

Applied Labour Reading Group

Objective

The reading group aims to give PhD students a deeper understanding of current research at the frontier of applied labour economics and related fields in applied microeconomics. The main focus is on recent working papers and newly published papers. Participants should develop familiarity with substantive questions, empirical methods, and research designs, while also using the discussions to generate ideas for their own research.

Meetings

The reading group meets weekly on Tuesdays at 16:00 at ROCKWOOL Foundation Berlin, beginning on 13 October 2026 and continuing until 9 February 2027.

Course Structure

Regular sessions are organized around one paper selected in advance. One or two students lead each session by briefly presenting the paper and then guiding the discussion. The presentation should focus on the research question, institutional setting, empirical strategy, main results, and points that are useful for discussion. Papers can be selected from the reading list below, and participants may also suggest closely related recent papers.

The final sessions may be used for participants to pitch research ideas, present early-stage projects, or discuss specific challenges in ongoing work. These sessions are intended to create space for feedback from peers and, where possible, senior researchers.

Topics

The reading list is organized around the following broad topics:

1. Family, Gender, and Demographic Economics
2. Labour Economics, Technology, and Structural Change
3. Health Economics and Labour Markets
4. Migration, Skills, and Spatial Labour Markets
5. International Trade and Consumer Economics
6. Public Economics, Wealth, and Household Finance
7. Economics of Crime and Criminal Justice
8. Econometrics and Empirical Methods

Session Preparation

Participants are expected to read the paper before each meeting and come prepared to discuss it. The student or students leading a session should prepare a short set of slides or discussion notes that summarize the paper and identify questions for the group. The emphasis is on discussion rather than a comprehensive replication of the paper.

Reading List

Family, Gender, and Demographic Economics

Is the iPhone Birth Control? Causal Evidence from AT&T's 2007–2011 Carrier Monopoly

Caitlin K. Myers and Ezekiel Hooper. NBER Working Paper No. 35310, 2026

DOI: 10.3386/w35310. Link: [paper page](#).

Abstract. The U.S. general fertility rate has fallen by 22% since 2007, a sustained decline not readily explained by economic conditions, contraceptive use, housing or childcare costs, or other commonly cited factors. We assess the potential role of a different shock: the diffusion of the smartphone. The U.S. rollout of the iPhone, the first modern smartphone, provides a natural experiment: from June 2007 through February 2011, the device was sold only on AT&T, allowing us to identify its effect from variation in AT&T's mobile broadband coverage. Entropy-balanced Poisson and synthetic difference-in-differences event studies imply that access to the iPhone reduced births by 4.5–8.0% at ages 15–19 and 3.2–6.6% at ages 20–24, with statistically significant but smaller declines among older cohorts. Placebo analyses applied to Verizon and Sprint's pre-2011 coverage footprint are null. Taken together, these cohort effects imply that the diffusion of the iPhone deepened the decline in births among women under 30 while suppressing the rise in births among older women. Overall, the diffusion of the iPhone explains 33–52% of the decline in the general fertility rate among women aged 15–44. National-survey evidence on time use and sexual behavior is consistent with the iPhone reducing in-person interactions, increasing pornography use, and reducing sexual frequency

The Division of Parental Leave: Empirical Evidence and Policy Design

Thomas Høgholm Jørgensen and Jakob Egholt Søgaard. *Journal of Public Economics*, 238, 105202, 2024

DOI: 10.1016/j.jpubeco.2024.105202. Link: [paper page](#).

Abstract. We study several key aspects of the design of parental leave systems. First, we estimate parents' willingness to pay for parental leave using Danish administrative data on the division of leave from almost 190,000 births combined with sharp variation in economic incentives created by the parental leave benefit system. We find evidence of both strong behavioral responses with significant bunching at kink points and a willingness to pay for a gender-traditional allocation of leave, where fathers take little or no leave. Second, we provide a menu of counterfactual policy simulations showing substantial interaction effects between earmarked leave, replacement rates and the duration of leave benefits. Relevant for the implementation of a recent EU directive, a higher replacement rate significantly increases the behavioral response of fathers to earmarked leave. Finally, we discuss the welfare effects of different policies aimed at increasing the parental leave of fathers.

Leave and Let Leave: Workplace Peer Effects in Fathers' Take-up of Parental Leave

Alessandra Casarico, Edoardo Di Porto, Joanna Kopinska, and Salvatore Lattanzio. ROCKWOOL Foundation Berlin Discussion Paper Series No. 126/25, 2025; also CESifo Working Paper No. 11795

DOI: 10.2139/ssrn.5220755. Link: [paper page](#).

