Web Appendix

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1 Model Details

1.1 Optimal Reservation Wage and Search Intensity Paths

In the following we omit individual i subscripts from the model parameters to simplify notations.

Employment is an absorbing state, i.e. once employed a worker does not get laid off or move to better jobs. Since workers discount the future at the common subjective discount rate ρ, the value of being employed V^e satisfies:

$$V^e(w^*) = \frac{1}{\rho} w^*.$$

The Bellman equation for an unemployed worker is given as:

$$\begin{aligned} V^u(t) \quad &= b_t + \quad \max_{\lambda_t} \Bigg[-\psi(\lambda_t) + (1-\lambda_t) \frac{1}{1+\rho} V^u(t+1) \\ &\quad + \lambda_t \frac{1}{1+\rho} \int_w \max_{accept,reject} \left[V^e(w^*), V^u(t+1) \right] dF_t(w^*) \Bigg] \end{aligned}$$

Since $V^e(w^*)$ is increasing in w^*, the optimal search behavior of the worker is described by a reservation wage ϕ_t, so that all wage offers $w^* \geq \phi_t$ are accepted. This allows for writing the Bellman equation as:

$$V^u(t) = b_t + \max_{\lambda_t} \left[-\psi(\lambda_t) + \frac{1}{1+\rho} \left(V^u(t+1) + \lambda_t \int_{\phi_t}^{\infty} V^e(w^*) - V^u(t+1) \, dF_t(w^*) \right) \right]$$

Suppose that the environment becomes stationary for some $t \geq T$. In particular UI benefits and the wage offer distribution become constant after T: $b_t = b$, $F_t(w^*) = F_T(w^*)$. This implies that the optimal search strategy is a constant: reservation wage ϕ_T. Using the fact that $V^u(t) = V^u(t+1)$ in the stationary environment, it follows that the stationary reservation wage and the optimal search intensity are given by the follwowing system of equations:

$$\phi_T = (1+\rho)(b_T - \psi(\lambda_T)) + \frac{\lambda_T}{\rho} \int_{\phi_T}^{\infty} w^* - \phi_T dF_T(w^*) \tag{1}$$

$$(1+\rho)\rho\psi'(\lambda_T) - \int_{\phi_T}^{\infty} w^* - \phi_T dF_T(w^*) = 0 \tag{2}$$

An optimal search strategy in this model is described by a reservation wage ϕ_t and search intensity λ_t in each period. In the appendix we show that the optimal reservation wage and search intensity paths are described by the following pair of difference equations, where the reservation wage and search intensity in period $t-1$ can be derived from the reservatoin wage in period t.

In the nonstationary environment, $t < T$, we use the fact that: $\frac{1}{\rho}\phi_t = V^u(t+1)$. Therefore knowledge about the reservation wage ϕ_t and the optimal search intensity λ_t in period t will allow us to find the reservation wage in period $t-1$ using this equation:

$$(1+\rho)\phi_{t-1} = (1+\rho)\rho\left(b_{t-1} - \psi(\lambda_t)\right) + \phi_t + \lambda_t \int_{\phi_t}^{\infty} w^* - \phi_t dF_t(w^*) \tag{3}$$

Once we have found the reservation wage ϕ_{t-1}in period $t-1$ we can directly solve for the optimal search intensity in the same period:

$$(1+\rho)\rho\psi'(\lambda_{t-1}) - \int_{\phi_{t-1}}^{\infty} w^* - \phi_{t-1} dF_t(w^*) = 0 \tag{4}$$

In our empirical application we consider a system where UI benefits are at a constant level b up to the maximum potential duration of receiving UI benefits P. After benefit exhaustion, indivduals receive a second tier of payments indefinitely. We therefore have that $b_t = b$ for all $t \leq P$ and $b_t = \underline{b}$ for all $t > P$. Consider how the reservation wage path and the search intensity path is affected by a change in potential UI durations P. Using the first order conditions we get that:

$$\frac{d\phi_t}{dP} = \frac{dV^u_{t+1}}{dP}\rho \tag{5}$$

and

$$\frac{d\lambda_t}{dP} = -\frac{dV^u_{t+1}}{dP}\frac{1-F_t(\phi_t)}{(1+\rho)\psi''(\lambda_t)} \tag{6}$$

If there is at least a small chance that individuals might not find a job until UI exhaustion at $t = P$, then increasing P will increase the value of remaining unemployed for all $t \leq P$, so that $\frac{dV^u_{t+1}}{dP} > 0$. Therefore increasing P will increase the reservation wage ϕ_t and lower search intensity λ_t.

