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# Too Bad to Benefit? Effect Heterogeneity of Public Training Programs* 

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#### Abstract

This study analyzes the treatment effects of public training programs for the unemployed in Germany. Based on propensity score matching methods we extend the picture that has been sketched in previous studies by estimating treatment effects of medium-term programs for different sub-groups with respect to vocational education and age. Our results indicate that program participation has a positive impact on employment probabilities for all sub-groups. Participants also seem to find more often higher paid jobs than non-participants. However, we find only little evidence for the presence of heterogeneous treatment effects, and the magnitude of the differences is quite small. Our results are thus - at least in part - conflicting with the strategy to increasingly provide training to individuals with better employment prospects.


Keywords: Program Evaluation; Active Labor Market Policy; Effect Heterogeneity; Public Training Programs; Matching
JEL: J64, J68, H43

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## 1 Introduction

One central aim of active labor market policy (ALMP) is to increase the employment prospects of unemployed individuals. For this purpose, the Federal Employment Agency in Germany (FEA) spends a substantial amount of money on measures such as job creation schemes, public training programs, or employment subsidies. For instance, about 20.5 billion Euros were spent on ALMP measures in 2002 (Eichhorst and Zimmermann, 2007). The most important part of ALMP in Germany are public training programs. With almost 7 billion Euros, these programs account for more than 32 percent of the expenditures. However, the number of participants decreased over the last years (see Figure 1). While more than 500,000 unemployed individuals entered a training program in 2000, this number approached only around 130,000 individuals in 2005. In 2006, it increased again to nearly 250,000 persons entering such programs.
[Figure 1 about here]

There already exists a number of studies evaluating the effectiveness of public training programs in Germany. For a recent review of the results see, e.g., Caliendo and Steiner (2005). ${ }^{1}$ The results are quite heterogeneous - depending on the method, the investigation period and the underlying data set. Earlier studies often find insignificant or even negative effects, see for example Lechner (1999, 2000) and Hujer and Wellner (2000). Recent studies are usually based on rich administrative data sets and most of them find at least for some sub-groups positive treatment effects, see, e.g., Lechner et al. (2005a, 2005b), Fitzenberger et al. (2006), and Schneider and Uhlendorff (2006). An example for a recent study finding negative effects is Hujer et al. (2006). However, the latter authors concentrate on the duration of the initial unemployment spell, and the negative impact of program participation probably reflects the lock-in effect of training programs. The major lesson of these mixed results seems to be that positive effects mainly occur-if at all-in the longer run, and that studies which find positive medium- or long-term effects are also reporting negative short-term effects.

[^2]The above mentioned studies focus on average effects of public training programs, partly differentiated by gender, program type and region. The contribution of this paper is to extend the picture sketched so far by answering the question whether the effects of public training programs in Germany are heterogenous with respect to the level of vocational education and age. ${ }^{2}$ We examine the effects of three types of programs: (a) programs with a focus on class-room training, (b) programs with a focus on practical experience, and (c) training within practice firms, i.e., with a focus on simulating a real working environment. These three types are - in comparison to other ALMP measures in Germany -rather shorter programs with a median duration between 6 and 8 months.

There does not exist a clear hypothesis for the direction of potential effect heterogeneity. For example, one could think of at least two opposing effects that may affect individuals with and without a vocational degree in a different way. On the one hand, public training programs may involve diminishing marginal returns, i.e., the more human capital the given individual has already accumulated, the less the training program enhances his or her human capital. On the other hand, the effect of medium-term training programs - the focus of our study-may be positively related to the human capital that has already been accumulated by the individual. In contrast to long-term programs, which are in general aiming to provide a vocational degree, and hence supposedly are human capital enhancing by themselves, shorter programs can-at least according to this line of argumentation-only activate already accumulated human capital. In other words, people without a vocational degree would benefit to a smaller extent from participation since skills are provided which are primarily complementary to a vocational degree. In summary, the direction and the extent of potential effect heterogeneity is an empirical question and its estimation is the aim of this paper.

Two recent contributions point into a similar direction as our paper. Lechner and Wunsch (2007) analyze the effectiveness of several West German training and employment programs in 2000-2002 and investigate treatment effects at a fairly disaggregated level, using a-compared to our study—relatively small inflow sample

[^3]into unemployment. They find evidence for effect heterogeneity and show that job seekers with relatively good a priori employment prospects are worse off because of large lock-in effects from which they recover only very slowly, while job seekers with disadvantageous a priori employment prospects show below average lock-in effects and positive employment effects for some of the shorter training programsincluding job related training. Biewen et al. (2007) use similar data and analyze effect heterogeneity by regressing outcome variables after matching on different socioeconomic covariates. They find little heterogeneity along observed characteristics, although in some cases older and less educated participants seem to benefit less or not at all from program participation.

In comparison to Lechner and Wunsch (2007) and Biewen et al. (2007) we have access to a much larger sample of participants in training programs. This allows us to apply matching methods within several sub-groups - e.g., within the sample of women without any vocational degree - and to investigate the effect heterogeneity in greater detail. Moreover, we analyze the effects on monthly earnings by comparing the shares of individuals with and without training in different quartiles of the earnings distribution. This approach provides insights into the effect of program participation on the probability to find higher and lower paid jobs, respectively. Our analysis is based on an inflow sample into training programs for the year 2002. We ensure that the control group consists of individuals who are as long unemployed as the participants by matching exactly on the previous unemployment duration. Furthermore, a propensity score matching aims to balance differences in a wide range of observable characteristics-including detailed information on previous employment history and regional indicators.

Our results indicate that program participation has a positive impact on employment probabilities for all sub-groups. Moreover, participants seem to find more often higher paid jobs than non-participants. We present only little evidence for the presence of heterogeneous treatment effects and the magnitude of the differences is quite small. If we compare the treatment effects for the most important program type on the employment probability two years after program entry, we find no significant differences with respect to age and vocational education within the same gender. Only if we compare men and women with each other, we find
that for this program type young men have a significantly higher treatment effect than older women. Moreover, in case of this program type, the lock-in effect is remarkably shorter for male participants without a vocational degree. Similar results are found for the remaining two program types. The overall picture therefore suggests quite homogenous effects of program participation across sub-groups. Our results are thus - at least in part-conflicting with the strategy to increasingly provide training to individuals with better employment prospects. This strategy has been implemented in Germany as a part of the reform of active labor market policy in 2003. After the reform the caseworkers are asked to evaluate the employment prospects of the unemployed in advance and to provide training only to individuals with a relatively high probability of entering employment after training participation. However, this does not take into account the relative gain compared to the situation without training.

The remainder of this paper is structured as follows: Section 2 provides information on our data and briefly describes the program types being analyzed. Section 3 presents the econometric methods, and Section 4 discusses the results. Finally, Section 5 concludes.

## 2 Data

We use a sample of a particularly rich administrative data set, the Integrated Employment Biographies (IEB) of the FEA. ${ }^{3}$ It contains detailed daily information on employment subject to social security contribution including occupational and sectoral information, receipt of transfer payments during periods of unemployment, job search, and participation in different programs of ALMP. Furthermore, the IEB comprises a large variety of covariates - e.g., age, marital status, number of dependent children, disability, nationality and education.

[^4]Since the public training programs currently in place in Germany are quite heterogenous, we concentrate on and differentiate between three particular types: (a) type 1: occupation-related or general training, (b) type 2: practice training in key qualifications, and (c) type 3: practice firms. Participants in type 1 learn specific skills required for a certain vocation (e.g., computer-aided design for a technician/tracer) or receive qualifications that are of general vocational use (e.g., MS Office, computer skills). Type 2 is a predominantly practically oriented program with only few theoretical parts. It follows the principle 'learning by doing'. Often the measure is combined with internships. Within type 3 the simulation of real operations is conducted, and most of the times technical training is provided. For example, participants are endowed with practical skills of wood working and processing at work benches and machines under the supervision of instructors.

Figure 2 shows that type 1 is by far the most important program type. In the pre-reform period, about 60 percent of all participants in public training programs were assigned to this particular type. It became even more important after the reform in 2003 as this share increased to more than 70 percent. Moreover, the three types together account for roughly 85 percent of all participants in public training programs over the period 2000-2004.
[Figure 2 about here]

Our sample of participants consists of roughly 64,000 unemployed persons entering the three program types in 2002. More precisely, we observe 25,959 participants in type 1, 15,902 participants in type 2, and 22,081 participants in type 3 . This sample allows us to draw conclusions on the average participant starting a given program in 2002. ${ }^{4}$

As Figure 3 indicates, the three program types are - in comparison to other ALMP measures in Germany - rather shorter measures. After one year, more than 90 percent of the participants have left each type. The median program duration is about 8 months for type 1 and roughly 6 months for types 2 and 3 . While a comparatively large fraction of participants finishes type 1 exactly after 12 months,

[^5]an even larger share finishes type 3 exactly after 6 months. For type 2 we observe a sizeable fraction who ends the measure exactly after 6 or 12 months, respectively.
[Figure 3 about here]

In order to apply the matching approach as described in Section 3, around 600,000 non-participants were drawn. Both participants and non-participants are aged between 17 and 65 years. ${ }^{5}$

As we focus on the effect heterogeneity of program participation with respect to vocational education and age, we divide our sample into sub-samples for each program type. With respect to vocational education, the four sub-samples per program type consist of male and female participants and non-participants with and without a vocational degree. ${ }^{6}$ As Table 1 shows, the resulting sample sizes are reasonably large. Only for the sub-sample of female participants in type 1 without a vocational degree we end up with less than 2,000 observations.
[Table 1 about here]

With respect to age, we divide the sample into six sub-samples for each program type according to gender and three age groups. These age groups were constructed by choosing thresholds in order to end up with sub-samples of more or less the same size. The first age group includes individuals who are 33 years or younger at the (fictitious) program entry, the second group consists of persons aged between 34 and 42 years, and the third group comprises individuals who are at least 43 years old. Here, (fictitious) program entry refers to the point in time where a particular program starts for actual participants, while it is used as a reference point for nonparticipants. ${ }^{7}$ The resulting sample sizes are depicted in Table 2. While the number of observations of participants is fairly equally distributed within the different subsamples of program types 1 and 3, this does not entirely apply for type 2. In this

[^6]case, the groups of male and female participants between 34 and 42 years consist of less than 2,000 observations, respectively.
[Table 2 about here]

The success of program participation is evaluated by looking at the probability of being employed starting at the (fictitious) program entry over a period of 24 months. This period is based on the fact that we focus on program participation in the year 2002, and can observe reliable data for all employment states until December 31, 2004. Individuals are regarded as employed if they hold a job in the primary labor market. For instance, participation in job creation schemes is not included in this outcome measure. Moreover, the administrative data set only includes employment that is subject to social security contributions. ${ }^{8}$ Self-employment can thus not be observed in our data. Additionally, we evaluate the effect of program participation on monthly earnings in the primary labor market. In other words, we apply the described definition of employment and consider remunerations associated with those spells in terms of monthly earnings.

## 3 Evaluation Approach

Ideally, one would like to compare the outcomes for the individuals participating in public training programs $\left(Y^{1}\right)$ with the outcomes for the same individuals if they had not participated $\left(Y^{0}\right)$. If $D$ denotes participation in this context-where $D=1$ if a person participates in the program and $D=0$ otherwise - the actual outcome for individual $i$ can be written as:

$$
\begin{equation*}
Y_{i}=Y_{i}^{1} \cdot D_{i}+Y_{i}^{0} \cdot\left(1-D_{i}\right) . \tag{1}
\end{equation*}
$$

The individual treatment effect would then be given by the difference $\Delta_{i}=Y_{i}^{1}-Y_{i}^{0}$. However, it is impossible to calculate this difference because one of the outcomes is counterfactual. Instead, the evaluation literature concentrates on population average gains from treatment - usually on the average treatment effect on the treated (ATT

[^7]or $\Delta_{A T T}$ ) which is formally given by:
\[

$$
\begin{equation*}
\Delta_{A T T}=E(\Delta \mid D=1)=E\left(Y^{1} \mid D=1\right)-E\left(Y^{0} \mid D=1\right) . \tag{2}
\end{equation*}
$$

\]

It is the principle task of any evaluation study to find a credible estimate for the second term on the right hand side of equation (2), which is unobservable.

