

Differential effects of graduating during a recession across race and gender

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This paper examines the differential effects of the unemployment rate at entry to the labor market, defined as completion of education, on subsequent wages across race and gender. Economic theories about search frictions, human capital accumulation and the internal labor markets all predict less persistence for low skilled or disadvantaged workers and weaker effects on those with weak attachment to the labor force. Consistent with these predictions, I find that the effect fades faster for blacks, although the initial impact of a recession at entry is stronger for them. I also find weaker effects for women.

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Full paper is downloadable at: <http://www.columbia.edu/~ak2258/index.html>