ESTIMATING THE STOCK-FLOW MATCHING MODEL USING MICRO DATA

Martyn J. Andrews  
University of Manchester

Steve Bradley  
Lancaster University

Dave Stott  
Lancaster University

Richard Upward  
University of Nottingham

Abstract
We estimate the stock-flow matching model using micro-level data from a well-defined labour market. Using a dataset of complete labour-market histories for both sides of the market, we estimate hazard functions for job-seekers and vacancies. We find that the stock of new vacancies has a significant positive impact on the job-seeker hazard, over and above that of the total stock of vacancies. There is an even stronger robust result for vacancy hazards. Thus we find evidence in favour of stock-flow matching, even when controlling for unobserved search heterogeneity and stratifying into sub-markets defined by location and occupation. [97 words] (JEL: C41, E24, J41, J63, J64)