

Getting a first job: quality of the labor matching in French cities*

Brahim Boualam[†]

University of Geneva

January 13, 2014

Preliminary version

Abstract

Improved labor matching is an important source of agglomeration economies: in a thicker labor market, it must be easier for workers to find jobs that correspond to their skills and qualifications. Using survey data on young individuals that entered the French labor market in 2004, this paper evaluates the impact of employment density on the quality of matching between workers' field of education and their first occupation. Using an original measure of matching between these two dimensions, I find that the quality of labor matching tends to increase with city size. Controlling for individual, occupational and educational characteristics, the probability for new entrants to find a job unrelated to their qualifications and skills decreases with urbanization. The analysis is extended to figure out in which extent this better job match translates into a wage premium in big cities.

Keywords: agglomeration, education, skills, labor matching.

JEL classification: I2, R23, J24

*I thank the Centre Maurice Halbwachs for providing me with the data used in this study. I am very grateful to Marcelo Olarreaga, Frédéric Robert-Nicoud and participants at the Workshop on Regional and Urban Economics: Agglomeration economies (Barcelona, Nov. 2013) and Brown Bag Seminar at the Graduate Institute (Geneva, Oct. 2013).

[†]Department of Economics, University of Geneva, 40 Bd. du Pont D'Arve, 1211 Geneva 4, Switzerland. E-mail: Brahim.Boualam@unige.ch. Tel: +41.22.379.98.81