

# **“Job Amenity Bundles, Sorting and Monopsony”**

## **Abstract**

We study how firms strategically design bundles of non-wage job amenities and how endogenous job design shapes worker sorting, labor market power, and welfare. We combine rich Dutch survey data on workplace amenities and workers' stated amenity preferences with matched employer–employee administrative records covering the universe of Dutch employment from 2006 to 2021. We document that firms differentiate both vertically and horizontally in the amenities they provide, that wage and amenity premia are weakly correlated, that workers exhibit substantial heterogeneity in amenity preferences, and that amenity-rich firms retain workers at higher rates. Motivated by these findings, we develop and estimate an equilibrium labor search model in which firms endogenously choose multidimensional amenity bundles. Our framework allows firms to strategically design bundles of job attributes that differ in both worker value and production cost, generating equilibrium sorting and labor market power through endogenous differentiation. We use the estimated model to quantify the role of amenity bundles in labor market outcomes and to evaluate policies that regulate or subsidize workplace amenities.