

# Job Search Behavior among the Employed and Non-Employed

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## Abstract

Using a unique new survey, we study the relationship between search effort and employment outcomes for employed and non-employed job seekers. We find that the unemployed fare much worse than the employed in their job search prospects along several dimensions, despite higher job search effort. The unemployed receive fewer offers per job application, and conditional on an offer, they are offered lower pay, fewer benefits, and less hours. Despite this, they are more likely to accept these lower-quality job offers but are also much more likely to again engage in job search on their new job. In contrast, employed job seekers receive a higher fraction of both solicited and unsolicited job offers, and tend to generate many offers from referral networks with ties to their professional acquaintances. In fact, many employed workers are not seeking new work at all, and yet tend to generate more plentiful and higher-quality job offers than unemployed job seekers.

Keywords: job search, unemployment, search effort, reservation wage  
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PRELIMINARY AND INCOMPLETE. PLEASE DO NOT CITE WITHOUT PERMISSION.

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# 1. Introduction

Economists have studied how workers find jobs for some time. Most studies, however, have focused on the job search of the unemployed. Early theories of frictional job search focus on search among the unemployed. (e.g., McCall, 1970; Mortensen, 1977; Pissarides, 1985; Mortensen and Pissarides, 1994). Search theories have also focused on on-the-job search.<sup>1</sup> Recent theories have also looked at the relationship between labor force participation and search (e.g., Alvarez and Shimer, 2010). Empirical research on the search behavior outside of the unemployed, however, has been sparse, primarily because of a lack of data on it.

We design and implement a survey that focuses on the job search behavior and outcomes for all individuals, regardless of their labor market status. The survey is a supplement of the Survey of Consumer Expectations, which is administered monthly by the Federal Reserve Bank of New York to a sample of roughly 1,300 individuals. Our survey asks an expansive list of questions on the employment status and current job search, if any, of all respondents. We ask about an individual's search effort and search methods, including whether any unsolicited contacts, referrals, or other informal methods were used. We also elicit information on their reservation wage and other job characteristics that are important for the acceptance decision. In terms of outcomes, we ask about any job offers received, how those offers came about, and the characteristics of those offers, and we ask those currently employed similar questions about the search process for their current job.

The overarching theme from our findings is that the unemployed face relatively poor job search prospects along multiple dimensions. They exert the most effort, in both time spent and applications sent, yet yield the fewest employer contacts and job offers per application sent. When they do receive

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<sup>1</sup> See for example, Burdett, 1978; Pissarides, 1994; Cahuc, Postel-Vinay, Robin, 2006; Mortensen and Nagypal, 2007; Menzio and Shi, 2009; and Moscarini and Postel-Vinay, 2013).

an offer, it tends to pay a lower wage, offer fewer hours, and is considerably less likely to offer any benefits. The offers are generally worse than their reported reservation job values, which are already relatively low. In contrast, employed job seekers tend to do relatively well in their searches. They are much more likely to find full-time work with benefits, and the offers are in line with, if not better than, their reservation job values and most recent wage, on average. The employed are also more likely to receive unsolicited contacts from employers, and conditional on having a referral, they are more likely to have that referral come from a professional rather than personal acquaintance. More striking is that the employed who do not search for new work also receive better and more frequent job offers than the unemployed.

Among those that are currently employed, we find those that were hired directly from employment are in jobs that pay better, have longer hours, and are more likely to offer benefits. This is true whether the worker was hired immediately following a quit or following a layoff, though those hired following a quit tend to be in higher-quality jobs than those hired following a layoff. This is roughly consistent with a “job ladder” model of wage growth, where individuals move up the jobs ladder by repeatedly switching to higher-paying jobs. Those hired from non-employment face far different job prospects. They are not only employed in lower-quality jobs, but are also more likely to be searching for new work at the time of the survey. These differences persist despite the fact that we find no significant difference in the prior wages of individuals across these groups.

We also find notable differences in what types of jobs individuals search for. For example, we find considerable differences in both the search behavior and search outcomes of the employed seeking an additional job. These individuals are more likely to seek part-time work and tend to have lower reservation wages and care much less about benefits. We also find a sizable number of individuals who consider themselves retired or out of the labor force engaging in search and receiving job offers. They,

too, have particular preferences for hours, but are less selective when it comes to benefits and other aspects of the job.

Our findings provide several contributions to the literature on job search. First, we provide the most comprehensive evidence to date on the nature of on-the-job search, building on recent work by Fujita (2013). On the job search is pervasive, with over 24 percent of the employed looking for work during our survey month. More striking is the propensity of employed individuals not seeking work to generate job offers. This finding has strong implications for labor market models that incorporate on-the-job search. The finding is analogous to recent work on vacancies by Davis, Faberman, and Haltiwanger (2013), who find that a sizable fraction of hiring by firms occurs without the use of a formal vacancy. Part of our result stems the fact that informal job search methods, such as the use of referrals and unsolicited contacts by employers, play an important role in the job search process, though we find that they disproportionately benefit those searching while employed.<sup>2</sup>

