Questions you should be able to answer after doing the reading and attending class

1. Take any five years of work life – why are younger workers likely to have held more jobs in different organizations during that period than older workers?

2. Using the formula for calculating the present value and costs of the turnover decision, tell which variables in the formula are likely to change with these employee characteristics:
   a. Age of employee
   b. Education level
   c. Tenure in current organization

3. What factors should be used in selecting the discount rate?

4. How might the human capital investment framework be used to explain that a firm’s decision not to train its older workers is not necessarily due to age discrimination?

5. What is the difference between the Human Capital theory of training and the Signaling Hypothesis?

6. Under what conditions is turnover costly to firms? What about for workers?

7. What is the purpose of using present value to evaluate costs and benefits?

8. What is typically the highest portion of the cost of getting an education?

9. What form does the employee share of training costs take?

10. What is the definition of investment?