

The Active Search Premium

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 1. Relatively **modest** active search premium ($\sim 40\%$ on average)
 2. Active search premium is highly **procyclical**
- ▶ **Procyclicality** of active search premium **potentially puzzling**, esp. in light of **countercyclical search effort**

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- ▶ Generate restriction: active search premium should have **unit elasticity** in **average active search effort**
- ▶ Estimated elasticity is ≈ -6
- ▶ Estimates consistent with active and passive as “**imperfect substitutes**”
 - ▶ See also evidence from Blanchard and Diamond (1990)

Active and passive search as imperfect substitutes

- ▶ Consider CES aggregator with **unrestricted elasticity** over **active** and **passive** search:
 - (a) Test more general restriction from data and estimate elasticity
 - (b) Consider quantitative model with endogenous search along extensive + intensive margin

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- ▶ Both applications support elasticity of substitution ≈ 0.25 (not ∞)
- ▶ For a “typical” recession, the estimated elasticity implies
 - ▶ Active search less effective
 - ▶ Disincentive effect of UI less costly

Evidence

CPS, 1996-2019

- ▶ Starting in 1994, CPS records following for jobless respondents:
 - ▶ Whether the respondent would be **willing** to **accept a job**
 - ▶ Whether the worker is engaged in nine methods of **active search**
 - ▶ If **# search methods** = 0, why no active search?

Consistent monthly merges available 1996+

- ▶ Non-employed worker willing to accept a job is
 - ▶ **Active searcher** if **# search methods** > 0
 - ▶ **Passive searcher**: **# search methods** = 0 & want (+ able) to work
- ▶ **Time spent searching** near linear in **# of search methods** (Mukoyama, Patterson, and Sahin 2018) ⇒ **measure of search effort**

Job-finding rates of the active and passive non-employed

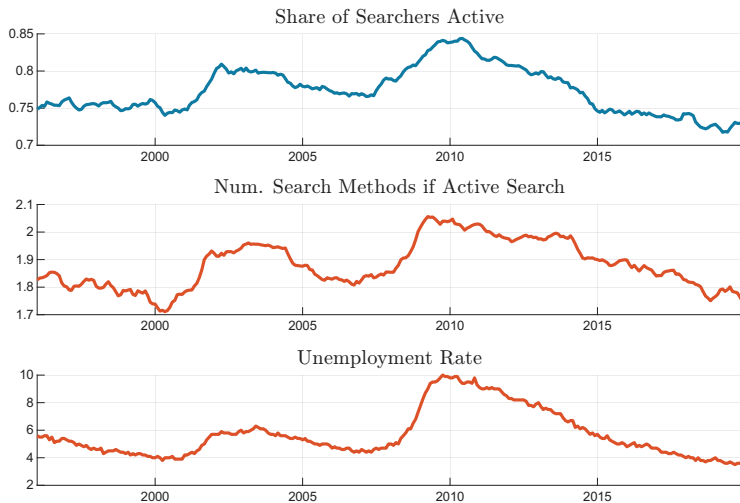
	$A-NE \rightarrow E$ probability	$P-NE \rightarrow E$ probability	$A-P$ ratio
mean(x)	0.218	0.153	0.42
std(x)/std(Y)	8.218	7.655	8.02
corr(x, Y)	0.846	0.421	0.47

Note: Data from CPS, 1996-2019. $A-NE$ and $P-NE$ refer to active and passive non-employed, " $A-P$ ratio" refers to active-passive ratio of job-finding probabilities, Y indicates quarterly GDP. For second and third row, series are taken as (1) quarterly averages of seasonally adjusted monthly series, (2) logged, then (3) HP-filtered with smoothing parameter of 1600

- ▶ Mildly procyclical job-finding probability of passive non-employed
- ▶ Highly procyclical job-finding probability of active non-employed
- ▶ Thus, procyclical active search premium

▶ Figure

Extensive and intensive margins of active search



► Both frac. searching & # of search methods are countercyclical

► Alternative measures of passive searchers

► Cyclicity: table

Matching framework

Active and passive search

- ▶ CRS matching function m_t over search efficiency and vacancies
- ▶ Search efficiency is composite of active and passive search
- ▶ Non-employed workers choose $s_{A,i,t}$ units of active search, inelastically provide one unit of passive search
- ▶ Flexible to different notions of active search:
 - ▶ Intensive & extensive margin: $s_{A,i,t} \in \mathbb{R}_+$ (e.g., FMST 2022)
 - ▶ Extensive margin only: $s_{A,i,t} \in \{0, 1\}$ (e.g., KMRS 2017)

Matching function and job-finding probabilities

- ▶ Job-finding rate, $f_{i,t}$

$$f_{i,t} = s_{i,t} \cdot \left(\frac{m_t(s_t, v_t)}{s_t} \right) \quad (*)$$

- ▶ Search efficiency, $s_{i,t}$

$$s_{i,t} = \omega \cdot s_{A,i,t} + (1 - \omega) \cdot 1 \quad (**)$$

- ▶ Let $\bar{s}_{A,t}^*$ be the average level of active search among active searchers
- ▶ Restriction in active search premium $\bar{f}_{A,t}/\bar{f}_{P,t}$ from (*) and (**):

$$\frac{\bar{f}_{A,t}}{\bar{f}_{P,t}} - 1 = \frac{(\omega \cdot \bar{s}_{A,t}^* + (1 - \omega)) \left(\frac{m_t(s_t, v_t)}{s_t} \right)}{(1 - \omega) \left(\frac{m_t(s_t, v_t)}{s_t} \right)} - 1 = \left(\frac{\omega}{1 - \omega} \right) \cdot \bar{s}_{A,t}^*$$