Second, we show that the job seekers value multiple aspects of a job, particularly the wage paid, the hours worked, and the benefits offered. The degree to which job seekers value the different aspects of a job depends partly on their labor force status. Employed job seekers seeking additional work and those searching while out of the labor force tend to prefer part-time work, and do not place as great a weight on benefits. The unemployed and those looking to switch jobs tend to prefer full-time work and the wage and benefits are important to both groups. The unemployed, however, are generally less able to find their preferred work and consequently are often willing to accept a job that pays well below their previous job. Related to this point is the fact that job seekers are not limited to those who search on the job for new work and the unemployed. Some job seekers look to increase their total work hours by finding an additional job. They make up over 40 percent of total job seekers. A small, but non-trivial

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<sup>2</sup> Models of hiring through referrals such as Galenianos (2013) appear consistent with our findings.

number of individuals who are (self-reported as) out of the labor force also engage in search. The prevalence and particular preferences of these job seekers may help to explain some of the gross worker flow patterns observed in the data, such as the high rates of employer-to-employer flows and the large flows between employment and out of the labor force. Our evidence on the search behavior of those outside of the labor force can help with understanding the nature of classification error in gross worker flows (first identified by Poterba and Summers, 1986), and the nature of the cyclical movements in labor force participation (highlighted by Elsby, Hobijn, Sahin, 2013).

Finally, we show that there exists large heterogeneity in job search outcomes by labor force status that appear to persist after controlling for observable characteristics, and appear to persist even after partly controlling unobservable characteristics using the wages of their previous job. The unemployed face particularly poor prospects along multiple margins (low contact yields per unit of search effort, low offer rates, and poor job values conditional on an offer). Their low job-finding probabilities are not the result of low search effort or high reservation wages, but rather suggest that there is something specific to being unemployed that dims their job-finding prospects (consistent with Kroft, Lange, and Notowidigdo, 2013).

The next section describes our survey. Section 3 presents our evidence. We begin with our findings on job search behavior by labor force status, move on to describe search outcomes by labor force status, and then describe the search process that led to the current jobs of the employed, based on their labor force status at the time of hiring. Section 4 concludes.

## **2. Data**

Our data come from a supplement to the Survey of Consumer Expectations (SCE), administered monthly by the Federal Reserve Bank of New York. The SCE is a nationally-representative survey of

roughly 1,300 individuals that asks respondents about their expectations about various aspects of the economy. The supplement was given in October 2013, and we are currently working on adding results from the October 2014 supplement which will double our sample size. We designed the supplement to ask a broad range of questions on employment status, job search behavior, and job search outcomes. Demographic data is also available for respondents through the monthly portion of the survey.

The data ask a variety of questions that are tailored to individuals' employment status and job search behavior. For the employed, including the self-employed, we ask questions about their wages, hours, benefits, and the type of work they do, including questions on the characteristics of their workplace. For the non-employed, we ask a range of questions about their work history, including detailed questions on their most recent employment spell. We also ask questions related to the type of non-employment, including those related to retirement, school enrollment status, and any temporary layoff.

Regardless of employment status, we ask all individuals if they have searched for work within the last four weeks, and if they had not searched, whether or not they would accept a job if one was offered to them. Among the employed, we distinguish between searching for new work or a second job in addition to their current one. In our evidence below, this distinction turns out to be important. For individuals who have searched or would at least be willing to accept a new job if offered, we ask a series of questions relating to their job search (if any), including the reasons for their decision to (not) search. We ask an exhaustive set of questions on the types of effort exerted when seeking new work (e.g., updating resumes, searching online, contacting employers directly). We also ask about the number of job applications completed within the last four weeks and the number of employer contacts and job offers received. We also probe further to see how those contacts and offers came about, i.e., whether they were the result of traditional search methods or whether they came about through a referral or an

unsolicited employer contact. For those who received an offer, including any offers within the last six months, we ask about a range of characteristics of the job offer, including the wage offered, the expected hours, and its benefits, as well as the type of work to be done and the characteristics of the employer. We also ask what led, or may lead, the respondent to accept or reject the offer, and ask a range of questions about whether there was any bargaining over the wage with either the current or future employer. Finally, we ask job seekers about their reservation job values, including their reservation wage and their preferred hours, and how much the wage would have to change for them to endure a variety of work disamenities (e.g., no benefits, longer hours, longer commute, relocation).

Given our relatively small sample size, we only observe a handful of job seekers, and an even smaller fraction with offers. At the same time, all employed respondents had to come about their current jobs somehow, so we ask them a range of retrospective questions about the search process for their current job, as well as questions about their previous job, including its wage paid, hours and benefits. Most importantly, we ask respondents about their employment status at the time they were hired, which allows us to compare their responses to those who are currently searching for work by labor force status. Finally, we ask all respondents questions regarding any benefits the respondents currently receive, such as unemployment or disability insurance, and basic questions about the household.

We try to obtain a direct hourly measure of wages, but when that is not supplied by respondents, we measure the wage as earnings per hour, based on the reported hours worked. The work hours reported are the usual hours worked at the current, most recent, offered, etc., job. Many of the survey questions follow a format similar to the Current Population Survey (CPS). One notable difference we have with the CPS is how we define labor force status. The CPS first asks individuals if they are employed or not. For the non-employed, it follows up by asking if the respondent had done anything in the previous month to search for work. Those that did, or did not because they were on temporary layoff,

are counted as unemployed, while all others are counted as out of the labor force. Those who did not search are then probed to see why they are out of the labor force (e.g., retirement, full-time student, discouraged worker, etc.)