One possible solution could be to simply compare the mean outcomes of participants and non-participants. However, if $E\left(Y^{0} \mid D=1\right) \neq E\left(Y^{0} \mid D=0\right)$, estimating the ATT by the difference between the sub-population means of these two groups will yield a selection bias. On the other hand, if treatment assignment is strongly ignorable, i.e., if selection is on observable characteristics $X$ (unconfoundedness or conditional independence assumption), and if observable characteristics of participants and non-participants overlap (common support), the matching estimator is an appealing choice to estimate the desired counterfactual (Rosenbaum and Rubin, 1983). Under these conditions, the distribution of the counterfactual outcome $Y^{0}$ for the participants is the same as the observed distribution of $Y^{0}$ for the comparison group conditional on the vector of covariates $X$. Formally,

$$
\begin{equation*}
E\left(Y^{0} \mid X, D=1\right)=E\left(Y^{0} \mid X, D=0\right) . \tag{3}
\end{equation*}
$$

Entering this relation into (2) allows estimating the ATT by comparing mean outcomes of matched participants and non-participants. Rosenbaum and Rubin (1983) show that if treatment assignment is strongly ignorable given $X$, it is also strongly ignorable given any balancing score that is a function of $X .{ }^{9}$ One possible balancing score is the propensity score $P(X)$, i.e., the probability of participating in a given program. Mueser et al. (2007) present evidence that if administrative data is used to measure the performance of training programs, propensity score matching is generally most effective.

There are several propensity score matching methods suggested in the literature, see, e.g., Caliendo and Kopeinig (2008) for an overview. Based on the characteristics of our data, we opt to apply nearest-neighbor matching without replace-

[^8]ment. This matching method has the advantage of being the most straightforward matching estimator: a given participant is matched with a non-participant who is closest in terms of the estimated propensity score. We avoid an increased variance of the estimator as we match without replacement (Smith and Todd, 2005), which is justified since the ratio between participants and non-participants-i.e., potential matching partners - is comparatively high in our data. Hence, the constructed counterfactual outcome is based only on distinct non-participants. To check the sensitivity of our results with respect to the matching algorithm, we additionally applied other methods to our data and find evidence for robust estimates (see Section 4.4 for details).

For the variance of the estimated treatment effects, we base our inference on the assumption that the estimators are asymptotically normally distributed. This distribution is derived from the difference of two weighted means of two independent observations. Lechner (2002) employs a similar approach. We checked the accuracy of this approximation by also calculating the variance of the estimated treatment effects based on bootstrapping procedures. Although nearest neighbor matching does not satisfy the basic conditions for the bootstrap and the bootstrap variance diverges from the actual variance (Abadie and Imbens, 2006), this alternative method implies very similar variances of the estimated treatment effects and does not change the implications presented below.

The focus of the subsequent analysis lies on the differences in treatment effects between separated sub-groups. To assess whether these differences are significantly different from zero, we assume that the treatment effects follow a normal distribution and that they are independent from each other. ${ }^{10}$

The probability of participation in the three program types under consideration is estimated conditional on a number of observable characteristics using binary probit models with participation as the dependent variable. These characteristics include socio-demographic-characteristics (e.g., age, nationality, marital status), regional information (regional type, unemployment rate), educational and vocational attainment, the (un-)employment history (four years prior to program entry), and

[^9]information on the last employment spell (duration, income, business sector). ${ }^{11}$ We run these regressions separately for the different sub-samples of participants and non-participants according to program type, gender, and level of vocational education or age, respectively.

The distribution of the estimated propensity score is depicted in Figures 4 and 5. A visual analysis already suggests that the overlap between the group of participants and non-participants in general is sufficient within all sub-samples. Nonetheless, in some cases there are parts of the distribution where participants seem to lack comparable non-participants. However, by using the usual 'Minmax' criterion, where treated individuals are excluded from the sample whose propensity score lies above the highest propensity score in the comparison group, only 4 (24) individuals are dropped in the sub-samples previously stratified with respect to the level of vocational eduction (with respect to age).
[Figures 4 and 5 about here]

After estimating the propensity score we match each participant with a distinct non-participant within the different sub-samples by exact covariate matching plus propensity score matching. ${ }^{12}$ Non-participants are required to not having participated in the respective type of public training program before and in the quarter of the participant's program entry. The variables used for exact matching are previous duration of unemployment (in months) and quarter of (fictitious) program entry. Therefore, we stratify the sub-samples by these variables first, and then implement propensity score matching for each cell without replacing the matched non-participant.

This procedure ensures that matched participants and non-participants (a) are previously unemployed for the same duration at the (fictitious) program entry, and (b) are (fictitiously) entering the program in the same quarter. While the latter condition makes sure that seasonal influences are held constant and that the observation period is the same for matched pairs, the former condition builds on similar arguments as, e.g., Sianesi (2004) put forward. She argues that participation de-

[^10]cisions in ALMP are to be viewed subsequently over time in unemployment, since choices faced by unemployed individuals are not whether to participate or not to participate at all, but rather whether to join a program now or not to participate for now. According to this line of argumentation, it is fundamental to ensure the same elapsed duration in unemployment for matched treated and controls.

However, we use program entry as our point of reference rather than following entrants into unemployment over time (inflow sample into unemployment). The estimates we present below can thus be viewed as the outcome of the joining-waiting decision after the same elapsed duration of unemployment for given individuals. Our approach allows us to estimate the ATT for average participants in given program types in 2002-as opposed to the ATT for participants in given program types of a specific entry cohort in unemployment. Importantly, exact matching on the previous unemployment duration only considers the past up to the (fictitious) entry into the given program. Future outcomes are not considered in this context. In particular, non-participants can potentially participate in the given program type after the (fictitious) program entry. Sianesi (2004) employs a similar definition of non-participation. She argues - for the case of Sweden - that in principle any unemployed individual will join a program at some time, provided he remains unemployed long enough. We think that Sweden is similar to Germany in this respect. Hence, a restriction on future outcomes - i.e., to require non-participation in the follow-up period after the (fictitious) program entry-is supposed to affect estimated treatment effects negatively, since a substantial fraction of the 'never treated'-individuals would de facto be observed to leave the unemployment register. ${ }^{13}$

After forming the matched pairs, a suitable way to assess the matching quality is comparison of the standardized bias before matching, $S B^{b}$, to the standardized bias after matching, $S B^{a}$. The standardized biases are defined as

$$
\begin{equation*}
S B^{b}=\frac{\left(\bar{X}_{1}-\bar{X}_{0}\right)}{\sqrt{0.5 \cdot\left(V_{1}(X)+V_{0}(X)\right)}} ; \quad S B^{a}=\frac{\left(\bar{X}_{1 M}-\bar{X}_{0 M}\right)}{\sqrt{0.5 \cdot\left(V_{1 M}(X)+V_{0 M}(X)\right)}}, \tag{4}
\end{equation*}
$$

[^11]where $X_{1}\left(V_{1}\right)$ is the mean (variance) in the treated group before matching and $X_{0}$ $\left(V_{0}\right)$ the analogue for the comparison group. $X_{1 M}\left(V_{1 M}\right)$ and $X_{0 M}\left(V_{0 M}\right)$ are the corresponding values after matching (Rosenbaum and Rubin, 1985). Following the example of Sianesi (2004) we also re-estimate the propensity score on the matched sample to compute the pseudo- $R^{2}$ before and after matching.

Tables 3 and 4 suggest that the quality of our matching procedures is satisfactory: the percentage biases of a number of covariates are apparently reduced and any significant differences in these covariates disappear after matching. More specifically, the standardized bias for each covariate is below 6 percent after matching. Moreover, the mean standardized bias of the matched samples are noticeably smaller than that of the unmatched sample (between 0.8 and 1.9 percent in the different sub-samples). Likewise, the pseudo- $R^{2}$ after matching are fairly low and decrease substantially compared to before matching. Tables A3-A5 (see Appendix) include more details concerning the matching quality by program type, e.g., regarding the balancing of covariates.
[Tables 3 and 4 about here]

Training programs may have an influence on the employment probability as well as on the (potential) earnings of the participants. Evaluating the causal effect on the employment probability is straightforward and given by a simple comparison of treatment and control group. In contrast to that, a simple comparison of the realized wages does not give us a clear measure of the causal effect of program participation. Realized earnings are the product of the employment probability and the observed individual earnings, i.e., realized earnings are only a 'crude' measure of the effect on productivity (Lechner and Melly, 2007). Measuring the causal effect on the earnings would require taking into account the selection into the observed employment, e.g., by making use of an instrument which influences the employment probability but not the earnings. ${ }^{14}$ In general, such an instrument is not available.

However, we argue that we can nonetheless gain interesting insights into the effects of participation on the (observed) monthly earnings by comparing the earnings

[^12]distributions between treated and controls. From a policy point of view, it is interesting to know to which extent the share of individuals ending up in higher paid jobs is increased by participating in training programs. This effect is given by a comparison of the shares of individuals entering a job above certain thresholds or within a given strata. This is not the causal effect on the - only partially observed - earnings capacity, but the causal effect on the realized monthly earnings. And in contrast to a simple comparison of mean earnings, we can gather information on whether new jobs are mainly lower or higher paid jobs-given participation or non-participation. The mentioned thresholds (or strata) are in our case based on the overall distribution of monthly earnings two years after program entry. In other words, we calculate quartiles of the earnings distribution for participants and matched non-participants across program types - given positive monthly earnings are observed-and compare the fraction of treated and controls between these thresholds for the sub-groups under consideration.

## 4 Results

After applying the matching approach as described above, the ATT can be calculated as the difference in mean outcomes between the groups of matched participants and non-participants. Below, we present estimates of differences in employment probabilities and monthly earnings generated from employment in the primary labor market for a period of two years after the (fictitious) program entry. ${ }^{15}$ While average treatment effects for the whole sample are discussed in Subsection 4.1, the effect heterogeneity of these effects with respect to vocational education is regarded in Subsection 4.2 and with respect to age in Subsection 4.3. Subsequently, we consider the sensitivity of our results in Subsection 4.4.

### 4.1 Average Treatment Effects

To obtain a general impression of the ATT on employment probabilities and monthly earnings, we aggregate the matched sub-groups for each program type and calculate

[^13]treatment effects as the difference in mean outcomes between participants and nonparticipants in the resulting samples. Although this procedure was implemented both for the matched sub-samples previously stratified according to the level of vocational education and with respect to age groups, the latter results are not reported in this section since they do not differ. ${ }^{16}$

The treatment effects display ATT on employment probabilities and monthly earnings effects, respectively, for a period of 24 months after the (fictitious) program entry. These effects, for one thing, consist of lock-in effects for the group of participants due to reduced search activities while participating in a program (van Ours, 2004), and for another (as an opposing effect), of an expected increase in employment probabilities through and after completing the program.

## Employment Probabilities

For program type 1, we find that participation has a significantly positive impact on the probability of being employed starting about 13 months after program entry (see Figure 6). However, in previous months the impact of being locked-in in the program leads to significantly negative point estimates of the ATT. Two years after program entry we observe a point estimate of about 8.5 percentage points.
[Figure 6 about here]

Our findings on the general effectiveness of type 2 are also rather positive. Although the effect of being locked-in in the program is apparent, we find that participation (significantly) increases the probability of being employed already starting about 7 (8) months after program entry. Two years after program entry, the point estimate is slightly lower than for type 1 , but still amounts to roughly 7.5 percentage points.

A positive impact of participation on employment probabilities is also found for program type 3. We compute a point estimate of about 6 percentage points two years after program entry. Here, the treatment effect becomes significantly positive about 10 months after entering the program.

[^14]
## Monthly Earnings Effects

For all program types and over the whole two-year-period after program entry, the ATT on monthly earnings (see Figure A1, Appendix) do not exhibit major differences compared to the ATT on employment probabilities described above and will thus not be further discussed in Sections 4.2 and 4.3. ${ }^{17}$ However, to give an idea about the magnitude of the monthly earnings effects two years after entering the program, participants in type 1 (2 and 3) earn about 130 Euros (100 Euros) per month more than comparable non-participants.
[Figure 7 about here]

Figure 7 displays the monthly earnings distribution along with the employment effects two years after program entry. Again, the above described positive employment effects for each program type can be observed. Moreover, it is possible to assess to what type of jobs (in terms of monthly earnings) the positive employment effects lead. Therefore, individuals with earnings from unsubsidized employment in the primary labor market are divided into quartiles. The fourth quartile includes gross monthly earnings up to 1,050 Euros, the third quartile up to 1,439 Euros, the second up to 1,890 Euros and the first quartile includes monthly earnings above 1,890 Euros. The graphs show that participants of types 1 and 3 enter additional jobs in the top three quartiles of the earnings distribution (and in particular show a significant increase in the first quartile), while for participants of type 2 we observe significantly increased shares in both the middle quartiles. For all types, the fraction of participants in the bottom quartile is about the same as it were without participation.

### 4.2 Treatment Effects with regard to Vocational Education

The following section describes the effect heterogeneity of treatment effects with respect to the participants' level of vocational education. For this purpose, we distinguish between male and female participants with and without a vocational degree.

[^15]
## Employment Probabilities

For all three types, the resulting treatment effects across all sub-groups within each type are quite similar. Nonetheless, some differences appear among the three types (as already discussed in the previous section) and some small differences occur within each type.

