

The effects of raising collectively bargained wage-floors in the apprenticeship market

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This paper examines the effect of changes in collective bargaining agreements that abolished pay reductions for underage apprentices and, in doing so, essentially increased the minimum apprentice pay for young apprentices. To estimate the causal effect on the number of apprenticeship contracts, we exploit age, sector and state level variations of this pay increase within a triple difference framework. Using a complete count of apprenticeship contracts, we find that firms react sensitive to this pay increase. We find the largest employment effects for apprentices holding at most a lower secondary school degree.