In contrast, we first ask the reason an individual is non-employed. We count an individual as unemployed if they respond that they are either “not working, but would like to work,” and report actively searching for work or “temporarily laid off.” Our measure differs in that if an individual self-reports themselves in one of the other non-employment categories (e.g., retired, student, homemaker, etc.), they will be counted as out of the labor force even if they report actively searching for work. The benefit of this approach is that it allows us to look at search behavior across all three labor force categories (employed, unemployed, and out of the labor force). An issue that has plagued the measurement of gross worker flows in the CPS data is classification error (see Poterba and Summers, 1986). That is, individuals in the CPS tend to report themselves as unemployed one period, out of the labor force the next period, and unemployed again the following period. These classification errors can have a large impact on the measured cyclical movements into and out of the labor force (Elsby, Hobijn, Sahin, 2013). Defining labor force status as we do can help uncover the sources of classification error, and give a better understanding of the labor dynamics of those who are considered out of the labor force.

Table 1 presents basic (sample-weighted) summary statistics from our survey and the October 2013 CPS. The statistics across the two surveys are very similar, with some notable differences. The employment population ratio and the labor force participation rate are both somewhat higher in the SCE labor survey, as is the unemployment rate (based on the CPS definition). Demographic makeup is nearly identical, with the one notable exception being a higher share of married individuals in the SCE labor survey.

## 3. Evidence

### 3.A. Characteristics of Job Search Effort and Outcomes

We begin with evidence on the basic characteristics of an individual's job search and its results. Table 2 reports the incidence of job search within the last four weeks by labor force status, using the labor force definition described in the previous section. By construction, nearly all unemployed search (the remainder are on temporary layoff and not looking). Among the employed, 24 percent looked for new work in the last four weeks. Of them, 43 percent were searching for an additional job and not looking to leave their current job. Nearly 7 percent of those reported as out of the labor force looked for work in the previous four weeks. An additional 5 percent did not search but would take a job if one was offered to them. Among the employed, nearly 9 percent did not search but would take a new job if offered.

Table 3 reports the effort and outcomes related to the job search process. The top panel reports effort and outcomes for all individuals, regardless of whether they actively searched, by detailed labor force status. The more detailed labor force status splits the employed by whether they looked for new work, only looked for additional work, or did not look at all. It splits the unemployed into short-term and long-term (six months or longer), and it splits those out of the labor force into retired and non-retired (primarily the disabled, students, and homemakers). The bottom panel reports estimates conditional on search, without splitting the unemployed or those out of the labor force into subgroups. The top panel shows that the unemployed sent substantially more job applications than any other group, and that the short-term unemployed sent more than twice as many applications as the long-term unemployed (10.8 vs. 5.3). The long-term unemployed, in turn, applied to more jobs than the employed seeking either new work (2.7) or additional work (3.2). Nevertheless, those employed and seeking new work received the greatest number of employer contacts despite their lower search effort. They were also the most likely

to receive an unsolicited contact from an employer. The employed that were not searching for work sent a small amount of applications (their status is defined based on self-reported search effort, with the number of applications coming from a different survey question). The number of unsolicited contacts slightly exceeds that number and represents nearly all of their contacts. Referrals are a large part of the job search process for both the employed and unemployed, though in results not reported here, we find that referrals for the employed tend to come from professional contacts while referrals for the unemployed tend to come from personal contacts.

The bottom panel of Table 3 reports estimates for the subset of individuals who reported doing any search within the previous four weeks. The unemployed still put in about double the effort, in terms of hours spent searching within the last week and applications sent within the last four weeks, compared to the employed. Nevertheless, the employed still have a greater contact yield (employer contacts per application sent), with those seeking new work having a yield that is triple that of the unemployed (0.44 versus 0.14). Furthermore, while the employed seeking new work are only half as likely to have received at least one job interview, they are twice as likely to have received an offer from one of their employer contacts. The employed are also much more likely to seek work similar to their current job: 40 percent of those looking for new work are seeking something similar to their current job, while only 3 percent of the unemployed are seeking something similar to their most recent job. The employed seeking an additional job and those out of the labor force tend to disproportionately seek only part-time jobs. Furthermore, even conditional on searching, the search effort of those out of the labor force is significantly lower than for the other groups, though they are much more likely to generate an offer from an employer contact.

Table 4 reports the distribution of search effort and outcomes by labor force status. The unemployed make up about 6 percent of our sample, but account for nearly 39 percent of all job

applications sent. At the same time, they receive less than 10 percent of all offers made. In stark contrast, the employed who report not looking for work account for less than 8 percent of applications sent but 24 percent of all job offers. Those outside the labor force also receive a quarter of all reported job offers. Thus, the job search behavior of the unemployed can be characterized by high effort, but relatively low returns in terms of employer contacts and job offers. The employed, on the other hand, fare fairly well regardless of whether they are actually looking for work.

