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## **Intergenerational Transmission of Unemployment – Evidence for German Sons**

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**Steffen Müller**  
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JEL J62; C21; C26

Youth unemployment; non-employment; intergenerational mobility; causal effect; Gottschalk method.

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### **Summary**

This paper studies the association between the unemployment experience of fathers and their sons. Based on German survey data that cover the last decades we find significant positive correlations. Using instrumental variables estimation and the Gottschalk (1996) method we investigate to what extent fathers' unemployment is causal for offsprings' employment outcomes. In agreement with most of the small international literature we do not find a positive causal effect for intergenerational unemployment transmission. This outcome is robust to alternative data structures and to tests at the intensive and extensive margin of unemployment.

# Physical Activity of Adults: A Survey of Correlates, Determinants, and Effects

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JEL I12; I18; J20; J30; J68; L83

Physical activity; leisure time physical activity; sports participation; labour market effects; unemployment; earnings.

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## Summary

We survey the literature on the link of labour market related outcomes to individual physical activity and sports participation. The first part of the survey is devoted to the individual participation decision and is based on papers from various disciplines. The second part summarises parts of the epidemiological literature on health effects and the economic literature on the labour market effects as well as on the effects on well-being and social capital. Somewhat surprisingly, at least for studies in empirical economics, all the papers seem to agree that individual leisure sports participation and physical activity has positive effects for adults.

# Youth Unemployment in the OECD: The Role of Institutions

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**Werner Smolny**

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JEL E02; E24; J21; J68

Youth unemployment; labor market institutions; age-specific unemployment.

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## Summary

This paper analyzes the role of labor market institutions for youth unemployment, as contrasted to total unemployment. The empirical results are basically consistent with an insider view of labor market institutions. Labor market institutions tend to protect (older) employees but might harm (young) entrants. Remarkable is especially the significant and very high effect of employment protection for regular jobs on youth unemployment. In addition, the combined effects of powerful unions and a coordinated wage bargaining system are beneficial for older people and detrimental to youth. Finally, the paper identifies a significant link between a demographic as well as an educational factor and both youth and total unemployment.

# Youth Unemployment After Apprenticeship Training and Individual, Occupation, and Training Employer Characteristics

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JEL J24; J62; J64; M53

Apprenticeship; youth unemployment; Germany

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## Summary

This paper analyses the risk of unemployment, unemployment duration, and the risk of long-term unemployment immediately after apprenticeship graduation. Unemployed apprenticeship graduates constitute a large share of unemployed youth in Germany but unemployment incidence within this group is unequally distributed. Our paper extends previous research in three dimensions. It shows that (i) individual productivity assessment of the training firm, (ii) initial selection into high reputation training firms and occupations, and (iii) adverse selection of employer moving graduates are correlated with unemployment after apprenticeship graduation. The empirical evidence is obtained from the second longitudinal version of the linked employer-employee panel data from the IAB (LIAB). This large data set allows us to calculate the exact unemployment spell length of apprenticeship graduates. In addition, we can include individual, employer, occupation as well as industrial relation characteristics before and after apprenticeship graduation into our list of explanatory variables for unemployment risk. We show in several robustness checks that our results are remarkably stable when we vary the employees included in the sample, the definition of unemployment, and the list of explanatory variables.

# Career Planning, School Grades, and Transitions: The Last Two Years in a German Lower Track Secondary School

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**Stefanie Lickleder**

University of Freiburg

JEL I20; J24

School-to-work transition; lower track secondary schools; vocational training; career guidance.

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## Summary

In Germany, students in lower track secondary schools (LTSS) typically receive intensive career guidance. Nevertheless, the majority of LTSS student graduates does not start an apprenticeship immediately after graduation. This paper analyzes career planning, school grades, and the first transition after graduation for LTSS students in Freiburg during the late 2000s. Only about 10% of LTSS students start an apprenticeship immediately after graduation. About half, typically those with better grades, participate in additional general teaching (AGT) and rather continue schooling after graduation, expecting that this will improve their future career options. The majority of students with poor school grades, especially male students with a migration background, continue with pre-vocational training, even though career guidance was effective in terms of the career planning activities reported by students. Our results suggest that a focus of career guidance on the immediate start of an apprenticeship after graduation may be misplaced for those students continuing in further schooling. Furthermore, such a focus potentially raises hopes for an immediate start of an apprenticeship among the other students, which may later on be frustrated when a student continues with pre-vocational training.

## **Coaching Disadvantaged Young People: Evidence from Firm Level Data**

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JEL J11; J24; M51; L60

Disadvantaged youth; apprenticeship training; programme evaluation.

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### **Summary**

In Germany, apprenticeship training firms currently face a shrinking number of qualified school-leavers because of smaller birth cohorts and an increasing proportion of school leavers aiming for higher education. This paper investigates whether a programme that supports firms to train disadvantaged youth can reduce recruiting difficulties in apprentice training firms. Based on unique firm-level data from the metal and electronic industry in Baden-Württemberg from 2010 to 2013, we apply instrumental variable and difference-in-difference estimations and find no significant short-term causal impact of the programme.

# Are there Long-Term Earnings Scars from Youth Unemployment in Germany?

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JEL J30; J69; C21; C26

Scarring; state dependence; youth unemployment.

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## Summary

We analyze the relationship between early-career unemployment and prime-age earnings with German administrative linked employer-employee data. The careers of more than 720,000 male apprenticeship graduates from the cohorts of 1978 to 1980 are followed over 24 years. On average, early-career unemployment has substantial negative effects on earnings accumulated later in life. An identification strategy based on plant closure of the training firm at the time of graduation suggests that the revealed correlation is not the result of unobserved heterogeneity. Scarring effects also vary considerably across the earnings distribution. Workers with a high earning potential are able to offset adverse consequences of early-career unemployment to a large extent. Workers who are located at the bottom of the prime-age earnings distribution, in contrast, suffer substantial and persistent losses. Our findings imply that a policy with the aim of preventing early-career unemployment would have long-lasting beneficial effects on future earnings.



# The Association Between Own Unemployment and Violence Victimization Among Female Youths

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JEL I10; I12; J01; J10; J13; J24

Conflict; household; relationships; assaults; abuse; health; crime; ICD codes; unemployment.

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## Summary

We estimate the association between the unemployment status of young women and the probability that they are subject to violence, using Swedish population register data covering the period 1999-2008. These data contain the highest-level classification of diagnoses made by medical experts at every individual in-patient and out-patient visit to medical care units, including every contact with a physician. We distinguish between domestic and non-domestic violence. It turns out that unemployed women are significantly more likely to be victimized than employed women with the same individual characteristics. This is mostly reflected in indicators of non-domestic violence and long-run abuse among unemployed female youths.