

A Dynamic Empirical Model of Frictional Spatial Job Search*

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Abstract

This paper develops a general equilibrium life-cycle model of spatial job search across heterogeneous local labor markets in the presence of search frictions. This model enables us to disentangle the various sources (such as moving costs, search frictions, spatial search frictions, age) that contribute to determining geographic mobility rates that empirically are low both in the US and Europe. We estimate our model structurally using French administrative individual-level transition data, and quantify the magnitude of spatial search frictions in several counterfactual experiments.

JEL Code: J31, J61, J64, R23

Keywords: search frictions, location choice, local labor markets, life cycle

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