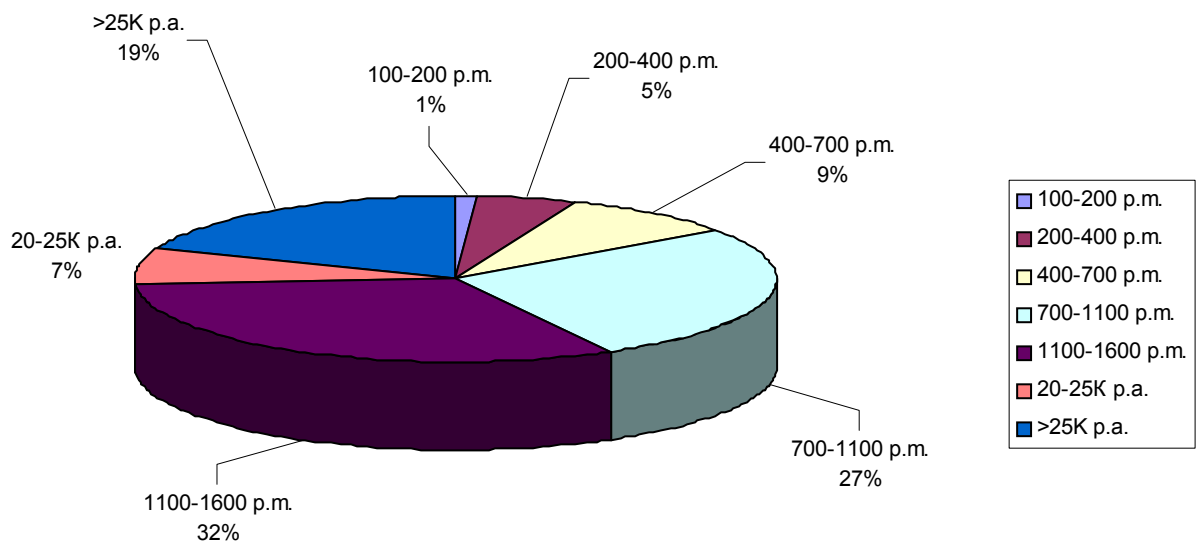
Table 2. Current job status and location of respondents

Current status	Current location, 2004		Total, 2004	%, 2004	Total, 2000	%, 2000
	abroad	Russia				
Student	44	1	45	22,3	44	38,6
Private sector	17	75	92	45,5	35	30,7
Public sector	4	4	8	4,0	4	3,5
Academia	25	22	47	23,3	30	26,3
Entrepreneur	0	4	4	2,0	not included	
Not working	3	3	6	3,0	1	0,9
Total	93	109	202		114	