Since the hazard of leaving unemployment is given as $h_t = \lambda_t(1-F_t(\phi_t))$, we get that

$$\frac{dh_t}{dP} = -\frac{dV^u_{t+1}}{dP}\left[\frac{(1-F_t(\phi_t))^2}{(1+\rho)\psi''(\lambda_t)} + \rho\lambda_t f(\phi_t)\right] \tag{7}$$

Therefore if the extension in UI benefits affects the value of being unemployed in period t, then it will lower the probability of leaving unemployment in that period.

1.2 Derivation of Equation (7) in main text

The expected reemployment wage of individual i conditional on t is given as:

$$w_i^e(t,P) = E[w(t_i,P,\zeta_i,u)|t_i,\zeta_i] = \frac{\int_{\phi_t}^{\infty} w^* dF_t(w^*)}{1-F_t(\phi_t)}$$

Individual unemployment duration $t_i = t(P,\zeta_i,\varepsilon)$ is equal to the first period when a job offer arrives with a wage above the reservation wage. Thus ε is a vector of indicators signifying whether for each period there is a job offer with a wage above the reservation wage: $\varepsilon = \{I[job\_offer_t] \times I[w* \geq \phi_t]\}$ for $t = 0,1,...$ Note that the realized ε does not contain information about the value realized of realized wage offers conditional on being above the reservation wage.

We denote the distribution of ε for an individual with parameters ζ_i as $dH(\varepsilon;\zeta_i)$ and therefore the expected unemployment duration of an individual is: $t_i^e(P,\zeta_i) = \int t(P,\zeta_i,\varepsilon)dH(\varepsilon;\zeta_i)$

The expected reemployment wage of individual i (not conditioning on unemployment duration) $w_i^e(P) = E[w_i^e(t,P)|\zeta_i]$ can be obtained by integrating over $H(t;\zeta_i)$:

$$w_i^e(P) = E[w(t_i,P,\zeta_i,u)|\zeta_i] = \int w_i^e(t,P)\, dH(\varepsilon;\zeta_i)$$

The expected reemployment wage in population conditional on t, $w^e(t,P) = E[w_i^e(t,P)|t]$ is obtained by integrating over the distribution of ζ_i:

$$w^e(t,P) = E[w(t_i,P,\zeta_i,u)|t] = \int w_i^e(t,P)\, dG(\zeta_i)$$

The expected unconditional reemployment wage $w^e(P) = E[w_i^e(t,P)] = E[w_i^e(P)] = E[w^e(t,P)]$ can then be obtained by integrating over durations t and parameters ζ_i

$$w^e(P) = E[w(t_i,P,\zeta_i,u)] = \int\int w_i^e(t,P)\, dH(\varepsilon;\zeta_i)\, dG(\zeta_i)$$

Now we have that:

$$\begin{aligned}
w^e(P+h) - w^e(P) &= E\left[w_i^e(t(P+h),P+h) - w_i^e(t(P),P)\right] \\
&= E\left[w_i^e(t(P+h),P+h) - w_i^e(t(P+h),P) + w_i^e(t(P+h),P) - w_i^e(t(P),P)\right] \\
&= E\left[w_i^e(t(P+h),P+h) - w_i^e(t(P+h),P)\right] + E\left[w_i^e(t(P+h),P) - w_i^e(t(P),P)\right] \qquad (8)
\end{aligned}$$