For type 1, positive treatment effects can be observed starting about 13 months after program entry for individuals with a vocational degree (see Figure 8a). For individuals without a vocational degree, we find (significantly) positive treatment effects after 9 (10) for men, and (significantly) positive treatment effects after 13 (16) months for women. Also the point estimates of the ATT two years after entering the program show minor differences for the different sub-groups: for male (female) individuals with a vocational degree they amount to about 9 (8.5) percentage points, while for both sub-groups of individuals without a vocational degree they amount to roughly 8 percentage points (compare Table 5).
[Figure 8 and Table 5 about here]

For type 2, treatment effects become positive about 6-7 months after program entry for all sub-groups (see Figure 8b). However, the magnitude of the estimated treatment effects varies (compare Table 5): while the point estimate for female participants without a vocational degree amounts to almost 9 percentage points two years after entering the program, the ATT is estimated to be 5 percentage points for male participants without a vocational degree. With roughly 7.5 percentage points the estimated ATT for individuals with a vocational degree lie in between.

For type 3, we observe a similar pattern for women, irrespective of their level of vocational education (see Figure 8c). The estimated ATT become positive about 10 months after program entry and lie between 6.5 and 7 percentage points two years after program entry (compare Table 5). While it also takes about 10 months after program entry to observe positive treatment effects for male participants of this program type, the point estimates two years after program entry are lower than for female participants. For male participants with a vocational degree the point estimate of the ATT amounts to about 6 percentage points, while it only lies around 4.5 percentage points for men without a vocational degree.

In summary, it is important to note that we find-with respect to the ATT two years after program entry-only one significant difference between sub-groups. For program type 2, men without a degree gain significantly less by participating in training than women without a degree. No other significant differences are observed.

## Monthly Earnings Effects

There are also only minor differences in monthly earnings effects across sub-groups within each program type, as is the case for the ATT on employment probabilities just discussed.

For type 1, Figure 9a shows the monthly earnings distribution along with the employment effects two years after program entry. Across all sub-groups, an additional fraction of participants enters jobs in the top quartiles of the earnings distribution - especially in the first quartile, where this increase is significantly positive for all sub-groups. Furthermore, the share of participants in the bottom quartile of the earnings distribution is at most equal or even significantly lower (for male participants with a vocational degree) compared to matched non-participants.
[Figure 9 about here]

When looking at the monthly earnings distribution for type 2 in company with the employment effects two years after program entry (see Figure 9b), we can distinguish a slightly different impact of program participation for men and women: while we observe employment in additional jobs located in the second and third quartile of the earnings distribution for men (with a tendency towards the top quartile for those with a vocational degree), we find that additional jobs are mainly located in the second and third quartile with a tendency towards the bottom quartile for women - especially for those without a vocational degree.

For type 3, again, we find only minor differences across the sub-groups (see Figure 9c). Nevertheless, we can distinguish two clusters: for female participants with a vocational degree and male participants in general, additional jobs are generated in the top three quartiles of the monthly earnings distribution (with a tendency towards the first and second quartile for men with a degree, a slight tendency towards the top quartile for men without a degree, and a tendency towards the second
and third quartile for women with a degree). Women without a vocational degree, however, find additional jobs in the three bottom quartiles, and especially in the fourth quartile. But this happens-and that is important-without a reduction of the share of individuals in the first quartile.

### 4.3 Treatment Effects with regard to Age

For the analysis of the employment effects of training programs with respect to age, we distinguish three roughly equally sized age groups: individuals below 34 years, between 34 and 42 years, and above 42 years. Again, we first show effects on employment probabilities, and subsequently assess the impact of training programs on the monthly earnings distribution two years after program entry.

## Employment Probabilities

The general impression also carries over as far as the analysis of treatment effects with respect to age is concerned: the extent to which the ATT on employment probabilities vary between the sub-groups under consideration is quite small, and these differences are in almost all cases not significant.
[Figure 10 and Table 6 about here]

More specifically, for type 1 the estimated treatment effects are very similar across the age groups under consideration (see Figure 10a and Table 6). Nonetheless, we calculate lower estimates for women in general, and especially for women who are at least 43 years old. For this sub-group, two years after program entry the point estimates are between 1.6 and 3.3 percentage points lower than the estimates for the other sub-groups. However, the ATT two years after program entry are in general not significantly different across sub-groups - and in particular not within the same gender. Only if we compare the point estimates for the youngest group of male and for the oldest group of female participants, we find a significant difference.

The treatment effects for type 2, likewise, exhibit in general no significant differences across sub-groups two years after program entry (see Figure 10b and Table 6). An exception applies for male participants, where we find a significantly
lower point estimate for participants below 34 years if compared to those above 42 years. Moreover, while the overall picture suggests higher ATT for men than for women, an exception is the age group below 34 years. The ATT two years after program entry for men in this age group is particularly low (3.7 percentage points). But also if female participants in this age group are considered, treatment effects are relatively low.

For type 3, we estimate relatively low-but still significantly positive - treatment effects for women above 42 years two years after program entry (see Figure 10c and Table 6). The estimated effects for male participants in the same age-group are also lower than in the other sub-groups, for which the ATT lie between 5.8 and 8.1 percentage points. The lock-in effects of program participation seem to be less persistent for men, as across all age groups the ATT become positive after around 9 months for men compared to $10-13$ months for women. However, two years after program entry we calculate significantly different treatment effects compared to other sub-groups only for female participants above 42 years. The point estimate for this sub-group is significantly lower compared to men below 34 years and women between 34 and 42 years.

## Monthly Earnings Effects

The impact of participation in public training programs on the monthly earnings distribution two years after program entry is depicted in Figure 11. The overall picture suggests that the share of participants in the upper quartiles of the earnings distribution is generally higher than the share of matched non-participants, while this is for most sub-groups-and in particular as far as male individuals are considered-not the case in the bottom quartile.
[Figure 11 about here]

For type 1, the share of participants which is located in the top quartile of the monthly earnings distribution two years after program entry is across all subgroups significantly higher than the respective share of comparison individuals (see Figure 11a). On the other hand, the differences between the shares in the bottom quartile of the earnings distribution are not significant. The shares of participants in
the second and third quartile of the earnings distribution are across all sub-groups higher for participants than for matched non-participants.

For types 2 and 3, the overall picture is less consistent than for type 1. Although the share of participants in the top quartile of the monthly earnings distribution is generally higher than the share of non-participants, we find significantly increased fractions only for male participants between 34 and 42 years as well as above 42 years (for both types). On the other hand, the share of male participants in type 2 between 34 and 42 years is significantly lower in the bottom quartile than the corresponding share of controls. Two other sub-groups exhibit a significantly higher share of treated individuals in the bottom quartile: female participants in type 2 above 42 years and male participants in type 3 between 34 and 42 years.

### 4.4 Sensitivity Analysis

To assess the sensitivity of our results with respect to the matching method, we additionally employ some alternative algorithms. Besides nearest neighbor matching without replacement, on which the above described results are based on, we calculate treatment effects based on (a) nearest neighbor matching with replacement, (b) caliper matching without replacement (with a maximum tolerance level of 0.001 ), and (c) radius matching (with a maximum tolerance level of 0.001 ). The results based on these three procedures reflect those presented above very closely. This is in line with Mueser et al. (2007) who also report quite similar results across a variety of matching methods if these methods are based on the same set of control variables.

As mentioned earlier, one could in principle choose a stricter definition of nonparticipation. Lechner and Wunsch (2007), for instance, distinguish participants from persons of the control group by conditioning on future non-participation. In their study, the impact of participation on employment probabilities two years after program entry is negative for most analyzed types. If we use a similar definition of non-participation, we find that this has an impact on the results presented here: depending on the respective sub-group, two years after program entry employment effects are 1.3-5.5 (mean: 3.8) percentage points lower for type 1, 0.1-4.6 (2.2) for type 2, and 0.0-6.0 (2.5) for type 3 .

## 5 Conclusion

This paper studies the effects of participation in public training programs for the unemployed in Germany. We apply propensity score matching methods and estimate the treatment effects for participants in the year 2002 using a rich administrative data set. We focus, next to average treatment effects on the treated, on treatment effects for different sub-groups of participants with respect to vocational education and age.

Considering three medium-term program types - with a median duration between 6 and 8 months and together accounting for roughly 85 percent of all participants in public training programs - our results indicate that program participation has a positive impact on employment probabilities for all sub-groups and program types. Moreover, participants seem to find more often higher paid jobs than nonparticipants. We present only little evidence for the presence of heterogeneous treatment effects, and the magnitude of these difference is quite small.

As far as the most important program type is concerned, we do not identify significant differences in treatment effects two years after entering the program across sub-groups of the same gender with respect to vocational eduction and age. Only if we compare sub-groups of male and female participants with each other, we find a significantly different ATT between the sub-groups of young men and old women. Also in case of this program type, the lock-in effect is remarkably shorter for male participants without a vocational degree. Similar results are found for the remaining two program types. Therefore, the overall picture suggests quite homogenous effects of program participation across sub-groups.

Our results are thus - at least in part-conflicting with the strategy to increasingly provide training to individuals with better employment prospects. This strategy has been implemented in Germany as a part of the reform of ALMP in 2003. After the reform, the caseworkers are asked to evaluate the employment prospects of the unemployed in advance and provide training only to individuals with a relatively high probability of entering employment after training participation. This does not take into account the relative gain compared to the situation without training. Although we find some evidence for a complementary relationship between advantageous employment prospects and the effectiveness of training
in specific cases, our finding of positive treatment effects for all sub-groups raises the question whether the exclusion of 'bad' risks from training programs is a good strategy to reduce unemployment.

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Figure 1: Entrants in Public Training Programs (2000-2006).


Source: Federal Employment Agency (FEA).

Figure 2: Entrants in Public Training Programs by Program Type (2000-2004).


[^16]Figure 3: Actual Program Durations (Participants 2002).




Source: IEB, own calculations.

Figure 4: Common Support Differentiated by Vocational Education.


Note: Distribution of the estimated propensity scores before matching. Participants are depicted in the upper half, non-participants in the lower half of each figure.

Figure 5: Common Support Differentiated by Age Groups.


Note: Distribution of the estimated propensity scores before matching. Participants are depicted in the upper half, non-participants in the lower half of each figure.

Figure 6: ATT Employment Probabilities.




Note: Thick lines are point estimates of the ATT based on aggregated matched sub-samples with respect to vocational education, while thin lines represent 95 percent confidence intervals. The ATT for for the aggregated matched sub-samples with respect to age look very similar and are thus not displayed.

Figure 7: Monthly Earnings Distribution and Employment Effects 24 Months after Program Entry.


Note: Quartiles are based on the distribution of monthly earnings in the matched samples, aggregated across program types. 4th quartile: gross monthly earnings $<1,050$ Euros; 3rd quartile: gross monthly earnings 1,0501,439 Euros; 2nd quartile: gross monthly earnings 1,440-1,890 Euros; 1st quartile: gross monthly earnings >1,890 Euros.

Figure 8: ATT Employment Probabilities Differentiated by Vocational Education.
(a) Type 1


Note: Thick lines are point estimates of the ATT for the respective sub-group, while thin lines represent 95 percent confidence intervals.

Figure 9: Monthly Earnings Distribution and Employment Effects 24 Months after Program Entry, Differentiated by Vocational Education.
(a) Type 1

(b) Type 2




(c) Type 3




Note: Quartiles are based on the distribution of monthly earnings in the matched samples, aggregated across program types. 4th quartile: gross monthly earnings $<1,050$ Euros; 3rd quartile: gross monthly earnings 1,0501,439 Euros; 2nd quartile: gross monthly earnings 1,440-1,890 Euros; 1st quartile: gross monthly earnings $>1,890$ Euros.

Figure 10: ATT Employment Probabilities Differentiated by Age Groups.


Note: Thick lines are point estimates of the ATT for the respective sub-group, while thin lines represent 95 percent confidence intervals.

Figure 11: Monthly Earnings Distribution and Employment Effects 24 Months after Program Entry, Differentiated by Age Groups.


Note: Quartiles are based on the distribution of monthly earnings in the matched samples, aggregated across program types. 4th quartile: gross monthly earnings $<1,050$ Euros; 3rd quartile: gross monthly earnings $1,050-$ 1,439 Euros; 2nd quartile: gross monthly earnings 1,440-1,920 Euros; 1st quartile: gross monthly earnings $>1,920$ Euros.

Table 1: Sub-Sample Sizes Differentiated by Vocational Education.

|  |  | Male |  | Female |  |
| :--- | :---: | :---: | :---: | :---: | :---: |
|  |  | Participants | Non-Participants | Participants | Non-Participants |
| Type 1 | No Degree | 3,206 | 126,383 | 1,756 | 94,621 |
|  | Voc. Degree | 11,463 | 208,997 | 9,441 | 173,464 |
| Type 2 | No Degree | 3,510 | 126,383 | 2,602 | 94,621 |
|  | Voc. Degree | 5,110 | 208,997 | 4,605 | 173,464 |
| Type 3 | No Degree | 3,932 | 126,383 | 2,061 | 94,621 |
|  | Voc. Degree | 8,382 | 208,997 | 7,645 | 173,464 |

Note: Completed in-firm training and off-firm training as well as degrees from a vocational school, a technical school, a university, or a university of applied sciences are considered as vocational degrees.