Testing the restriction

- ▶ Take logs on both sides:

$$\log \left(\frac{\bar{f}_{A,t}}{\bar{f}_{P,t}} - 1 \right) = \log \left(\frac{\omega}{1 - \omega} \right) + 1 \cdot \log \bar{S}_{A,t}^*$$

Framework predicts **unit** elasticity

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Framework predicts **unit** elasticity

- ▶ Estimated elasticity from data: **-6.52** (SE= 0.88)

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Framework predicts **unit** elasticity

- ▶ Estimated elasticity from data: **-6.52** (SE= 0.88)

- ▶ Robust to:

- ▶ Different measures of $\bar{f}_{P,t}$ ▶ Alternative passive searcher measures
- ▶ Time aggregation bias ▶ Time aggregation
- ▶ Only including passive searchers who were also N at $t - 1$ ▶ Duration passive
- ▶ Controls for cyclical composition ▶ Composition 1/2 ▶ Composition 2/2
- ▶ Controls for duration dependence among active searchers ▶ DD

An unrestricted CES search aggregator

CES aggregator for search effort

- ▶ Aggregate search effort s_t given by CES aggregator over $s_{A,t}$ and $s_{P,t}$

$$s_t = \left(\omega s_{A,t}^{\frac{\nu-1}{\nu}} + (1-\omega) s_{P,t}^{\frac{\nu-1}{\nu}} \right)^{\frac{\nu}{\nu-1}}$$

- ▶ Aggregate active & passive search of non-employed (ne_t) satisfy

$$s_{A,t} = \int s_{A,i,t} dG_t(i) = (\check{g}_t \cdot ne_t) \cdot \bar{s}_{A,t}^* \quad \& \quad s_{P,t} = \int dG_t(i) = ne_t$$

where \check{g}_t is the fraction of non-employed who engage in active search

- ▶ $ME_{A,t}$ and $ME_{P,t}$ are marginal efficiencies of active and passive search

$$ME_{A,t} = \frac{\partial s_t}{\partial s_{A,t}} = \omega \cdot \left(\frac{s_t}{s_{A,t}} \right)^{\frac{1}{\nu}}, \quad ME_{P,t} = \frac{\partial s_t}{\partial s_{P,t}} = (1-\omega) \cdot \left(\frac{s_t}{s_{P,t}} \right)^{\frac{1}{\nu}}$$

Returns to search

- ▶ The job-finding probability $f_{i,t}$ of a worker with search efficiency $s_{i,t}$ is

$$f_{i,t} = s_{i,t} \cdot \left(\frac{m_t(\mathbf{s}_t, v_t)}{\mathbf{s}_t} \right)$$

- ▶ The search efficiency $s_{i,t}$ of a worker supplying $S_{A,i,t}$

$$s_{i,t} = ME_{A,t} \cdot S_{A,i,t} + ME_{P,t} \cdot 1$$

by linear homogeneity of the CES search aggregator

- ▶ Nests prior case when $\nu = \infty$:

$$s_{i,t} = \omega \cdot S_{A,i,t} + (1 - \omega) \cdot 1$$

Restriction from theory, redux

- ▶ Relative job-finding probabilities, **active** vs. **passive** search

$$\frac{\bar{f}_{A,t}}{\bar{f}_{P,t}} - 1 = \frac{(ME_{A,t} \cdot \bar{s}_{A,t}^* + ME_{P,t}) \left(\frac{m_t(s_t, v_t)}{s_t} \right)}{ME_{P,t} \left(\frac{m_t(s_t, v_t)}{s_t} \right)} - 1$$

Restriction from theory, redux

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- ▶ Thus,

$$\log \left(\frac{\bar{f}_{A,t}}{\bar{f}_{P,t}} - 1 \right) = \log \left(\frac{\omega}{1 - \omega} \right) - \left(\frac{1}{\nu} \right) \cdot \log \check{g}_t + \left(1 - \frac{1}{\nu} \right) \cdot \log \bar{s}_{A,t}^*$$

- ▶ Return to data: test restriction in ν , estimate ω and ν

Regression estimates

	(1)	(2)	(3)
β_{Frac}	-5.936*** (1.5446)	-4.597*** (0.5070)	-8.718*** (1.1014)
$\beta_{\#}$	-2.568** (1.1829)	-3.597*** (0.5070)	—
β_0	0.366 (0.7973)	1.141*** (0.2097)	-1.443*** (0.3417)
Passive searchers:	N + want job + available		
Constrain $\beta_{\text{Frac}} + 1 = \beta_{\#}$?	No	Yes	—
F-test	$p(\beta_{\text{Frac}} + 1 = \beta_{\#})$ = 0.350	$p(\nu = \infty)$ = 0.000	$p(\nu = \infty)$ = 0.000
N	283	283	283
Implied ν	—	0.218	0.115
Implied ω	—	0.562	0.825

Note: CPS, 1996-20019

Applications

▶ Recovering the marginal efficiencies in the data

▶ details

- ▶ Strongly **procyclical** $ME_{A,t}$ in the data
- ▶ Notional share of vacancies intermediating active search **decreases** during recessions

▶ Simple Baily-Chetty formula

▶ details

- ▶ UI **less distortionary** during recessions (when **active search** $\uparrow \Rightarrow ME_{A,t} \downarrow$)
- ▶ Optimal policy supports a **higher** replacement rate R during recessions