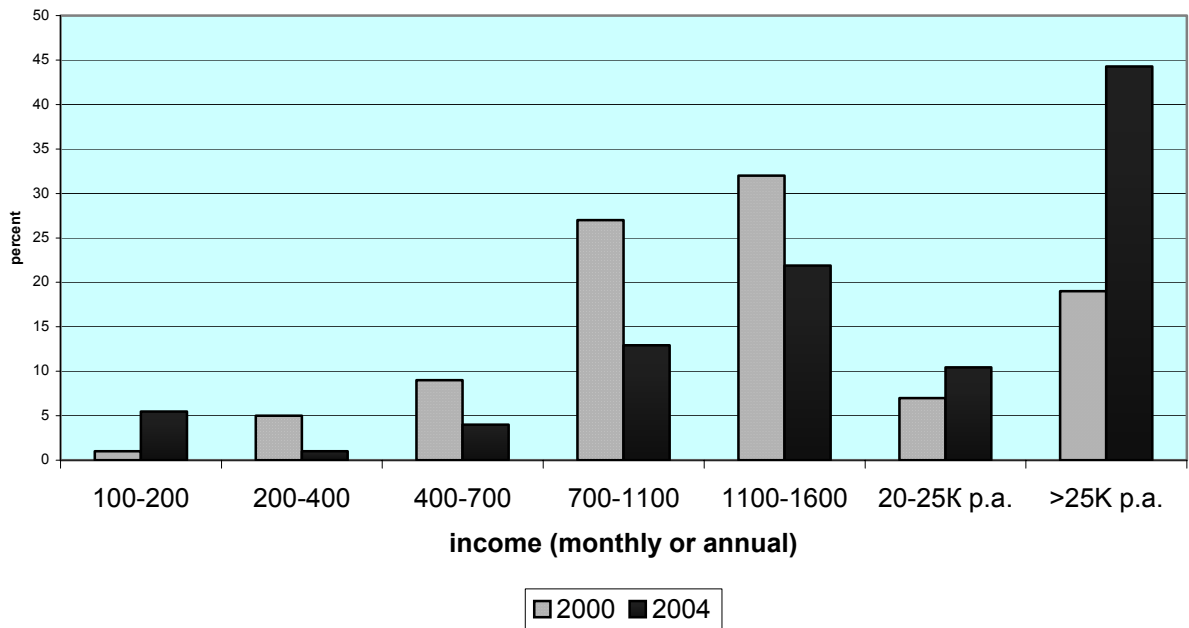
INCOME DISTRIBUTION, USD, 2004



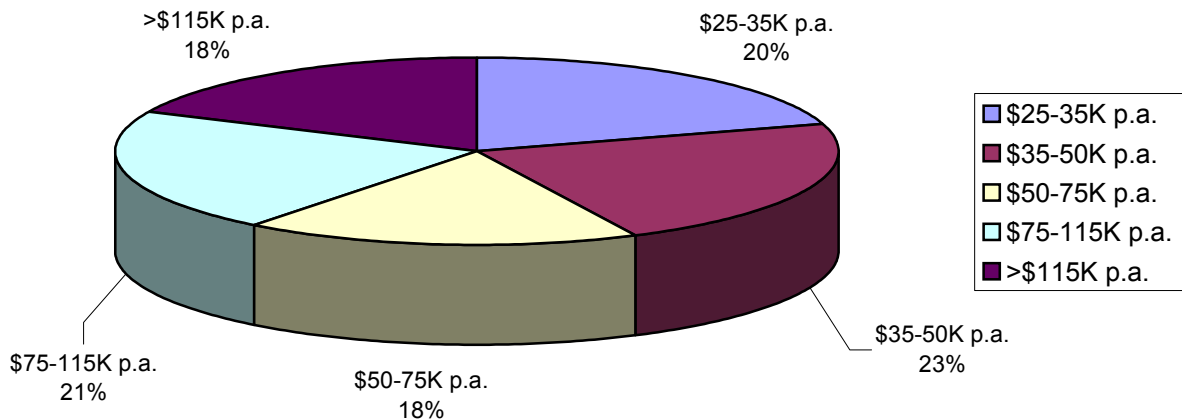
INCOME DISTRIBUTION, USD, 2000



INCOME DISTRIBUTION IN 2000 AND 2004, USD



INCOME DISTRIBUTION FOR THOSE WHO EARN MORE THAN \$25K p.a. (2004)



Comment on income distribution:

The median salary of a fresh NES graduate is about \$1000 per month, the median salary of the graduate of 1994 is approaching \$5000, and the growth is about 15% a year. Half of the new graduates would fall into the range between \$500 and \$1700. Those going abroad for a Ph.D. would also be expecting to get something around \$1000.

INCOME, STUDY vs WORK, HOME vs ABROAD

Annual Income, USD 000	> 115	75 - 115	50 -75
Total	16	19	16
Studied abroad and work abroad	14	15	6
Work in Russia after study abroad	1	1	2
Work in Russia and did not study abroad	1	2	8
Work abroad and did not study abroad	0	1	0

Career path of NES graduates

This section was written by Stas Kolenikov (NES, 98). The purpose was to apply some econometrics and remind NES graduates how many useful techniques they mastered at NES.

One of the questions of interest of the survey, conducted in 2004 is the career path of NES graduates. The two measures of the career success available in the survey are the overall compensation (self-reported salary categorized into 13 intervals, top-coded at \$115,000 per year) and the level of responsibility (the number of subordinates, direct and indirect ones combined). The conditional distributions of the two measures for the work experience are represented on the next figures.