One reason the unemployed may have such low returns is high standards in the jobs that they apply to. In other words, they may represent a selected group who are unemployed because they are pickier when it comes to job search. To address this, the survey asks several questions regarding job seekers' reservation job values, including not only their reservation wage, but also their preferred work hours and how much their reservation wage would have to change (if they even were acceptable) to accept changes in job quality such as an increased commute or a lack of benefits. The results are shown in Table 5. The unemployed have a substantially lower reservation wage, on average, than the employed. It is essentially equal to the reservation wage of job seekers outside of the labor force. Unlike job seekers outside of the labor force, however, the unemployed tend to prefer full-time work. Among the employed and unemployed, the vast majority would accept a job that did not provide their preferred hours, that required a large increase in their commute time, and that did not provide health insurance. Most however, would not accept a job that would require them to relocate. Those seeking work from outside of the labor force, however, are much pickier in the jobs they would accept, particularly when it comes to relocation, commuting time, and work hours. Finally, the evidence does not support the hypothesis that the unemployed have low reservation wages because of negative selection into unemployment. The unemployed have a reservation wage that is 23 log points below their most recent wage, after conditioning out observable job seeker characteristics. Those that are employed and seeking new work, in contrast, have a statistically insignificant difference between their reservation

wage and their current wage. Figure 1 shows that these relative differences hold across the distribution of the employed and unemployed. The log difference between reservation wages and the most recent wage is negative for 79 percent of the unemployed, and the distribution of their log differences also exhibits a relatively fat left tail.

### **3.B. Characteristics of Job Offers**

Next, we describe the characteristics of job offers received by labor force status. The survey asks about any offers received within the last four weeks, and if none were received it probes further and asks about any offers received within the last six months. This gives us nearly 280 observations on job offers across all labor force statuses. Furthermore, the survey asks whether the individual was employed, either full-time or part-time, at the time they received their offer. The distinction does not directly translate to the labor force categories used for individuals at the time of their survey interview, but it does allow us to deal with a negative selection issue in the survey response: those who received job offers but were unemployed at the time of the survey are much more likely to have received poor job offers than they received.

Table 6 presents the evidence by current labor force status (top panel) and labor force status at the time of the job offer. The unemployed (using current labor force status) or non-employed (using status at time of offer) receive consistently worse job offers than the employed. This is not true when compared to the employed currently looking for additional work (or those employed part-time at the time of the offer), but as the evidence in Table 3 illustrated, these individuals are more likely to look for part-time work and do not have a preference for a job providing benefits. Based on current labor force status, the employed seeking new work receive offers that pay 60 percent more, have 30 percent more hours, and are 51 percent (27 percentage points) more likely to provide some form of benefits than the offers received by the unemployed. Using labor force status at the time of the job offer, the differences

between the full-time employed and the non-employed are 44 percent, 41 percent, and 118 percent (37 percentage points), respectively. Despite their relatively poor job offers, the non-employed are more than twice as likely to accept them as the full-time employed, 49 percent versus 24 percent. Conditional on accepting an offer, nearly 34 percent of the non-employed cite their reason for acceptance as a lack of other alternatives, while none of the employed cite this as a reason for acceptance. Furthermore, the employed are much more likely to have bargained over compensation during the job offer process. Nearly 48 percent of the full-time employed had some bargaining involved in the job offer process, while only 18 percent of the non-employed had some bargaining involved.

Figure 2 plots the distribution of the log difference between the job offer wage and the most recent wage of the job seeker (i.e., the current wage of the employed and the last wage of the non-employed) by labor force status at the time of job offer. The full-time employed primarily receive offers that are close to their current wage, while the non-employed receive offers that are below their most recent wage. The mean log difference for the full-time employed is a statistically insignificant  $-0.019$ , while the mean log difference among for the non-employed is a significant  $-0.128$ . Overall, the evidence suggests that the non-employed face significantly worse job offers than the employed. Despite these poor offers they are more likely to accept them because of a lack of other alternatives.

### **3.C. The Job Search Process for the Currently Employed**

Finally, we examine the job search process that led to the current jobs of those employed at the time of the survey. The exercise is meant to provide additional evidence to our findings on job search at the time of the survey. The drawback is the retrospective nature of the questions, while the advantage is that it substantially increases the number of observations we have on job-seeking behavior. Similar to questions on job offers, we elicit the labor force status of the individuals at the time of their hire to their current job. Again, however, the categories do not line up exactly with the categories of labor force

status at the time of interview. We differentiate individuals into who were previously employed but quit directly to their new job, those who were employed but started their job immediately following a layoff, and those who were hired from non-employment, with the latter differentiated between those who searched for work and those who did not search.

Table 7 presents the characteristics of the current and previous job by labor force status at the time of hire. Much of the evidence mimics earlier results. Those hired from non-employment are paid lower wages, have lower work hours, and are much less likely to have any benefits than those who were hired directly from employment. Furthermore, those who were hired after quitting their previous job fare considerably better than those hired following a layoff. Those hired from employment also appear to have better job stability, with an average job tenure just under 8 years, compared to 4 years for the non-employed. Despite the large differences in the quality of the current job across labor force categories, the differences in the quality of the previous jobs are insignificant. Both the wages and the work hours of the previous jobs are comparable across groups. Furthermore, the reported wages and tenures of their current jobs suggest that the non-employed had higher annual earnings growth than the employed. Those hired from non-employment had annual wage growth of 5.1 percent while those who quit to their current job had annual wage growth of 4.1 percent.

