

TRANSCRIPT

The Work Goes On

Guest: Robert Michael

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Robert Michael:

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Orley Ashenfelter:

Welcome to [The Work Goes On](#), a podcast from the [Industrial Relations Section at Princeton University](#). I'm your host, [Orley Ashenfelter](#), the Joseph Douglas Green 1895 Professor of Economics at [Princeton University](#).

In this podcast series of conversations with leading thinkers and practitioners, we are creating an oral history of an entire generation of industrial relations experts and labor economists whose contributions to their fields have been absolutely extraordinary.

Our guest today is [Robert Michael](#), the Eliakim Hastings Moore Distinguished Service Professor Emeritus at the [University of Chicago](#), and also Dean Emeritus of the [Harris School](#) at the [University of Chicago](#).

He is renowned for his work in labor economics, especially with respect to the effect of education on consumption, but also especially for his renowned work on data collection. Bob, welcome to [The Work Goes On](#).

Robert Michael:

Thank you, Orley. I'm delighted to be with you today.

Orley Ashenfelter:

Let's start by talking about your background. Where did you grow up?

Robert Michael:

I was born in Wellston, Ohio, a small community of about 6,000 in southeastern Ohio, in what's called the Welsh Hills of southern Ohio because an awful lot of Welshmen moved over there around the turn of the century, including all my relatives. I'm 100 percent Welsh.

I grew up there in a little town. Dad ran a department store. My mother was a schoolteacher until she got married in the mid-'30s, and it was thought unseemly for one household, one family, to have two employed people. So Mom stopped working and Dad ran his store. I had a couple of sisters – one three or four years older, one three or four years younger than myself.

I went to school there halfway through high school. My older sister had better grades than me, went off to college a few years earlier, and had a lot of trouble at Ohio State, because she really wasn't well-prepared. So, I was apprehensive about my ability to do well in college.

Then I guess I had a crisis as a sophomore in high school. My math teacher, who had a more important job as the football coach, got mad at me because I wouldn't play football. I had to go to work after school and work at Dad's store. So, he wouldn't talk to me. My teacher wouldn't speak to me, wouldn't call on me, and I used to go home and cry.

So, Mom and Dad decided, "Better get Bob out of here." And they found a small school about 200 miles away up near Akron, Ohio. A boarding school that was not military, Western Reserve Academy.

We went up there, having never heard of it until we looked it up and went up. I took a bunch of admission tests and we went home. And the letter that came from Western Reserve said that Bob had failed every one of the admission tests. I had misspelled 51 of the 100 words, for example, on the spelling test.

But I had been an Eagle Scout and they decided that I had something on the ball, even though I was pretty pathetic as a student. And they'd let me in if Dad would pay but they wanted to warn me and my parents that they weren't at all confident that I could make it.

So, Dad paid. I think the tuition and boarding, food that year, it was a total of about 2,000 dollars. It's now much closer to 50 at that school.

So, I went. I was near the bottom of the class, but I survived, and by the end of the two years of junior and senior year, I was the middle student in the Class of '49 that graduated, and we all went off to college.

Orley Ashenfelter:

Where did you go to college?

Robert Michael:

I went to Ohio Wesleyan University, which was just a little north of Columbus in Delaware, Ohio. And I had really a fine undergraduate experience. There were about 2,000 students. I majored in both economics and philosophy. They were both quite good departments relative to some of the others, and I enjoyed it very much. Did real well. I graduated quite near the top of the class at that point, because of the training I'd had at Western Reserve Academy.

So, in senior year, I took the graduate record exams in philosophy and in economics, and I also took the law boards. I did really badly in the law boards, so that ruled out going to law school.

I did really well in the philosophy boards, but I wasn't sure what you did with a Ph.D. in philosophy other than teach. And well, it'd be nice to have something as a backstop if that didn't work out. So, I went to school in economics instead, and pleased that I did.

Orley Ashenfelter:

Now you went from Ohio to Columbia. And Columbia at that time was coming off of, and had still, an extremely famous faculty. How did you manage to get to Columbia?

