



**Bachelor Seminar
SoSe 2020
in Applied Statistics and Econometrics
Empirical Labor Economics**

General Description

The bachelor seminar serves as a preparation for the bachelor thesis, which is written directly after the seminar. During the processing period, students are expected to write an exposé of their bachelor thesis and to present it at the seminar. The aim of the seminar and of the bachelor thesis is to enable students to conduct an empirical analysis applying the statistical and econometric skills obtained throughout the bachelor program.

In the course of the seminar, students are expected

- to become familiar with the literature from the relevant field
- to precisely define the research question to be analysed in the bachelor thesis
- to prepare the data for the bachelor thesis
- to present first regression estimates
- to present an outlook for the bachelor thesis (i.e., students specify which further analysis they intend to carry out)

Requirements

While knowledge from the obligatory lectures *Statistik I*, *Statistik II*, and *Empirische Wirtschaftsforschung* is required, further statistical skills are not necessary. Instead, general interest in statistics and empirical economics and the willingness to conduct an own empirical analysis as well as basic knowledge of Stata are essential.

Please note that the seminar will be held in English.

Contact

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Topics Overview

Students are expected to investigate empirically the following topics, based on the cited references:

1. Do the working poor stay poor?
2. The wage penalty of part-time jobs and temporary jobs.
3. Gender differences in training participation.
4. The wage penalty for motherhood.
5. Overeducation and job satisfaction.
6. The effect of household work on wages.

Detailed Topics and Literature

1. Do the working poor stay poor?

In the last decade, the proportion of low-wage earners in Germany has grown significantly whereas the proportion of unemployed workers has decreased. In order to assess this development, it is important to know if being a low-wage employee is a dead-end or if there are chances to move to better paid jobs.

In a first step, the seminar thesis describes descriptively short-term and long-term transition probabilities between low-wage employment, middle-wage employment and high-wage-employment. In a second step, linear probability models (estimated by OLS) or Logit models are applied to identify characteristics which improve chances to obtain a better-paid job.

Literature

Mosthaf, A., Schnabel, C., & Stephani, J. (2011). Low-wage careers: Are there dead-end firms and dead-end jobs? *Journal for Labour Market Research*, 43(3), 231-249.

Stewart, M. B., & Swaffield, J. K. (1999). Low Pay Dynamics and Transition Probabilities. 66(261), 23-42.

2. The wage penalty of part-time jobs and temporary jobs.

The share of part-time jobs and temporary jobs has grown in Germany in the last decades. While part-time work allows more flexibility both for the worker and the employer, temporary jobs mainly allow more flexibility for employers. Additionally, employees can be screened when they have a fixed-term contract before they get a permanent contract. The economic literature has often argued that part-time jobs and temporary jobs are jobs of low-quality and incur lower wages than permanent full-time positions. The seminar thesis uses OLS and Fixed Effects wage regressions to estimate the wage penalty of part-time jobs and temporary jobs. As the share of men working in part-time positions is low, the analysis is restricted to women.

Literature

- Fernández-Kranz, D., & Rodríguez-Planas, N. (2011). The part-time pay penalty in a segmented labor market. *Labour Economics*, 18(5), 591-606.
- Manning, A., & Petrongolo, B. (2008). The Part - Time Pay Penalty for Women in Britain. *The Economic Journal*, 118(526), F28-F51.

3. Gender differences in training participation.

The economic literature has often found that women invest less in work-related training than men because they anticipate career breaks for childbearing, reducing the returns to training. As possibilities for childcare have improved in the last years, career breaks have become shorter, which should lead to higher investments of women in further training. The seminar paper analyzes gender differences in the probability of participating in training measures and how they evolve over time. It uses OLS and Fixed Effects regressions.

Literature

- Arulampalam, W., Booth, A. L., & Bryan, M. L. (2004). Training in Europe. *Journal of the European Economic Association*, 2(2-3), 346-360.
- Borjas, J. (2010). *Labor Economics, Fifth Edition*, Mc Graw Hill, Boston, Chapter 6 (the relevant parts).

