CONTRASTING THE LOCAL AND NATIONAL DEMOGRAPHIC INCIDENCE OF LOCAL LABOR DEMAND SHOCKS

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DISCUSSION, JOHANNES FLECK (VIEWS ARE MY OWN)

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THE PAPER

1. MODEL VALIDATION

- KEY MODEL PARAMETERS IDENTIFIED FROM **ALL** JOB-TRANSITION IN THE LEHD, I.E. MOSTLY REPRESENT NON-SHOCK EXPOSURE.
- VALIDATION EXERCISE USES JOB-TRANSITIONS MOST LIKELY AFFECTED BY SHOCK.

- TWO CONCERNS AND SUGGESTIONS:

1. DISTINGUISH BETWEEN SHOCKS CREATING AND DESTROYING JOBS?
2. CAN YOU TRACK ACTUAL JOB-TRANSITIONS IN THE LEHD FOLLOWING SHOCKS AND COMPARE TO MODEL PREDICTIONS? (“CASE STUDY”)

2. COSTS AND VALUES OF JOBS

- RICH PUBLIC FINANCE LITERATURE ON **COST PER JOB CREATED** BUT ESTIMATES DIFFER WIDELY: $25K TO $200K (SEE E.G. CHODOROW-REICH, AEJ 2019)
  - HOW DO THE EXPECTED UTILITY GAINS IN $ TERMS COMPARE? (CAN THEY BE MADE COMPARABLE?)
  - CAN THE MODEL EXPLAIN JOB CREATION COST HETEROGENEITY (SPATIAL, SECTORAL, TIME)?

- ON-GOING DEBATE: **PAY TO MOVE TO VACANCIES VS SUBSIDIZING JOB CREATION**
  - CAN YOUR RESULTS SPEAK TO THIS? (E.G. WILLINGNESS TO MOVE IN $ TERMS.)
  - CAN YOUR MODEL INFORM WHICH LEVEL OF GOVERNMENT SHOULD PAY HOW MUCH?

CONGRATS TO A GREAT PAPER!

- ALREADY IN EXCELLENT SHAPE: WELL-WRITTEN AND EXTREMELY COMPREHENSIVE
- SPEAKS TO A HIGHLY RELEVANT AND IMPORTANT QUESTION
- RESOURCEFUL AND MEANINGFUL APPLICATION OF A TWO-SIDED MATCHING MODEL
- SUPERB TECHNICAL EXECUTION AND EXPLANATION
- LEHD DATA LEVERAGED IN A CAREFUL AND DILIGENT MANNER