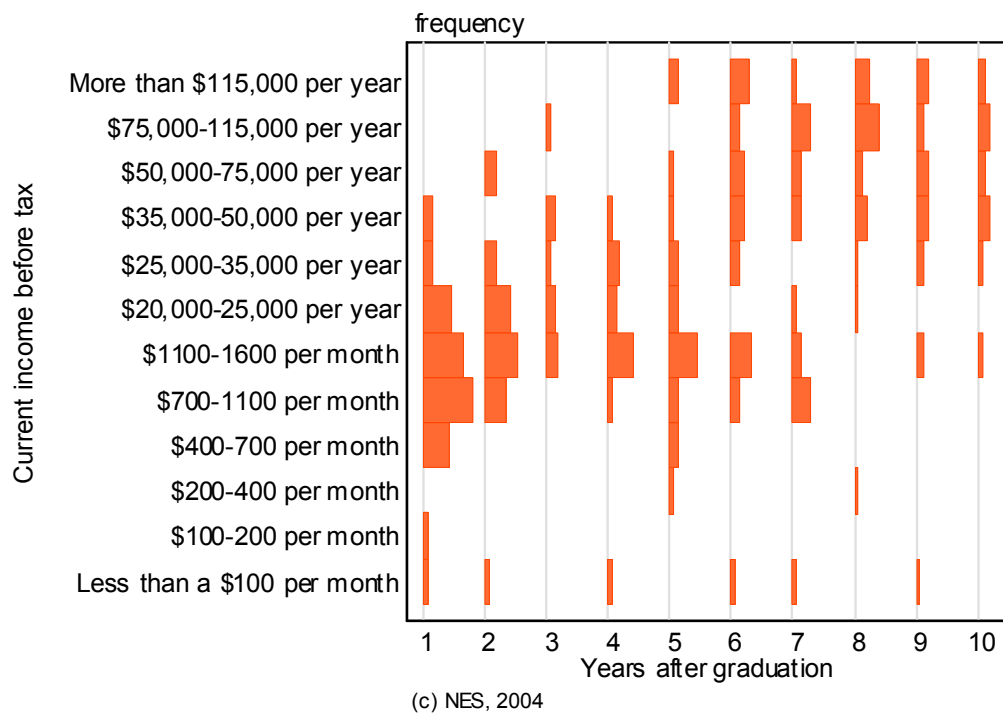


Figure 1. The distributions of income, by graduation class.

