Frank (F.J.J.) Leenders

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Citizenship:	Dutch
Research Interests:	Macroeconomics, Labour Economics

EMPLOYMENT

Postdoc Fellow, *Stockholm School of Economics*   09/2022-

EDUCATION

Ph.D. in Economics, *University of Toronto*   2022
     Committee: Gueorgui Kambourov (co-supervisor),
           Ronald Wolthoff (co-supervisor), Serdar Ozkan
M.Res in Economics, Tilburg University (no degree), 2014-15   -
M.A in Economics, *University of Alberta*   2013
M.Sc in Economics, *Tilburg University*   2012
B.Sc in Economics and Business Economics, *Tilburg University*   2011

RESEARCH

Recall and the Scarring Effects of Job Displacement (*Submitted*)

Social Security and Life-Cycle Variation in the Cost of Job Loss
(with Johanna Wallenius)

Job Displacement Scars over the Earnings Distribution

Business Cycle Patterns of Occupational Mobility and Subsequent Earnings

Labor Market Risk and Racial Disparities in Lifetime Earnings: The Roles of Worker and Firm Heterogeneity
(with Victoria Gregory, Serdar Ozkan, and David Wiczer)

TEACHING EXPERIENCE

Course Instructor   2019

- ECO 208: Macroeconomic Theory (joint with Cory Langlais)

Teaching Assistant   2012; 2015 - 2022

- ECO 100: Introductory Economics [Undergraduate]
- ECO 102: Principles of Macroeconomics [Undergraduate]
- ECO 208: Macroeconomic Theory [Undergraduate]
- ECO 209: Macroeconomics for Commerce [Undergraduate]
- ECO 345/352: Special Topics: Macroeconomics and the Labour market [Undergraduate]
- ECO 1011: Mathematics and Statistics for PhD and MA Doctoral Stream Students [Graduate]
- ECO 2021/2100: Macroeconomic Theory I (PhD) [Graduate]
- Macroeconomics for Business Administration (Dutch) [Undergraduate]
- ECON 385: Intermediate Macroeconomics II [Undergraduate]

Research Assistant   2015 - 2022

- Ronald Wolthoff: Literature Review, Data Analysis, Theoretical Analysis
- Serdar Ozkan: Numerical Analysis
- Zachary Mahone: Data Analysis

Seminar and Conference Presentations

- 2024 (* scheduled): Greater Stockholm Macro Group (Sveriges Riksbank)*, Durham-York Virtual Macro, Universidad Carlos III de Madrid, Umeå University, Singapore Management University
- 2023: Umeå University, Uppsala University, European Association of Labour Economists (Prague), ENTER Jamboree (Mannheim), Stockholm School of Economics (x2)
- 2022: Greater Stockholm Macro Group (Sveriges Riksbank), FDZ User Conference (Nuremberg/Online), Midwest Macro (Dallas), Nordic Summer Symposium in Macroeconomics (Raseborg), Canadian Economics Association (Ottawa), Essex/RHUL/Bristol Junior Search and Matching Workshop (Online), Society of Labor Economists (Minneapolis), University of Toronto, Singapore Management University
- 2021: European Association of Labour Economists (Padua/Online), PhD-Economics Virtual Seminar (PhD-EVS, Online), EEA-ESEM Congress (Copenhagen/Online), Young Economist Symposium (Princeton/Online), Canadian Economics Association (Vancouver/Online), CIREQ Ph.D. Students' Conference (Montreal/Online), Search and Matching Conference (Copenhagen/Online), University of Toronto, University of Waterloo
- ≤ 2020: University of Toronto, Dutch Economist Week

Awards and Grants

Doctoral Completion Award, University of Toronto	2022
Maurice Cody Research Fellowship, University of Toronto	2019
PhD Student Research Grant (Department of Economics), University of Toronto	2019
Award for Excellence in Teaching by Teaching Assistants in Economics, University of Toronto (Department of Economics)	2019
Moira Whalon Prize, Massey College (in the University of Toronto)	2018
University of Toronto Doctoral Fellowship	2015 - 2020
Junior Fellowship, Massey College (in the University of Toronto)	2015 - 2020
CentER Scholarship, Tilburg University	2014 - 2015
Excellence Scholarship, Tilburg University	2012

Refereeing Experience

Macroeconomic Dynamics, Review of Economic Dynamics

Academic Service

Graduate Department Academic Appeals Committee, Department of Economics,   2019 - 2020
University of Toronto

