

e3c-LoyolaECON SEMINAR

Tuesday 8th of November 2022
12:30 p.m. – 13:30 p.m.

“The Direct and Indirect Effects of Online Job Search Advice”

By

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Link to join the Seminar: <https://loyola.webex.com/meet/rede3c>

Abstract: We study how personalized online job search advice regarding occupational job opportunities and labor demand affects the reemployment prospects of unemployed workers and potential spillover effects on other job seekers. In a large-scale field experiment, we provide occupational recommendations and vacancy information through a new online dashboard that is part of the official online platform of the Danish public employment agency. A clustered randomization procedure with varying treatment intensities across different regions allows us to account for treatment spillovers. Our results are twofold. When the share of treated job seekers is below 50%, online job search advice is highly effective and increases working hours and earnings by 7 – 9%. However, at the same time, we find evidence for substantial negative spillover effects on other treated job seekers. In regions with higher treatment intensities, the labor market outcomes of treated individuals are at a level similar to that of the control group. Further analyses suggest that the negative spillover effects are provoked by crowding out among job seekers applying for the same vacancies, especially in occupations that are highlighted by the experiment.