Seminario de Microeconomía Aplicada - Labor Market Trajectories and Earnings Dynamics

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Abstract: This paper analyzes labor earnings dynamics in Colombia using administrative Social Security records for the universe of formal workers from 2009 to 2024. We present stylized facts on earnings dispersion, growth, and volatility following the Global Repository of Income Dynamics framework. We find a modest decline in earnings concentration and stable overall dispersion, patterns comparable to those observed in the United States and Brazil. We show how individuals' histories of attachment to the formal sector shape the levels of earnings inequality and volatility. We identify five distinct groups of individuals based on their formal sector attachment trajectories that explain most of the variation in formal participation. Earnings dispersion is concentrated among groups with low formal attachment, while those with high attachment display substantially lower, and more stable, earnings dispersion and are more likely to work at larger firms. Our indings highlight the central role of long-run formal attachment in shaping earnings dynamics.

About the exhibitor: Sergio Ocampo Díaz is an Assistant Professor at the University of Western Ontario. His research interests include Macroeconomics, Wealth Inequality, and Taxation. Prior to his current position, he was a Researcher at the University of Oslo in 2019 and a Graduate Instructor at the University of Minnesota. His professional background includes serving as a Consultant and Research Fellow at the Research Department of the Inter-American Development Bank, and as an Economist in the Macroeconomic Modelling Department and Research Assistant at Banco de la República. He holds a Ph.D. and an M.A. in Economics from the University of Minnesota, and also earned an M.A. and a B.A. in Economics from Pontificia Universidad Javeriana.

Exposure time: 1 hora y 30 minutos

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