The chapters of this thesis focus on policy-relevant research questions in economics of education and labor economics. All chapters make use of randomized experiments in order to answer these questions. The second chapter studies the returns to medical school in a regulated labor market, by exploiting that admittance to medical school in the Netherlands is determined by a lottery. The returns to medical school are of particular interest because in the Netherlands, and in most countries, the medical profession is highly regulated.

In chapter three the sunk-costs fallacy in education is investigated, by conducting a field experiment with university students. Finally, the third chapter is based on a large-scale field experiment that was conducted at the welfare agency in Amsterdam. The experiment was set up to evaluate the effect of welfare-to-work programs on benefit dependency.

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