Robert Michael:

I had applied for an NSF Cooperative Fellowship, and God bless them, the National Science Foundation and Columbia... I got the letter that I was in Columbia with an NSF Fellowship. I had applied to Columbia and several other places, so there was not much choice about it, and I was delighted to be able to go to Columbia. I didn't know much about the group. I'd never heard of Gary Becker or much of anybody else at that point at Columbia.

My mother drove me over; she'd never been to Columbia. And I remember on the way over we debated, "My God, there were two Lincoln Tunnels. And what if we took the wrong one?"

But we got there, and I got set up, and got underway as a student at Columbia, and found that my training at Ohio Wesleyan was quite adequate. Not as good as a lot of my fellow students, but I was placed into the best of the three price theory, microeconomic theory courses. That was with Gary Becker, and that has made all the difference.

Orley Ashenfelter:

Well, you were there when that labor seminar, I guess; Jacob Mincer, Gary Becker, I'm not sure who else; that was really its heyday, wasn't it?

Robert Michael:

Yeah, that was just the absolute high point of all of our graduate careers. Jacob and Gary were a remarkably wonderful pair. We all took statistics with Jacob, and then we took labor economics with Jacob, and we had our price theory or microeconomics with Gary. So, we all felt pretty well-prepared and enjoyed it. It was a phenomenal class.

Orley, there were 75 people admitted to graduate economics the year we all started; 75 of us. And maybe 20 to 25 of us ended up with a Ph.D. An awful lot of the students got a masters. They did very little to weed people out coming in, and then did the weeding subsequently, unlike an awfully lot of other schools.

Orley Ashenfelter:

What was your dissertation about?

Robert Michael:

Human capital, of course.

Orley Ashenfelter:

Of course.

Robert Michael:

My orientation was, I think now, quite an astute observation. I genuinely don't remember if it was mine or Gary's or one of my classmates or what, but I wrote the thesis on it.

The observation was that if schooling makes you more efficient in the marketplace, raises your wage rate, and improves your ability to produce, since you are taking that education with you when you go home, it must have the same impact on your productivity at home.

That means when you go to the marketplace, you're a more astute purchaser. When you're producing things around the house, and this household production function stuff that we were all featuring implied you were doing a lot of producing at home, using equipment and goods and services and producing things. So, your wealth was much higher if you were more educated, independent of any income.

So, my thesis was to look and see whether people with higher education and a given amount of income behaved in terms of their spending pattern as if they had more income than others with the same income but a lower level of schooling and found that indeed they did.

Orley Ashenfelter:

"Education and Consumption." I remember the title.

Robert Michael:

Yeah.

Orley Ashenfelter:

I think it's probably one of the best-known papers about ancillary effects of human capital.

Now, I know you left Columbia; and your first job, I think, was at UCLA. Isn't that right?

Robert Michael:

That's right. Yeah, I went to UCLA and started January 1969 with eight other newly appointed assistant professors. It was, as I think has been the case with my career, a remarkably fortunate time to come out of graduate school.

All colleges were growing, easy to get a job. I got a lovely job at UCLA with these eight others, and we were riding the crest of the baby boom. So it was just delightful.

I only stayed three years, though I absolutely loved UCLA and several other professors out there, Jack Hirshleifer and Armen Alchian in particular, but I was then wooed back to New York, where I had written my thesis through the National Bureau of Economic Research. I'd been Gary's research assistant there for a while. They were starting a new program, and I was asked to come back and be the associate director of it.

So, after three years at UCLA and going back to NBER every summer, I sort of reluctantly gave back tenure at UCLA and went back to New York. I view that now as an oddly risky thing to have done; and took the job at NBER where there's nothing like tenure, working with Gary and Jacob and Vic Fuchs and Mike Grossman and a number of others, and helping run a center there that lo and behold, a year later moved out to Stanford.

So, I was then the associate and then later the director of NBER West, and we maintained that same group of scholars, researchers, labor economists, that came out to Stanford every summer for several years.

