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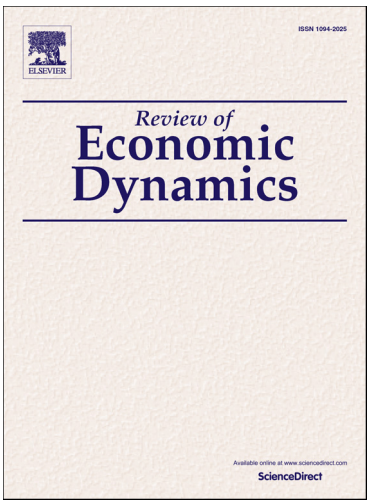

Search, matching and training

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Search, Matching and Training

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Abstract

We estimate a partial and general equilibrium search model in which firms and workers choose how much time to invest in both general and match-specific human capital. To help identify the model parameters, we use NLSY data on worker training and we match moments that relate the incidence and timing of observed training episodes to outcomes such as wage growth and job-to-job transitions. We use our model to offer a novel interpretation of standard Mincer wage regressions in terms of search frictions and returns to training. Finally, we show how a minimum wage can reduce training opportunities and decrease the amount of human capital in the economy.

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