Frank (F.J.J.) Leenders

Address:

Department of Economics   **Email:** Frank.Leenders@hhs.se
Stockholm School of Economics   **Website:** https://sites.google.com/view/frankleenders
Box 6501
113 83 Stockholm, Sweden

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

Unemployment Risk and Lifetime Earnings Inequality: The Role of Worker and Firm Heterogeneity (with Serdar Ozkan)

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

- 2023 (* scheduled): 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
- $\leq$ 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

Johanna Wallenius
Department of Economics
Stockholm School of Economics
Box 6501
113 83 Stockholm
Sweden
johanna.wallenius@hhs.se

Gueorgui Kambourov
Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada
g.kambourov@utoronto.ca
+1-416-978-8695

Ronald Wolthoff
Department of Economics
University of Toronto
150 St. George St.
Toronto, Ontario
M5S 3G7, Canada
ronald.wolthoff@utoronto.ca
+1-416-978-5588

Serdar Ozkan
Research Division
Federal Reserve Bank of St. Louis
P.O. Box 442
St. Louis, MO 63166-0442
United States
ozkan@alumni.upenn.edu
(314) 444-8533

This Version: October 9, 2023. Click here for the current version.

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. Furthermore, we investigate the extent to which this life-cycle variation is driven by the design of the social security system. Using German social security data, we find that the earnings losses, both upon impact and in the long run, generally increase in age. Employment loss, on the other hand, increases in age only until workers approach the window for early retirement. We develop a life-cycle model with search frictions, human capital, and savings, which contains a detailed representation of the German unemployment insurance, welfare, and pension systems. The model is used 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 contributes to understanding the scarring effect of job displacement by exploring differences by whether workers return to their previous employer, a dimension generally abstracted from by focusing on permanent displacement. Using administrative employer-employee data from Germany, I find that long-run earnings losses are similar for individuals returning to their previous employer, compared to workers moving to new jobs, and short-run losses are slightly larger. These limited differences arise from aggregating differences of workers with near-zero nonemployment duration and workers with longer nonemployment duration (where recalled workers experience lower earnings losses). I develop a job search model that can explain these heterogeneous effects by recall status. Using the estimated model, I show that differences in nonemployment duration explain recalled workers' larger short-run earnings losses, whereas long-term losses are similar due to an increased likelihood of repeated job loss, 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.

Unemployment Risk and Lifetime Earnings Inequality: The Role of Worker and Firm Heterogeneity

with Serdar Ozkan

Workers differ greatly in the unemployment risk they face and these differences are key for understanding lifetime earnings inequality, especially between bottom- and median- earners. In this paper, we quantify the importance of firm and worker fixed effects in heterogeneity in unemployment risk. For this purpose, we build on Jarosch (2023) and develop a job ladder model featuring two sided heterogeneity. In this model, jobs differ in productivity and unemployment risk, and workers differ in productivity and job ladder risk—job loss and job finding rates. Therefore, workers face different unemployment risk because of their innate differences as well as the different jobs they have. We estimate the model using moments derived from administrative data from the US Social Security Administration. Our preliminary results show that worker effects explain the majority of differences in unemployment risk (and thereby in lifetime earnings) while firm effects explain relatively little.