Quantitative model

Model: key features

- ▶ DMP + RBC + household consumption insurance
 - ▶ à la Merz (1995) and Andolfatto (1996)
- ▶ Allow for **non-employed who want a job** (ne_t) & **employed**
- ▶ **Extensive** (fixed cost) + **intensive** (convex cost) margins of active search
 - ▶ Non-searchers still receive offers
- ▶ **Utility value of leisure** (Chodorow-Reich & Karabarbounis 2016)
 - ▶ Procyclical opportunity cost \Rightarrow allows **countercyclical search**
- ▶ Staggered wage bargaining à la Gertler and Trigari (2009)

Today: Focus on the **search decision** of non-employed + quant. results

Problem of nonemployed

Worker draws fixed search cost γ , chooses whether to participate:

$$U_t(\gamma) = \max\{U_t^s(\gamma), U_t^{ns}\}, \quad \text{participate iff } \gamma < \gamma_t^*.$$

Per-worker arrival rates:

$$f_{A,t}(s_A) \equiv (ME_{A,t} s_A + ME_{P,t}) \bar{f}_t, \quad f_{P,t} \equiv ME_{P,t} \bar{f}_t, \quad \bar{f}_t = m(s_t, v_t)/s_t$$

Active value $U_t^s(\gamma)$: pay fixed cost γ + convex $\psi(s_A) = \frac{\psi_0}{1+\frac{1}{\varepsilon}} s_{A,t}^{1+\frac{1}{\varepsilon}}$, choose s_A :

$$U_t^s(\gamma) = \max_{s_{A,t}} \left\{ b + \frac{\xi - \psi(s_{A,t}) - \gamma}{u'(c_t)} + \beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} \left\{ f_{A,t}(s_{A,t}) \bar{W}_{t+1} + (1 - f_{A,t}(s_{A,t})) U_{t+1} \right\} \right] \right\}.$$

Passive value U_t^{ns} (pay neither cost: $s_A = 0$, γ unpaid):

$$U_t^{ns} = b + \frac{\xi}{u'(c_t)} + \beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} \left\{ f_{P,t} \bar{W}_{t+1} + (1 - f_{P,t}) U_{t+1} \right\} \right].$$

where U_{t+1} is the (ex-ante) value of non-empl. and \bar{W}_{t+1} the value of a job

Solution: $s_{A,t}^*$ and γ_t^*

Optimal intensity $s_{A,t}^*$ (interior FOC in U_t^s), where \bar{H}_{t+1} denotes the worker surplus:

$$\psi_0 \cdot s_{A,t}^{*1/\varepsilon_s} = \beta \mathbb{E}_t [u'(c_{t+1}) \cdot ME_{A,t} \cdot \bar{f}_t \cdot \bar{H}_{t+1}].$$

Participation cutoff γ_t^* from indifference $U_t^s(\gamma_t^*) = U_t^{ns}$:

$$\gamma_t^* = \beta \mathbb{E}_t [u'(c_{t+1}) ME_{A,t} s_{A,t}^* \bar{f}_t \bar{H}_{t+1}] - \psi(s_{A,t}^*).$$

where $\mathcal{G}_t(\gamma_t^*) = \check{\mathcal{G}}_t$ is the fraction who search

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where $\mathcal{G}_t(\gamma_t^*) = \check{\mathcal{G}}_t$ is the fraction who search

Combine equations:

$$\gamma_t^* = s_{A,t}^* \psi'(s_{A,t}^*) - \psi(s_{A,t}^*) = \frac{\psi_0 \cdot s_{A,t}^{*1+1/\varepsilon_s}}{1 + \varepsilon_s}.$$

Closed-form link between extensive cutoff and intensive choice

Internally calibrated parameters

Joint calibration of four parameters to four moments:

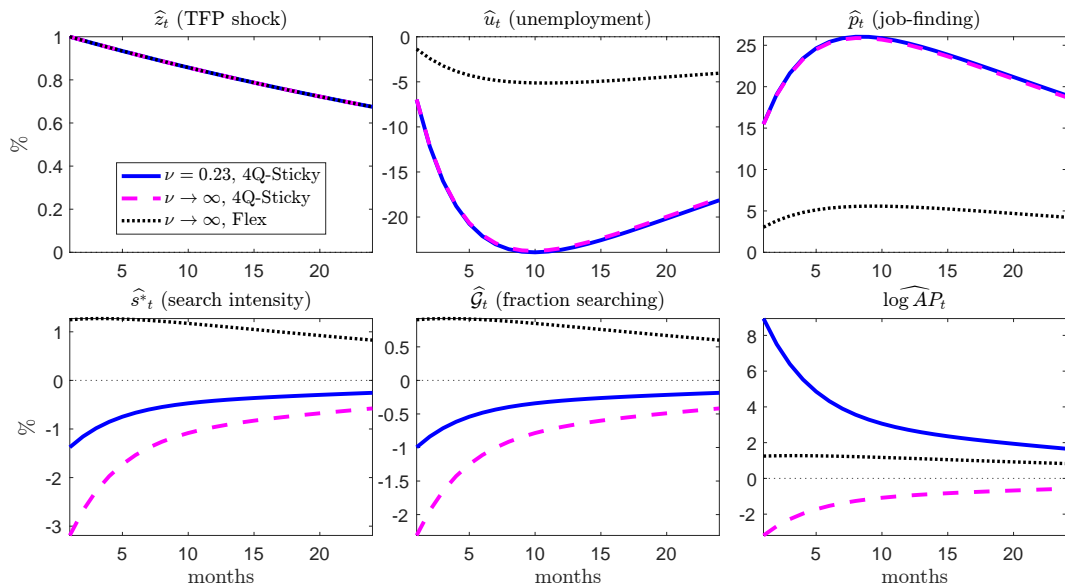
Parameters			Moments		
Symbol	Value	Description	Moment	Target	Model
ε_s	0.25	Search-effort elast.	PE int. duration elast. to UI	0.45	0.45
σ_γ	2.07	Particip. dispersion	$sd(\log \check{G})/sd(\log s^*)$	0.73	0.72
ν	0.23	CES substitutability	β (ASP regression)	-6.52	-6.49
ξ^c/MPL	0.54	Leisure value	$\text{corr}(\log s^*, \log y)$	-0.80	-0.64
			$\text{corr}(\log AP, \log y)$	+0.47	+0.63

- ▶ Model hits procyclical ASP and countercyclical s^*
- ▶ Similar value of ν as estimated directly from data

▶ Externally calibrated parameters

IRFs to +1pp TFP shock

IRFs to +1pp TFP shock



Macro UI elasticity: the role of a diminishing $ME_{A,t}$

Anticipated UI level increase lasting K months, perfect-foresight transition.

