



Master Seminar in Empirical Labor Economics Summer term 2023

Schedule

Date	Location	
Thursday, 27.04.2023 10.00 – 12.00h	HS VI (old ReWi)	Kick-Off (introduction, organizational issues, assignment of topics)
Sunday, 25.06.2023 23.59h		Deadline for submission of presentation slides and a preliminary draft of the seminar paper to sekretariat.schank@uni-mainz.de
Thursday, 29.06.2023 09.00 – 18.00h	HS VI (old ReWi)	Presentations of seminar papers
Wednesday, 12.07.2023 23.59h		Deadline for submission of the final seminar thesis to sekretariat.schank@uni-mainz.de

Pre-requisites:

For students not from the QDEM program, it is preferred that you have previously taken a master course from our chair (Professor Schank) or "Topics in Statistics and Econometrics" (Professor van Ewijk). In case you haven't taken either of these courses, 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 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. Working from home, hours worked, wages and job satisfaction

The practice of working from home (WFH) has become widespread since the outbreak of the Covid-19 pandemic, yet prior to the pandemic there was limited research on how hybrid work arrangements impact labor market outcomes. Adoption of WFH may influence working hours by increasing the labor supply, possibly due to the reduction of schedule constraints stemming from personal commitments such as childcare. Additionally, there is evidence that WFH can improve job satisfaction by reducing commuting costs and allowing for more flexibility in work arrangements.

This seminar paper aims to investigate the determinants of taking-up of WFH and the impact of WFH on working hours, wages and job satisfaction. Students are expected to conduct OLS regression and fixed effects regression to investigate these issues.

Arntz, M., Yahmed, S. B., & Berlingieri, F. (2022). Working from Home, Hours Worked and Wages: Heterogeneity by gender and parenthood. *Labour Economics*, 76, 102169.

2. Sickness-related absence and career mobility

Frequent sickness-related absences are regularly interpreted by researchers as an indicator of either ill-health or low effort. One could thus expect a link between absenteeism and future career paths. For instance, assuming that firms wish to promote those employees who have performed well, employers may take variations in short-term absence as an indicator of work motivation into consideration.

This seminar topic explores whether absence behavior affects employees' job mobility, such as promotions, dismissals, quits, and transfers. Students are expected to use fixed effects regression or (multinomial) logit regression.

Chadi, A., & Goerke, L. (2018). Missing at work—sickness-related absence and subsequent career events. *Journal of Economic Behavior & Organization*, 153, 153-176.

3. The effect of locus of control on job search and the job-finding rate

Locus of control is a psychological concept that describes the belief of an individual about the impact of own behavior on life outcomes. Individuals with an internal locus of control believe that life outcomes are mainly the results of own behavior, while those individuals with an external locus of control think that life outcomes are mainly due to external factors such as luck.

Caliendo, Cobb-Clark and Uhlendorff (2015) used the IZA Evaluation Dataset and showed that locus of control has an impact on the job search behavior of unemployed individuals. Unemployed workers with an internal locus of control have higher expected returns of job search and therefore put more effort into the job search.

In the seminar, students estimate OLS regressions for the number of job search methods used and reservation wage. Students are also expected to use LPM models for the probability of finding a job to assess if the results obtained by Caliendo et al. (2015) are also valid for the SOEP.

Caliendo, M., Cobb-Clark, D. A., & Uhlendorff, A. (2015). Locus of control and job search strategies. *Review of Economics and Statistics*, 97(1), 88-103.

4. The gender reservation wage gap

It is a well-known fact that wages of women are on average lower than those of men. The literature offers a large number of possible explanations amongst others differences in characteristics (labor market experience, overtime work) and taste-based or statistical discrimination. Brown, Roberts and Taylor (2011) analyze the gender reservation wage gap. They do not look at working individuals but at not working individuals who are searching for a job. Their study shows that there is also a gender wage gap in reservation wages. They apply Oaxaca-Binder decompositions and highlight that the presence of children explains a large part of the observed gap, but that for a sample of individuals without children, the largest part of the reservation wage gap cannot be explained by observed variables. This result may be explained by perceived discrimination leading to lower wage aspirations of women.

In the seminar thesis, students are expected to perform an Oaxaca-Binder decomposition of reservation wages using the SOEP.

Brown, S., Roberts, J., Taylor, K. (2011), The gender reservation gap: Evidence from British panel data, *Economics Letters* 113, 88-91.

5. 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 problems 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 linear and Probit regressions.

Algan, Y., Dustmann, C., Glitz, A., & Manning, A. (2010). The Economic Situation of First and Second-Generation Immigrants in France, Germany and the United Kingdom. *The Economic Journal*, 120(542), F4-F30.

6. Mozart or Pelé? The effects of adolescents' participation in music and sports

Participation in music and sports is believed to have positive effects on child development. That is why on the one hand, governments subsidize both activities and on the other hand, parents want their children to engage in sports or music activities.

While a large part of the earlier literature has investigated the effect of either sports or music activities, Cabane, Hille and Lechner (2016) jointly modelled the effects of both. They used the SOEP and showed that music activities have stronger positive effects on academic performance and academic ambition while sports activities improve subjective health.

In the seminar thesis, students apply OLS regressions of (1) doing sports vs. doing music and (2) doing music or sports vs. doing nothing on school grades, the probability of attending upper secondary education, the aim to enroll at university, and on subjective health (as done in the paper). Note that Cabane et al. (2016) applied matching procedures, but students are only expected to run OLS models.

Cabane, C., Hille, A., & Lechner, M. (2016). Mozart or Pelé? The effects of adolescents' participation in music and sports. *Labour Economics*, 41, 90-103.

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 6 (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.

Contact

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