

## Dating and Breaking Up with The Boss: Benefits, Costs, and Spillovers

**Abstract:** While many romantic relationships begin at work, intimate relationships between managers and subordinates have increasingly come under scrutiny. Yet we know little about the economic implications of "dating the boss". We use administrative data covering the universe of cohabiting couples in Finland from 1988-2016 to explore the career implications of dating and breaking up with one's manager and spillovers on the wider workforce. Using a difference-in-difference across-couples research design we find that those in relationships with their managers experience a 9% bump in their earnings compared to those in relationships with managers in different firms. Relationships between managers and subordinates last longer and both manager and subordinate are more likely to remain in the same firm. However, when a manager and subordinate break up, the subordinate is 8 percentage points more likely to drop out of employment. Last, we examine the spillovers of these relationships on the broader workforce and document a significant decrease in the retention of other workers from these relationships. This result is consistent with these relationships imposing substantial costs on colleagues, including but not limited to exit from the firm.