

DIW Applied Micro Seminar

Do Search Clubs Help Young Job Seekers in Deprived Neighborhoods? Evidence from a Randomized Experiment

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Abstract:

We analyze the impact of "search clubs" on job search outcomes of young unemployed workers living in deprived neighborhoods in France. Young job seekers in these areas often have difficulties to find (stable) jobs and their dropout rate from active labor market programs is usually high. Search clubs have been designed to address the specific situation of these young individuals. It is an intense counseling program with collective meetings fostering the interaction among the participants and between the participants and the caseworker. The experiment was conducted in France with about 3600 young unemployed workers in 30 local labor agencies. Individuals were randomly assigned to a search club or to a standard counseling program. Our results suggest a small positive effect of being assigned to a search club on the probability of being employed 6 months after randomization and a positive impact on the probability of entering a long-term contract. We find some evidence for effect heterogeneity. The group composition seems to have an impact on the program effect: being in a search club with relatively young other job seekers has a positive impact on the participant's own job finding probability.