The Effect of Minimum Wages on Firm-Financed Apprenticeship Training

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The effects of minimum wages on employment and wages have been studied extensively. However, only few studies have analyzed their effects on other policy-relevant factors. In this study, I empirically analyze the effect of the minimum wage introduction on firm-provided apprenticeship training in the main construction sector in Germany. The analysis is based on a 50 percent random sample of the IAB Establishment History Panel—a large administrative firm-level data set. The results of difference-in-differences and synthetic control models show that both the share of firms training new apprentices and the number of new apprentices in a firm declined due to the minimum wage introduction.