

Executive Functioning and Labor Market Outcomes – Gina Turrini

There is a growing interest in the link between executive function and economic success, but evidence is limited by the challenges of collecting population-representative data on both cognitive function and labor market outcomes, particularly in developing-country contexts. This research describes how a widely-used measure of executive function with foundations in cognitive neuroscience was implemented as part of a large-scale, population-representative survey in Indonesia. The results show that executive function is associated with observable characteristics like education and age, but even conditional on these, higher functioning is associated with rewards in the labor market in terms of hourly wage and overall income for both men and women. In addition, men with better executive functioning were more likely to work for pay at all, while women with higher functioning are less likely to choose self-employment compared to not working for pay. These relationships are unchanged even after controlling for other cognitive markers more routinely included in surveys, demonstrating that this marker of executive function provides additional information. These results suggest that executive function is an important skill in terms of economic success, and adaptation of this measure from cognitive neuroscience for implementation in large, population-representative surveys is feasible and provides information that current measures are not capturing.