

# You Live and Learn: Private-Sector Training in Germany\*

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## Abstract

This paper analyzes the incidence, wage effects and employment effects of private-sector training in Germany. Using data from the SOEP, we concentrate on two periods: *a)* 1997–2000 and *b)* 2001–2004. Our results indicate a fairly similar pattern with regard to the incidence of private-sector training in Germany in both periods, while the picture which arises with respect to the effects of private-sector training on wages is not very robust to the econometric approach. We find positive wage effects of about 4–6 percent in both samples in the fixed effects specifications, but these effects generally decrease quite substantially in the fixed growth rates specifications. With respect to the effect of participation in private-sector training on subsequent employment prospects, we find a positive effect in both samples as the probability of being employed in subsequent years is raised by about 2–3 percentage points. However, this positive employment effect disappears after around 5 years.

**Keywords:** Human Capital; On-the-Job Training; Germany

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