Abstract. Using a reform that increased parental leave generosity, we estimate workplace peer effects in leave-taking, focusing on fathers. Coworker fathers are more likely to take leave when exposed to more peer fathers affected by the reform. Effects are stronger in establishments with higher social capital and pre-reform leave use. We explain our findings showing that incumbent coworkers drive the effects, same-gender peer influences exceed cross-gender ones, the strongest peer effects run from higher- to lower-ranked occupations, and career penalties are absent for peer fathers. Peer effects extend to coworker fathers' partners, less so to coworker mothers' partners.

Labour Economics, Technology, and Structural Change

Training or Retiring? How Labor Markets Adjust to Trade and Technology Shocks

Alexander Bertermann, Wolfgang Dauth, Jens Südekum, and Ludger Wößmann. IZA Discussion Paper No. 18247 / CESifo Working Paper No. 12240, 2025

DOI: 10.2139/ssrn.5737727. *Link:* paper page.

Abstract. How do firms and workers adjust to trade and technology shocks? We analyze two mechanisms that have received little attention: training that upgrades skills and early retirement that shifts adjustment costs to public pension systems. We combine novel data on training participation and early retirement in German local labor markets with established measures of exposure to trade competition and robot adoption. Results indicate that negative trade shocks reduce training—particularly in manufacturing—while robot exposure increases training—particularly in indirectly affected services. Both shocks raise early retirement among manufacturing workers. Structural change thus induces both productivity-enhancing and productivity-reducing responses, challenging simple narratives of labor market adaptation and highlighting the scope for policy to promote adjustment mechanisms conducive to aggregate productivity.

What Makes New Work Different from More Work?

David Autor, Caroline Chin, Anna M. Salomons, and Bryan Seegmiller. NBER Working Paper No. 34986, 2026; published in *Annual Review of Economics*, 18, 535–559

DOI: 10.3386/w34986; 10.1146/annurev-economics-092325-041649. *Link:* paper page.

Abstract. We study the role of expertise in new work—novel occupational roles that emerge as technological and economic conditions evolve—using newly available 1940 and 1950 Census Complete Count files and confidential American Community Survey data from 2011 to 2023. We show that new work is systematically distinct from simply more work in existing occupations in four respects. First, it attracts workers with distinct characteristics: New work is disproportionately performed by younger and more educated workers, even within detailed occupation-industry cells. Second, new work commands economically significant wage premiums that persist beyond workers’ initial entry into new work, consistent with returns to scarce, specialized expertise rather than temporary market disequilibrium. Third, these premiums decline across vintages as expertise diffuses, with “newer” new work commanding larger premiums than older new work. Fourth, the emergence of new work can be traced to specific demand shocks in particular locations and time periods, suggesting that expertise formation responds systematically to economic opportunities. These findings suggest that new work serves as a countervailing force to automation-driven job displacement not merely by creating additional employment but also by generating new domains of human expertise that command market premiums. This expertise-based mechanism helps explain both the expanding variety of work activities across decades and the historical resilience of the labor share.

Still Waters, Rapid Currents: Early Labor Market Transformation under Generative AI

Anders Humlum and Emilie Vestergaard. NBER Working Paper No. 33777, 2025; revised March 2026

DOI: 10.3386/w33777. *Link:* paper page.

Abstract. We study the early labor market impacts of AI chatbots by linking large-scale adoption surveys to administrative labor market records in Denmark. We document rapid currents: most employers in exposed occupations have adopted chatbot initiatives, workers report productivity benefits, and new AI-related tasks are widespread. Yet these currents have not broken the surface: using difference-in-differences, we estimate precise null effects on earnings and recorded hours at both the worker and workplace levels, ruling out effects larger than 2% two years after the launch of ChatGPT. What moves is the structure of work: employers absorb AI through task reorganization—including new tasks in content generation, AI oversight, and AI integration—and adopters transition into higher-paying occupations where AI chatbots

are more relevant, though still too few to move average earnings. Technological change reshapes work well before it surfaces in earnings or hours.

Health Economics and Labour Markets

The Labor Market Impacts of GLP-1s

N. Meltem Daysal, Camille JH. Fredrickson, Ida L. Kristiansen, Mircea Trandafir, and Jonathan Zhang. NBER Working Paper No. 35475, 2026

DOI: 10.3386/w35475. *Link:* [paper page](#).

Abstract. We estimate the causal impacts of GLP-1 treatment on labor market outcomes using linked Danish administrative data and a matched stacked difference-in-differences design. We compare patients who initiate GLP-1 treatment during the first two years of Semaglutide availability to observably similar patients who initiate four years later. We find that GLP-1 treatment reduces long-term sickness leave by 17.3%. We estimate total fiscal benefits of GLP-1 initiation of approximately 1.3–1.5% of annual labor income per employed individual. We do not detect statistically significant or economically meaningful impacts on income, labor force participation, or employment over four years.

