
Estimating On-the-job Search as an Intensive Margin

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Abstract

Job-to-job transition is a major source of wage growth over a lifetime. This paper individually estimates how job search efforts respond to expected gains from mobility, accounting from observed characteristics. Both gains and efforts are unobserved, calling for a structural approach. I build a random search model with endogenous search effort and individual heterogeneity. Workers have forward-looking expectations on job opportunities and household characteristics. The optimal search effort function is jointly estimated with the distribution of job offers from panel data. Results show that individuals search slightly less when their expected gain from searching is lower.

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