

Planned analyses for the project “Young workers’ beliefs and sorting in the labor market”

The survey has been designed to pursue the three distinct but related empirical analyses:

1. We will construct measures of worker misperceptions about starting wages, the wage after 5 years and the application success probability, by comparing people’s beliefs about the average characteristics in the population to corresponding benchmarks we measure from administrative data. We will use these measures to study the extent of misperceptions among job seekers. We are primarily interested in workers’ misperceptions to the extent they might affect their sorting in the labor market at the start of their career. We hence focus on misperceptions of some jobs relative to the others. By comparing misperceptions across jobs with different observable characteristics, we will further provide suggestive evidence on potential explanations for the observed misperceptions. Here we are particularly interested in whether and how misperceptions are related to...
 - a. ... how common (and therefore salient) a given type of job is for workers with a particular educational background and how much variation across jobs there is within a given job type
 - b. ... young job seekers’ (lack of) social ties with people working in this particular job type
 - c. ... gender and parental background
2. We will shed light on how young individuals’ perception of starting wages, of other job characteristics and of the likelihood of getting a job correlate with their job search behavior. To this end, we will use elicited beliefs about what different jobs would offer to the respondent specifically, as well as the respondents’ answers to survey questions about expected job search and job acceptance behavior, including hypothetical job acceptance behavior in a counterfactual scenario where wages do not vary across jobs. These questions were designed so that they identify a discrete choice model of job search.
3. In a randomized treatment, we provide information about starting wages in three different job types to study how a simple information treatment affects beliefs and job search. In particular, we will use the information experiment embedded in our survey to study:
 - a. ... whether and how individuals update their beliefs about the starting wage they would receive if they were to start a job in each of the three different job types
 - b. ... whether the information treatment about average starting wages in different job types has spillover effects on other beliefs about these jobs.
 - c. ... whether the information treatment affect workers’ intended and actual job search behavior, and ultimately their job search outcomes.

Since the effect of receiving information should depend on respondents’ prior beliefs, we will analyse the interaction of the treatment effect with pre-treatment misperceptions.