Consider the second part of this expression:

$$
\begin{aligned}
E[w_i^e(t_i(P+h),P)-w_i^e(t_i(P),P)] &= E\left[\int_{t_i(P,\varepsilon)}^{t_i(P+h,\varepsilon)} \frac{\partial w_i^e}{\partial t}(t)dt\right] \\
&= E\left[\int_0^\infty \frac{\partial w_i^e}{\partial t}(t)\times I(t_i(P,\varepsilon)<t<t_i(P+h,\varepsilon))dt\right] \\
&= \int\int\int_0^\infty \frac{\partial w_i^e}{\partial t}(t)\times I(t_i(P,\varepsilon)<t<t_i(P+h,\varepsilon))\,dt\,dH(\varepsilon;\zeta_i)\,dG(\zeta_i) \\
&= \int_0^\infty\int\int \frac{\partial w_i^e}{\partial t}(t)\times I(t_i(P,\varepsilon)<t<t_i(P+h,\varepsilon))\,dH(\varepsilon;\zeta_i)dG(\zeta_i)\,dt \\
&= \int_0^\infty\int \frac{\partial w_i^e}{\partial t}(t)\times \int I(t_i(P,\varepsilon)<t<t_i(P+h,\varepsilon))\,dH(\varepsilon;\zeta_i)\,dG(\zeta_i)\,dt \\
&= \int_0^\infty\int \frac{\partial w_i^e}{\partial t}(t)\times I(t_i^e(P)<t<t_i^e(P+h))\,dG(\zeta_i)\,dt \\
&= \int_0^\infty E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\times I(t_i^e(P)<t<t_i^e(P+h))\right]dt \\
&= \int_0^\infty E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\middle| t, t_i^e(P)<t<t_i^e(P+h)\right]Pr(t_i^e(P)<t<t_i^e(P+h))dt \quad (9)
\end{aligned}
$$

Note that

$$
\begin{aligned}
Pr(t_i^e(P)<t<t_i^e(P+h)) &= Pr(t<t_i^e(P+h))-Pr(t<t_i^e(P)) \\
&= S(t;P+h))-S(t;P))
\end{aligned}
$$

Taking the limit of equation (9) for $h\to 0$, we get that:

$$
\begin{aligned}
\lim_{h\to 0}\frac{E[w_i(t_i(P+h),P)-w_i(t_i(P)),P]}{h} &= \lim_{h\to 0}\frac{\int_0^\infty E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\middle| t_i^e(P)<t<t_i^e(P+h)\right]Pr(t_i^e(P)<t<t_i^e(P+h))dt}{h} \\
&= \int_0^\infty \lim_{h\to 0}\frac{E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\middle| t_i^e(P)<t<t_i^e(P+h)\right]Pr(t_i^e(P)<t<t_i^e(P+h))}{h}dt \\
&= \int_0^\infty \lim_{h\to 0}\frac{E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\middle| t_i^e(P)<t<t_i^e(P+h)\right]}{h}\times\lim_{h\to 0}\frac{Pr(t_i^e(P)<t<t_i^e(P+h))}{h}dt \\
&= \int_0^\infty E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\middle|\frac{\partial S_i(t)}{\partial P}>0\right]\frac{\partial S(t)}{\partial P}dt \quad (10)
\end{aligned}
$$

Now we take the limit of equation (8) for $h\to 0$, to obtain the derivative

$$
\begin{aligned}
\frac{dE[w_i^e(t_i,P,\zeta_i,u)]}{dP} &= \lim_{h\to 0}\frac{w^e(P+h)-w^e(P)}{h} \\
&= E\left[\frac{\partial w_i^e(t,P)}{\partial P}\right]+\int_0^\infty E_\zeta\left[\frac{\partial w_i^e(t)}{\partial t}\middle|\frac{\partial S_i(t)}{\partial P}>0\right]\frac{\partial S(t)}{\partial P}dt
\end{aligned}
$$

q.e.d.

1.3 Proof of Proposition 1

Suppose $\frac{\partial w_i^e(t,P)}{\partial \phi_{it}} = 0$ for all individuals who respond to changes in UI durations. It then follows that $E\left[\frac{\partial w_i^e(t,P)}{\partial P}\right] = 0$ or equivalently that the first term in equation (8) in this appendix is equal to zero. Furthermore $\frac{\partial w_i^e(t,P)}{\partial \phi_{it}} = 0$ implies that $\frac{\partial w_i^e(t)}{\partial t} = \frac{\partial w_i^e(\phi_{it},\mu_{it})}{\partial \mu_{it}} \frac{\partial \mu_{it}}{\partial t}$. Plugging this into equation (9) above, directly yields the result in Proposition 1.