Orley Ashenfelter:

We should explain that the NBER, National Bureau of Economic Research, was once in New York. And then I don't know if it moved or it opened a branch at Stanford. Is that right?

Robert Michael:

Right.

Orley Ashenfelter:

And then of course, eventually it left Stanford. What happened then?

Robert Michael:

I don't know that it has left Stanford. It doesn't do much at Stanford. It may still have an office, but John Meyer had taken over after Arthur Burns, and he opened an office in Washington. He opened an office at Yale, as well as the one in New York, and then we opened the one in Palo Alto.

The Palo Alto one was opened because an anonymous donor had made a gift to Stanford in behalf of NBER, and paid for the building of a building that was owned by Stanford and leased for free to NBER for the foreseeable future. And so, we went out there.

I went out six months ahead of anybody else to requisition the furniture, hire some secretaries and be ready by summer of ... What was that, '74 when Victor Fuchs came out, Mike Grossman, Bob Willis, Gary, Sherwin Rosen, Jim Heckman. I think probably Yoram Weiss, Reuben Gronau. A whole lot of folks came out, the whole team of labor economists.

So, every year they'd come out for the summer. I taught at Stanford, as did Bob Willis for a while and Victor Fuchs. So it was a wonderful experience out there through the rest of the '70s.

Orley Ashenfelter:

Now, it's interesting; I did not know that. I knew that there was the opening of the Bureau at Stanford, and there's a long history associated with that, but I wasn't aware that it was because of anonymous donor who had built that building that the Bureau was in for a short ... well, not for a long time, but for certainly a reasonable length of time. And then I guess that disappeared, and you moved again.

Robert Michael:

Well, in 1980 I moved to Chicago and I was invited to join the Department of Education here. Economics of Education Professor Mary Jean Bowman retired, and they needed another economics of education person in our Department of Education here.

But I was also invited when I came to join NORC, explicitly to leave NBER, and to open, start a center of economic analysis within NORC. Gary would leave NBER and join me, and Sherwin Rosen would do the same. Jim Heckman would do the same. Ed Lazear would join us. Bob Willis would join us.

So, a lot of us basically left NBER at that time and stayed together, now at an economics center under the auspices of NORC, the National Opinion Research Center, a freestanding organization that had since the late 1940s been affiliated with the University of Chicago. But it was freestanding, a 501 (c)(3) downtown.

Orley Ashenfelter:

And you have had a huge influence at Chicago. I'm not sure everyone's aware of it – both as a dean of the Harris School, which I actually met Irving Harris once; as well as CEO at one point of the NORC. Which is of course, as you said, the National Opinion Research Center. How did that happen?

Robert Michael:

I guess throughout my career, I had always not only taught, which is of the three, my favorite activity, and done research, but also done research administration. Going back to NBER in '72 to start that center, and then administering out at NBER West.

So, coming here and running an economic center, and then a few years later becoming CEO of NORC seemed like a natural progression. Not one I aspired to so much as was invited to.

I ran NORC for five years, then was asked to leave there in order to be the founding dean of the Harris School, because we were having trouble finding a dean. I think you may have heard about that.

Orley Ashenfelter:

Yeah.

Robert Michael:

So, I became the founding dean of the school here and left my CEO activities at NORC.

But I've always tried to do all three – to administer something, to do research, and especially when I was collecting data, try to write articles on the data I was generating. The data were always in the public domain; they weren't mine; and always teaching.

My self-identity was I was a teacher. If you stopped me in the street and said, "What do you do for a living?" I always answered, "I'm a teacher." I love the teaching profession.

Orley Ashenfelter:

I sometimes say "professor," but teacher is probably a good description.

We should talk a little about you and data, because you've been involved with some remarkable data collection efforts through NORC. I know some of them have had to do with subjects that some people consider pretty touchy, at least for an economist.

Robert Michael:

Or not touchy.

Orley Ashenfelter:

Well, let's talk a little bit about some of those. What's your favorite example?

Robert Michael:

Let me quickly tell you about three in just a sentence or two. And then you pick one if you want, and we can talk about it.