K (months)	Full CES	ME_A & ME_P fixed	Δ from CES
1	0.05	0.05	~ 0
3	0.10	0.17	-0.07
6	0.21	0.35	-0.14
12	0.34	0.51	-0.17

Mechanism (CES with $\nu < 1$):

- ▶ $UI \uparrow \Rightarrow s_{A,t}^*, \gamma^*$ fall (workers cut effort) \Rightarrow active input $s_{A,t} = \mathcal{G}_t(\gamma_t^*) s_{A,t}^*$ falls
- ▶ Falling active search + diminishing returns $\Rightarrow ME_{A,t}$ rises (and $ME_{P,t}$ falls)
- ▶ Rising $ME_{A,t}$ partially offsets the drop in $s_{A,t}^* \Rightarrow$ per-worker arrival rate $f_{A,t} = (ME_{A,t} s_{A,t}^* + ME_{P,t}) \bar{f}_t$ falls by less

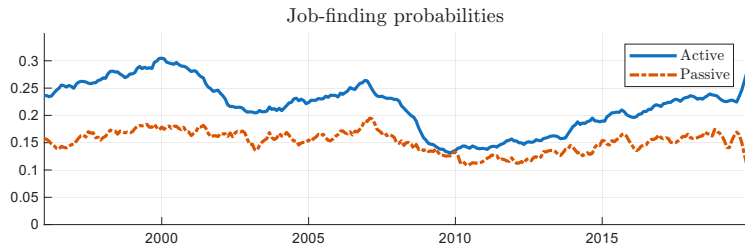
Conclusion

Conclusion

- ▶ Crowding-out of active search: during recession,
 - ▶ Active search goes up
 - ▶ Active search premium in job-finding probabilities goes down
- ▶ Inconsistent with perfect substitutability of active and passive search
- ▶ Instead, consistent with elasticity of substitution ≈ 0.25
- ▶ Implications:
 - ▶ Active search is less effective during recessions
 - ▶ Macro-elasticity of unempl. durations to UI dampened by $\approx 40\%$
 - ▶ Adjusted Baily-Chetty formula implies higher benefits during recessions

Extra slides

Job-finding rates of the active and passive non-employed



▶ Alternative measures of passive searchers

▶ Alternative measures of active searchers

◀ Back

The cyclicity of active search

	Active non-employed	Passive non-employed	$\frac{A-NE}{A-NE+P-NE}$	Avg. # of search methods
mean(x)	0.05	0.01	0.77	1.87
std(x)/std(Y)	10.83	5.47	1.56	2.15
corr(x, Y)	-0.89	-0.71	-0.76	-0.80

Note: Data from CPS, 1996-2019. *A-NE* and *P-NE* refer to active and passive non-employed *Y* indicates quarterly GDP. For second and third row, series are taken as (1) quarterly averages of seasonally adjusted monthly series, (2) logged, then (3) HP-filtered with smoothing parameter of 1600

- ▶ Both **frac. searching** & **# of search methods** are **countercyclical**
- ▶ See also Osberg (1993), Shimer (2004), Faberman and Kudlyak (2016), Elsby, Hobijn and Sahin (2015), Mukoyama, Patterson, and Sahin (2018)

Worker value and surplus

Expected value of unemployment \mathcal{U}_t taken over γ , with $\bar{\Gamma}_t = \int_0^{\gamma_t^*} \gamma d\mathcal{G}(\gamma)$:

$$\mathcal{U}_t = b + \frac{\xi - \mathcal{G}(\gamma_t^*) \psi(\mathbf{s}_{A,t}^*) - \bar{\Gamma}_t}{u'(c_t)} + \beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} \left\{ \bar{f}_t \bar{W}_{t+1} + (1 - \bar{f}_t) \mathcal{U}_{t+1} \right\} \right].$$

Worker value W_t (employed at wage w_t):

$$W_t = w_t + \beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} \left\{ \rho W_{t+1} + (1 - \rho) \mathcal{U}_{t+1} \right\} \right].$$

Surplus $H_t \equiv W_t - \mathcal{U}_t$:

$$H_t = w_t - b - \frac{\xi - \mathcal{G}(\gamma_t^*) \psi(\mathbf{s}_{A,t}^*) - \bar{\Gamma}_t}{u'(c_t)} + \beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} (\rho H_{t+1} - \bar{f}_t \bar{H}_{t+1}) \right],$$

Firm value, hiring, and contract wage

Firm value J_t with convex hiring cost $\frac{\kappa}{2}x_t^2$:

$$J_t = a_t - w_t - \frac{\kappa}{2}x_t^2 + (\rho + x_t)\beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} \{J_{t+1}\} \right].$$

Hiring FOC:

$$\kappa x_t = \beta \mathbb{E}_t \left[\frac{u'(c_{t+1})}{u'(c_t)} J_{t+1} \right].$$