1.4 The Causal Effect of Nonemployment Duration on Wages with Binding Reservation Wage

Here we show how the causal effect of nonemployment durations on wages can be calculated for the homogenous-linear case. We have that $\frac{\partial w^e(t,P)}{\partial P} = \frac{\partial w^e(t,P)}{\partial \phi_t}\frac{\partial \phi_t}{\partial P} = \frac{\partial w^e(t,P)}{\partial \phi_t}\frac{dV_t^u}{dP}\rho$ and therefore: $\frac{\partial w^e(t,P)}{\partial \phi_t} = \frac{\frac{\partial w^e(t,P)}{\partial P}}{\frac{dV_t^u}{dP}\rho}$. To simplify notation denote: $\delta = E\left[\frac{\partial w^e(t,P)}{\partial P}\right]$ and note that in the linear case: $E\left[\frac{\partial w^e(t,P)}{\partial P}\right] = \frac{\partial w^e(t,P)}{\partial P}$. Plugging this into equation (5) in the main text we get:

$$\begin{aligned}
\frac{dE[w^e(t;P)]}{dP} &= \delta + \left[\delta\left(\frac{dV_t^u}{dP}\rho\right)^{-1}\frac{\partial \phi_t}{\partial t} + \frac{\partial w^e(t;P)}{\partial \mu_t}\frac{\partial \mu_t}{\partial t}\right]\frac{dD}{dP} \\
&= \delta + \left[\delta\frac{\frac{dV_t^u}{dt}}{\frac{dV_t^u}{dP}} + \frac{\partial w^e(t;P)}{\partial \mu_t}\frac{\partial \mu_t}{\partial t}\right]\frac{dD}{dP}
\end{aligned}$$

where we use that the change in the reservation wage from one period to the next is proportional to the change in the value of unemployment: $\frac{\partial \phi_t}{\partial t} = \frac{dV_t^u}{dt}\rho$. Some rearranging yields the slope of the wage offer distribution as a function of the IV estimator from above plus a term that depends on δ and the ratio of the change in the value of unemployment over time, relative to the change in the value of unemployment when potential UI benefits are extended by one month:

$$\frac{\partial w^e(t;P)}{\partial \mu_t}\frac{\partial \mu_t}{\partial t} = \frac{\frac{dE[w^e(t;P)]}{dP}}{\frac{dD}{dP}} - \delta\left[\frac{1}{\frac{dD}{dP}} + \frac{\frac{dV_t^u}{dt}}{\frac{dV_t^u}{dP}}\right] \tag{11}$$

Table 1: Smoothness of Predetermined Variables around Age Thresholds

	(1) Years of Education	(2) Female	(3) Foreign Citizen	(4) Tenure Last Job	(5) Experience Last Job	(6) Pre Wage	(7) UR at start of unemp	(8) County UR at start of unemp
Increase in Potential UI Dur. from 12 to 18 Months								
D(Age above Cutoff)	0.030	0.0086	0.0038	0.044	-0.046	0.12	0.0016	0.035
	[0.014]*	[0.0028]**	[0.0020]	[0.028]	[0.031]	[0.18]	[0.0087]	[0.025]
Effect relative to mean	0.0027	0.024	0.037	0.0082	-0.0041	0.0017	0.00017	0.0033
Observations	510955	510955	510955	510955	510955	480724	510955	441907
Mean of Dep. Var.	11.0	0.36	0.10	5.35	11.1	70.8	9.29	10.4
Pooling both Thresholds (12 to 18 Months and 18 to 22 Months)								
D(Age above Cutoff)	0.015	0.0054	0.0017	0.041	-0.034	0.12	-0.0095	0.017
	[0.0094]	[0.0020]**	[0.0017]	[0.023]	[0.024]	[0.13]	[0.0066]	[0.019]
Effect relative to mean	0.0014	0.015	0.016	0.0072	-0.0030	0.0016	-0.0010	0.0016
Observations	947068	947068	947068	947068	947068	888293	947068	829669
Mean of Dep. Var.	10.9	0.36	0.11	5.69	11.6	71.6	9.31	10.4

