

ACCOUNTING FOR MISMATCH UNEMPLOYMENT

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Abstract

We investigate unemployment due to mismatch in the United States over the past three and a half decades. We propose an accounting framework that allows us to estimate the contribution of each of the frictions that generated labor market mismatch. Barriers to job mobility account for the largest part of mismatch unemployment, with a smaller role for barriers to worker mobility. We find little contribution of wage-setting frictions to mismatch. (JEL: E24 J61 J62)

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