4. The wage penalty for motherhood.

Employed mothers often experience additional wage losses compared to non-mothers, which is called the wage penalty for motherhood. This kind of wage disadvantage is also an essential component of the gender wage gap. The mechanisms driving mothers' wage disadvantages have already been the subject of much research. Usually, motherhood would lead to job interruption due to childbirth and more time spending on taking care of children. Besides that, it is worth analyzing if there exist other reasons for the wage penalty for motherhood, and based on these factors, how should the policy react to support mothers in labor market.

This topic focuses on the relationship between motherhood and women's labor market income by using OLS and Fixed Effects regressions.

Literature

Budig, M. J. (2001). The Wage Penalty for Motherhood. *American Sociological Review*, 66-Number 2, 204-225.

Waldfogel, J. (1998). Understanding the "Family Gap" in Pay for Women with Children. *Journal of Economic Perspectives*, 12-Number 1, 137-156.

5. Overeducation and job satisfaction: Am I too clever for this job?

With higher educational attainments, the workers could also experience education-job mismatch, i.e., overeducation, which means that the worker obtains a level of education in excess of that which is required for their particular job. Some previous studies show that overeducated workers are less satisfied with their job, and education-job mismatch would lead to lower productivity and profit of firms.

In this topic, we are interested in whether overeducation leads to a reduction of job satisfaction in the West Germany sample based on a cross-section dataset. Students are expected to use OLS and Logit regressions to conduct the analysis.

Literature

Bauer, T. K. (2002). Educational mismatch and wages: a panel analysis. *Economics of Education Review*, 21(3), 221-229.

Büchel, F. (2002). The effects of overeducation on productivity in Germany — the firms' viewpoint. *Economics of Education Review*, 21(3), 263-275.

6. The effect of household work on wages.

How much time persons spend on household work may affect their wages. When employers decide on hiring workers, they might consider higher household working hours could decrease employee's effort in the workplace. The question then arises whether household work reduces a worker's wages.

Previous studies also show that women spend significantly more time on household work than men worldwide. Household work might be a potential factor that causes gender differential in wages. Therefore, it is also interesting to examine whether household work affects the wages of married men and women differently. Students are expected to use OLS and Fixed Effect regressions to investigate these issues.

Literature

- Hersch, J., & Stratton, L. S. (1997). Housework, Fixed Effects, and Wages of Married Workers. *The Journal of Human Resources*, 32(2), 285-307.
- Hirsch, B., & Konietzko, T. (2013). The effect of housework on wages in Germany: no impact at all. *Journal for Labour Market Research*, 46(2), 103-118.

Organisation of the Seminar

You can apply for the seminar in the first week of the lecture period via Jogustine. Further information on the registration procedure is provided by the *Studienbüro*. You receive the final admission to the seminar from the *Studienbüro*.

All topics will be assigned to groups of two or three students directly after the first meeting (Wednesday, May 20th). Please send a transcript from Jogustine to sekretariat.schank@uni-mainz.de prior to the first meeting in order to inform us of which courses you participated in.

Group members present their results jointly on Tuesday, June 30th. However, note that each student writes her / his exposé independently. The bachelor thesis will be written in the eight weeks following the seminar.

Time Schedule for Bachelor Seminar and Bachelor Thesis

Events	Date	Time	
Introduction of the topics, topic assignment and beginning of the processing period	Wednesday, May 20 th 2020	14:00- 16:00	Room HS VII (ReWi Altbau)
Deadline for exposés submission	Wednesday, June 24 th 2020	until 12:00	Via e-mail to: sekretariat.schank@uni-mainz.de . Printed version at the Pedelloge.
Presentation of the exposés	Tuesday, June 30 th 2020	13:00- 20:00	13:00-18:00: HS VII (ReWi Altbau) 18:00-20:00: HS VI (ReWi Altbau)
Beginning of processing time of the bachelor thesis	Friday, July 03 rd 2020	–	–
Deadline for bachelor thesis submission	Friday, August 28 th 2020	until 12:00	Official submission to the Studienbüro. Supplemen- tary material via e-mail to sekretariat.schank@uni-mainz.de

The attendance of the introductory session (first session) and the presentation of the exposés are mandatory. In the case of non-attendance (without presenting valid reasons to the Exam Office), the seminar will not be passed. Due to the Corona situation, the introductory session and the exposé presentation (as well as the meetings with the supervisor) may take place via video conferences. We will inform you beforehand.