Notes: Standard errors clustered on day relative to cutoff level (* P<.05, ** P<.01)).
The sample are individuals who started receiving unemployment insurance between 1987 and 1999 within 2 years from the age thresholds. Each coefficient is from a separate regression discontinuity model with the dependent variable given in the column heading. The first panel shows the increase at the discontinuity at the age 42 threshold (where potential UI durations increase from 12 to 18 months). The second panel shows the increase at the age 44 threshold (where potential UI durations increase from 18 to 22 months). The third panel pools both thresholds. The models control for linear splines in age with different slopes on each side of the cutoff.

Table 2: The Effect of Potential UI Durations on Non-employment Durations and Wages by Sub-groups

	(1) UI Ben. Duration	(2) Non-Emp Duration	(3) Log Post Wage	(4) Log Wage Difference
Men Only				
$\frac{dy}{dP}$	0.22	0.097	-0.00084	-0.00094
	[0.0068]**	[0.014]**	[0.00048]	[0.00048]*
Effect relative to mean	0.15	0.036	-0.0010	0.037
Observations	602852	602852	517473	498508
Mean of Dep. Var.	7.40	13.7	4.15	-0.13
Women Only				
$\frac{dy}{dP}$	0.40	0.19	-0.00048	-0.0013
	[0.010]**	[0.020]**	[0.00078]	[0.00084]
Effect relative to mean	0.20	0.053	-0.00062	0.036
Observations	344216	344216	280279	268653
Mean of Dep. Var.	9.94	17.9	3.78	-0.18
Education: Abitur (University qual. exam) or higher				
$\frac{dy}{dP}$	0.24	0.077	-0.0013	-0.00076
	[0.014]**	[0.028]**	[0.0011]	[0.0010]
Effect relative to mean	0.15	0.024	-0.0015	0.023
Observations	157595	157595	136822	134099
Mean of Dep. Var.	8.29	16.1	4.26	-0.16
Education: Less than Abitur (University qual. exam)				
$\frac{dy}{dP}$	0.30	0.15	-0.0012	-0.0012
	[0.0064]**	[0.013]**	[0.00044]**	[0.00047]*
Effect relative to mean	0.18	0.049	-0.0015	0.040
Observations	789473	789473	660930	633062
Mean of Dep. Var.	8.33	15.1	3.97	-0.14

Notes: Coefficients from RD regressions. Local linear regressions (different slopes) on each side of cutoff. Standard errors clustered on day level (* P<.05, ** P<.01)).

Table 3: Slope of Mean Wage Offers as Function of $\frac{dVu/dt}{dVu/dP}$ and the effect of UI extensions conditional on duration of nonemployment $dE[w|t]/dP$

	$\frac{dVu/dt}{dVu/dP}$								
$\delta = E[dE[w\|t]/dP]$ in percent	-1	-2	-3	-4	-5	-6	-7	-8	-9
0	-0.008	-0.008	-0.008	-0.008	-0.008	-0.008	-0.008	-0.008	-0.008
0.095	-0.014	-0.013	-0.012	-0.011	-0.010	-0.009	-0.008	-0.007	-0.006
0.1	-0.014	-0.013	-0.012	-0.011	-0.010	-0.009	-0.008	-0.007	-0.006
0.2	-0.020	-0.018	-0.016	-0.014	-0.012	-0.010	-0.008	-0.006	-0.004
0.3	-0.026	-0.023	-0.020	-0.017	-0.014	-0.011	-0.008	-0.005	-0.002
0.4	-0.032	-0.028	-0.024	-0.020	-0.016	-0.012	-0.008	-0.004	0.000
0.5	-0.039	-0.034	-0.029	-0.024	-0.019	-0.014	-0.009	-0.004	0.001
0.6	-0.045	-0.039	-0.033	-0.027	-0.021	-0.015	-0.009	-0.003	0.003
0.7	-0.051	-0.044	-0.037	-0.030	-0.023	-0.016	-0.009	-0.002	0.005
0.8	-0.057	-0.049	-0.041	-0.033	-0.025	-0.017	-0.009	-0.001	0.007
0.9	-0.063	-0.054	-0.045	-0.036	-0.027	-0.018	-0.009	0.000	0.009
1.0	-0.069	-0.059	-0.049	-0.039	-0.029	-0.019	-0.009	0.001	0.011