Table 2: Sub-Sample Sizes Differentiated by Age Groups.

|  |  | Male |  | Female |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Participants | Non-Participants | Participants | Non-Participants |
| Type 1 | $<34$ years | 5,759 | 119,615 | 3,582 | 83,993 |
|  | $34-42$ years | 4,423 | 82,550 | 4,141 | 72,831 |
|  | $>42$ years | 4,536 | 135,350 | 3,509 | 112,446 |
|  | $<34$ years | 3,961 | 119,615 | 3,039 | 83,993 |
| Type 2 | $34-42$ years | 1,905 | 82,550 | 1,954 | 72,831 |
|  | $>42$ years | 2,801 | 135,350 | 2,242 | 112,446 |
|  | $<34$ years | 4,885 | 119,615 | 2,686 | 83,993 |
| Type 3 | $34-42$ years | 3,483 | 82,550 | 3,231 | 72,831 |
|  | $>42$ years | 3,982 | 135,350 | 3,814 | 112,446 |

Table 3: Matching Quality within Sub-Samples, Differentiated by Vocational Education.

| Type | Sex | Vocational Education |  | Mean \%-Bias | Max. \%-Bias | Pseudo- $R^{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Female | Voc. Degree | Before Matching | 8.905 | 31.803 | 0.041 |
|  |  |  | After Matching | 0.972 | 2.611 | 0.001 |
| 1 | Male | Voc. Degree | Before Matching | 12.398 | 40.073 | 0.063 |
|  |  |  | After Matching | 0.983 | 2.837 | 0.001 |
| 1 | Female | No Degree | Before Matching | 10.465 | 26.845 | 0.036 |
|  |  |  | After Matching | 1.330 | 3.597 | 0.002 |
| 1 | Male | No Degree | Before Matching | 9.541 | 22.733 | 0.030 |
|  |  |  | After Matching | 1.289 | 2.971 | 0.002 |
| 22 | Female | Voc. Degree | Before Matching | 10.900 | 46.361 | 0.069 |
|  |  |  | After Matching | 1.157 | 3.355 | 0.002 |
|  | Male | Voc. Degree | Before Matching | 11.909 | 47.814 | 0.101 |
|  |  | Voc. Degree | After Matching | 1.153 | 3.442 | 0.002 |
| 2 | Female | No Degree | Before Matching | 9.682 | 40.362 | 0.058 |
|  |  |  | After Matching | 1.534 | 3.408 | 0.003 |
| 2 | Male | No Degree | Before Matching | 9.868 | 43.488 | 0.075 |
|  |  |  | After Matching | 1.098 | 3.578 | 0.001 |
| 3 | Female | Voc. Degree | Before Matching | 8.401 | 26.462 | 0.026 |
|  |  |  | After Matching | 0.988 | 3.403 | 0.001 |
| 3 | Male | Voc. Degree | Before Matching | 9.833 | 39.831 | 0.044 |
|  |  |  | After Matching | 1.030 | 2.998 | 0.001 |
| 3 | Female | No Degree | Before Matching | 7.849 | 21.602 | 0.023 |
|  |  |  | After Matching | 1.465 | 4.192 | 0.003 |
| 3 | Male | No Degree | Before Matching | 10.084 | 24.600 | 0.033 |
|  |  |  | After Matching | 1.202 | 3.847 | 0.002 |

Note: Reported indicators refer to 75 variables that are at least included in the specification.

Table 4: Matching Quality within Sub-Samples, Differentiated by Age Groups.

| Type | Sex | Age |  | Mean \%-Bias | Max. \%-Bias | Pseudo- $R^{2}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Female |  | Before Matching | 12.391 | 48.062 | 0.055 |
| 1 | Female | $<34$ years | After Matching | 0.949 | 3.672 | 0.002 |
|  |  |  | Before Matching | 11.567 | 40.533 | 0.047 |
| 1 | Male | $<34$ years | After Matching | 0.746 | 2.222 | 0.001 |
| 1 | Female |  | Before Matching | 10.233 | 41.393 | 0.049 |
| 1 | Female | 34-42 years | After Matching | 1.141 | 3.452 | 0.001 |
| 1 | Male | 34-42 years | Before Matching | 14.809 | 35.076 | 0.067 |
|  |  | 34-42 years | After Matching | 1.161 | 3.511 | 0.002 |
| 1 | Female |  | Before Matching | 16.253 | 65.459 | 0.097 |
| 1 | Female | $>42$ years | After Matching | 1.288 | 3.836 | 0.002 |
| 1 | Male | $>42$ years | Before Matching | 17.296 | 60.275 | 0.104 |
| 1 | Male | >42 years | After Matching | 0.881 | 2.700 | 0.001 |
| 2 | Female | $<34$ years | Before Matching | 11.615 | 51.886 | 0.070 |
| 2 |  | $<34$ years | After Matching | 1.539 | 4.256 | 0.003 |
| 2 | Male | $<34$ years | Before Matching | 12.085 | 48.487 | 0.092 |
|  |  | $<34$ years | After Matching | 1.529 | 4.635 | 0.003 |
| 2 | Female | 34-42 years | Before Matching | 9.746 | 42.853 | 0.052 |
|  | Female | 34-42 years | After Matching | 1.736 | 5.497 | 0.005 |
| 2 | Male | 34-42 years | Before Matching | 12.672 | 58.718 | 0.094 |
|  |  | 34-42 years | After Matching | 1.641 | 4.787 | 0.004 |
| 2 | Female |  | Before Matching | 10.395 | 53.757 | 0.077 |
| 2 | Female | $>42$ years | After Matching | 1.280 | 4.519 | 0.003 |
| 2 | Male | $>42$ years | Before Matching | 12.402 | 58.541 | 0.102 |
| 2 |  | >42 years | After Matching | 1.887 | 5.680 | 0.003 |
| 3 | Female | $<34$ years | Before Matching | 11.860 | 36.372 | 0.042 |
| 3 | Female | $<34$ years | After Matching | 1.491 | 5.067 | 0.003 |
| 3 | Male | $<34$ years | Before Matching | 9.743 | 30.744 | 0.039 |
| 3 |  | $<34$ years | After Matching | 0.998 | 3.283 | 0.001 |
| 3 | Female | 34-42 years | Before Matching | 8.642 | 30.207 | 0.025 |
|  |  | 34-42 years | After Matching | 0.842 | 2.871 | 0.001 |
| 3 | Male | 34-42 years | Before Matching | 9.124 | 29.356 | 0.036 |
| 3 | Male | 34-42 years | After Matching | 1.323 | 3.596 | 0.002 |
| 3 | Female | $>42$ years | Before Matching | 12.351 | 56.536 | 0.062 |
| 3 | Female | >42 years | After Matching | 1.414 | 3.375 | 0.002 |
| 3 | Male | $>42$ years | Before Matching | 12.472 | 58.976 | 0.064 |
| 3 | Male | >42 years | After Matching | 0.991 | 3.276 | 0.002 |

Note: Reported indicators refer to 75 variables that are at least included in the specification.

Table 5: ATT Employment Probabilities Differentiated by Vocational Education.

| Type | Sex | Vocational Education | $\begin{gathered} \hline \text { Month After } \\ \text { Program Entry } \\ \hline \end{gathered}$ | $\begin{aligned} & \hline \text { Emp. Prob. } \\ & \text { NP } \\ & \hline \end{aligned}$ | $\begin{gathered} \hline \text { Emp. Prob. } \\ \mathrm{P} \end{gathered}$ | $\triangle_{A T T}$ | $\begin{gathered} \hline \text { Lower Bound } \\ 95 \% \text { CI } \\ \hline \end{gathered}$ | $\begin{gathered} \hline \text { Upper Bound } \\ 95 \% \mathrm{CI} \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Female | Voc. Degree | 6 | 0.1905 | 0.0625 | -0.1280 | -0.1390 | -0.1171 |
|  |  |  | 12 | 0.2370 | 0.2001 | -0.0368 | -0.0507 | -0.0230 |
|  |  |  | 18 | 0.2709 | 0.3330 | 0.0621 | 0.0466 | 0.0776 |
|  |  |  | 24 | 0.2812 | 0.3650 | 0.0838 | 0.0681 | 0.0996 |
| 1 | Male | Voc. Degree | 6 | 0.2304 | 0.1058 | -0.1246 | -0.1354 | -0.1137 |
|  |  |  | 12 | 0.2677 | 0.2479 | -0.0198 | -0.0325 | -0.0070 |
|  |  |  | 18 | 0.3143 | 0.3781 | 0.0638 | 0.0498 | 0.0778 |
|  |  |  | 24 | 0.3144 | 0.4022 | 0.0878 | 0.0738 | 0.1019 |
| 1 | Female | No Degree | 6 | 0.1392 | 0.0675 | -0.0717 | -0.0956 | -0.0478 |
|  |  |  | 12 | 0.1758 | 0.1635 | -0.0123 | -0.0417 | 0.0171 |
|  |  |  | 18 | 0.1954 | 0.2482 | 0.0527 | 0.0201 | 0.0853 |
|  |  |  | 24 | 0.1805 | 0.2618 | 0.0812 | 0.0488 | 0.1136 |
| 1 | Male | No Degree | 6 | 0.1648 | 0.0925 | -0.0724 | -0.0916 | -0.0532 |
|  |  |  | 12 | 0.1958 | 0.2479 | 0.0521 | 0.0287 | 0.0755 |
|  |  |  | 18 | 0.2373 | 0.3107 | 0.0734 | 0.0481 | 0.0987 |
|  |  |  | 24 | 0.2286 | 0.3075 | 0.0788 | 0.0539 | 0.1038 |
| 2 | Female | Voc. Degree | 6 | 0.1928 | 0.1307 | -0.0621 | -0.0848 | -0.0395 |
|  |  |  | 12 | 0.2226 | 0.2706 | 0.0481 | 0.0229 | 0.0733 |
|  |  |  | 18 | 0.2402 | 0.3199 | 0.0797 | 0.0541 | 0.1054 |
|  |  |  | 24 | 0.2530 | 0.3227 | 0.0696 | 0.0433 | 0.0960 |
| 2 | Male | Voc. Degree | 6 | 0.1944 | 0.1489 | -0.0455 | -0.0624 | -0.0286 |
|  |  |  | 12 | 0.2415 | 0.2813 | 0.0398 | 0.0201 | 0.0595 |
|  |  |  | 18 | 0.2634 | 0.3316 | 0.0682 | 0.0476 | 0.0887 |
|  |  |  | 24 | 0.2603 | 0.3352 | 0.0749 | 0.0539 | 0.0960 |
| 2 | Female | No Degree | 6 | 0.1224 | 0.0961 | -0.0263 | -0.0471 | -0.0055 |
|  |  |  | 12 | 0.1494 | 0.2174 | 0.0680 | 0.0412 | 0.0949 |
|  |  |  | 18 | 0.1606 | 0.2502 | 0.0896 | 0.0621 | 0.1171 |
|  |  |  | 24 | 0.1614 | 0.2497 | 0.0883 | 0.0616 | 0.1150 |
| 2 | Male | No Degree | 6 | 0.1458 | 0.1205 | -0.0253 | -0.0450 | -0.0056 |
|  |  |  | 12 | 0.1743 | 0.2180 | 0.0436 | 0.0200 | 0.0673 |
|  |  |  | 18 | 0.1867 | 0.2505 | 0.0637 | 0.0409 | 0.0865 |
|  |  |  | 24 | 0.2038 | 0.2552 | 0.0514 | 0.0269 | 0.0758 |
| 3 | Female | Voc. Degree | 6 | 0.1767 | 0.0879 | -0.0888 | -0.1007 | -0.0768 |
|  |  |  | 12 | 0.2222 | 0.2540 | 0.0317 | 0.0164 | 0.0470 |
|  |  |  | 18 | 0.2637 | 0.3158 | 0.0521 | 0.0357 | 0.0685 |
|  |  |  | 24 | 0.2724 | 0.3376 | 0.0652 | 0.0486 | 0.0817 |
| 3 | Male | Voc. Degree | 6 | 0.2352 | 0.1237 | -0.1115 | -0.1239 | -0.0991 |
|  |  |  | 12 | 0.2644 | 0.2923 | 0.0279 | 0.0134 | 0.0424 |
|  |  |  | 18 | 0.3106 | 0.3628 | 0.0523 | 0.0369 | 0.0676 |
|  |  |  | 24 | 0.3093 | 0.3684 | 0.0591 | 0.0438 | 0.0745 |
| 3 | Female | No Degree | 6 | 0.1113 | 0.0675 | -0.0437 | -0.0644 | -0.0231 |
|  |  |  | 12 | 0.1528 | 0.1814 | 0.0286 | 0.0031 | 0.0541 |
|  |  |  | 18 | 0.1826 | 0.2282 | 0.0456 | 0.0176 | 0.0735 |
|  |  |  | 24 | 0.1844 | 0.2533 | 0.0688 | 0.0398 | 0.0979 |
| 3 | Male | No Degree | 6 | 0.1637 | 0.0896 | -0.0740 | -0.0900 | -0.0580 |
|  |  |  | 12 | 0.1991 | 0.2101 | 0.0110 | -0.0084 | 0.0304 |
|  |  |  | 18 | 0.2344 | 0.2666 | 0.0322 | 0.0111 | 0.0533 |
|  |  |  | 24 | 0.2302 | 0.2765 | 0.0464 | 0.0255 | 0.0673 |