One, of course, is the NLS, the National Longitudinal Survey of Youth. It's a wonderful big series of longitudinal data sets funded through and run under the Bureau of Labor Statistics Department of Labor. And I was happy to be the project organizer, PI on the '97 wave of the NLS, where we took about 9,000 young people and pursued them over the rest of their life. So, the NLS is certainly one of them.

The most challenging of the ones I did, I think, was the sex data, where NIH asked for competition and wanted data collected on adult sexual behavior at the early stages of the AIDS epidemic.

At that time I was CEO of NORC and running a demography research center, much like the wonderful Population Research Center you have at Princeton. So, it was natural that we would compete, and we succeeded in getting the contract to do the adult survey of adult sexual behavior.

There was a companion one given to University of North Carolina to do adolescent sexual behavior. The rationale for all that was that the public health people didn't know who was having what kind of sex with whom, how often, or under what circumstances. And therefore, they were at sea in planning how to effectively mount a public health campaign against HIV.

So, we planned a 90-minute face-to-face interview of adults as to their sexual behavior. Let me stay with that a minute and point out that it had been gospel since 1952, when Alfred Kinsey had indicated that although he could get people to answer his questions on sex, it was inconceivable, just totally out of the question, that one could do a random sample. Therefore, he did a quota sample.

That is if he needed a few more men, he'd find some men. If he needed some people that had a lot more sex than the ones he was getting, he'd find some prostitutes. And he had a quota and ended up with a

wonderful big sample, but it wasn't a sample. It was simply a big group that he had studied in the early '50s.

So, from then until we did our study in '91, the word was you couldn't do a random sample of people and ask sex questions. We did. We had over 80 percent of a random sample of Americans sit down and talk to us in private for 90 minutes about their sex life. And I mean detail.

We needed to know for the public health people what you did when you had sex, and in what sequence you did what you did when you had sex. And who initiated what you did when you had sex, and why you initiated and thought that was a cool thing to do.

Because only if you knew those kind of gory details could the public health establishment figure out how to persuade you to do something that wasn't quite as likely to cause you to get HIV. Okay?

Orley Ashenfelter:

Fascinating.

Robert Michael:

That was an absolutely extraordinary challenge. Every aspect of it was fascinating for even something like, "How do you ask a random sample of Americans, some of whom are 18 years old and male, and some of whom are 59-year-old female, never-married older woman, something about oral sex?" What word do you use? The word you'd use with the 18-year-old probably isn't the one the 59-year-old woman would be most comfortable with. That was one.

Another was, "How in the world could we persuade people to tell us without being embarrassed, or without trying to impress us?" So, we devised a manner in which we could ask you about the sex you had the last time you had sex. It might've been last night, might've been last summer, might've been several years ago. We figured the last time you had sex was the one you'd remember most saliently.

And we ask you to tell us every little thing you did in a way that I, the interviewer didn't know what you, the interviewee said. Therefore, you couldn't impress me and you didn't embarrass yourself.

But you did that with a card that had everything on earth on it that you might've done, and there were a whole bunch of cards. So I'd randomly hand you a card and you'd say, "Well, we did a little 7. And then I think I did a little 9, but she didn't. We didn't do any 10. And then we had a long session of 2, and we ended with some 6."

And I'd say, "Thank you," and we'd move on to the next topic. And I'd write down that "Orley used sheet D as in Dog." Okay? Back in the home office they could look up D and see what 7 was. So, they could figure out what you said, but I didn't know as the interviewer.

That was typical of the kind of innovation we had to go through to do the sex survey and to get, well, 80 percent. That's 4 out of 5 random people. And by "random," I really mean we started with an address.

When we got to the front door and there were say, four people that lived there in the age range of 18 to 59, we would flip a four-sided coin. And if it came up number three, the third person that you'd listed was the one I had to interview. I couldn't take the second.

They'd often say, "Well, Fred would like to, but Frieda doesn't want to." That didn't matter. That didn't matter. We had a random sample.