There are large differences in the wage and earnings changes from the previous to current job by labor force status. Those that quit to their current job had a starting wage that was 9 log points higher, and starting earnings that were 13 log points higher, than their wage at the time they separated from their previous job. Those that were hired immediately following a layoff have no statistically significant differences between their previous and starting wages or earnings. Those hired from non-employment, however, had a starting wage that was 19 log points lower than their previous wage and starting earnings that were 29 log points lower than their previous earnings.

The evidence does not seem to support the hypothesis that the poor employment prospects of those seeking work from non-employment are the result of negative selection. In contrast, the employment histories by labor force status at the time of hire are quite similar. Instead, the evidence appears consistent with an implicit penalty for job seeking while unemployed, similar to Kroft, Lange, and Notowidigdo (2013). Even those who found work immediately following a layoff fare better than those who are non-employed. If job-finding has a stochastic and idiosyncratic component to it, these individuals could be thought of as those who were stochastically “lucky” in their job findings prospects, while the remainder are those who were forced into a spell of non-employment before finding a job, further dampening their prospects. There may still be some unobserved differences across individuals that previous job history does not capture, but the job histories alone suggest that individuals at the time of hire are fairly similar, on average, across the labor force categories.

Table 8 presents evidence on the job search process that led individuals to their current job, again by labor force status at the time of hire. Those hired from non-employment took over three times as long to find their job, 24 weeks compared to about 7 weeks for those hired from employment. Those who were hired either from non-employment or directly following a layoff sent more applications per week of search than those hired following a quit, with the non-employed sending 1.5 applications per week, those laid off immediately prior to the hire sending 1.9 applications per week, and those who quit immediately prior to the hire sending 1.2 applications per week. Consistent with the evidence for job search behavior at the time of the survey, those searching while employed had considerably higher contact yields from their applications than those searching while non-employed. They were also much more likely to have received an unsolicited contact and they received over three times as many offers per week of search. Therefore, one additional reason those hired from employment currently have better jobs is because they had more offers to choose from while searching.

Finally, Table 9 reports the current job search behavior of the employed, based on their labor force status at their time of hire. Perhaps not surprisingly, those who were hired from non-employment are nearly twice as likely to be currently searching for a new job compared to those who were hired from employment, with nearly 43 percent reporting some job search in the previous four weeks. The non-employed exert the greatest effort, in terms of the number of job applications sent, yet have the lowest contact yields (employer contacts per application sent). It is not clear if this is evidence in favor of negative selection (i.e., the non-employed over-represent lower-quality job seekers), or if there is a stigma to hiring individuals in lower-quality jobs that is comparable to the stigma associated with hiring the long-term unemployed identified by Kroft et al. (2013).

#### **4. Conclusions**

[TO BE COMPLETED]

#### **References**

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**Table 1. Summary Statistics, SCE Labor Supplement vs. CPS, October 2013**

	<b>SCE Labor</b>	<b>CPS</b>
<i>Labor Force Status</i>		
Employment-Population Ratio	0.659	0.602
Unemployment Rate (BLS Definition)	7.4	6.0
Percent not in the Labor Force	28.8	35.9
<i>Employment</i>		
Average Hourly Wage	\$17.00	\$16.00
Usual Work Hours	38.0	36.0
<i>Demographics</i>		
Percent Male	49.6	50.2
Percent White	82.7	79.6
Percent Married	63.4	50.2
Percent with College Degree	30.5	31.7
Percent aged 16-40	27.2	29.6
Percent aged 40-59	39.3	38.4
Percent aged 60+	33.5	32.0

Note: Estimates come from authors' tabulations from the SCE Labor Supplement or the Current Population Survey (CPS) for October 2013.

**Table 2. Basic Job Search Statistics by Labor Force Status**

	<b>Employed</b>	<b>Unemployed</b>	<b>Out of LF</b>
<i>Job Search Status over Last Four Weeks</i>			
Percent that actively searched for work	24.3 (1.5)	98.6 (1.5)	6.6 (1.3)
Percent with no search, but would take job if offered	8.8 (1.0)	0.0 (0.0)	5.2 (1.2)
Percent only searching for additional job	10.5 (1.1)		
No. of Observations	823	60	350

Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses.

**Table 3. Search Effort and Outcomes by Labor Force Status**

*3.A. All Individuals, Detailed Labor Force Status*

	<i>Employed</i>			<i>Unemployed</i>		<i>OLF</i>	
	<b>Wants New Job</b>	<b>Wants Addl. Job</b>	<b>Not Looking</b>	<b>&lt; 26 Weeks</b>	<b>≥ 26 Weeks</b>	<b>Non- Retired</b>	<b>Retired</b>
<i>Job Search over Last Four Weeks</i>							
Mean applications	2.66 (0.40)	3.23 (0.54)	0.21 (0.11)	10.78 (3.24)	5.25 (1.09)	0.07 (0.04)	0.14 (0.11)
Mean contacts received	1.32 (0.18)	0.84 (0.17)	0.29 (0.05)	1.26 (0.60)	0.94 (0.22)	0.08 (0.05)	0.09 (0.03)
Mean unsolicited contacts	0.76 (0.16)	0.42 (0.11)	0.26 (0.05)	0.45 (0.50)	0.25 (0.11)	0.04 (0.03)	0.07 (0.03)
Pct. with contact from a referral	21.1 (3.2)	16.3 (4.1)	6.0 (1.0)	18.5 (7.1)	26.8 (8.4)	2.3 (1.6)	5.4 (1.4)
<i>N</i>	162	81	580	31	29	88	262

