

Master Seminar in Empirical Labor Economics Summer term 2025

Schedule

| Date | Location | |
|--|------------------------|--|
| Wednesday, 23.04.2025 14.00 – 16.00h | HS VI (00 311) | Kick-Off (introduction, organizational issues, assignment of topics) |
| Sunday, 22.06.2025 23.59h | | Deadline for submission of presentation slides and a preliminary draft of the seminar paper to sekretariat.schank@uni-mainz.de |
| Wednesday, 25.06.2025 11.15 – 18.00h | Senatssaal (07 232) | Presentations of seminar papers (The final schedule will depend on the number of participants) |
| Thursday, 26.06.2025 14.00-20.00h | RW5 (01 114) | |
| Wednesday, 09.07.2025 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 expected that you have previously taken a master course from our chair (Professor Schank) or that you will take any of the two courses Microeconometrics A (Prof. van Ewijk) or Microeconometrics B (Prof. Schank) offered in the coming 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. Since working with Stata is an integral part of the seminar, we encourage students without sound knowledge of Stata to take part in the Stata Introduction course offered by Dr. Klaas Staal in the first week of the lecture period.

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. The value of foreign language skills in the German labor market

Germany has an export-oriented economy that is closely connected to the global market, making foreign language skills highly valuable. Beyond communication, language proficiency represents human capital that can improve job opportunities and earnings. This seminar paper explores the relationship between foreign language skills and labor market income in Germany, highlighting the role of language education policy in shaping human capital development. Students will analyze data from the SOEP Innovation Sample, applying OLS regressions or an Instrumental Variable approach, using compulsory English education in school as an instrument.

Hahm, Sabrina, and Michele Gazzola. "The value of foreign language skills in the German labor market." *Labour Economics* 76 (2022): 102150.

2. Worker stress and performance pay

While performance pay can boost productivity and wages, it has also been linked to increased stress and potential negative effects on worker health. This seminar paper investigates the relationship between performance pay and stress levels using SOEP data and OLS regression. Additionally, the study explores how individual characteristics, such as risk tolerance and locus of control, moderate this relationship. It is expected that among workers receiving performance pay, those who are more risk-tolerant or believe they have control over their environment experience lower levels of stress.

Baktash, Mehrzad B., John S. Heywood, and Uwe Jirjahn. "Worker stress and performance pay: German survey evidence." *Journal of Economic Behavior & Organization* 201 (2022): 276-291.

3. Determinants of East-West migration in Germany

Although the reunification of Germany dates back more than a quarter of a century, economic disparities between both regions are still viable. One reason is probably that more people left East- for West-Germany which may have weakened respective labor market and economic performance. In addition, Fuchs-Schündeln & Schündeln (2009) found that migrants to West Germany are mainly young, educated people while people who return to East-Germany are mainly old or single. However, a recent change in migration patterns has led to net migration gains in eastern Germany since 2017. This shift makes it relevant to

reassess the factors influencing both out-migration and return migration to eastern Germany, following the approach of Fuchs-Schündeln & Schündeln (2009). To estimate respective determinants students are expected to use the SOEP by facilitating OLS and Fixed Effects regression.

Fuchs-Schündeln, Nicola, and Matthias Schündeln. "Who stays, who goes, who returns? East-West migration within Germany since reunification." *Economics of Transition* 17, no. 4 (2009): 703-738

4. Commuting and the motherhood wage penalty

It is well-documented that childbirth reduces wages for new mothers---the so-called motherhood wage penalty. Additionally, some studies show that mothers tend to have shorter commuting distances. In this context, shorter commutes may indicate a more geographically restricted labor market, limiting mothers' access to high-paying jobs and opportunities for career advancement. This topic investigates whether changes in commuting distance can explain the motherhood wage penalty. Students will run OLS and Fixed Effects regressions to investigate this topic.

Skora, Thomas, Heiko Rüger, and Nico Stawarz. "Commuting and the motherhood wage gap: Evidence from Germany." *Sustainability* 12, no. 14 (2020): 5692

5. The Well-Being Consequences of Spousal Unemployment

Unemployment is heavily affecting individual labor market careers. Thus, it has and still is in focus of labor market research. Whereas previous research has mainly concentrated on the labor outcomes of the individuals which has been subject to unemployment, this topic analyzes spill-over effects on the spousal partner by making use of a partner indicator sampled in the household survey. In particular, it addresses the consequences on subjective life satisfaction. By making use of the partner indicator in the dataset, students are expected to replicate the main individual FE effects regressions and some of the robustness checks of the paper.

Nikolova, Milena, and Sinem H. Ayhan. "Your spouse is fired! How much do you care?" *Journal of Population Economics* 32, no. 3 (2019): 799-844

6. The relationship between body weight and wages

Several factors may contribute to a correlation between wages and body weight. Body weight can be linked to health, which in turn affects productivity and directly influences wages. Additionally, unobserved characteristics may simultaneously impact both body weight and wages. Discrimination based on body weight could also play a role, with obese individuals potentially facing a wage penalty. This seminar thesis employs OLS and Fixed Effects regressions to estimate the relationship between body weight and wages.

Baum, Charles L., and William F. Ford. "The wage effects of obesity: a longitudinal study." *Health economics* 13, no. 9 (2004): 885-899.

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. Therefore, it is expected that students are able to work independently with Stata. 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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