

Regulating the Timing of Job Search in Entry-level Labor Market: Evidence from College Graduates in Japan*

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Abstract

Entry-level labor markets often attempt to delay the timing of job search, despite a lack of firm theoretical ground nor empirical evidence. This paper empirically tests whether the timing of job search matters, by exploiting a guideline revision regulating a date at which new college graduates start searching their jobs in Japan. Based on a unique administrative survey, I first observed that the revision indeed delayed the timing of job search. I then estimated the impact of the guideline change on outcome of students. The estimates suggest that institutions in those prefectures most likely affected by the guideline revision have experienced an increase in both job placement rate and graduation rate. No effect is observed on students' career choice. Thus, the delayed start of job search discouraged a sorting in the labor market, without significantly improving the information relevant to students' occupational choice.

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