

# IAB-Colloquium

## zur Arbeitsmarkt- und Berufsforschung

### End-of-Year Spending and the Long-Run Effects of Training Programs for the Unemployed

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This study re-estimates the employment effects of training programs for the unemployed in West Germany using exogenous variation in participation caused by budget rules in local employment offices. As funds could not be transferred to the next year or to other programs, a budget surplus (deficit) after the first half of the year increases (decreases) training participation at the end of the fiscal year (“end-of-year spending”) irrespective of the situation of the unemployed. For all programs affected by this budget mechanism, our instrumental variables estimates imply sizeable lock-in effects on employment in the short run, but heterogeneous effects later-on. While retraining and longer programs providing specific professional skills and techniques improve employment in the medium and long run, our findings imply long-lasting negative effects of practice firms.

**Dienstag,**

**13. Oktober 2015**

13:00 Uhr

Sitzungssaal 126a