

Returns to Talent and the Finance Wage Premium

[Get access >](#)

Claire Célérier , Boris Vallée

The Review of Financial Studies, Volume 32, Issue 10, October 2019, Pages 4005–4040, <https://doi.org/10.1093/rfs/hhz012>

Published: 01 February 2019

Abstract

To study the role of talent in finance workers' pay, we exploit a special feature of the French higher education system. Wage returns to talent have been significantly higher and have risen faster since the 1980s in finance than in other sectors. Both wage returns to project size and the elasticity of project size to talent are also higher in this industry. Last, the share of performance pay varies more for talent in finance. These findings are supportive of finance wages reflecting the competitive assignment of talent in an industry that exhibits a high complementarity between talent and scale.

Received October 11, 2017; editorial decision September 4, 2018 by Editor Stijn Van Nieuwerburgh. Authors have furnished an Internet Appendix, which is available on the Oxford University Press Web site next to the link to the final published paper online.

© The Author(s) 2019. Published by Oxford University Press on behalf of The Society for Financial Studies. All rights reserved. For Permissions, please e-mail: journals.permissions@oup.com.

This article is published and distributed under the terms of the Oxford University Press, Standard Journals Publication Model (https://academic.oup.com/journals/pages/open_access/funder_policies/chorus/standard_publication_model)

JEL: G21 - Banks; Depository Institutions; Micro Finance Institutions; Mortgages, G24 - Investment Banking; Venture Capital; Brokerage; Ratings and Ratings Agencies, J24 - Human Capital; Skills; Occupational Choice; Labor Productivity, J31 - Wage Level and Structure; Wage Differentials, J33 - Compensation Packages; Payment Methods, M52 - Compensation and Compensation Methods and Their Effects

Issue Section: Articles

You do not currently have access to this article.

Sign in

 [Get help with access](#)

Personal account

- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

Sign in >

[Register](#)

Institutional access



Sign in through your institution

[Sign in through your institution](#)

[Sign in with a library card](#)

[Sign in with username/password](#)

[Recommend to your librarian](#)

Institutional account management

[Sign in as administrator](#)

Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Returns to Talent and the Finance Wage Premium - 24 Hours access

EUR €53.00

GBP £44.00

USD \$58.00

Rental



This article is also available for rental through DeepDyve.