[^17]Table 6: ATT Employment Probabilities Differentiated by Age Groups.

| Type | Sex | Age Group | Month After Program Entry | $\begin{gathered} \hline \hline \text { Emp. Prob. } \\ \text { NP } \end{gathered}$ | $\begin{gathered} \hline \hline \text { Emp. Prob. } \\ \mathrm{P} \end{gathered}$ | $\Delta_{A T T}$ | Lower Bound $95 \%$ CI | $\begin{gathered} \hline \hline \text { Upper Bound } \\ 95 \% \text { CI } \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Female | $<34$ years | 6 | 0.2207 | 0.0850 | -0.1357 | -0.1551 | -0.1163 |
|  |  |  | 12 | 0.2683 | 0.2260 | -0.0423 | -0.0658 | -0.0188 |
|  |  |  | 18 | 0.2883 | 0.3551 | 0.0668 | 0.0411 | 0.0925 |
|  |  |  | 24 | 0.3047 | 0.3871 | 0.0823 | 0.0562 | 0.1085 |
| 1 | Male | $<34$ years | 6 | 0.2605 | 0.1323 | -0.1283 | -0.1448 | -0.1117 |
|  |  |  | 12 | 0.3033 | 0.2951 | -0.0082 | -0.0274 | 0.0109 |
|  |  |  | 18 | 0.3524 | 0.4170 | 0.0646 | 0.0441 | 0.0850 |
|  |  |  | 24 | 0.3394 | 0.4390 | 0.0997 | 0.0793 | 0.1200 |
| 1 | Female | 34-42 years | 6 | 0.1886 | 0.0571 | -0.1315 | -0.1480 | -0.1149 |
|  |  |  | 12 | 0.2362 | 0.2031 | -0.0331 | -0.0543 | -0.0119 |
|  |  |  | 18 | 0.2733 | 0.3410 | 0.0677 | 0.0441 | 0.0914 |
|  |  |  | 24 | 0.2808 | 0.3697 | 0.0889 | 0.0650 | 0.1128 |
| 1 | Male | 34-42 years | 6 | 0.2243 | 0.0999 | -0.1244 | -0.1418 | -0.1069 |
|  |  |  | 12 | 0.2607 | 0.2532 | -0.0075 | -0.0283 | 0.0133 |
|  |  |  | 18 | 0.2985 | 0.3739 | 0.0754 | 0.0529 | 0.0979 |
|  |  |  | 24 | 0.2966 | 0.3906 | 0.0940 | 0.0714 | 0.1167 |
| 1 | Female | $>42$ years | 6 | 0.1417 | 0.0490 | -0.0928 | -0.1089 | -0.0767 |
|  |  |  | 12 | 0.1873 | 0.1543 | -0.0330 | -0.0536 | -0.0125 |
|  |  |  | 18 | 0.2268 | 0.2621 | 0.0353 | 0.0116 | 0.0591 |
|  |  |  | 24 | 0.2224 | 0.2890 | 0.0666 | 0.0426 | 0.0906 |
| 1 | Male | $>42$ years | 6 | 0.1624 | 0.0712 | -0.0912 | -0.1060 | -0.0763 |
|  |  |  | 12 | 0.1892 | 0.1870 | -0.0022 | -0.0202 | 0.0158 |
|  |  |  | 18 | 0.2364 | 0.2894 | 0.0530 | 0.0324 | 0.0736 |
|  |  |  | 24 | 0.2184 | 0.3050 | 0.0866 | 0.0662 | 0.1070 |
| 2 | Female | $<34$ years | 6 | 0.2168 | 0.1573 | -0.0595 | -0.0882 | -0.0308 |
|  |  |  | 12 | 0.2511 | 0.2949 | 0.0438 | 0.0116 | 0.0760 |
|  |  |  | 18 | 0.2965 | 0.3532 | 0.0566 | 0.0219 | 0.0914 |
|  |  |  | 24 | 0.2963 | 0.3501 | 0.0538 | 0.0192 | 0.0883 |
| 2 | Male | $<34$ years | 6 | 0.2505 | 0.1834 | -0.0671 | -0.0872 | -0.0469 |
|  |  |  | 12 | 0.2791 | 0.3153 | 0.0362 | 0.0139 | 0.0585 |
|  |  |  | 18 | 0.3238 | 0.3590 | 0.0352 | 0.0118 | 0.0586 |
|  |  |  | 24 | 0.3313 | 0.3683 | 0.0370 | 0.0123 | 0.0617 |
| 2 | Female | 34-42 years | 6 | 0.1472 | 0.1012 | -0.0461 | -0.0725 | -0.0196 |
|  |  |  | 12 | 0.2059 | 0.2628 | 0.0569 | 0.0206 | 0.0932 |
|  |  |  | 18 | 0.2304 | 0.2953 | 0.0648 | 0.0280 | 0.1017 |
|  |  |  | 24 | 0.2274 | 0.2976 | 0.0702 | 0.0328 | 0.1077 |
| 2 | Male | 34-42 years | 6 | 0.1541 | 0.1248 | -0.0293 | -0.0542 | -0.0044 |
|  |  |  | 12 | 0.1905 | 0.2352 | 0.0446 | 0.0118 | 0.0775 |
|  |  |  | 18 | 0.2186 | 0.2714 | 0.0528 | 0.0190 | 0.0866 |
|  |  |  | 24 | 0.2109 | 0.2854 | 0.0745 | 0.0439 | 0.1051 |
| 2 | Female | $>42$ years | 6 | 0.1147 | 0.0845 | -0.0303 | -0.0549 | -0.0056 |
|  |  |  | 12 | 0.1449 | 0.1878 | 0.0428 | 0.0143 | 0.0713 |
|  |  |  | 18 | 0.1624 | 0.2219 | 0.0595 | 0.0290 | 0.0901 |
|  |  |  | 24 | 0.1717 | 0.2289 | 0.0572 | 0.0263 | 0.0881 |
| 2 | Male | $>42$ years | 6 | 0.1161 | 0.0828 | -0.0333 | -0.0536 | -0.0130 |
|  |  |  |  | 0.1342 | 0.1876 | 0.0534 | 0.0295 | 0.0772 |
|  |  |  | 18 | 0.1498 | 0.2343 | 0.0845 | 0.0617 | 0.1072 |
|  |  |  | 24 | 0.1516 | 0.2247 | 0.0731 | 0.0503 | 0.0959 |
| 3 | Female | $<34$ years | 6 | 0.2296 | 0.1119 | -0.1177 | -0.1405 | -0.0948 |
|  |  |  | 12 | 0.2851 | 0.2756 | -0.0095 | -0.0372 | 0.0183 |
|  |  |  | 18 | 0.2992 | 0.3518 | 0.0526 | 0.0237 | 0.0816 |
|  |  |  | 24 | 0.3047 | 0.3654 | 0.0606 | 0.0315 | 0.0897 |
| 3 | Male | $<34$ years | 6 | 0.2475 | 0.1362 | -0.1114 | -0.1283 | -0.0944 |
|  |  |  | 12 | 0.2830 | 0.3147 | 0.0318 | 0.0122 | 0.0513 |
|  |  |  | 18 | 0.3303 | 0.3812 | 0.0509 | 0.0303 | 0.0715 |
|  |  |  | 24 | 0.3246 | 0.3864 | 0.0618 | 0.0412 | 0.0823 |
| 3 | Female | 34-42 years | 6 | 0.1894 | 0.0838 | -0.1056 | -0.1242 | -0.0870 |
|  |  |  | 12 | 0.2450 | 0.2609 | 0.0159 | -0.0080 | 0.0399 |
|  |  |  | 18 | 0.2720 | 0.3306 | 0.0586 | 0.0331 | 0.0842 |
|  |  |  | 24 | 0.2796 | 0.3614 | 0.0818 | 0.0557 | 0.1080 |
| 3 | Male | 34-42 years | 6 | 0.2150 | 0.1091 | -0.1059 | -0.1245 | -0.0874 |
|  |  |  | 12 | 0.2387 | 0.2560 | 0.0173 | -0.0044 | 0.0389 |
|  |  |  | 18 | 0.2902 | 0.3389 | 0.0487 | 0.0252 | 0.0722 |
|  |  |  | 24 | 0.2865 | 0.3454 | 0.0589 | 0.0354 | 0.0824 |
| 3 | Female | $>42$ years | 6 | 0.1390 | 0.0650 | -0.0740 | -0.0894 | -0.0586 |
|  |  |  | 12 | 0.1841 | 0.1975 | 0.0134 | -0.0071 | 0.0339 |
|  |  |  | 18 | 0.2175 | 0.2358 | 0.0182 | -0.0032 | 0.0397 |
|  |  |  | 24 | 0.2312 | 0.2574 | 0.0262 | 0.0042 | 0.0482 |
| 3 | Male | $>42$ years | 6 | 0.1595 | 0.0863 | -0.0733 | -0.0887 | -0.0578 |
|  |  |  | 12 | 0.1860 | 0.2124 | 0.0264 | 0.0077 | 0.0452 |
|  |  |  | 18 | 0.2295 | 0.2622 | 0.0328 | 0.0123 | 0.0533 |
|  |  |  | 24 | 0.2227 | 0.2720 | 0.0494 | 0.0289 | 0.0698 |

[^18]
## Appendix

Figure A1: ATT Monthly Earnings.


Note: Gross monthly earnings from employment (in Euros). Thick lines are point estimates of the ATT based on aggregated matched sub-samples with respect to vocational education, while thin lines represent 95 percent confidence intervals. The ATT for for the aggregated matched sub-samples with respect to age look very similar and are thus not displayed.

Figure A2: ATT Monthly Earnings Differentiated by Vocational Education.
(a) Type 1


Note: Gross monthly earnings from employment (in Euros). Thick lines are point estimates of the ATT for the respective sub-group, while thin lines represent 95 percent confidence intervals.

Figure A3: ATT Monthly Earnings Differentiated by Age Groups.

(b) Type 2



(c) Type 3




Note: Gross monthly earnings from employment (in Euros). Thick lines are point estimates of the ATT for the respective sub-group, while thin lines represent 95 percent confidence intervals.

