

The Effect of Urbanization on Labor Turnover

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Abstract

The paper empirically examines labor market matching as a source of urban agglomeration economies. We work from the hypothesis that job turnover leads to tighter labor matches and estimate the relationship between urbanization and the job mobility of young men. Using a panel from the National Longitudinal Survey of Youth, we find evidence that young men change jobs more frequently in their early career if they live in larger, more highly educated urban areas. The sensitivity of the results to whether the young men were *movers* or *stayers* suggests the possible endogeneity of location.

JEL classification: R11, R23, J20, J41

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