Contract wage w^* (Nash with staggered renegotiation à la GT 2009):

$$\max_{w^*} H(w, s)^\eta J(w, s)^{1-\eta} \quad \text{subject to} \quad w' = \begin{cases} w & \text{w.p. } \lambda \\ w^* & \text{w.p. } 1 - \lambda \end{cases}$$

- ▶ λ controls wage stickiness; $\lambda = 11/12$ in calibrated headline.
- ▶ Workers observe γ after wage negotiated

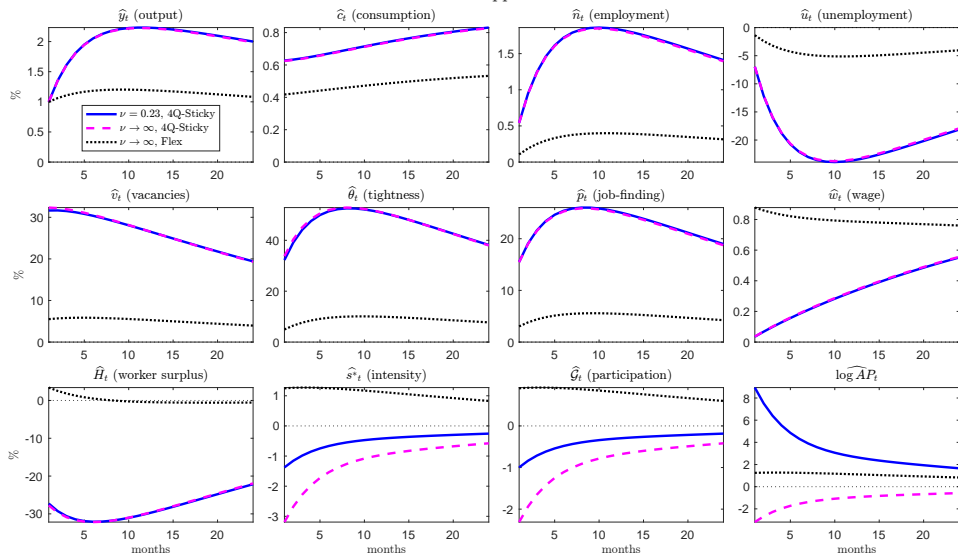
Calibration

Externally calibrated parameters

Object	Value	Source / interpretation
f_A	0.45	Monthly UE rate (CPS)
$f_A/f_P - 1$	0.42	ASP premium
ρ_n	0.965	Job survival; 3.5% monthly separation
$\mathcal{G}(\gamma^*)$	0.833	Participation share among nonemployed
b/MPL	0.40	Pecuniary UI replacement (Shimer 2005)

IRFs to +1pp TFP shock – full set of variables

IRFs to +1pp TFP shock

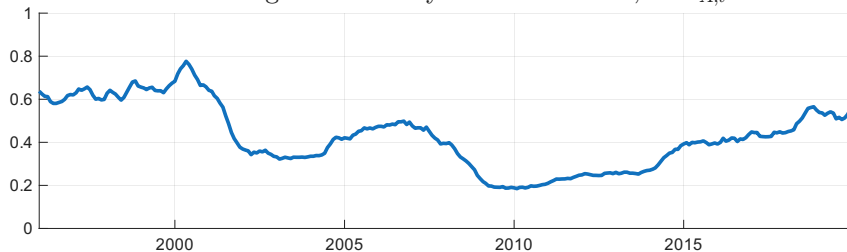


Application 1:

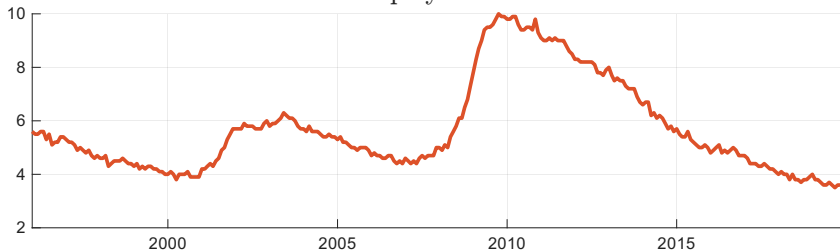
The marginal efficiency of
active search over the business cycle

Recovering the marginal efficiency of active search

The marginal efficiency of active search, $ME_{A,t}$



Unemployment rate



What is a CES search aggregator?

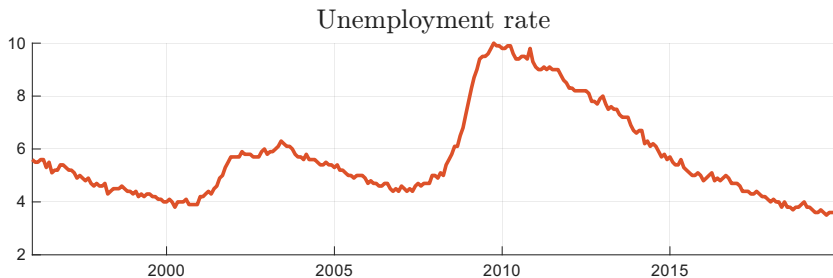
- ▶ **Equivalence**: separate submarkets for **active** and **passive** search

$$m_t(\mathbf{s}_t, v_t) = m_t(ME_{A,t} \cdot \mathbf{s}_{A,t}, \alpha_t \cdot v_t) + m_t(ME_{P,t} \cdot \mathbf{s}_{P,t}, (1 - \alpha_t) \cdot v_t)$$

$$\text{with } \alpha_t = \frac{ME_{A,t} \cdot \mathbf{s}_{A,t}}{\mathbf{s}_t}$$

- ▶ (Obtains through constant returns)
- ▶ **Vacancy share** of **active search** α_t analogous to **factor share**
 - ▶ $\nu < 1 \Rightarrow \alpha_t$ decreasing in $(\mathbf{s}_{A,t}/\mathbf{s}_{P,t})$
 - ▶ Countercyclical $(\mathbf{s}_{A,t}/\mathbf{s}_{P,t}) \Rightarrow$ Procyclical α_t

