

Frank (F.J.J.) Leenders

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Stockholm School of Economics
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Email: Frank.Leenders@hhs.se**Website:** <https://sites.google.com/view/frankleenders>**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.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

Business Cycle Patterns of Occupational Mobility and Subsequent Earnings

Job Displacement Scars over the Earnings Distribution

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

PROFESSIONAL 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]

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

SEMINAR AND CONFERENCE PRESENTATIONS

- 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
Moirá 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

ACADEMIC SERVICE

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

LANGUAGES

Dutch (native), English (fluent)

Programming: Stata, Fortran 90/95, MATLAB

REFERENCES

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Abstracts

Recall and the Scarring Effects of Job Displacement

Workers who lose their job in mass layoffs, on average, experience a large and persistent decrease in earnings, often referred to as a scarring effect. However, these effects abstract from the fact that many workers who lose their job end up returning to their previous employer (i.e. they are recalled) rather than finding a new job. I contribute to the understanding of the scarring effect of job displacement by exploring how it differs by whether or not workers are recalled to their previous employer. I use administrative employer-employee data from Germany to document these differences. I then develop a job search model that can explain these heterogeneous effects by ex-post recall status, as well as the average scarring effect. I find in the data that earnings losses are larger for individuals who are recalled to their previous employer than for workers who move to a new job, even though recalled workers are re-employed faster. I find that this larger earnings loss for recalled workers is driven by larger employment loss in the short run and by larger wage loss in the long run. The calibrated model matches the larger average earnings losses experienced by recalled workers despite implying that these workers optimally chose for a potential recall. Using the model, I show that selection is a major driver of the recalled workers' larger earnings losses in the short run, whereas an important factor in explaining larger long-term losses is that these workers are more likely to experience repeated job loss.

Job Displacement Scars over the Earnings Distribution

Workers who are displaced from their job experience a well-documented scarring effect: a large and persistent earnings loss on average. However, these average effects mask a substantial amount of heterogeneity among 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 analyze this dimension empirically. 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 explain 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 larger (relative) earnings losses. I then propose a model in which displaced workers do not fall off the ladder completely. Rather, the size of their drop is determined by the characteristics of the firm they were laid off from. I show that this setup enables the model to explain larger relative earnings losses at the bottom of the recent earnings distribution.

Business Cycle Patterns of Occupational Mobility and Subsequent Earnings

This paper investigates the cyclicity 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 (2021) 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.