Table A1: ATT Monthly Earnings Differentiated by Vocational Education.

| Type | Sex | Vocational Education | Month After Program Entry | $\begin{aligned} & \hline \hline \text { Av. Earnings } \\ & \text { NP } \\ & \hline \end{aligned}$ | $\begin{gathered} \hline \hline \text { Av. Earnings } \\ \mathrm{P} \end{gathered}$ | $\Delta_{A T T}$ | Lower Bound $95 \%$ CI | $\begin{gathered} \hline \hline \text { Upper Bound } \\ 95 \% \text { CI } \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Female | Voc. Degree | 6 | 206.62 | 73.63 | -132.98 | -148.14 | -117.82 |
|  |  |  | 12 | 271.15 | 240.99 | - 30.16 | - 50.94 | - 9.39 |
|  |  |  | 18 | 307.64 | 404.26 | 96.62 | 72.70 | 120.54 |
|  |  |  | 24 | 314.27 | 447.83 | 133.55 | 108.82 | 158.29 |
| 1 | Male | Voc. Degree | 6 | 301.29 | 154.32 | -146.97 | -165.89 | -128.06 |
|  |  |  | 12 | 348.20 | 351.97 | 3.77 | - 19.18 | 26.73 |
|  |  |  | 18 | 430.06 | 532.47 | 102.42 | 75.73 | 129.10 |
|  |  |  | 24 | 428.86 | 574.88 | 146.01 | 118.88 | 173.14 |
| 1 | Female | No Degree | 6 | 140.04 | 69.45 | - 70.59 | - 98.94 | - 42.25 |
|  |  |  | 12 | 184.26 | 176.59 | - 7.67 | - 46.36 | 31.03 |
|  |  |  | 18 | 209.20 | 271.65 | 62.45 | 19.13 | 105.77 |
|  |  |  | 24 | 182.62 | 293.35 | 110.73 | 67.56 | 153.90 |
| 1 | Male | No Degree | 6 | 220.74 | 142.92 | - 77.82 | -109.48 | - 46.15 |
|  |  |  | 12 | 250.81 | 372.23 | 121.42 | 82.30 | 160.53 |
|  |  |  | 18 | 309.02 | 455.23 | 146.21 | 103.00 | 189.42 |
|  |  |  | 24 | 285.27 | 435.84 | 150.56 | 108.34 | 192.79 |
| 2 | Female | Voc. Degree | 6 | 217.05 | 141.94 | - 75.11 | -104.64 | - 45.59 |
|  |  |  | 12 | 244.40 | 295.64 | 51.24 | 18.55 | 83.93 |
|  |  |  | 18 | 274.34 | 351.05 | 76.72 | 42.00 | 111.43 |
|  |  |  | 24 | 291.46 | 350.17 | 58.71 | 21.22 | 96.19 |
| 2 | Male | Voc. Degree | 6 | 265.78 | 208.89 | - 56.89 | - 83.52 | - 30.27 |
|  |  |  | 12 | 343.30 | 410.83 | 67.53 | 34.05 | 101.01 |
|  |  |  | 18 | 379.53 | 478.85 | 99.33 | 63.44 | 135.22 |
|  |  |  | 24 | 368.83 | 485.06 | 116.23 | 80.14 | 152.33 |
| 2 | Female | No Degree | 6 | 113.04 | 89.00 | - 24.04 | - 46.70 | - 1.39 |
|  |  |  | 12 | 138.12 | 212.54 | 74.42 | 44.93 | 103.92 |
|  |  |  | 18 | 145.24 | 253.26 | 108.02 | 77.11 | 138.92 |
|  |  |  | 24 | 143.60 | 240.91 | 97.31 | 67.16 | 127.46 |
| 2 | Male | No Degree | 6 | 186.05 | 145.52 | - 40.53 | - 72.28 | - 8.79 |
|  |  |  | 12 | 236.68 | 276.13 | 39.45 | - 2.94 | 81.85 |
|  |  |  | 18 | 239.31 | 320.16 | 80.85 | 47.64 | 114.07 |
|  |  |  | 24 | 254.06 | 321.61 | 67.55 | 28.61 | 106.50 |
| 3 | Female | Voc. Degree | 6 | 186.90 | 103.45 | - 83.45 | - 98.86 | - 68.04 |
|  |  |  | 12 | 235.43 | 300.43 | 65.00 | 43.54 | 86.46 |
|  |  |  | 18 | 287.65 | 368.59 | 80.94 | 57.41 | 104.47 |
|  |  |  | 24 | 295.52 | 391.46 | 95.94 | 72.63 | 119.24 |
| 3 | Male | Voc. Degree |  | 323.77 | 179.46 |  | -165.72 | -122.89 |
|  |  |  | 12 | 364.77 | 425.51 | 60.74 | 34.67 | 86.81 |
|  |  |  | 18 | 432.25 | 531.76 | 99.50 | 71.32 | 127.69 |
|  |  |  | 24 | 426.26 | 538.42 | 112.16 | 83.98 | 140.34 |
| 3 | Female | No Degree | 6 | 107.69 | 68.91 | - 38.78 | - 62.45 | - 15.11 |
|  |  |  | 12 | 158.26 | 188.52 | 30.27 | - 1.81 | 62.35 |
|  |  |  | 18 | 180.54 | 230.66 | 50.12 | 14.85 | 85.38 |
|  |  |  | 24 | 187.09 | 251.54 | 64.44 | 26.67 | 102.22 |
| 3 | Male | No Degree | 6 | 217.35 | 121.92 | - 95.43 | -120.73 | - 70.12 |
|  |  |  | 12 | 259.94 | 296.25 | 36.31 | 5.26 | 67.36 |
|  |  |  | 18 | 308.17 | 372.86 | 64.68 | 30.34 | 99.03 |
|  |  |  | 24 | 295.70 | 379.05 | 83.35 | 48.86 | 117.84 |

[^19]Table A2: ATT Monthly Earnings Differentiated by Age Groups.

| Type | Sex | $\begin{gathered} \hline \text { Age } \\ \text { Group } \\ \hline \end{gathered}$ | Month After Program Entry | $\begin{aligned} & \hline \hline \text { Av. Earnings } \\ & \text { NP } \end{aligned}$ | $\begin{gathered} \hline \hline \text { Av. Earnings } \\ \mathrm{P} \end{gathered}$ | $\Delta_{A T T}$ | $\begin{gathered} \hline \text { Lower Bound } \\ 95 \% \mathrm{CI} \end{gathered}$ | $\begin{gathered} \hline \hline \text { Upper Bound } \\ 95 \% \mathrm{CI} \\ \hline \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| 1 | Female | $<34$ years | 6 | 230.11 | 97.21 | -132.90 | -159.09 | -106.70 |
|  |  |  | 12 | 290.27 | 262.67 | - 27.60 | - 61.13 | 5.93 |
|  |  |  | 18 | 327.22 | 430.52 | 103.30 | 64.15 | 142.44 |
|  |  |  | 24 | 341.62 | 468.31 | 126.68 | 86.22 | 167.14 |
| 1 | Male | $<34$ years | 6 | 348.33 | 196.91 | -151.42 | -179.65 | -123.20 |
|  |  |  | 12 | 407.36 | 436.26 | 28.91 | - 5.18 | 62.99 |
|  |  |  | 18 | 482.51 | 612.57 | 130.06 | 91.97 | 168.16 |
|  |  |  | 24 | 469.87 | 651.28 | 181.41 | 143.15 | 219.67 |
| 1 | Female | $34-42$ years | 6 | 192.55 | 70.86 | -121.68 | -144.20 | - 99.16 |
|  |  |  | 12 | 250.53 | 248.48 | - 2.05 | - 33.48 | 29.38 |
|  |  |  | 18 | 289.86 | 404.89 | 115.03 | 79.76 | 150.30 |
|  |  |  | 24 | 305.28 | 448.63 | 143.36 | 106.68 | 180.03 |
| 1 | Male | $34-42$ years | 6 | 286.37 | 147.17 | -139.19 | -169.65 | -108.73 |
|  |  |  | 12 | 339.88 | 374.60 | 34.71 | - 3.04 | 72.47 |
|  |  |  | 18 | 419.05 | 545.77 | 126.73 | 83.20 | 170.25 |
|  |  |  | 24 | 398.83 | 563.95 | 165.12 | 121.73 | 208.52 |
| 1 | Female | $>42$ years | 6 | 148.89 | 54.85 | - 94.04 | -115.99 | - 72.09 |
|  |  |  | 12 | 202.40 | 186.26 | - 16.14 | - 46.64 | 14.36 |
|  |  |  | 18 | 248.02 | 309.62 | 61.60 | 25.66 | 97.54 |
|  |  |  | 24 | 233.22 | 336.15 | 102.92 | 67.04 | 138.80 |
| 1 | Male | $>42$ years | 6 | 198.81 | 95.48 | -103.33 | -127.85 | - 78.82 |
|  |  |  | 12 | 227.02 | 246.83 | 19.81 | - 10.98 | 50.60 |
|  |  |  | 18 | 291.35 | 360.97 | 69.62 | 33.21 | 106.03 |
|  |  |  | 24 | 261.82 | 387.98 | 126.16 | 90.33 | 161.98 |
| 2 | Female | $<34$ years | 6 | 214.08 | 166.92 | - 47.16 | - 78.61 | - 15.71 |
|  |  |  | 12 | 263.81 | 307.16 | 43.35 | 5.80 | 80.91 |
|  |  |  | 18 | 314.20 | 378.84 | 64.64 | 20.59 | 108.69 |
|  |  |  | 24 | 322.87 | 371.54 | 48.66 | 4.96 | 92.36 |
| 2 | Male | $<34$ years | 6 | 323.49 | 238.24 | - 85.25 | -116.47 | - 54.04 |
|  |  |  | 12 | 381.42 | 436.24 | 54.82 | 17.81 | 91.84 |
|  |  |  | 18 | 451.24 | 503.54 | 52.30 | 12.58 | 92.02 |
|  |  |  | 24 | 453.50 | 506.60 | 53.10 | 10.89 | 95.32 |
| 2 | Female | $34-42$ years | 6 | 163.17 | 105.94 | - 57.23 | - 89.17 | - 25.29 |
|  |  |  | 12 | 224.67 | 282.50 | 57.83 | 13.98 | 101.68 |
|  |  |  | 18 | 249.86 | 331.91 | 82.05 | 36.04 | 128.06 |
|  |  |  | 24 | 248.05 | 308.75 | 60.70 | 15.07 | 106.32 |
| 2 | Male | $34-42$ years | 6 | 218.57 | 177.07 | - 41.51 | - 84.30 | 1.29 |
|  |  |  | 12 | 246.42 | 350.36 | 103.95 | 54.98 | 152.92 |
|  |  |  | 18 | 292.89 | 401.05 | 108.16 | 55.57 | 160.76 |
|  |  |  | 24 | 279.34 | 414.18 | 134.84 | 81.67 | 188.01 |
| 2 | Female | $>42$ years | 6 | 133.32 | 80.11 | - 53.21 | - 91.31 | - 15.12 |
|  |  |  | 12 | 154.05 | 205.20 | 51.15 | 12.15 | 90.15 |
|  |  |  | 18 | 171.54 | 232.48 | 60.94 | 20.81 | 101.08 |
|  |  |  | 24 | 165.93 | 235.94 | 70.01 | 33.32 | 106.70 |
| 2 | Male | $>42$ years | 6 | 133.32 | 80.11 | - 53.21 | - 91.31 | - 15.12 |
|  |  |  | 12 | 154.05 | 205.20 | 51.15 | 12.15 | 90.15 |
|  |  |  | 18 | 171.54 | 232.48 | 60.94 | 20.81 | 101.08 |
|  |  |  | 24 | 165.93 | 235.94 | 70.01 | 33.32 | 106.70 |
| 3 | Female | $<34$ years | 6 | 260.80 | 125.36 | -135.43 | -167.16 | -103.71 |
|  |  |  | 12 | 322.88 | 323.65 | 0.77 | - 40.28 | 41.82 |
|  |  |  | 18 | 359.07 | 415.25 | 56.18 | 11.88 | 100.47 |
|  |  |  | 24 | 354.53 | 415.92 | 61.40 | 18.05 | 104.74 |
| 3 | Male | $<34$ years | 6 | 339.97 | 190.56 | -149.41 | -177.57 | -121.24 |
|  |  |  | 12 | 387.92 | 450.29 | 62.37 | 28.58 | 96.17 |
|  |  |  | 18 | 459.78 | 542.12 | 82.34 | 45.65 | 119.03 |
|  |  |  | 24 | 452.25 | 546.53 | 94.28 | 57.50 | 131.06 |
| 3 | Female | $34-42$ years | 6 | 199.68 | 106.70 | - 92.98 | -117.77 | - 68.19 |
|  |  |  | 12 | 264.48 | 301.88 | 37.40 | 4.98 | 69.81 |
|  |  |  | 18 | 303.22 | 375.79 | 72.57 | 36.93 | 108.21 |
|  |  |  | 24 | 318.04 | 418.51 | 100.48 | 62.84 | 138.11 |
| 3 | Male | 34-42 years | 6 | 311.08 | 161.07 | -150.01 | -182.99 | -117.03 |
|  |  |  | 12 | 348.39 | 379.27 | 30.88 | - 8.15 | 69.91 |
|  |  |  | 18 | 435.88 | 511.31 | 75.43 | 32.06 | 118.81 |
|  |  |  | 24 | 411.26 | 515.90 | 104.64 | 61.44 | 147.84 |
| 3 | Female | $>42$ years | 6 | 158.93 | 69.03 | - 89.90 | -111.77 | - 68.03 |
|  |  |  | 12 | 196.95 | 228.15 | 31.21 | 1.99 | 60.41 |
|  |  |  | 18 | 235.84 | 261.54 | 25.70 | - 4.75 | 56.14 |
|  |  |  | 24 | 235.96 | 282.39 | 46.43 | 15.89 | 76.97 |
| 3 | Male | $>42$ years | 6 | 213.54 | 117.16 | - 96.38 | -122.77 | - 69.99 |
|  |  |  | 12 | 246.03 | 296.89 | 50.86 | 17.97 | 83.75 |
|  |  |  | 18 | 301.82 | 366.04 | 64.23 | 28.21 | 100.24 |
|  |  |  | 24 | 278.16 | 375.06 | 96.90 | 61.09 | 132.70 |

Note: NP: Non-Participants; P: Participants; CI: confidence interval.
Table A3: Overall Matching Quality, Type 1.