Recovering the marginal efficiency of active search



Application 2: Baily-Chetty Formula

Appl. 2) Baily-Chetty Formula

- ▶ Optimal UI described by Baily-Chetty formula:

$$\underbrace{\frac{d \log u}{d \log R}}_{\text{increasing in } R} = \underbrace{\left(\frac{U'(c^u)}{U'(c^e)} - 1 \right)}_{\text{decreasing in } R} \quad (\text{BC})$$

where u is unemployment and R is the replacement rate

- ▶ Landais et al. (2018): if wages are **perfectly rigid** (+ other conditions), (BC) describes optimal replacement rate R
- ▶ Micro-elasticity $\frac{d \log u}{d \log R}$ typically taken as constant $\Rightarrow R$ constant
- ▶ But $\frac{d \log u}{d \log R}$ is proportional to the **marginal efficiency of active search**...

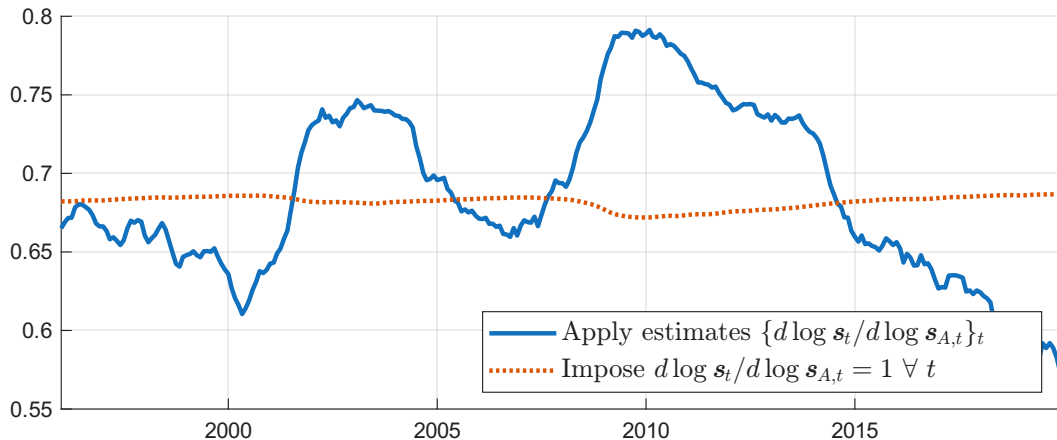
Appl. 2) Baily-Chetty Formula, cont'd

- ▶ Write micro-elasticity as

$$\begin{aligned}\frac{d \log u}{d \log R} &= \frac{d \log u}{d \log f} \cdot \frac{d \log f}{d \log R} \\ &\approx -(1 - \bar{u}) \cdot \frac{d \log f}{d \log s} \cdot \frac{d \log s}{d \log s_A} \cdot \frac{d \log s_A}{d \log R} \\ &= -(1 - \bar{u}) \cdot \sigma \cdot \left[\omega \cdot \left(\frac{s_A}{s} \right)^{\frac{\nu-1}{\nu}} \right] \cdot \frac{d \log s_A}{d \log R}\end{aligned}$$

- ▶ Note, $\nu < \infty$, so the elasticity is not constant!
- ▶ Next, (i) take avg. $-\frac{d \log f}{d \log R}$ to be equal to 0.42 (Katz and Meyer, 1990), (ii) compute average $\frac{d \log s}{d \log s_A}$, and (iii) solve for $\frac{d \log s_A}{d \log R}$
- ▶ Use to obtain time series for $\frac{d \log u}{d \log R}$

Appl. 2) Baily-Chetty Formula, cont'd



- ▶ Define *unemployed/employed consumption ratio*: $\Delta_t = c_t^u / c_t^e$
- ▶ Assume $U(c) = \log c$. Then, (BC) $\Rightarrow \Delta_t^* = (1 + \frac{d \log U}{d \log R})^{-1}$
- ▶ Δ_t^* higher during recessions due to **marginal efficiency of active search**

Marginal efficiencies $ME_{A,t}$ and $ME_{P,t}$

Derived from the CES search aggregator $s_t = F(\mathcal{G}_t(\gamma_t^*) s_{A,t}^* ne_t, ne_t)$ as marginal products of the aggregate active and passive inputs:

$$ME_{A,t} = (1 - \omega) \left(s_t / (\mathcal{G}_t(\gamma_t^*) ne_t s_{A,t}^*) \right)^{1/\nu},$$

$$ME_{P,t} = \omega (s_t / ne_t)^{1/\nu}.$$

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Time spent searching (MPS 2018)

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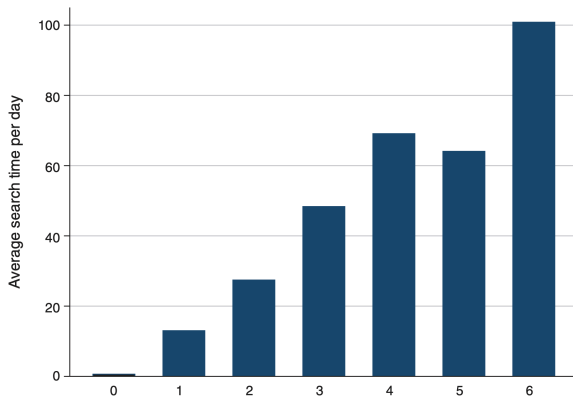


FIGURE 1. THE AVERAGE MINUTES (*per day*) SPENT ON JOB SEARCH ACTIVITIES BY THE NUMBER OF SEARCH METHODS

Notes: Each bin reflects the average search time in minutes per day by the number of search methods that the individual reports using in the previous month. Data is pooled from 2003–2014 and observations are weighted by the individual sample weight.

