

Comments on: “Firm Relocations and Heterogenous Returns to Commuting”

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This paper is about the increasing relationship between commuting and wages illustrated in this figure.

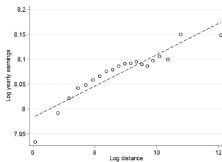


Figure 1 Binned scatterplot showing the relationship between the logarithm of the commuting distance (meters) and the log of yearly earnings in Sweden. The graph includes all individuals between the age of 25-65 with yearly positive earnings during 2007-2019.

This relationship raises several questions:

- ▶ Are people more(less) productive because they commute?
- ▶ Do more productive people find jobs further away?
- ▶ Do more productive firms draw similar workers from a greater distance?

This paper addresses these questions with matched worker-firm data using a staggered adoption design organized around firm relocations.

- ▶ There is an extensive and recent literature on the DiD/staggered adoption design. As a starting point, look at Roth et al. (2022), Borusyak et al. (2021), and Callaway and Sant'Anna (2021).
- ▶ The commuting decision looks like a Roy model. We observe more productive matches, so that wages conditional on commute distance confound sorting and ability. There is a well developed literature working out this intuition,
 - ▶ In the context of moving or migration decisions, Kennan and Walker (2011), Bryan and Morten (2019), Autor et al. (2013).
 - ▶ In the context of changing jobs, Artuç et al. (2010).
 - ▶ In the context of commuting, Ahlfeldt et al. (2015), Severen (2021), Tsivanidis (2019).
- ▶ There are also a couple of other papers studying matched employee-employer wage data that you should look at, Roca and Puga (2017), Combes et al. (2008)

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