Learning about Job Search: A Field Experiment with Job Seekers in Germany

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We conduct a large-scale field experiment in the German labor market to investigate how information provision affects job seekers’ employment prospects and labor market outcomes. Individuals assigned to the treatment group of our experiment received a brochure that informed them about job search strategies and the consequences of unemployment, and encouraged them to actively look for new employment. We study the causal effects of the brochure by comparing labor market outcomes of treated individuals to those of an untreated control group based on administrative records on individuals’ employment status and earnings. While our treatment yields overall positive effects, these tend to be concentrated among job seekers who are at risk of becoming long-term unemployed. Specifically, the treatment effects in our overall sample are generally positive, but relatively small and mostly insignificant. At the same time, we do observe pronounced and highly significant effects for individuals who exhibit an increased risk of long-term unemployment. Within this group, the brochure increases employment and earnings in the year after the intervention by roughly 4%. Given the low cost of the intervention, our findings indicate that targeted information provision can be a highly effective policy tool in the labor market.