*3.B. Conditional on Job Search, Broad Labor Force Status*

	<i>Employed</i>		<i>Unemployed</i>	<i>OLF</i>
	<b>Wants New Job</b>	<b>Wants Addl. Job</b>		
Hours spent searching, last 7 days	4.18 (0.46)	5.89 (0.60)	9.65 (1.12)	2.41 (0.64)
Pct. only seeking PT work	9.3 (2.6)	44.5 (6.3)	11.8 (4.2)	69.3 (9.8)
Pct. only seeking similar work (to most recent job)	39.9 (4.4)	17.1 (4.7)	3.1 (2.3)	19.6 (8.5)
<i>Job Search over Last Four Weeks</i>				
Mean applications	3.48 (0.51)	3.91 (0.67)	7.95 (1.74)	0.99 (0.26)
Contacts per application	0.435	0.264	0.139	0.171
Pct. with at least one job interview	34.4 (4.3)	24.2 (5.4)	61.8 (6.4)	20.0 (8.5)
Pct. with an offer from a contact	53.1 (6.0)	58.6 (9.1)	26.4 (7.9)	80.6 (17.7)
<i>N</i>	124	64	59	23

Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses.

**Table 4. Search Effort and Outcomes by Labor Force Status**

	<i>Employed</i>			<i>Unemployed</i>	<i>OLF</i>
	<b>Wants New Job</b>	<b>Wants Addl. Job</b>	<b>Not Looking</b>		
Pct. of population	11.4	9.2	41.5	5.8	32.1
<i>Job Search over Last Four Weeks</i>					
Pct. of total applications	25.7	25.0	7.5	38.5	3.3
Pct. of contacts received	34.1	17.5	27.7	14.4	6.3
Pct. of unsolicited contacts	31.4	14.0	39.7	7.3	7.6
Pct. of offers received	17.4	24.0	24.0	9.5	25.2

Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013.

**Table 5. Reservation Job Values by Labor Force Status, Conditional on Job Search**

	<i>Employed</i>		<i>Unemployed</i>	<i>OLF</i>
	<b>Wants New Job</b>	<b>Wants Addl. Job</b>		
Reservation Wage (\$)	24.97 (1.45)	20.37 (1.98)	14.18 (0.81)	14.17 (2.62)
Desired Hours	39.43 (0.68)	23.73 (1.04)	36.37 (1.19)	22.73 (2.15)
Pct. that would not relocate at any wage	47.7 (4.6)	55.5 (6.3)	55.9 (6.5)	81.2 (8.7)
Pct. that would not double commute at any wage	11.5 (2.9)	15.1 (4.6)	16.8 (4.9)	56.3 (11.1)
Pct. that would not incr. hours at any wage	9.5 (2.7)	6.1 (3.0)	3.3 (2.4)	26.1 (9.8)
Pct. that require health insurance at any wage	17.0 (3.4)	6.2 (3.1)	18.2 (5.1)	8.6 (6.3)
log (reservation wage / most recent wage) <sup>1</sup>	0.056 (0.032)	0.212 (0.088)	-0.228 (0.066)	-0.035 (0.116)
Pct. with reservation wage < most recent wage <sup>1</sup>	44.0 (4.5)	54.9 (6.3)	79.0 (5.4)	26.2 (9.8)
<i>N</i>	121	63	59	21

Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses. "Most recent" wage refers to the current wage for the employed, and the last wage earned for the non-employed.

1. Wage estimates use a residual wage that conditions on observable job seeker characteristics.

**Table 6. Characteristics of Best Job Offer by Labor Force Status***6.A. By Labor Force Status at Time of Survey*

	<i>Employed</i>			<i>Unemployed</i>	<i>OLF</i>
	<b>Wants New Job</b>	<b>Wants Addl. Job</b>	<b>Not Looking</b>		
Mean wage of job offer	\$ 21.78 (3.66)	\$ 12.18 (1.84)	\$ 22.29 (1.53)	\$ 13.58 (1.48)	\$ 25.00 (4.24)
Mean hours of job offer	38.86 (1.89)	27.82 (1.93)	34.62 (1.28)	29.80 (2.76)	21.20 (1.97)
Pct. of offers with no Benefits	19.2 (8.6)	52.0 (11.8)	48.9 (8.8)	46.5 (17.6)	92.7 (5.4)
<i>N</i>	48	39	128	16	46

*6.B. By Labor Force Status at Time of Job Offer*

	<b>Employed Full-Time</b>	<b>Employed Part-Time</b>	<b>Non-Employed</b>
Mean wage of job offer	\$ 23.54 (1.58)	\$ 16.21 (2.42)	\$ 16.39 (2.37)
Mean hours of job offer	36.55 (1.17)	28.91 (1.95)	25.94 (1.40)
Pct. of offers with no Benefits	31.6 (3.9)	76.9 (6.1)	68.6 (5.1)
Pct. of offers accepted as only option	0.0 (---)	13.6 (7.7)	33.6 (7.7)
Pct. of offers that involved bargaining	47.9 (4.2)	24.3 (6.3)	17.9 (4.2)
Pct. of job offers accepted	24.2 (3.6)	36.5 (7.0)	49.4 (5.5)
<i>N</i>	145	48	84

Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses.

