# Analysis

## 160419

### …\_001

This file estimates the effect of the youth share on the employment and the unemployment rate based on OLS or 2SLS estimation. The youth share is defined as the share of those aged 20-24, 18-24 or 15-24 relative to the population 20-64, 18-64 or 15-24. The instrumental variable is defined as the age group that is 15 years younger than the reference group and is observed 15 years earlier. The dependent variables are defined as **all** (un-)employed individuals divided by the population that is used in the denominator of the youth-share variable.

The results show positive significant effects of the youth share on the unemployment rate, which are larger in magnitude for 2SLS than for OLS; in case of the employment rate the coefficients are negative and considerably smaller than for the corresponding unemployment outcome.

### …\_002

This file is based on …\_001 but excludes regions from the sample that contain districts from East Germany.

The coefficients increase in magnitude.

### …\_003

This file uses age-specific employment rates for the age group 20-24, i.e. the number of employed aged between 20 and 24 divided by the population aged 20-64.

The coefficients are negative but insignificant.

### …\_004

In this file the dependent and the youth-share variable, which are both rates, are included in levels rather than in logarithmic form.

### …\_005

This file assesses the sensitivity of the 2SLS coefficients in the unemployment model to dropping individual years from the sample. Excluding the year 2011 appears to have an impact on the results (the effects become larger if 2011 is dropped).

### …\_006

This file assesses the sensitivity of the 2SLS coefficients in the employment model to dropping individual years from the sample. Dropping years at the top and the bottom end of the period has some effect. When the year 2000 is dropped, the negative effect increases in magnitude and lies outside the confidence interval of the coefficient from the full model. When the year 2011 is dropped, the coefficient becomes closer to zero and lies on the upper end of the confidence interval of the full model’s coefficient.