

Time Off to Upgrade Skills (discussion)

EUROFRAME Conference, Warsaw — June 6, 2025

Uğur Aytun¹

¹ Dumlupınar University & Middle East Technical University

Aim & data

- This paper investigates the effect of educational leave or part-time education leave programs on labor market outcomes in Austria, focusing specifically on wages and earnings. The allowances are provided similarly to unemployment benefits.
- Do you think participation in the educational program is endogenous to wage or employment? Since this decision is voluntary, it's possible that wages and employment status may influence it.
- **Data:** They combine administrative data (Austrian Social Security Database and Public Employment Service) with survey data.
 - They are able to precisely identify the treated group—those who exit the labor market for educational reasons. In Turkey, we typically rely on implied or indirect methods to identify such workers.

- **Methodology:** They employ counterfactual impact analysis. Specifically, they compare the treated workers with to non-participants to the programme. Potential outcome framework enables them to see what happens the treated group did not attend the programme.
 - They use also dynamic PSM to identify the similar workers in pre-treatment period.

Results

- **Results:** They find that participation in *educational leave* negatively affects employment in the short term, although it recovers in the long term.
 - Earnings for these participants also turn positive after the fifth year.
- Participants in part-time training programs, on the other hand, experience weakly positive effects (at least not negative) on employment. Their employment increases over the longer term.
 - Their earnings are also higher compared to the control group. Staying in the labor market—even part-time—appears to be beneficial.

Comments

- You should write the estimation equation using mathematical notation. It helps communicate your approach more clearly to the reader or audience.
- As I understand it, your setting is well-suited to a DiD approach. You have panel data, and some workers participate in the program.
- Staggered intervention designs are part of a growing literature and fit your case well—workers enter the program at different times.
 - This method also allows you to test the parallel trends assumption by comparing treatment and control groups before the intervention. As far as I understand you compare the post-treatment outcomes.
- The Coarsened Exact Matching (CEM) method, which is increasingly popular, could also be implemented to identify an appropriate control group.

Future work

- As you noted—and the descriptive analysis shows—there is a noticeable jump after 2009. You could estimate the effects of program participation specifically for this later period. Workers in certain regions or industries may have been more likely to participate.
- You could also explore the impact of program participation on fertility or other family-related decisions (e.g., divorce, time spent with children, etc.).