**Table 7. Characteristics of Current and Previous Job, by Labor Force Status at Time of Hire**

	<i>Hired from Employment</i>		<i>Hired from Non-Employment</i>	
	<i>Quit</i>	<i>Laid Off</i>	<i>Searched for Job</i>	<i>Did Not Search</i>
<i>Characteristics of Current Job</i>				
Current Wage	\$ 28.04 (1.40)	\$ 24.44 (2.44)	\$ 17.86 (1.34)	\$ 22.68 (2.85)
Starting wage	\$ 20.47 (1.29)	\$ 18.68 (3.50)	\$ 14.25 (1.23)	\$ 18.19 (3.13)
Usual hours	42.39 (0.63)	39.43 (1.04)	35.99 (1.12)	28.41 (3.58)
Mean tenure (mos.)	94.03 (6.75)	92.04 (10.71)	48.15 (6.53)	38.38 (9.72)
Pct. with no benefits	12.2 (2.1)	16.7 (4.5)	37.9 (4.8)	32.1 (12.5)
<i>Characteristics of Previous Job</i>				
Ending wage	\$ 18.93 (1.43)	\$ 18.28 (2.22)	\$ 17.26 (1.36)	\$ 24.37 (2.85)
Usual hours	40.93 (0.76)	38.67 (1.09)	39.70 (1.01)	33.21 (2.81)
log (starting wage / previous wage) <sup>1</sup>	0.089 (0.029)	-0.006 (0.064)	-0.194 (0.047)	
log (starting earnings / previous earnings) <sup>1</sup>	0.125 (0.036)	0.029 (0.073)	-0.287 (0.066)	
<i>N</i>	237	69	105	15

Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses. "Most recent" wage refers to the current wage for the employed, and the last wage earned for the non-employed.

**Table 8. Characteristics of Search for Current Job, by Labor Force Status at Time of Hire**

	<i>Hired from Employment</i>		<i>Hired from Non-Employment</i>	
	<i>Quit</i>	<i>Laid Off</i>	<i>Searched for Job</i>	<i>Did Not Search</i>
Weeks spent searching for current job	7.28 (1.04)	6.97 (1.46)	24.71 (3.05)	---
Pct. with no search spell or applications sent	24.8 (2.8)	8.2 (3.3)	---	61.4 (13.0)
Pct. with contacts from a referral	38.5 (3.2)	47.4 (6.5)	23.7 (4.3)	9.5 (7.8)
Applications per week of search	1.16 (0.19)	1.87 (0.22)	1.49 (0.22)	---
Contacts per week of search	0.55 (0.05)	0.98 (0.26)	0.31 (0.05)	---
Unsolicited contacts per week of search	0.21 (0.03)	0.20 (0.07)	0.05 (0.02)	---
Offers per week of search	0.55 (0.05)	0.65 (0.10)	0.17 (0.03)	---
<i>N</i>	237	69	105	15

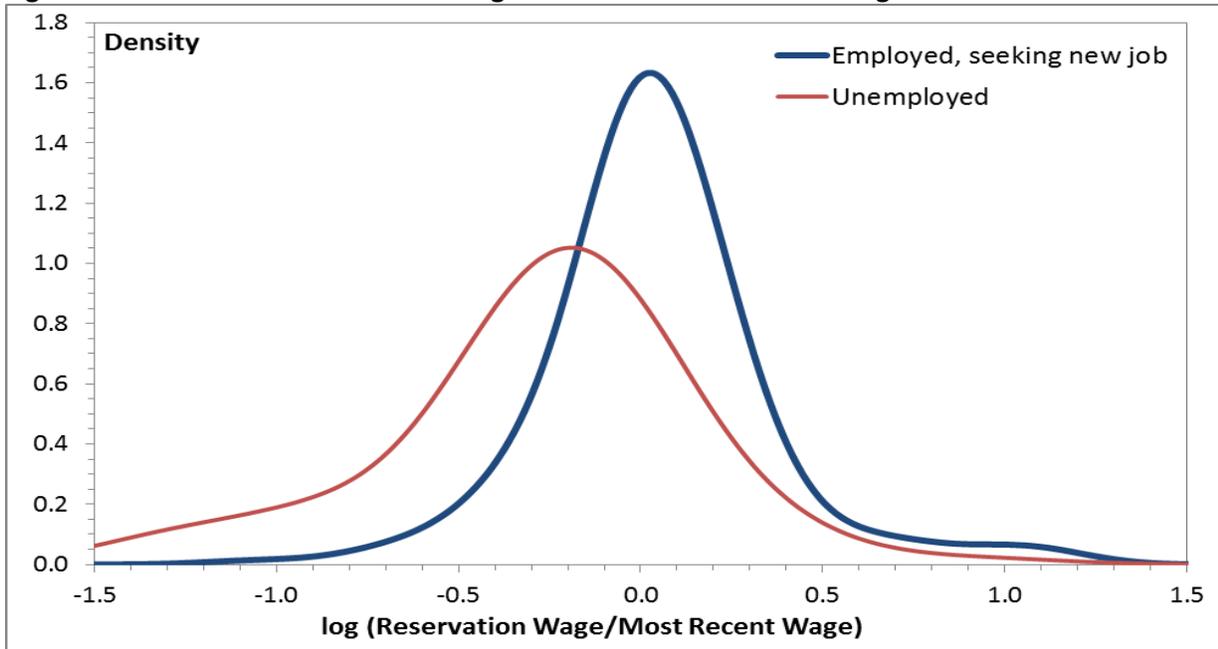
Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses.

