

The Relative Returns to Education, Experience, and Attractiveness for Young Workers¹

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Running Title: Returns to Young Worker Skills

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Abstract

We conduct a randomized resume audit study, simultaneously examining the returns to education, experience, and physical attractiveness among young workers applying for entry-level, formal-sector jobs in a developing country context. Employers do not value postsecondary education without a degree. Postsecondary vocational training increases the likelihood of a callback, but only for blue-collar occupations typically offered only to male workers. Work experience is valued across most occupations; however, among service-sector jobs with in-person customer interactions, attractive applicants receive 23 percent more callbacks, swamping the returns to experience. Our results can help young workers make optimal choices to ease their school-to-work transition, as well as guide policymakers in the design of labor market programs to ensure youth have the skills and qualifications that employers demand.

Appendix Table 10. The Effects of One Versus Two Years of Work Experience on Callback Rates, by Job-Posting Characteristic

	Occupation Type							Gender Requirement - Open to:		
	All	Service/ Admin	Laborer	Skilled Trades	Call Center	Blue Collar	White Collar	Both Genders	Women Only	Men Only
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Female	-0.006 [0.011]	-0.001 [0.014]	-0.101** [0.049]	-0.009 [0.034]	-0.016 [0.020]	-0.063* [0.036]	0.001 [0.011]	-0.007 [0.011]		
Some college	0.004 [0.009]	-0.004 [0.015]	0.029 [0.027]	0.006 [0.013]	-0.023 [0.022]	0.013 [0.013]	-0.006 [0.012]	-0.009 [0.015]	0.017 [0.029]	0.010 [0.012]
TVET	0.008 [0.009]	-0.010 [0.015]	0.024 [0.024]	0.019 [0.012]	0.013 [0.041]	0.020* [0.012]	-0.005 [0.013]	-0.018 [0.015]	0.020 [0.031]	0.023** [0.011]
1 year experience	0.023*** [0.008]	0.027* [0.014]	0.003 [0.023]	0.027** [0.012]	-0.018 [0.023]	0.027** [0.013]	0.016 [0.011]	0.019 [0.013]	0.080*** [0.030]	0.016 [0.012]
2 years experience	0.025*** [0.009]	0.036** [0.016]	0.020 [0.025]	0.014 [0.013]	0.013 [0.021]	0.017 [0.013]	0.031** [0.013]	0.034** [0.014]	0.015 [0.037]	0.019 [0.012]
2013 cohort	-0.000 [0.006]	0.007 [0.010]	-0.012 [0.016]	-0.001 [0.009]	0.014 [0.020]	-0.004 [0.009]	0.007 [0.009]	0.010 [0.010]	-0.007 [0.023]	-0.003 [0.008]
Attractive	0.020*** [0.007]	0.053*** [0.013]	-0.011 [0.018]	0.007 [0.010]	-0.002 [0.027]	0.001 [0.009]	0.042*** [0.011]	0.041*** [0.012]	0.059* [0.030]	0.004 [0.009]
Observations	7,172	2,636	1,048	3,068	336	3,736	3,436	2,588	636	3,948
R-squared	0.790	0.767	0.788	0.775	0.919	0.766	0.812	0.815	0.788	0.770
Mean callback rate	0.228	0.217	0.260	0.186	0.580	0.205	0.252	0.262	0.275	0.198
Posting FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Notes: Sample includes 7,172 resumes submitted to 1,793 job-postings between October 2015 and March 2016. Examples of occupations in service / admin include service crew and sales associates in laborer include delivery driver and messenger and in skilled trades include driver and service technician. Blue collar and white collar occupations calculated based on ISCO-08 one-digit codes. Examples of blue collar occupations include driver, service technician, and kitchen helper. Examples of white collar occupations include service crew, promodiser, and customer service representative (call-center worker). Standard errors clustered at the job-posting level reported in brackets.

*** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.