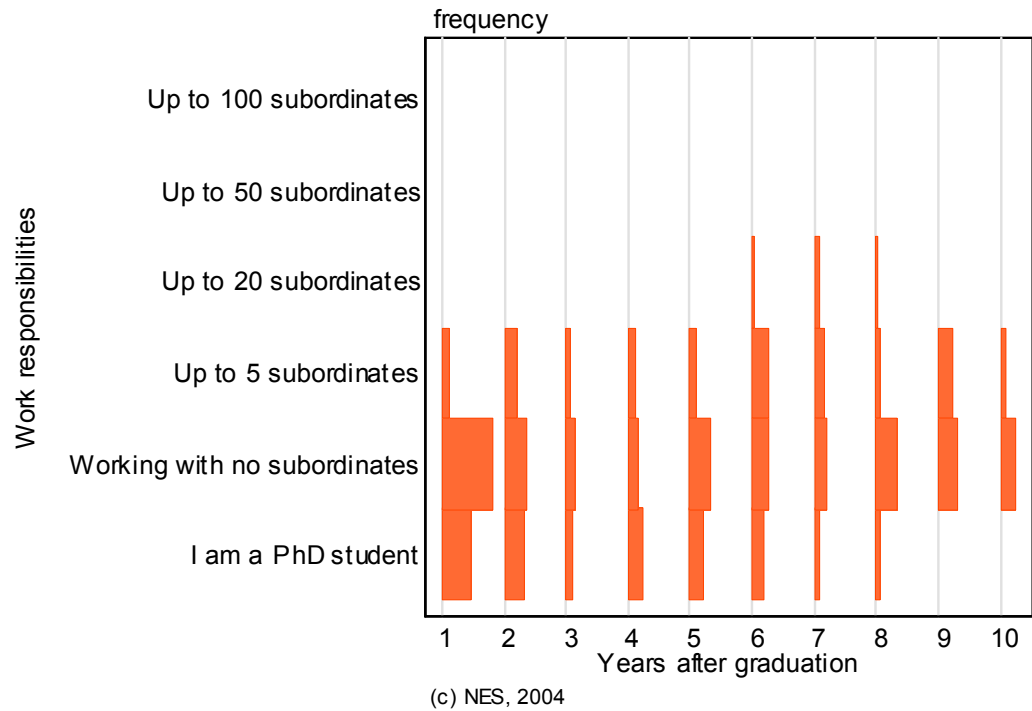


Figure 2. Job status, by graduation class.

For the income, the interval regression that models the probability of the response in the given range was estimated with the graduate's work experience and the location indicator as explanatory variables. For the number of subordinates, Poisson regression that is suitable for a count variable, and zero-inflated Poisson regression that controls for overdispersion were estimated. The regressions were restricted to the 195 working individuals, and weighted by the number of respondents within the class (the inverses of the response rates by class, see Table 1.) The results are reported in Table 3.

Table 3. Regressions of the measures of the career achievements.

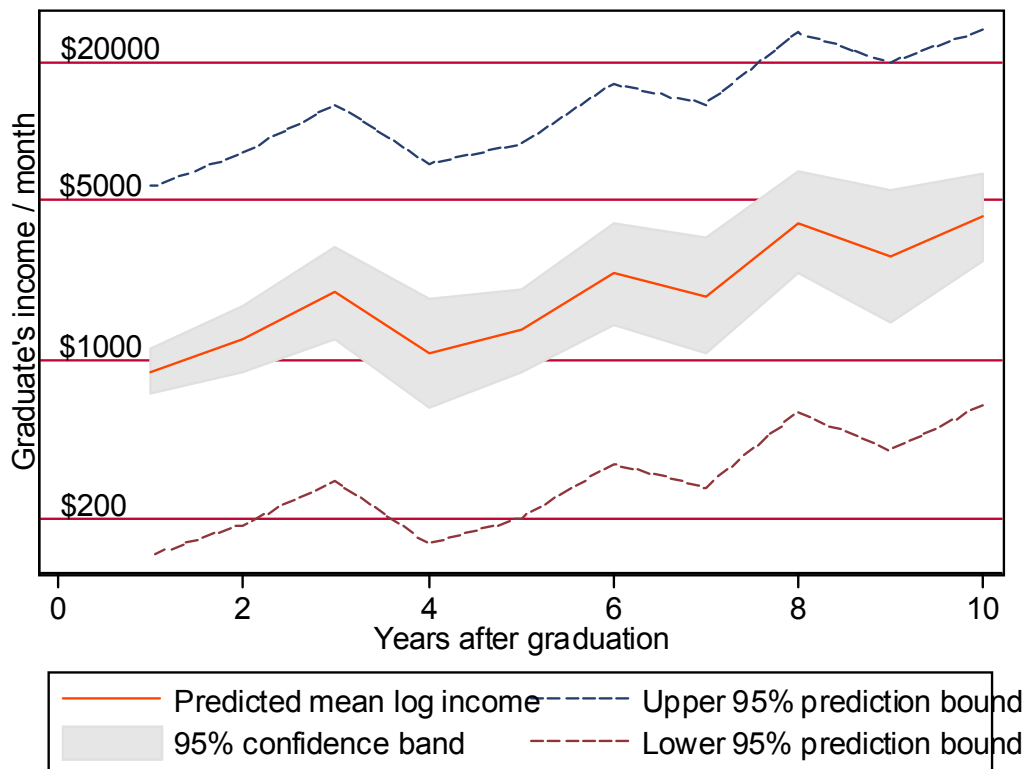
	ZIP: # of subordinates		Poisson: # of subords	Interval regression: earnings		Interval regression: earnings	
	Main equation	Inflation equation		Linear	Saturated	Linear	Saturated
Current location							
Abroad	Base	Base	Base	Base	Base	Base	Base
Ex-USSR	0.9935 (0.4226)*	-1.0824 (0.5610)	1.8246 (0.1981)**	-1.1690 (0.1985)**	-1.1999 (0.2468)**	-1.1519 (0.2253)**	-1.1339 (0.2350)**
Current occupation							
Private sector	Base	Base	Base	Base	Base	Base	Base
Public sector	-1.1265 (0.4205)**	0.5545 (1.1885)	-1.5176 (0.4547)**	-0.1528 (0.3575)	-0.2725 (0.2487)	-0.1716 (0.2698)	-0.2095 (0.2446)
Academia	0.2853 (0.6512)	1.2490 (0.5027)*	-0.3754 (0.1450)**	-0.6443 (0.1837)**	-0.6705 (0.1739)**	-0.6192 (0.1855)**	-0.6253 (0.1755)**
Own business	-0.3084 (0.3524)	-23.3258 (0.6229)**	0.3592 (0.2504)	-0.2955 (0.4812)	-0.2780 (0.4654)	-0.4268 (0.5224)	-0.3194 (0.4629)
Student						-1.2888 (0.2548)**	-1.2648 (0.2633)**
Years of work experience after graduation							
Linear term	0.2655 (0.1018)**	-0.1886 (0.0817)*	0.3537 (0.0242)**	0.1380 (0.0290)**		0.1140 (0.0314)**	
1 year (class of '01)					Base		Base
2 years (class of '02)					0.6732 (0.2340)**		0.3041 (0.2093)
3 years (class of '01)					1.3145 (0.2426)**		0.8052 (0.2096)**
4 years (class of '00)					1.1116 (0.2453)**		0.3261 (0.2814)
5 years (class of '99)					0.7087 (0.2924)*		0.3857 (0.2188)
6 years (class of '98)					1.0972 (0.3485)**		0.8656 (0.3001)**
7 years (class of '97)					0.8251 (0.3637)*		0.5135 (0.3124)
8 years (class of '96)					1.4623 (0.3700)**		1.1569 (0.3306)**
9 years (class of '95)					1.2186 (0.3812)**		0.9361 (0.3654)*
10 years (class of '94)					1.4957 (0.3124)**		1.2122 (0.2909)**
Constant	-0.9053 (0.8471)	1.9990 (0.7833)*	-2.9085 (0.2760)**	8.0751 (0.2631)**	7.9585 (0.3062)**	8.1862 (0.2963)**	8.1817 (0.2805)**
Observations	144	144	144	150	150	195	195