Selection into Medicine

Diane E. Alexander and Molly Schnell. NBER Working Paper No. 35631, 2026

DOI: 10.3386/w35631. *Link:* [paper page](#).

Abstract. This paper examines how selection into medicine in the United States influences physician practice styles. We exploit macroeconomic conditions at the time of medical school application as an exogenous shock to the applicant pool and find that labor market downturns in other prestigious fields increase applications to medical school and shift the composition of matriculating cohorts toward students from non-pre-medical backgrounds. Strikingly, these low-outside-option cohorts practice medicine differently decades later. Conditional on experience, specialty, and outcome year, recession-cohort physicians bill Medicare more per beneficiary despite seeing healthier patients—particularly on discretionary, revenue-generating services—and sort into practice settings with higher-powered financial incentives. The additional spending does not produce detectable improvements in patient health. Taken together, our findings point to stronger financial motivation among those drawn into medicine when outside options are weak and suggest that medical school admissions screen imperfectly on the attributes that ultimately shape how physicians practice.

Migration, Skills, and Spatial Labour Markets

Lifting Barriers to Skill Transferability: Immigrant Integration through Occupational Recognition

Silke Anger, Jacopo Bassetto, and Malte Sandner. IZA Discussion Paper No. 17444; RFBerlin Discussion Paper No. 27/24, 2024

DOI: 10.2139/ssrn.5019067. *Link:* [paper page](#).

Abstract. While Western countries worry about labor shortages, their institutional barriers to skill transferability prevent immigrants from fully utilizing foreign qualifications. Combining administrative and survey data in a difference-in-differences design, we show that a German reform, which lifted these barriers for non-EU immigrants, led to a 15 percent increase in the share of immigrants with a recognized foreign qualification. Consequently, non-EU immigrants' employment and wages in licensed occupations (e.g., doctors) increased respectively by 18.6 and 4 percent, narrowing the gaps with EU immigrants.

Despite the inflow of non-EU immigrants in these occupations, we find no evidence of crowding out or downward wage pressure for natives.

Location, Location, Location

David Card, Jesse Rothstein, and Moises Yi. *American Economic Journal: Applied Economics*, 17(1), 297–336, 2025

DOI: 10.1257/app.20220427. *Link*: paper page.

Abstract. We use linked employer–employee data to study the causal effects of location on earnings in the United States. We estimate a model with employer and employee effects, then aggregate to the commuting zone (CZ) level. Sorting across firms biases traditional “movers” designs. Our model accurately predicts earnings changes for CZ movers after accounting for firm sorting. Worker skills explain half of observed earnings differences across CZs; observable characteristics understate this. Industry composition explains little of average place effects. Costs at least offset CZ earnings premia on average; workers who move to higher-wage CZs have equal or lower real consumption.

International Trade and Consumer Economics

Cross-Border Product Diffusion: Migrant Networks, Consumer Imports, and Retailer Learning

David Argente, Esteban Méndez, and Diana Van Patten. NBER Working Paper No. 35104, 2026

DOI: 10.3386/w35104. *Link*: paper page.

Abstract. This paper studies how new varieties enter markets and become locally available. We provide causal evidence of demand externalities that operate in two steps. First, information about new varieties diffuses directly through real-world social ties among consumers. Second, early purchases generate an indirect spillover to firms: local retailers learn from “pioneer” consumers which new varieties are most likely to succeed and adjust their product offerings accordingly. We study this process in the context of direct-to-consumer imports. Using customs records on individuals’ purchases matched to population-wide social networks, international migrant links, and retailer catchment areas, we document economically meaningful demand externalities. Product-specific demand shocks abroad transmit through migrant networks and shift which varieties consumers purchase. Leveraging these shocks as a plausibly exogenous source of local demand variation, we show strong peer effects: prior purchases by close neighbors, coworkers, or friends increase an individual’s likelihood of purchasing the same variety, especially for premium and visible goods. We leverage this result to identify an indirect spillover from consumers to firms: retailers are more likely to add a variety when it becomes popular among consumers in their catchment area. Combining the instrument with linked consumer–retailer data and a self-conducted retailer survey, we show that this response reflects learning about latent demand for varieties not yet stocked locally. Together, social diffusion and retailer learning generate demand multipliers that reshape local product availability and expand access to global variety.

Public Economics, Wealth, and Household Finance

Why Are the Wealthiest So Wealthy? A Longitudinal Empirical Investigation

Serdar Ozkan, Joachim Hubmer, Sergio Salgado, and Elin Halvorsen. CESifo Working Paper No. 10324, 2023; also Federal Reserve Bank of St. Louis Working Paper 2023-004

DOI: 10.20955/wp.2023.004. *Link*: paper page.

