



Master Seminar in Empirical Labor Economics Summer term 2021

Schedule

Date	Location	
Thursday, 15.04.2021 10.00 – 12.00h	online MS Teams	Kick-Off (introduction, organizational issues, assign- ment of topics)
Sunday, 06.06.2021 23.59h		Deadline for submission of presentation slides and a preliminary draft of the seminar paper to sekretariat.schank@uni-mainz.de
Thursday, 10.06.2021 09.00 – 18.00h	online MS Teams	Presentations of seminar papers
Wednesday, 23.06.2021 23.59h		Deadline for submission of the final seminar thesis to sekretariat.schank@uni-mainz.de

Pre-requisites:

Preferably, participants should have taken in the past either “Econometric Analysis of Cross Section and Panel Data” (Prof. Schank) or “Topics in Statistics and Econometrics” (Prof. van Ewijk). At the minimum, students should take “Econometric Analysis of Cross Section and Panel Data” in the coming summer term. In case of the latter, it is essential that you attend the *Stata Introduction* by Dr. Constantin Weiser which is offered at the beginning of the summer term. Students who have not taken in the past or who will not take any of the two mentioned courses (or any other advanced empirical module) in the coming summer term are NOT recommended to choose this seminar.

Gutenberg School of Management and
Economics

Chair of Applied Statistics and
Econometrics

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General Description:

The seminar can be regarded as an ideal preparation for an empirical master thesis.

The aim of the seminar is to empirically re-investigate research questions from the field of labor economics, based on the listed references as a benchmark. Using Stata, students carry out the analysis with a student version of the German Socio Economic Panel (SOEP), which is supplied by the chair.

Topics

1. Does it pay off for men to marry?

In many studies it was found that married men earn on average higher wages than unmarried men. However, it is not clear, why this differential arises. On the one hand, employers might prefer married men because they expect them to have better characteristics (for example, to be more reliable). On the other hand, high-wage earners might be more attractive on the marriage market.

Using OLS regressions, students estimate wage differences between married and unmarried men. Thereafter, Fixed Effects regressions are estimated to analyze how wages change if a person marries.

Chun, H., Injae, L. (2001). "Why do married men earn more: Productivity or marriage selection?". *Economic Inquiry* vol. 39 (2), pages 307-319. <https://doi.org/10.1111/j.1465-7295.2001.tb00068.x>

2. The impact of regional mobility of working individuals on life and job satisfaction

In a study using the British BHPS and the Australian HILDA dataset, Perales (2017) shows that decisions to move between regions of young individuals is consistent with theories assuming utility-maximizing behavior. His study shows that satisfaction increases after moving.

In the seminar thesis, students are expected to estimate Fixed Effects regressions for job and life satisfaction in order to test if this results also holds for Germany. Regressions are done for several subgroups (singles, partnered individuals, high educated, etc.). Note that unlike the BHPS and HILDA, the German SOEP unfortunately does not consistently have information on the reason of migration.

Perales, F. (2017). "Dynamics of job satisfaction around internal migrations: a panel analysis of young people in Britain and Australia". *The Annals of Regional Science*, vol. 59 (3), pages 577-601. <https://doi.org/10.1007/s00168-015-0728-3>

3. Differences in education, earnings and employment between immigrants and natives

Immigrants are often less integrated into the labor market than natives, which manifests in lower wages and a lower probability of finding a job. This may be due to discrimination or differences in observed characteristics such as language skills and education. It is interesting to see whether these integration prob-

lems are lower for second-generation immigrants which would be indicative of assimilation and whether the degree of assimilation differs between countries of origin.

Students should estimate differences between natives, first generation migrants and second generation migrants with respect to education, earnings and employment by means of (censored) linear and Probit regressions.

Yann Algan, Christian Dustmann, Albrecht Glitz, Alan Manning (2010). „The economic situation of first- and second-generation immigrants in France, Germany, and the United Kingdom”. *The Economic Journal* vol. 120(542), pages 4-30. <https://doi.org/10.1111/j.1468-0297.2009.02338.x>

4. The internet effects on the individual job finding rate

Since the late 1990s, the internet has transformed the ways in which job-seekers look for work. In particular, it has reduced the information asymmetry and the costs to look for vacancies or potential employers and to apply or to recruit. This topic investigates if internet based search is effective in terms of reducing the unemployment probability of individuals.

Students are expected to analyze the determinants of looking for a job online as well the determinants of being employed one year later by making use of the waves 22 and 24 of the SOEP and by estimating either Probit or OLS estimations. Students are not expected to replicate the duration analysis of the paper.

Peter Kuhn, Mikal Skuterud (2004). "Internet Job Search and Unemployment Durations". *American Economic Review*, vol. 94 pages 218-232. <http://doi.org/10.1257/000282804322970779>

5. The effect of perceived unfairness on the individual well-being and career

The analysis of discrimination is still a hot topic in labor economics. Related to actual discrimination is the feeling of being discriminated or treated unfairly. This study focuses on the impacts of individual perceived unfairness measured as difference between the actual income received and the theoretical income considered to be fair on subjective well-being outcomes such as job and life satisfaction as well as on indicators of individual job stability.

Students are expected to analyze the impacts of perceived unfairness by estimating the different specification presented in the study including the subgroup analysis. Hence, students are expected to estimate linear Fixed Effect regressions and can expand their analyses using more recent data in comparison to the original paper.

Conchita D'Ambrosio, Andrew Clark, Marta Barazzetta (2018). "Unfairness at work: Well-being and quits". *Labour Economics*, vol. 51, pages 307-316. <https://doi.org/10.1016/j.labeco.2018.02.007>

Further information

We will send before the first meeting an http-address where participants can state their preferences by ranking the topics from 1 (most preferred) to 5 (least preferred), but students can modify their preferences at the end of the introductory meeting. Topics will be assigned (according to the stated preferences) to groups of two or three students directly after the introductory meeting. Students within groups can work together and use a joint do-file in Stata. Group members should also present their results jointly. However, note that each person should write up her/his seminar thesis independently. The thesis should cover **not more than 12 pages** including tables and figures, but without references.

The main task is to investigate the research topic, using Stata, and to write up the findings in the style of a research paper. Students are expected to use the reference articles as a benchmark for their own investigations, though not all regressions of the papers have to be mimicked. Neither is it the goal to reproduce exactly the same results as the papers which are already based on the SOEP. Students should adhere to the requirements stated above and should discuss the outline of their paper with their supervisor.

We will supply a student version of the German Socio Economic Panel (SOEP), the data-set to be used for the analysis. Instructions on how to access the data will be provided in the first meeting.

Students need to submit an electronic version of their seminar thesis by e-mail to sekretariat.schank@uni-mainz.de, together with the literature cited in the thesis (except for the papers referenced above), a Stata log-file and a do-file which produces all results reported in the seminar thesis. Before submission, students should make sure that the do-file runs through from the beginning to the end and should also appropriately comment in the do-file which table etc. is produced by which command.

Further formal requirements will be discussed during the introductory meeting. The slides from this introductory meeting will be downloadable from ILIAS. Participants are expected to follow all guidelines listed on the slides.

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