Robust standard errors in parentheses

* significant at 5%; ** significant at 1%

The Poisson regression is likely to be misspecified, although direct likelihood ratio with the ZIP model is not available. According to the ZIP model, if the NES graduate has any subordinates, this number is on average higher by one for the graduates employed in the former USSR countries, and this number rises by about 0.27 per year. (The saturated model for counts did not converge.) Also, the salary of an average NES graduate employed “at home” is only 33% of that of a graduate employed abroad. There are also differential across sectors, with current students and the graduates employed in academia receiving substantially lower pay than others in industry and in the public sector (students, 28% of the private sector’s salary, on average; academia, 54%). The likelihood ratio of the models in the last two columns is 17.94 with 8 d.f.s (p-value = 0.0217). Thus the hypothesis of linearity is weakly rejected. If it were maintained, the relation between the earnings and the experience after graduation could be considered approximately exponential, with an increase of about 13–15% per year. The inequality of incomes given by $\log \sigma$ of 0.86–0.91 in different regressions is in the reasonable range for earnings equations, and corresponds to Gini of about 0.45–0.5.

The results of the last regression are also shown on Fig. 1. The red solid lines represents the estimated mean log incomes. The gray shaded area gives the related pointwise confidence intervals for coefficients (i.e. represent uncertainty about the mean log income), and the dotted lines are prediction intervals (i.e. represent uncertainty about the whole conditional distribution).



(c) NES, 2004

Comparable analysis of RLMS (Russian Longitudinal Monitoring Survey) is pending. The preliminary analysis shows no signs of career achievements of the recent graduates of the higher education institutions: the experience since graduation, if the degree was obtained after 1993, does not pay off, and the earnings profile is flat in the job experience.

The Stata code used in this analysis is available from the author upon request. Availability of the data is courtesy of NES.