

Abstract

This paper examines the importance of the housing market for workers who have become displaced. We used Dutch administrative data, which were analysed with a quasi-experimental empirical design. The estimates indicate that displaced workers experience an increase in commute and decrease in moving home, employment and wage. Furthermore, these patterns change across time – the evidence suggests that workers who have longer unemployment duration prefer lower gains in commute to higher losses in wage. Finally, the worker-specific housing state has a substantial effect on the costs of job displacement, which is comparable to the effects of various demographic and job characteristics.