



Finance Speaker Series

Alberta School of Business
Department of Finance

Presents:

Colin Ward

University of Minnesota

Topic:

Appropriated Growth

Friday, November 4, 2022

3:30pm – 5:00pm

Location: BUS 4-04

ABSTRACT

Do restrictions on labor mobility inhibit growth? We quantitatively evaluate this question in a dynamic agency model that jointly accounts for investment in intangible capital, knowledge spillovers, and the allocation of rents among investors and agents. Our calibration is disciplined by targeting the responses of employee turnover, firm intangible investment rates, and a novel construction of the values of workers' outside options to state-level changes in the degree of non-compete enforcement. Analysis that studies counterfactual rates of knowledge appropriation finds potential gains to growth of 20 basis points per year from policies that enhance mobility and alleviate agency problems.