

DISSERTATION PROPOSAL

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“Essays on Local Labor Markets”

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Via Zoom

In the first chapter, I study the effects of hospital mergers on local labor market outcomes. Exploiting the orthogonality of local labor market trends to local hospital mergers, I examine the impact of these mergers on wages, employment and labor force participation. Given the trade-off employers face between compensating workers through insurance premiums and wages and recent evidence that mergers increase health care costs, price-increasing hospital mergers may reduce local wages or increase part-time work relative to areas without mergers. Leveraging data from the American Community Survey and Quarterly Census of Employment and Wages I use difference-in-differences and event-study designs to estimate this effect, finding evidence that hospital mergers reduce local non-health care wages and increase part-time work relative to full-time work.

In the last two chapters I examine the relationship between adult children’s location and employment decision and the location of their parents. In the first of these, using restricted location data from the Panel Study of Income Dynamics (PSID), I examine patterns in the data of both adult children’s movement as well as parent movement. Along with documenting these patterns, I estimate AKM-style fixed effect regressions to examine the relationship between the decision to live proximate to a parent and earnings and how this interacts with the marital and parental status of the children.

In the final chapter, I utilize the restricted location data from the PSID to estimate a dynamic discrete choice model of child and adult employment and colocation decisions. Extending the previous work on migration by Kennan and Walker (2011) and Lessem (2018), I model location decisions between adult children and their parents as a discrete choice problem with strategic interactions. While both parents and children may value proximity, they face potential tradeoffs between monetary earnings and such proximity. By estimating the model, I can determine the value in terms of forgone wages of parent proximity and the cost of having parents located in low-wage areas.