**Table 9. Characteristics of Current Search Behavior, by Labor Force Status at Time of Hire**

	<i>Hired from Employment</i>		<i>Hired from Non-Employment</i>	
	<i>Quit</i>	<i>Laid Off</i>	<i>Searched for Job</i>	<i>Did Not Search</i>
Pct. currently seeking a new job	23.3 (2.7)	27.7 (5.4)	42.5 (4.8)	22.1 (10.9)
<i>Job Search Characteristics, Last Four Weeks</i>				
Mean applications sent	0.82 (0.15)	1.64 (0.73)	1.96 (0.41)	0.31 (0.16)
Mean contacts received	0.65 (0.11)	0.95 (0.22)	0.73 (0.22)	0.37 (0.13)
Contacts per application	0.795	0.579	0.373	1.179
<i>N</i>	237	69	105	15

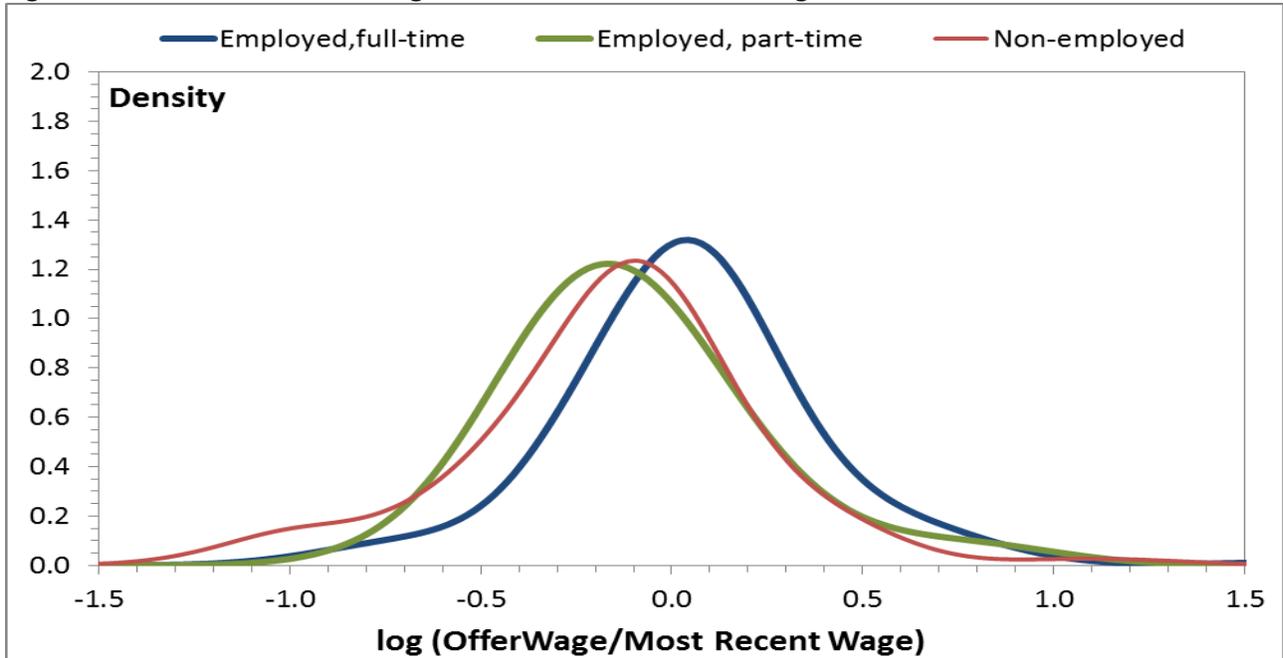
Note: Estimates come from authors' tabulations from the SCE Labor Supplement for October 2013. Standard errors are in parentheses.

**Figure 1. Distribution of Reservation Wages Relative to Most Recent Wage**



Note: Figure reports kernel density estimates of the  $\log(\text{reservation wage}/\text{most recent wage})$ , where the “most recent” wage refers to the current wage for the employed, and the last wage earned for the unemployed. Both wage measures use a residual estimate that conditions on observable job seeker characteristics.

**Figure 2. Distribution of Offer Wages Relative to Most Recent Wage**



Note: Figure reports kernel density estimates of the  $\log(\text{offer wage}/\text{most recent wage})$ , where the “most recent” wage refers to the current wage for the employed, and the last wage earned for the unemployed. Both wage measures use a residual estimate that conditions on observable job seeker characteristics.