Languages

Dutch (native), English (fluent)
Programming: Stata, Fortran 90/95, MATLAB

References

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Abstracts

Social Security and Life-Cycle Variation in the Cost of Job Loss

with Johanna Wallenius

In this paper, we study how the effect of displacement on subsequent earnings and employment differs by the worker's age at the time of the displacement. We use a life-cycle model to investigate the extent to which this variation is driven by the design of the social security system. Using German social security data, we first establish that earnings losses, both upon impact and in the long run, generally increase in age. Employment losses, on the other hand, increase in age only until workers approach the window for early retirement. Our structural model features search frictions, human capital, and savings, and contains a detailed representation of the German unemployment insurance, welfare, and pension systems. We use the estimated model to decompose the life-cycle variation in earnings and employment losses. We find that the age-dependencies embedded in the social security system, along with mortality risk and age-dependent job finding rates, are important in accounting for the age gradients in post-displacement earnings and employment losses, especially later in the working life. Furthermore, while displacement comes at a high welfare cost, workers are able to effectively shield themselves from some of this cost through unemployment insurance and asset accumulation. Finally, while workers with high lifetime income tend to retire early, job loss tends to nudge these workers to postpone their retirement.

Recall and the Scarring Effects of Job Displacement

This paper studies the scarring effect of job displacement by explicitly considering workers who return to their previous employer. Using German administrative data I show that these "recalled" workers face similar long-run earnings losses and slightly larger short-run losses compared to non-recalled workers. I develop a job search model that accounts for the heterogeneous effects by recall status. The estimated model shows that recalled workers' larger short-run losses are explained by differences in nonemployment duration, whereas long-term losses are similar because recalled workers' increased likelihood of repeated job loss is offset by reduced skills depreciation during the initial nonemployment spell.

Job Displacement Scars over the Earnings Distribution

Workers who are displaced from their job experience a well-documented scarring effect: a large and persistent average earnings loss. However, these average effects mask a substantial amount of heterogeneity along a number of observable dimensions. In this paper, I explore how the scarring effect of job displacement differs by the affected workers' earnings prior to displacement. I use detailed administrative data from Germany to empirically analyze this dimension. I find that earnings losses, relative to pre-displacement earnings, are larger for individuals whose recent earnings situate them at the bottom of the earnings distribution. This seemingly contradicts existing models that can account for the average scarring effect, as these are generally based on the idea of a job ladder, and thus imply that workers at the top of the earnings distribution should suffer from (relatively) larger earnings losses. I then propose a model in which displaced workers do not necessarily move into unemployment, as they may find a job immediately upon being displaced. Furthermore, they do not fall off the ladder completely if they find a new job immediately. I show that this framework enables the model to explain the relatively larger earnings losses at the bottom of the earnings distribution. These larger losses are primarily driven by the incidence of the job-to-job transitions upon displacement and the heterogeneity in separation rates in subsequent jobs, amplified by larger accumulation of human capital loss among workers at the bottom of the earnings distribution.

Business Cycle Patterns of Occupational Mobility and Subsequent Earnings

This paper investigates the cyclicality of occupational mobility and its consequences for subsequent earnings and wages, distinguishing between workers who switch occupations through unemployment and workers who switch as part of a job-to-job transition. Using data from the Survey of Income and Program Participation, I find that the fraction of occupational switchers who switch through unemployment is countercyclical, and while these workers generally do worse in terms of earnings than workers who make a job-to-job transition, their earnings and wage patterns may slightly improve in recessions. I then propose a job search model of occupational mobility in which I incorporate both types of occupational switches and show that the overall deterioration of earnings and wage outcomes for occupational switchers in recessions is largely driven by a composition change towards switching through unemployment, dampened by the outcomes experienced by workers who switch occupations without switching employers.

Labor Market Risk and Racial Disparities in Lifetime Earnings: The Roles of Worker and Firm Heterogeneity

with Victoria Gregory, Serdar Ozkan, and David Wiczer

We investigate the factors contributing to racial disparities in earnings in the United States by focusing on two-sided latent heterogeneity in job-ladder dynamics and on-the-job learning. For this purpose, we develop and estimate a structural model featuring firm heterogeneity and a rich set of worker types. Firms differ in productivity, unemployment risk, and learning-opportunities, while workers vary in productivity, learning ability, and job ladder risk—job-loss and job-finding rates. We estimate the model using a novel set of moments derived from the US Longitudinal Employer-Household Dynamics dataset. In particular, we target variation in job mobility and earnings growth across the earnings distribution, between black and white workers, and between firms. We then use the estimated model to decompose the black-white earnings gap.