Definitions of job search (MPS 2018)

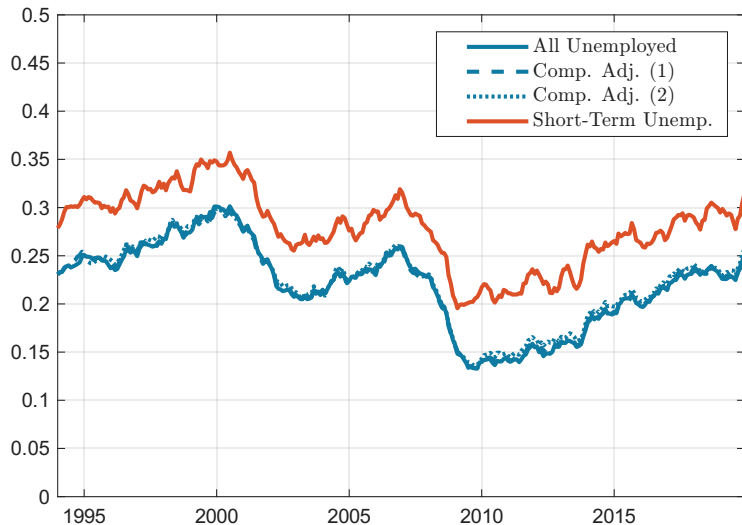
TABLE 2—DEFINITIONS OF JOB SEARCH METHODS IN CPS AND ATUS

Contacting an employer directly or having a job interview
Contacting a public employment agency
Contacting a private employment agency
Contacting friends or relatives
Contacting a school or university employment center
Checking union or professional registers
Sending out resumes or filling out applications
Placing or answering advertisements
Other means of active job search
Reading about job openings that are posted in newspapers or on the internet
Attending job training program or course
Other means of passive job search

Note: The first nine are active, the last three are passive.

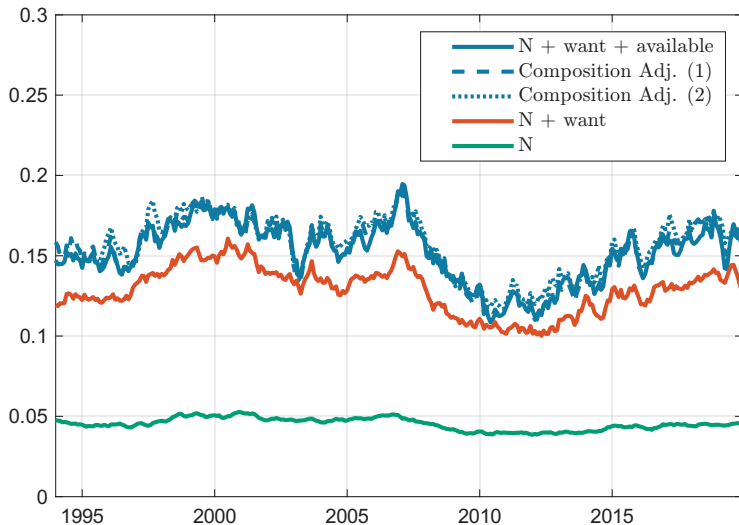
Alternative measures of active searchers

Job-finding probabilities

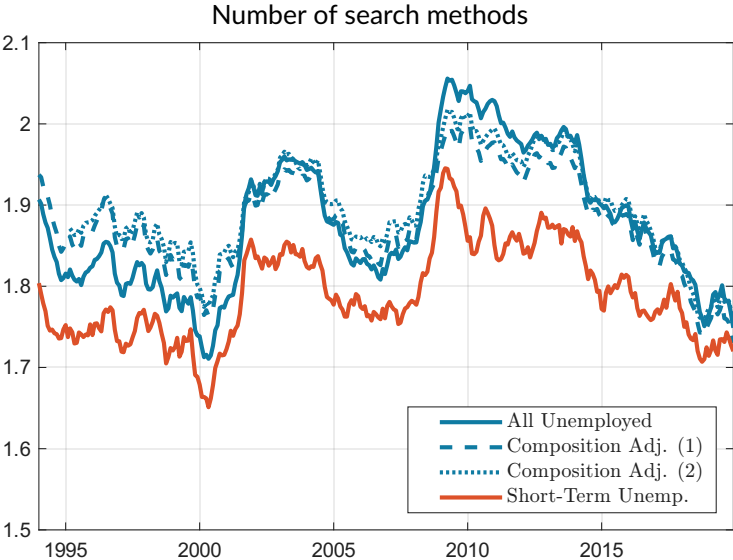


Alternative measures of passive searchers

Job-finding probabilities



Alternative measures of active searchers



Demographics by labor market group

	Non-participants (N)	N + Want job	N + Want + Available	Active searchers
Mean Age	53.1	38.3	42.4	34.7
Share Male	0.39	0.45	0.53	0.54
Share Married	0.49	0.35	0.37	0.32
Share LHS	0.28	0.30	0.25	0.24
Share HS	0.32	0.30	0.34	0.34
Share Some Coll.	0.23	0.24	0.23	0.26
Share College+	0.17	0.15	0.19	0.16
Share White	0.80	0.71	0.71	0.70
Share Black	0.13	0.21	0.21	0.22
Observations	11,489,206	641,578	304,887	1,001,977