Abstract. We use Norwegian administrative panel data on wealth and income between 1993 and 2015 to study lifecycle wealth dynamics, focusing on the wealthiest households. On average, the wealthiest start

their lives substantially richer than other households in the same cohort, own mostly private equity, earn higher returns, derive most of their income from dividends and capital gains, and save at higher rates. At age 50, the excess wealth of the top 0.1% group relative to mid-wealth households is accounted for in about equal terms by higher saving rates (34%), higher initial wealth (32%), and higher returns (27%), while higher labor income (5%) and inheritances (1%) account for the small residual. There is significant heterogeneity among the wealthiest: one-fourth of them—which we dub the “New Money”—start with negative wealth but experience rapid wealth growth early in life. Relative to the quartile of top owners that already started their life rich—the “Old Money”—the New Money are characterized by even higher saving rates and returns and also by higher labor income. Their excess wealth is mainly explained by higher saving rates (46%), higher returns (34%), and higher labor income (16%).

Economics of Crime and Criminal Justice

The Economic Impacts of Rape

Abi Adams, Kristiina Huttunen, Emily Nix, and Ning Zhang. IFS Working Paper W26/15, 2026; Revise and Resubmit at *American Economic Review*

DOI: 10.1920/wp.ifs.2026.1526. Link: paper page.

Abstract. We estimate the economic impacts of rape using population-wide Finnish police reports and hospital admissions. Over the five years following a rape, victims’ employment falls by 6 percentage points and annual earnings decline by $\approx$ 1,500, alongside a 6 percentage point increase in anti-depressant use, relative to otherwise observationally equivalent women. These effects persist for at least a decade and correspond to a 15% decline in employment, 17% earnings loss, and 28% rise in anti-depressant use relative to pre-assault baselines. Rape also generates spillover effects to victims’ networks: female schoolmates and victims’ parents experience significant mental health deterioration.

Conviction, Incarceration, and Recidivism: Understanding the Revolving Door

John Eric Humphries, Aurélie Ouss, Kamelia Stavreva, Megan T. Stevenson, and Winnie van Dijk. *Quarterly Journal of Economics*, 140(4), 2907–2962, 2025

DOI: 10.1093/qje/qjaf040. Link: paper page.

Abstract. Noncarceral conviction is a common outcome of criminal court cases: for every person incarcerated, there are approximately three who were recently convicted but not sentenced to prison or jail. We extend the binary-treatment judge IV framework to settings with multiple treatments and use it to study the consequences of noncarceral conviction. We outline assumptions under which widely used 2SLS regressions recover margin-specific treatment effects, relate these assumptions to models of judge decision-making, and derive an expression that provides intuition about the direction and magnitude of asymptotic bias when a key assumption on judge decision-making is not met. We find that noncarceral conviction (relative to dismissal) leads to a large and long-lasting increase in recidivism for felony defendants in Virginia. In contrast, incarceration (relative to noncarceral conviction) leads to a short-run reduction in recidivism, consistent with incapacitation. Our empirical results suggest that noncarceral felony conviction is an important and overlooked driver of recidivism. JEL codes: J01, K4.

Monotonicity among Judges: Evidence from Judicial Panels and Consequences for Judge IV Designs

Henrik Sigstad. *American Economic Review*, 116(1), 189–208, 2026

DOI: 10.1257/aer.20231104. Link: paper page.

Abstract. Judge IV designs rely on monotonicity—each judge being weakly stricter than more lenient judges in all cases. I measure monotonicity in judicial panels in five different settings and find that it is

violated in up to 50 percent of nonunanimous cases. The monotonicity violations are not detected by conventional tests, but they would typically induce little bias in judge IV estimates.

Econometrics and Empirical Methods

Machine Learning Methods That Economists Should Know About

Susan Athey and Guido W. Imbens. *Annual Review of Economics*, 11, 685–725, 2019

DOI: 10.1146/annurev-economics-080217-053433. *Link*: [paper page](#).

Abstract. We discuss the relevance of the recent machine learning (ML) literature for economics and econometrics. First we discuss the differences in goals, methods, and settings between the ML literature and the traditional econometrics and statistics literatures. Then we discuss some specific methods from the ML literature that we view as important for empirical researchers in economics. These include supervised learning methods for regression and classification, unsupervised learning methods, and matrix completion methods. Finally, we highlight newly developed methods at the intersection of ML and econometrics that typically perform better than either off-the-shelf ML or more traditional econometric methods when applied to particular classes of problems, including causal inference for average treatment effects, optimal policy estimation, and estimation of the counterfactual effect of price changes in consumer choice models.