And then we also were very worried, Orley, that since we talked about extramarital activity as well within the marriage, we didn't want to get sued later by the estranged spouse of Frieda who wanted the evidence that Frieda had been unfaithful.

So well, "How do we get the information, keep the information, and be 100 percent certain that we couldn't subpoenaed?" So we solved that problem. All the way through that study, we were solving problems.

Let me take another second on another data set, because I just loved it. We did a child of the NLS. We surveyed the children of the women with a 9 or 10 battery of cognitive and social emotional development tests that were designed by developmental psychologists for the NLS.

Ken Wolpin and I invited about 10 people that were in developmental psychology to the National Academy. They designed this test for us, and we administered it. I then took those same nine tests to England, and we did the same thing on a bunch of kids that were the children of the birth cohort of 1958 in England.

So, we have data from about year four to year 14, year by year, very fine-grained data on the cognitive and emotional development, the test ability of children in England and children in the US. And to make the comparison of what a seven-year-old in England knows different than a seven-year-old in the US is one of the really powerful insights that came from the role of the NLS child and the NCDS, as the British National Child Development Study children.

Orley Ashenfelter:

Fascinating. I think you're very well-known, at least in some areas as someone who has been very heavily involved in some very specialized data collection. The NLS, of course... it's probably countless the number of studies that have been done with the National Longitudinal Survey of Youth. It's probably countless almost, maybe thousands.

Robert Michael:

Yeah, they're still in the field.

Orley Ashenfelter:

Yeah. Not only that, Bob, but I think it comes across that you're obviously passionate about trying to find clever ways to get responses from people about questions that might be very tricky.

I've always been fascinated by methods for trying to elicit responses to very difficult questions like drug use or some other thing that people don't really want to acknowledge. Anyway, that's absolutely fascinating.

Well, our podcast is coming to an end, and I do want to ask you one more question. You've been involved in the NORC and data collection, other aspects of this field of work for a very long time, and I'm just curious: where do you see that kind of work going in the future? And how well do you think it's being done now?

Robert Michael:

Orley, I have been out of touch with data collecting since, I don't know, maybe a dozen years ago since I retired. I continued teaching some, but not continued. So, part of your question of how it's doing now, I don't feel competent to answer.

Let me talk in general about the broad question you're asking, though. And that is this – that while I think we now can and do use administrative data far more accurately, adequately, successfully than was the case when you and I were young, there's still a role for the kind of data that the Panel Study of Income Dynamics, the Health and Retirement Survey, the National Longitudinal Survey collect.

I'm a passionate believer that no one of these types of data is superior to all other, or that any one of these data sets or types of data can answer all the kind of important questions that need to be asked.

So, while it's a different world today than it was 20 years ago when I was doing a good bit of it, we need every one of these types of data -- longitudinal data where we can ask the same people year after year. And there are 100 pieces of information that I can tell you about that you could not possibly get any way but by asking people over time, over time, the same people, and then linking it back.

Even to the point, just very quickly -- a grandmother who breastfed a mother has an impact on the grandchild that's as powerful as the mother being a college graduate instead of a high-school dropout. And you can't get that kind of data from anything except longitudinal data.

On the other hand, at least the NLS at the time I was doing it was not permitted to collect medical records. We couldn't do blood, we couldn't do the kind of data that other data sets could get. So, we were limited in some ways, and outstanding in our ability to do other things.

So, my answer is a very optimistic one: that we need many different kinds of very fine data. No one data set will ever solve all our problems, address all our economic questions.

Orley Ashenfelter:

Well, that's absolutely wonderful. Bob, it's been a real pleasure talking to you today.

Our guest today has been [Robert Michael](#), the Eliakim Hastings Moore Distinguished Service Professor Emeritus at the [University of Chicago](#), and also Dean of the [Harris School](#), Emeritus at the [University of Chicago](#).

Please join us again for the next episode of [The Work Goes On: an Oral History of Industrial Relations and Labor Economics](#) from the [Industrial Relations Section at Princeton University](#). I'm your host, Orley Ashenfelter. Thanks for listening.

Announcer:

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