Jeff Sorensen
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Letter writer: David Card

March 31, 2014

To Whom It May Concern:

Please see my attached application for the NBER Entrepreneurship Research Boot Camp. I am excited about the possibility of attending the ERBC, contributing to the discussions, and learning from all the participants.

Best,
Jeff Sorensen

UNIVERSITY OF CALIFORNIA, BERKELEY

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DAVID CARD
CLASS OF 1950 PROFESSOR OF ECONOMICS
DIRECTOR, CENTER FOR LABOR ECONOMICS

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Selection Committee, NBER Entrepreneurship Bootcamp

Dear Committee Members:

I am very pleased to recommend **Jeffrey (Jeff) Sorensen** for the NBER Entrepreneurship Bootcamp. Jeff is a third year PhD student in the program at Berkeley. I know him well: he took my graduate labor economics course last fall, and also worked for me in 2012/13 as a research assistant. As a result of that experience we decided to collaborate on a project using German Social Security files to measure how much of the cost of job displacement is due to a loss in what might be described as "search capital", arising from the fact that experienced workers have typically found a relatively high-paying employer.

I am also serving as Jeff's main dissertation advisor. For his first chapter, Jeff has developed a very innovative extension of Gibbons and Katz's well known "layoff and lemons" paper that will follow differences in post-layoff experiences for workers who are laid off in different types of layoffs. Specifically, Jeff had the insight that one could classify mass layoffs by the degree to which employees were fired based strictly on seniority versus other, more discretionary factors. His paper will see whether subsequent employers are more likely to 'penalize' laid off workers from the latter layoff events.

As a foundation for our joint project and his own work, Jeff is developing a data base of all plant openings and closings in Germany over the past 30 years, and he is very interested in trying to study the dynamics of establishment growth. In this context, the Bootcamp will be a great introduction to the existing research in this area, and the main research methods and data sets that have been used. I am sure he would learn a lot from the program and also contribute through his detailed knowledge of the German data (which are now relatively easy to access at RDC's in Michigan, Berkeley, and Cambridge).

Jeff is a mature and focused student with strong technical skills, and training in both labor economics and IO. He has a proven record of high achievement in our program, and is definitely one of the top students in his cohort. I think he is an outstanding candidate for the Bootcamp, and I recommend him very enthusiastically.

Sincerely,



David Card
Class of 1950 Professor

JEFF SORENSEN

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EDUCATION

Ph.D. Economics 8/11-Present
University of California, Berkeley
Expected completion: May 2016
Research fields: labor economics, applied econometrics, industrial organization

B.A. Economics, B.S. Mathematics, Minor in Statistics 8/05-4/06, 8/08-6/11
Brigham Young University
GPA: 3.93 (magna cum laude)
GRE scores: 800Q, 710V, 4.5AW

RELEVANT COURSEWORK

UC Berkeley: applied econometrics (currently enrolled), labor economics (2 courses), industrial organization (2 courses), econometrics (2 courses), microeconomics (2 courses), macroeconomics (2 courses), economic history
BYU: graduate-level econometrics, graduate-level microeconomics (2 courses), graduate-level real analysis, applied econometrics, development economics, linear algebra, multivariable calculus, differential equations, mathematical finance, statistical theory (2 courses), nonparametric statistical methods, experimental design, statistics for economists, technical writing, Java, SAS, Stata, MATLAB

REFEREED PUBLICATION

"Skewness and Kurtosis Properties of Income Distribution Models" with James McDonald and Patrick Turley. *Review of Income and Wealth*, November 2011.

SUBMITTED AND WORKING PAPERS

"Academic salary compression and the estimation of income distributions using summary statistics" with James McDonald. Under review.
"Firm quality and the costs of job displacement" with David Card.
"Establishment-level layoff decisions."
"Mormons and non-Mormon firms in early Utah."

PRESENTATIONS

Joint Statistical Meetings, August 2011.
Utah Academy of Sciences, Arts, and Letters Annual Conference, April 2011.
Stand for the Family Symposium, March 2010.

HONORS AND AWARDS

NBER Pre-Doctoral Fellowship on Economics of an Aging Workforce
UC Berkeley's Center for Labor Economics Fellowship
NSF Graduate Research Fellowship Honorable Mention
BYU's ORCA Undergraduate Mentored Research Grant
Stand for the Family Symposium Top 3 Paper
BYU's Hinckley Presidential Scholarship
Six local scholarships (including third place in Comcast Essay Contest)
Phi Kappa Phi Honor Society Member
Eagle Scout

EXPERIENCE

Economic Consultant 11/13-Present
Ashenfelter & Ashmore

- Performed statistical analyses for e-books antitrust case against Apple, wrote SAS computer programs, prepared reports, checked defense's SAS code, and produced graphs and tables.