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Elasticity of active search premium

Dependent variable: Log active search premium			
	(1)	(2)	(3)
Log # of search methods	-6.519*** (0.8798)	-4.865*** (0.3939)	-3.004*** (0.1492)
Time trend	-8.3e-4* (4.9e-4)	-4.3e-4** (2.0e-4)	-7.9e-5 (7.9e-5)
Constant	3.523*** (0.4124)	2.813*** (0.2182)	3.227*** (0.0951)
$Pr(H_0 : \beta_{\#} = 1)$	0.000	0.000	0.000
N	283	288	288
Passive searchers:	$N +$ want job + available	$N +$ want job	Nonparticipants (N)

CPS, 1996-2019

Elasticity of active search premium: Rates adjusted for time aggregation

Dependent variable: Log active search premium			
	(1)	(2)	(3)
Log # of search methods	-3.136*** (0.1545)	-5.933*** (0.6178)	-6.626*** (0.8549)
Time trend	-1.1e-4 (8.1e-5)	-6.3e-4** (2.6e-4)	-1.3e-3*** (4.9e-4)
Constant	3.431*** (0.0982)	3.482*** (0.3268)	3.682*** (0.4373)
$Pr(H_0 : \beta_{\#} = 1)$	0.000	0.000	0.000
N	288	288	272
Passive searchers:	Nonparticipants (N)	N + want job	N + want job + available

CPS, 1996-2019

Elasticity of active search premium: Only passive searchers N at $t-1$

Dependent variable: Log active search premium			
	(1)	(2)	(3)
Log # of search methods	-2.230*** (0.1426)	-3.291*** (0.3662)	-3.848*** (0.7607)
Time trend	1.1e-4 (8.6e-5)	8.0e-4*** (2.7e-4)	7.7e-4 (5.9e-4)
Constant	3.505*** (0.1003)	2.102*** (0.1859)	2.329*** (0.2799)
$Pr(H_0 : \beta_{\#} = 1)$	0.000	0.000	0.000
N	288	288	288
Passive searchers:	Nonparticipants (N)	N + want job	N + want job + available

CPS, 1996-2019

Elasticity of the active search premium: adjustment for cyclical composition 1/2

Dependent variable: Log active search premium			
	(1)	(2)	(3)
Log # of search methods	-2.681*** (0.2381)	-5.565*** (0.7490)	-5.249*** (1.0561)
Time trend	-3.8e-4*** (1.3e-4)	-1.4e-3*** (4.2e-4)	-2.2e-3*** (5.8e-4)
Constant	-6.120*** (0.6513)	-14.415*** (2.0484)	-13.586*** (2.8921)
$Pr(H_0 : \beta_{\#} = 1)$	0.000	0.000	0.000
N	288	287	269
Passive searchers:	Nonparticipants (N)	N + want job	N + want job + available

CPS, 1996-2019

- ▶ Population weights of 72 subgroups held constant in regression groups, where subgroups are defined by reason for unemployment (if unemployed), education level, age group, and gender

Elasticity of the active search premium: adjustment for cyclical composition 2/2

Dependent variable: Log active search premium			
	(1)	(2)	(3)
Log # of search methods	-3.213*** (0.3666)	-2.743*** (0.6088)	-2.626*** (0.8335)
Time trend	-1.7e-3*** (3.4e-4)	-2.6e-3*** (5.7e-4)	-2.9e-3*** (8.0e-4)
Constant	-7.563*** (1.0511)	-6.729*** (1.7439)	-6.614*** (2.3970)
$Pr(H_0 : \beta_{\#} = 1)$	0.000	0.000	0.000
N	288	275	251
Passive searchers:	Nonparticipants (N)	N + want job	N + want job + available

CPS, 1996-2019

- Population weights of 360 subgroups held constant in regression groups, where subgroups are defined by reason for unemployment (if unemployed), education level, age group, gender, and labor market status a year ago (employed, temporary layoff, unemployed, passive searcher, other nonparticipant)

Elasticity of the active search premium: Only short-term unemployed

Dependent variable: Log active search premium			
	(1)	(2)	(3)
Log # of search methods	-1.745*** (0.1071)	-1.585*** (0.2193)	-1.689*** (0.3589)
Time trend	2.0e-4*** (7.3e-5)	4.5e-5 (1.5e-4)	-8.0e-5 (2.5e-4)
Constant	2.593*** (0.0626)	1.076*** (0.1280)	0.867*** (0.2095)
$Pr(H_0 : \beta_{\#} = 1)$	0.000	0.000	0.000
N	288	288	288
Passive searchers:	Nonparticipants (N)	N + want job	N + want job + available

CPS, 1996-2019

Regression estimates, Broader Passive Searchers

	(1)	(2)	(3)
β_{Frac}	-2.767*** (0.4062)	-2.463*** (0.1469)	-3.298*** (0.2380)
$\beta_{\#}$	-0.964* (0.5252)	-1.463*** (0.1469)	—
β_0	-0.427 (0.4281)	-0.039 (0.0931)	-1.148*** (0.1554)
Passive searchers:	<i>N</i> + want job		
Constrain $\beta_{\text{Frac}} + 1 = \beta_{\#}$?	No	Yes	—
F-test	$p(\beta_{\text{Frac}} + 1 = \beta_{\#})$ = 0.367	$p(\nu = \infty)$ = 0.000	$p(\nu = \infty)$ = 0.000
<i>N</i>	288	288	288
Implied ν	—	0.406	0.303
Implied ω	—	0.496	0.644

Note: CPS, 1996-20019