**Faberman, Mueller, Sahin, Topa (2017)**

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| **Question** | Study to what extent the relationship between search effort and outcomes could be different between employed and non-employed workers. |
| **Context – data** | Implement a new survey as a supplement to the NY Fed Reserve *Survey of Consumer Expectations* that focuses on job search behaviour and outcomes for all individuals.  Ask extensive questions on employment status, current job search (if any), search effort and methods, worker and job characteristics, search outcomes characteristics, and for those employed at the time of the survey questions about search process that led to their current job. |
| **Main results** | * Overarching theme: **employed face relatively better job search prospects along multiple dimensions.** * Intensive margin: Unemployed send more on average more applications and spend roughly twice as much time searching than the employed looking for work.   > Still, there is considerable job search activity among employed (25% searched and 20% applied) = pervasive.  > It appears the differences in distribution are more pronounced when considering the time spent searching (in the 7d prior to survey) rather than number of applications sent.  > Even among individuals reporting actively searching in past month, 15% did not search in the week prior = highlights intermittent nature of search effort and reinforces their view on ATUS (which is based on a time dairy reported at the daily frequency) which they think greatly understates the extensive margin of job search.   * Search outcomes by Labour force status: overall, despite searching half less, employed receive more contacts (+50%), offers (+15%) and interviews = more efficient.   - Employed looking = x5 receiving at least one offer.  - Employed not looking still receive one-quarter as many contacts and offers as the unemployed mainly though unsolicited offers.  > *Labour force status at the time of the Survey might not reflect LF status at the time of the outcome: unemployed in prior month could move to employed at time of the survey if they positively responded to the job offer.* Outcome by LF status in prior month: share with at least one offer decreases slightly (12 to 10.5%) for E but substantially increases for U (22 to 33%), in line w/ exp that some started working between time of the job offer and survey date.  > *Ignoring search outcomes for additional jobs to fully capture job-to-job transition*: share of at least one offer decreases to 9% for U.  > *Potential ‘censoring’ problem correlated with employment status with unrealized rejected offers rejected even before a formal offer was made, individuals not pursuing offers that they will likely reject*. More common for E, with fraction receiving a job offer raising to 13%.  > Unemployed are more likely to accept a given offer.  > Unemployed 7% of the sample but 40% of applications sent, but only receive 16% of offers: unemployed job search behaviour can be characterized by high effort but relatively low returns in terms of contacts, interviews or offers.  > Employed regardless of whether they are looking for work fare better in every dimension, with not looking receiving more offers than the unemployed. Employed make of 75% of individuals receiving offers and interviews.   * Characteristics of best job offer: 70% of offers directed towards E. at time of offer.   Comparatively, employed group receives more qualitative offers.  > Employed group offered wage higher by 25log pts (controlling for obs. characteristics) while working only slightly more.  > Could be explained by higher share of offers involving bargaining for E group.  > Larger share of offers for U at offer doesn’t involve benefits.  > Despite lower quality of offers, higher fraction of offers is accepted by U (1.5 more likely).  More than 25% of U cite accepting the offer because of lack of alternative.   * Current and previous job: (at the time of the survey) those hired from non-employment are paid lower wages -with most of the gap coming from starting wage diff- have fewer work hours and are much less likely to have any benefits than those hired while previously working. Controlling for observable characteristics reduces stating wage gap (14log pts).   > Differences in the previous job wage are small and statistically insignificant though.  > Smaller difference in the premium in starting wage (14log pts) vs offered wage (25log) likely due to selection: poor job offers are less likely to be present in cross-section of current job with individuals likely to move to better-paying jobs. |