

# Three Essays in the Economics of Unemployment and Aging

## Chapter 1: Job Rationing in Recessions: Evidence from Work-Search Requirements

The last decade has seen a flurry of changes to unemployment insurance (UI) systems as policymakers try to reduce the unemployment rolls and prop up UI budgets. Many states have increased the work-search requirements for UI claimants in an effort to raise the disutility of claiming and match claimants with employers. However, the effects of these changes are initially unclear: canonical search-and-matching models of the labor market suggest that unemployment is entirely due to matching frictions, while job-rationing models suggest that weak labor markets may not clear even in the absence of frictions.

I compile novel data on work-search rules since the turn of the century and use changes in these rules as plausibly exogenous variation in worker search effort and matching frictions. I show that increases in state UI search requirements are associated with increased search effort as measured by a number of proxies. However, these increased efforts do not translate into detectably shorter UI claim durations or faster reemployment on average. Using a number of different identification strategies, I show that there is heterogeneity in the effects across labor market conditions and that search requirements are particularly ineffective in weak labor markets. The results suggest that the effectiveness of job-search policies is limited by the rationing of jobs in recessions.

## Chapter 2: Unemployment Insurance and Search Effort: Evidence from Social Security Offsets

This paper studies dramatic variation in unemployment insurance (UI) benefits generated by the elimination of Social Security offsets, state-level policies that limit unemployment benefits available to Social Security beneficiaries. These once-ubiquitous policies have been steadily eliminated across states since the 1980s, creating large increases in the availability and level of UI benefits for many workers ages 62 and over. I show that these policy changes are associated with considerably more UI claiming for workers of Social Security age and that the additional claiming brings with it additional self-reports of job search in survey data.

While standard economic analysis suggests that UI receipt depresses job search effort by raising the relative value of remaining unemployed, UI rules generally require claimants to demonstrate active job search efforts. UI search requirements may raise search effort for those who would otherwise be nonparticipants. I reconcile the positive correlation between UI receipt and reported search effort with a richer model of search and labor force participation. The model suggests that unemployment benefits may increase employment if workers

are induced to comply with search requirements and exert some positive job search effort.

Across a variety of data sources, I show that the elimination of Social Security offsets doubles the unemployment benefit claiming rate of workers over 62 who lose their jobs. I further show that share of this group that reports looking for a new job increases by 60 percent. Using a number of proxies for state variation in search effort of UI claimants, I show that this effect is concentrated in states that require high search effort for UI claimants.

### **Chapter 3: Changes in Food Intake at Retirement (with Melvin Stephens, Jr.)**

An influential paper by Aguiar and Hurst (2005) finds that an index of food consumption does not fall at retirement even though food expenditures drop precipitously. Using a broader number of data sources and methodologies, we find: 1) caloric intake falls at retirement in both cross-sectional and longitudinal data using OLS, 2) caloric intake decreases at retirement using age as an instrument for retirement, 3) underreporting of caloric intake decreases with age suggesting both OLS and 2SLS underestimate the decrease in intake at retirement, and 4) indices of food consumption fall at retirement.