

Working under Search and Information Frictions: Evidence from an Online Labor Market Experiment

Faculty Member: [Yusuke Narita](#)

Proposal Description:

This project empirically studies i) how employers respond to wage and tax/fee changes, ii) how their responses are damped by various frictions in both the demand and supply sides of the labor market such as information and search frictions, and employer-side capacity constraints, and iii) what income tax/fee systems we should design under such frictions.

To do so, we first conduct a randomized experiment at an online crowdsourcing platform to identify how worker behavior changes in response to changes in the income/fee rate that workers need to pay for the platform. Our preliminary results suggest that the observed labor-supply elasticity is diluted by the frictions. We then construct a structural model of labor demand and supply in order to decompose the observed labor-supply elasticity into search friction, information friction, and the underlying structural elasticity.

Finally, using the estimates from the structural model and the behavioral optimal taxation theory, we quantify the welfare and market design implications of the frictions.

Requisite Skills and Qualifications:

We are looking for an RA to help the empirical side of this project.

An ideal candidate is somebody who (1) has done coursework in empirical/applied microeconomics (especially some of industrial organization, labor, public finance, and quantitative marketing) and (2) has done coursework in or at least has a strong interest in data work with a programming language such as Matlab, Python, R, or Stata.

Please attach a transcript with your application.

Including a writing sample would be a plus though not required.

Award: Kiran Chokshi '20

Tobin Application Link: [Tobin Application](#)

Project Type: Tobin RA

Project Year: 2017

Term: Fall 2017

Source URL: <https://economics.yale.edu/undergraduate/tobin-ra/fall-2017/working-under-search-and-information-frictions-evidence-online>