|  |  | Vocational Education |  |  | Age |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Participants | Non-Participants | \%-Bias | Participants | Non-Participants | \%-Bias |
| Socio-demographic characteristics |  |  |  |  |  |  |  |
| Age | Before Matching | 37.142 | 39.389 | -21.0 | 37.142 | 39.389 | -21.0 |
| Age | After Matching | 37.151 | 37.051 | 0.9 | 37.158 | 37.138 | 0.2 |
| German | Before Matching | 0.0141 | 0.0254 | - 8.1 | 0.0141 | 0.0254 | - 8.1 |
|  | After Matching | 0.0141 | 0.0146 | - 0.3 | 0.0141 | 0.0142 | - 0.1 |
| Married | Before Matching | 0.4780 | 0.4867 | - 1.7 | 0.4780 | 0.4867 | - 1.7 |
| Married | After Matching | 0.4783 | 0.4744 | 0.8 | 0.4785 | 0.4758 | 0.5 |
| Dependent children: youngest kid 0-3 years old | Before Matching | 0.0655 | 0.0496 | 6.8 | 0.0655 | 0.0496 | 6.8 |
| Dependent children: youngest kid $0-3$ years old | After Matching | 0.0655 | 0.0650 | 0.2 | 0.0650 | 0.0653 | - 0.2 |
| Dependent children: youngest kid 4-14 years old | Before Matching | 0.2407 | 0.1915 | 12.0 | 0.2407 | 0.1915 | 12.0 |
| Dependent chidren. youngest kid 4-14 years ord | After Matching | 0.2411 | 0.2436 | -0.6 | 0.2411 | 0.2436 | -0.6 |
| Educational Attainment |  |  |  |  |  |  |  |
| No graduation | Before Matching | 0.0569 | 0.1234 | -23.4 | 0.0569 | 0.1234 | -23.4 |
|  | After Matching | 0.0568 | 0.0571 | - 0.1 | 0.0568 | 0.0579 | - 0.4 |
| First stage of secondary level | Before Matching | 0.3190 | 0.4747 | -32.2 | 0.3190 | 0.4747 | -32.2 |
|  | After Matching | 0.3189 | 0.3175 | 0.3 | 0.3190 | 0.3137 | 1.1 |
| Second stage of secondary level | Before Matching | 0.4096 | 0.2833 | 26.8 | 0.4096 | 0.2833 | 26.8 |
|  | After Matching | 0.4098 | 0.4075 | 0.5 | 0.4096 | 0.4105 | - 0.2 |
| Advanced technical college entrance qualification | Before Matching | 0.0682 | 0.0384 | 13.3 | 0.0682 | 0.0384 | 13.3 |
|  | After Matching | 0.0681 | 0.0688 | -0.3 | 0.0682 | 0.0700 | - 0.8 |
| General qualification for university entrance | Before Matching After Matching | 0.1463 0.1464 | 0.0802 0.1491 | 21.0 -0.8 | 0.1463 0.1465 | 0.0802 0.1479 | $\begin{array}{r}21.0 \\ -0.5 \\ \hline\end{array}$ |
| Vocational Attainment |  |  |  |  |  |  |  |
| No vocational degree | Before Matching | 0.1918 | 0.3651 | -39.4 | 0.1918 | 0.3651 | -39.4 |
|  | After Matching | 0.1913 | 0.1913 | 0.0 | 0.1913 | 0.1924 | - 0.2 |
| In-plant training | Before Matching | 0.5946 | 0.5145 | 16.2 | 0.5946 | 0.5145 | 16.2 |
|  | After Matching | 0.5953 | 0.5931 | 0.4 | 0.5954 | 0.5910 | 0.9 |
| Off-the-job training, vocational school, technical school | Before Matching | 0.1007 | 0.0693 | 11.3 | 0.1007 | 0.0693 | 11.3 |
|  | After Matching | 0.1005 | 0.1010 | - 0.2 | 0.1006 | 0.1021 | - 0.6 |
| University, advanced technical college | Before Matching | 0.1129 | 0.0511 | 22.7 | 0.1129 | 0.0511 | 22.7 |
|  | After Matching | 0.1129 | 0.1146 | -0.7 | 0.1127 | 0.1145 | -0.7 |
| (Un-)Employment History |  |  |  |  |  |  |  |
| Share of unemployment in 1st year before program entry | Before Matching | 0.5840 | 0.5989 | -4.7 | 0.5840 | 0.5989 | -4.7 |
|  | After Matching | 0.5842 | 0.5738 | 3.3 | 0.5841 | 0.5757 | 2.6 |
| Share of unemployment in 2nd year before program entry | Before Matching | 0.2408 | 0.3252 | -24.2 | 0.2408 | 0.3252 | -24.2 |
|  | After Matching | 0.2409 | 0.2386 | 0.7 | 0.2408 | 0.2399 | 0.3 |
| Share of unemployment in 3rd year before program entry | Before Matching | 0.1981 | 0.2875 | -25.9 | 0.1981 | 0.2875 | -25.9 |
|  | After Matching | 0.1978 | 0.1968 | 0.3 | 0.1979 | 0.1992 | - 0.4 |
| Share of unemployment in 4th year before program entry | Before Matching | 0.1765 | 0.2575 | -24.3 | 0.1765 | 0.2575 | -24.3 |
|  | After Matching | 0.1758 | 0.1760 | - 0.0 | 0.1758 | 0.1785 | - 0.8 |
| Share of employment in 1st year before program entry | Before Matching | 0.2425 | 0.2027 | 13.4 | 0.2425 | 0.2027 | 13.4 |
|  | After Matching | 0.2426 | 0.2448 | - 0.7 | 0.2426 | 0.2440 | - 0.5 |
| Share of employment in 2nd year before program entry | Before Matching | 0.4681 | 0.3667 | 23.9 | 0.4681 | 0.3667 | 23.9 |
|  | After Matching | 0.4687 | 0.4617 | 1.6 | 0.4685 | 0.4636 | 1.2 |
| Share of employment in 3rd year before program entry | Before Matching | 0.4781 | 0.3882 | 20.5 | 0.4781 | 0.3882 | 20.5 |
|  | After Matching | 0.4791 | 0.4686 | 2.4 | 0.4791 | 0.4741 | 1.1 |
| Share of employment in 4th year before program entry | Before Matching After Matching | 0.4759 | 0.3994 0.4709 | 17.4 | 0.4759 | 0.3994 | 17.4 |
| Pseudo- $R^{2}$ | After Matching | 0.4774 | 0.4709 | 1.5 | 0.4775 | 0.4733 | 0.9 |
|  | Before Matching <br> After Matching | $\begin{aligned} & 0.058 \\ & 0.001 \end{aligned}$ |  |  | $\begin{aligned} & 0.058 \\ & 0.000 \end{aligned}$ |  |  |
| Mean standardized bias | Before Matching | $\begin{array}{r} 13.367 \\ 0.687 \\ \hline \end{array}$ |  |  | $\begin{array}{r} 13.367 \\ 0.493 \\ \hline \end{array}$ |  |  |
|  | After Matching |  |  |  |  |  |  |

Note: Statistics are based on aggregated sub-samples before and after matching (previously stratified with respect to vocational education and age). Only selected variables are
reported, while the specifications include more variables. However, mean standardized bias and pseudo- $R^{2}$ refer to 75 variables at least included in the different specifications.
Table A4: Overall Matching Quality, Type 2.

|  |  | Vocational Education |  |  | Age |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Participants | Non-Participants | \%-Bias | Participants | Non-Participants | \%-Bias |
| Socio-demographic characteristics |  |  |  |  |  |  |  |
| Age | Before Matching | 35.698 | 39.389 | -32.3 | 35.698 | 39.389 | -32.3 |
| Age | After Matching | 35.673 | 35.822 | - 1.3 | 35.671 | 35.591 | 0.7 |
| German | Before Matching | 0.0164 | 0.0254 | -6.3 | 0.0164 | 0.0254 | - 6.3 |
| German | After Matching | 0.0165 | 0.0174 | - 0.6 | 0.0165 | 0.0169 | - 0.3 |
| Married | Before Matching | 0.4112 | 0.4867 | -15.2 | 0.4112 | 0.4867 | -15.2 |
| Married | After Matching | 0.4113 | 0.4137 | - 0.5 | 0.4112 | 0.4118 | - 0.1 |
| Dependent children: youngest kid 0-3 years old | Before Matching | 0.0486 | 0.0496 | - 0.5 | 0.0486 | 0.0496 | - 0.5 |
| Dependent children: youngest kid 0-3 years old | After Matching | 0.0485 | 0.0490 | - 0.2 | 0.0485 | 0.0450 | 1.6 |
| Dependent children: youngest kid 4-14 years old | Before Matching | 0.2082 | 0.1915 | 4.2 | 0.2082 | 0.1915 | 4.2 |
| Dependent children. youngest kid 4-14 years old | After Matching | 0.2087 | 0.2063 | 0.6 | 0.2087 | 0.2082 | 0.1 |
| Educational Attainment |  |  |  |  |  |  |  |
| No graduation | Before Matching | 0.1241 | 0.1234 | 0.2 | 0.1241 | 0.1235 | 0.2 |
|  | After Matching | 0.1242 | 0.1255 | - 0.4 | 0.1243 | 0.1267 | - 0.7 |
| First stage of secondary level | Before Matching | 0.5325 | 0.4747 | 11.6 | 0.5325 | 0.4747 | 11.6 |
|  | After Matching | 0.5324 | 0.5327 | - 0.1 | 0.5324 | 0.5298 | 0.5 |
| Second stage of secondary level | Before Matching | 0.2576 | 0.2833 | - 5.8 | 0.2576 | 0.2833 | - 5.8 |
|  | After Matching | 0.2575 | 0.2534 | 0.9 | 0.2575 | 0.2558 | 0.4 |
| Advanced technical college entrance qualification | Before Matching | 0.0337 | 0.0384 | -2.5 | 0.0337 | 0.0384 | - 2.5 |
|  | After Matching | 0.0338 | 0.0360 | - 1.2 | 0.0338 | 0.0352 | - 0.7 |
| General qualification for university entrance | Before Matching <br> After Matching | $0.0520$ $0.0521$ | $0.0801$ | -11.3 -0.1 | 0.0520 0.0521 | 0.0801 0.0526 | $\begin{array}{r}-11.3 \\ -0.2 \\ \hline\end{array}$ |
| Vocational Attainment |  |  |  |  |  |  |  |
| No vocational degree | Before Matching | 0.3862 | 0.3652 | 4.3 | 0.3862 | 0.3652 | 4.3 |
|  | After Matching | 0.3856 | 0.3856 | 0.0 | 0.3855 | 0.3895 | - 0.8 |
| In-plant training | Before Matching | 0.5069 | 0.5145 | - 1.5 | 0.5069 | 0.5145 | - 1.5 |
|  | After Matching | 0.5075 | 0.5074 | 0.0 | 0.5076 | 0.5024 | 1.0 |
| Off-the-job training, vocational school, technical school | Before Matching | 0.0766 | 0.0693 | 2.8 | 0.0766 | 0.0693 | 2.8 |
|  | After Matching | 0.0766 | 0.0767 | - 0.0 | 0.0766 | 0.0767 | - 0.0 |
| University, advanced technical college | Before Matching After Matching | $\begin{aligned} & 0.0303 \\ & 0.0303 \end{aligned}$ | $\begin{aligned} & 0.0511 \\ & 0.0303 \end{aligned}$ | -10.6 0.0 | $\begin{aligned} & 0.0303 \\ & 0.0303 \end{aligned}$ | $\begin{aligned} & 0.0511 \\ & 0.0315 \end{aligned}$ | $\begin{aligned} & -10.6 \\ & -0.6 \end{aligned}$ |
| (Un-)Employment History |  |  |  |  |  |  |  |
| Share of unemployment in 1st year before program entry | Before Matching | 0.6352 | 0.5989 | 11.4 | 0.6352 | 0.5989 | 11.4 |
|  | After Matching | 0.6344 | 0.6285 | 1.9 | 0.6344 | 0.6274 | 2.2 |
| Share of unemployment in 2nd year before program entry | Before Matching | 0.3267 | 0.3252 | 0.4 | 0.3267 | 0.3252 | 0.4 |
|  | After Matching | 0.3249 | 0.3259 | - 0.3 | 0.3249 | 0.3243 | 0.2 |
| Share of unemployment in 3rd year before program entry | Before Matching | 0.2688 | 0.2875 | - 5.0 | 0.2688 | 0.2875 | - 5.0 |
|  | After Matching | 0.2666 | 0.2684 | - 0.5 | 0.2666 | 0.2682 | - 0.4 |
| Share of unemployment in 4th year before program entry | Before Matching | 0.2373 | 0.2575 | - 5.6 | 0.2373 | 0.2575 | - 5.6 |
|  | After Matching | 0.2350 | 0.2347 | 0.1 | 0.2349 | 0.2368 | - 0.5 |
| Share of employment in 1st year before program entry | Before Matching | 0.1842 | 0.2027 | - 6.5 | 0.1842 | 0.2027 | - 6.5 |
|  | After Matching | 0.1847 | 0.1833 | 0.5 | 0.1847 | 0.1845 | 0.1 |
| Share of employment in 2nd year before program entry | Before Matching | 0.3799 | 0.3666 | 3.2 | 0.3799 | 0.3666 | 3.2 |
|  | After Matching | 0.3811 | 0.3745 | 1.6 | 0.3811 | 0.3771 | 1.0 |
| Share of employment in 3rd year before program entry | Before Matching | 0.3958 | 0.3882 | 1.8 | 0.3958 | 0.3881 | 1.8 |
|  | After Matching | 0.3975 | 0.3935 | 0.9 | 0.3974 | 0.3940 | 0.8 |
| Share of employment in 4th year before program entry | Eefore Matching | 0.3818 0.3834 | 0.3994 | - 4.1 | 0.3818 | 0.3994 | -4.1 |
|  | After Matching | 0.3834 | 0.3843 | -0.2 |  |  |  |
| Pseudo- $R^{2}$ | Before Matching <br> After Matching |  |  |  |  |  |  |
| Mean standardized bias | Before Matching | 9.4320.638 |  |  | 9.4320.856 |  |  |
|  | After Matching |  |  |  |  |  |  |