Graduate Student Researcher 6/12-Present
Prof. David Card, Prof. Stefano DellaVigna, UC Berkeley Economics Department

- Write and edit Stata and SAS programs to perform statistical analyses, clean data, and produce graphs. Manage data collection.

Private Tutor 8/08-Present

- Tutor students in econometrics, microeconomics, macroeconomics, statistics, and mathematics.

Graduate Student Instructor 8/12-12/12
Prof. Martha Olney, UC Berkeley Economics Department

- Taught two introductory economics sections weekly, instructed students one-on-one, and graded students' work.

Research Assistant 6/09-8/11
Prof. James McDonald, BYU Economics Department

- Wrote academic papers, created and edited MATLAB programs to perform statistical analyses, formulated and estimated econometric models, collected and cleaned data, and edited professor's econometrics notes and papers.

Teaching Assistant 1/09-12/09
Prof. James Kearl, Prof. James Cardon, Prof. Mark Showalter, BYU Economics Department

- Assisted professors with the teaching of introductory economics and intermediate microeconomics, held review sessions, and graded students' work.

Full-Time Volunteer Church Representative 6/06-6/08
The Church of Jesus Christ of Latter-day Saints

- Taught Christian principles, performed community service, taught English, and trained and led other volunteers at local, city, and mission-wide levels in Ukraine.

SKILLS AND ACTIVITIES

MATLAB, SAS, R, Java, and Stata proficient
Fluent in Russian
ConSource volunteer editor
Provo Youth Mentoring volunteer (4 years)
BYU Debate Club member (2 years)
City of Provo volunteer basketball coach (2 years)

While my current research is focused on what some may see as the opposite of entrepreneurship (namely, job displacement), I am deeply interested in a number of entrepreneurship-related questions and have outlined multiple projects to study these questions. I want to attend the NBER Entrepreneurship Research Boot Camp because I believe it will help me to further my current research ideas and generate additional ideas for future research.

The main project I am currently working on is a study of establishment-level layoff decisions using administrative earnings data on the universe of private-sector workers in Germany from 1975 to the present. For each establishment with over 50 workers that performs a mass layoff, I plan to estimate how it chooses who to lay off as a function of worker characteristics and examine how often establishments disproportionately fire workers based on age, gender, nationality, etc., and how often they fire less productive or overpaid workers. I will then explore heterogeneity in establishments' estimated layoff criteria and examine how the layoff criteria correlate with establishment characteristics (e.g., industry, size, age, region) and the business cycle. The second half of my project will use a number of techniques to analyze how much discretion establishments use in choosing who to lay off (versus adherence to strict seniority-based layoff rules, for example). This will allow me to estimate the level of negative selection (based on productivity) in each establishment's layoff decision and evaluate the role of adverse selection in hiring laid-off workers by testing whether workers' earnings losses are larger when the level of negative selection used in their firm's layoff is higher.

I have recently obtained approval to access the 100% data file to create samples of relevant workers that I will be able to use at the new external Research Data Center at UC Berkeley, which opened this year. I have also developed relationships with multiple researchers at Germany's Institute for Employment Research (IAB), the provider of the data. My experience

with working with the IAB data and researchers will provide a foundation for me to begin a study of topics related to entrepreneurship and job creation.

One promising area of research to explore using the IAB data is a thorough examination of how small establishments grow and create jobs. Thanks to the completeness of the data (i.e., they cover 100% of private-sector workers from 1975 to the present), I will be able to systematically investigate the dynamics of establishment growth and job creation and how these relate to establishment characteristics and the business cycle. A more complete establishment-level examination of how small establishments grow into large establishments and how jobs are created will constitute a significant contribution to the literature.

What types of people start businesses and create jobs is another question I find interesting. Again, the completeness of the data will be a key benefit here: I not only observe a number of key characteristics about workers, but I also am able to track them over time, which will allow me to see what types of workers start businesses, how successful their businesses are, who they choose to hire, and what they do when their businesses grow rapidly or fail. I will also explore the prevalence and performance of businesses created by displaced workers. Thus, there appear to be a number of interesting entrepreneurship-related research ideas I can pursue at both the firm and worker level using the IAB data.

In addition to furthering my research ideas, another reason I wish to attend the ERBC is to meet and associate with other researchers interested in these topics. An increasing amount of economic research is being done in teams of researchers, and it is always beneficial to know people in a variety of fields with whom you can collaborate and work. Also, I am confident that the things I learn from the presenters will broaden my understanding of a number of important and interesting topics and help me become a more well-rounded economist.