[^20]Table A5: Overall Matching Quality, Type 3.

|  |  | Vocational Education |  |  | Age |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
|  |  | Participants | Non-Participants | \%-Bias | Participants | Non-Participants | \%-Bias |
| Socio-demographic characteristics |  |  |  |  |  |  |  |
|  | Before Matching | 37.782 | 39.389 | -14.8 | 37.782 | 39.389 | -14.8 |
| Age | After Matching | 37.786 | 37.802 | - 0.1 | 37.787 | 37.783 | 0.0 |
|  | Before Matching | 0.0149 | 0.0254 | - 7.5 | 0.0149 | 0.0254 | - 7.5 |
| German | After Matching | 0.0149 | 0.0155 | - 0.4 | 0.0149 | 0.0163 | - 1.0 |
| Married | Before Matching | 0.4971 | 0.4867 | 2.1 | 0.4971 | 0.4867 | 2.1 |
| Married | After Matching | 0.4977 | 0.4942 | 0.7 | 0.4976 | 0.4967 | 0.2 |
|  | Before Matching | 0.0601 | 0.0496 | 4.6 | 0.0601 | 0.0496 | 4.6 |
| Dependent children: youngest kid 0-3 years old | After Matching | 0.0601 | 0.0562 | 1.7 | 0.0601 | 0.0588 | 0.6 |
| Dependent children: youngest kid 4-14 years old | Before Matching | 0.2308 0.2310 | 0.1915 0.2298 | 9.7 0.3 | 0.2308 0.2310 | 0.1915 0.2329 | 9.7 -0.5 |
| Educational Attainment |  |  |  |  |  |  |  |
| No graduation | Before Matching | 0.0967 | 0.1234 | - 8.6 | 0.0967 | 0.1234 | - 8.6 |
| No graduation | After Matching | 0.0967 | 0.0933 | 1.1 | 0.0967 | 0.0949 | 0.6 |
| First stage of secondary level | Before Matching | 0.4290 | 0.4747 | - 9.2 | 0.4290 | 0.4747 | - 9.2 |
| First stage of secondary level | After Matching | 0.4288 | 0.4335 | -0.9 | 0.4288 | 0.4326 | - 0.8 |
|  | Before Matching | 0.3890 | 0.2833 | 22.5 | 0.3890 | 0.2833 | 22.5 |
| Second stage of secondary level | After Matching | 0.3892 | 0.3880 | 0.2 | 0.3892 | 0.3883 | 0.2 |
| Advanced technical college entrance qualification | Before Matching | 0.0322 | 0.0384 | - 3.4 | 0.0322 | 0.0384 | - 3.4 |
| Advanced technical college entrance qualification | After Matching | 0.0323 | 0.0302 | 1.2 | 0.0323 | 0.0315 | 0.4 |
|  | Before Matching | 0.0531 | 0.0801 | -10.9 | 0.0531 | 0.0801 | -10.9 |
| General qualification for university entrance | After Matching | 0.0531 | 0.0551 | - 0.8 | 0.0531 | 0.0528 | 0.1 |
| Vocational Attainment |  |  |  |  |  |  |  |
| No vocational degree | Before Matching | 0.2722 | 0.3652 | -20.1 | 0.2722 | 0.3652 | -20.1 |
|  | After Matching | 0.2715 | 0.2715 | - 0.0 | 0.2714 | 0.2720 | - 0.1 |
| In-plant training | Before Matching | 0.6170 | 0.5145 | 20.8 | 0.6170 | 0.5145 | 20.8 |
|  | After Matching | 0.6177 | 0.6167 | 0.2 | 0.6177 | 0.6182 | - 0.1 |
| Off-the-job training, vocational school, technical school | Before Matching | 0.0792 | 0.0693 | 3.8 | 0.0792 | 0.0693 | 3.8 |
|  | After Matching | 0.0793 | 0.0809 | - 0.6 | 0.0793 | 0.0792 | 0.1 |
| University, advanced technical college | Before Matching | 0.0316 | 0.0511 | - 9.8 | 0.0316 | 0.0511 | - 9.8 |
|  | After Matching | 0.0316 | 0.0309 | 0.4 | 0.0316 | 0.0307 | 0.5 |
| (Un-)Employment History |  |  |  |  |  |  |  |
| Share of unemployment in 1st year before program entry | Before Matching | 0.5917 | 0.5989 | - 2.3 | 0.5917 | 0.5989 | -2.3 |
|  | After Matching | 0.5913 | 0.5858 | 1.7 | 0.5913 | 0.5835 | 2.5 |
| Share of unemployment in 2 nd year before program entry | Before Matching | 0.2782 | 0.3252 | -13.0 | 0.2782 | 0.3252 | -13.0 |
|  | After Matching | 0.2775 | 0.2771 | 0.1 | 0.2776 | 0.2764 | 0.3 |
| Share of unemployment in 3rd year before program entry | Before Matching | 0.2353 | 0.2875 | -14.6 | 0.2353 | 0.2875 | -14.6 |
|  | After Matching | 0.2345 | 0.2354 | - 0.2 | 0.2345 | 0.2381 | - 1.0 |
| Share of unemployment in 4th year before program entry | Before Matching | 0.2128 | 0.2575 | -13.0 | 0.2128 | 0.2575 | -13.0 |
|  | After Matching | 0.2118 | 0.2147 | - 0.8 | 0.2118 | 0.2159 | - 1.2 |
| Share of employment in 1st year before program entry | Before Matching | 0.2399 | 0.2027 | 12.6 | 0.2399 | 0.2027 | 12.6 |
|  | After Matching | 0.2401 | 0.2434 | - 1.1 | 0.2400 | 0.2424 | - 0.8 |
| Share of employment in 2nd year before program entry | Before Matching | 0.4560 | 0.3667 | 21.0 | 0.4560 | 0.3666 | 21.0 |
|  | After Matching | 0.4565 | 0.4559 | 0.1 | 0.4565 | 0.4531 | 0.8 |
| Share of employment in 3rd year before program entry | Before Matching | 0.4655 | 0.3882 | 17.7 | 0.4655 | 0.3881 | 17.7 |
|  | After Matching | 0.4662 | 0.4632 | 0.7 | 0.4662 | 0.4605 | 1.3 |
| Share of employment in 4th year before program entry | Before Matching | 0.4630 | 0.3994 | 14.5 | 0.4630 | 0.3994 | 14.5 |
| Pseudo- $R^{2}$ | Before Matching | 0.029 |  |  | 0.029 |  |  |
|  | After Matching | 0.000 |  |  | 0.001 |  |  |
| Mean standardized bias | Before Matching | 9.9040.582 |  |  | 9.9050.615 |  |  |
|  | After Matching |  |  |  |  |  |  |

Note: Statistics are based on aggregated sub-samples before and after matching (previously stratified with respect to vocational education and age). Only selected variables are
reported, while the specifications include more variables. However, mean standardized bias and pseudo- $R^{2}$ refer to 75 variables at least included in the different specifications.


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[^1]:    *The data used in this paper originate from the evaluation of public training programs as part of the evaluation of the proposals of the Hartz Commission. Schneider et al. (2007) contains details. We would like to thank Marco Caliendo, Marton Csillag, Hilmar Schneider, Zhong Zhao, Michael Lechner, participants at the ESPE Conference in Chicago, the IZA Internal Seminar, the IZA Conference on the Evaluation of Labor Market Programs, the EALE Conference in Oslo, the EEA Meeting in Budapest, the CAPE in Nuremberg, the Conference of the German Statistical Society in Kiel, the VfS Conference in Munich and the Seminar at the George Washington University for valuable discussions and helpful comments. Arne Uhlendorff also thanks DIW DC, where part of this research was pursued during his stay in fall 2007. All remaining errors are our own.

[^2]:    ${ }^{1}$ The international literature on the evaluation of ALMP is summarized by Grubb and Martin (2001) and Kluve (2006), among others.

[^3]:    ${ }^{2}$ Caliendo et al. (2006) investigate a similar question for job creation schemes in Germany and present evidence for the presence of effect heterogeneity. Although previous results of negative average effects are confirmed in their study, some strata of the population benefit from participation in job creation schemes.

[^4]:    ${ }^{3}$ The IEB is in general not publicly available. Only a 2.2 percent random sample (the Integrated Employment Biographies Sample, IEBS) can be obtained for research purposes. See, e.g., Hummel et al. (2005) for details on the IEBS. The IEB consists of four different administrative data sources: the employees' history ( BeH ), the benefit recipients' history ( LeH ), the job seekers' data base (ASU/BewA), and the program participants' master data set (MTH). For a detailed description see, e.g., Schneider et al. (2007).

[^5]:    ${ }^{4}$ The number of participants entering a program differs between the analyzed quarters. We take this into account by applying corresponding weights for the calculation of the average treatment effects on the treated.

[^6]:    ${ }^{5}$ One could argue for stricter age restrictions, for example because of early retirement regulations in Germany. However, if one is interested in the average effects of treatment on the treated and there are participants older than 55 or 60 years, there is no reason to exclude these individuals.
    ${ }^{6}$ We consider completed in-firm training and off-firm training as well as degrees from a vocational school, a technical school, a university, or a university of applied sciences as vocational degrees.
    ${ }^{7}$ The specific criteria a non-participant has to meet are further discussed in Section 3.

[^7]:    ${ }^{8}$ This means that, e.g., we do not observe self-employment earnings, and remunerations are only reported up to the social security contribution ceiling.

[^8]:    ${ }^{9}$ When there are many covariates, it is impractical to match directly on covariates because of the curse of dimensionality. See, e.g., Zhao (2007) for some comments on this problem.

[^9]:    ${ }^{10}$ If we drop the assumption of independence, i.e., if we allow for non-zero correlation between treatment effects, implications only marginally change.

[^10]:    ${ }^{11}$ The exact specifications are not reported here, but are available from the authors upon request.
    ${ }^{12}$ The matching algorithm is implemented using the PSMATCH2 Stata ado-package by Leuven and Sianesi (2003).

[^11]:    ${ }^{13}$ For instance, Lechner and Wunsch (2007) require non-participation in the follow-up period after the (fictitious) program entry for comparison individuals. Applying the same definition of non-participation to our data lowers the estimated treatment effects (see Section 4.4 for details). Although we opted for the above stated definition of non-participation and do not exclude future participants, the alternative approach clearly has the advantage of employing a very straightforward definition of non-participation.

[^12]:    ${ }^{14}$ Lechner and Melly (2007) propose to estimate bounds for the earnings effects as an alternative method. However, this approach goes beyond the scope of this paper.

[^13]:    ${ }^{15}$ We thus follow the prevailing approach in the recent evaluation literature. A different approach concentrates on treatment effects only after the end of the program. For advantages and disadvantages of both approaches see, e.g., Caliendo and Kopeinig (2008).

[^14]:    ${ }^{16}$ However, these results are available from the authors upon request.

[^15]:    ${ }^{17}$ Figures and Tables concerning these results can be found in the Appendix.

[^16]:    Source: Federal Employment Agency (FEA).

[^17]:    Note: NP: Non-Participants; P: Participants; CI: confidence interval.

[^18]:    Note: NP: Non-Participants; P: Participants; CI: confidence interval.

[^19]:    Note: NP: Non-Participants; P: Participants; CI: confidence interval.

[^20]:    Note: Statistics are based on aggregated sub-samples before and after matching (previously stratified with respect to vocational education and age). Only selected variables are
    reported, while the specifications include more variables. However, mean standardized bias and pseudo- $R^{2}$ refer to 75 variables at least included in the different specifications.