Notes: The table shows the implied slope of the mean wage offer distribution if the effect of potential UI durations on reemployment wages conditional on nonemployment durations is not equal to zero $dE[w|t]/dP$. Rows show the implied slope for different values of $dE[w|t]/dP$ and columns for different values of $\frac{dVu/dt}{dVu/dP}$. The preferred point Estimate for $dE[w|t]/dP$ is 0.015% (from last column and bottom panel of Table 10).
The upper bound of the 95% confidence interval for $dE[w|t]/dP$ is 0.095%.

Table 4: The Effect of UI Extensions by Different States of the Business Cycle

	Unemployment Rate Decreasing			**Unemployment Rate Increasing**		
	Non-Emp Duration	Log Post Wage	Log Wage Difference	Non-Emp Duration	Log Post Wage	Log Wage Difference
Increase in Potential UI Dur. from 12 to 18 Months						
D(Age above Cutoff)	0.97	-0.0072	-0.0017	0.90	-0.0081	-0.0092
	[0.22]**	[0.0049]	[0.0046]	[0.17]**	[0.0037]*	[0.0036]*
$\frac{dy}{dP}$	0.16	-0.0012	-0.00028	0.15	-0.0013	-0.0015
	[0.037]**	[0.00082]	[0.00077]	[0.029]**	[0.00062]*	[0.00061]*
Effect relative to mean	0.071	-0.0018	0.015	0.059	-0.0020	0.059
Observations	168936	168637	161534	268963	268545	258777
Pooling both Thresholds						
D(Age above Cutoff)	0.62	-0.0041	-0.0049	0.75	-0.0056	-0.0052
	[0.16]**	[0.0037]	[0.0035]	[0.13]**	[0.0026]*	[0.0027]
$\frac{dy}{dP}$	0.12	-0.00082	-0.00097	0.15	-0.0011	-0.0010
	[0.032]**	[0.00073]	[0.00069]	[0.026]**	[0.00053]*	[0.00055]
Effect relative to mean	0.045	-0.0010	0.040	0.049	-0.0014	0.032
Observations	302786	302225	289473	496319	495527	477688

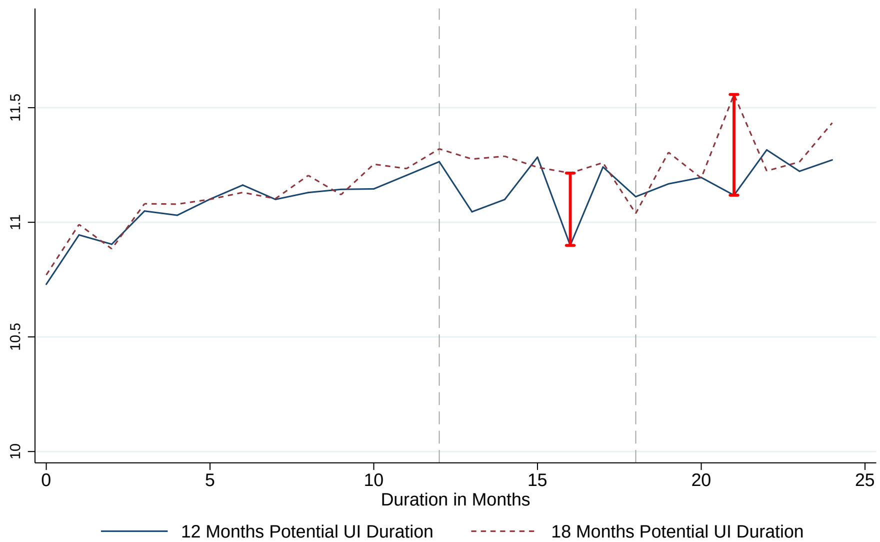
Notes: Coefficients from RD regressions. Local linear regressions (different slopes) on each side of cutoff. Standard errors clustered on day level (* P<.05, ** P<.01)).

Table 5: Investigating Different Channels of Wage Losses

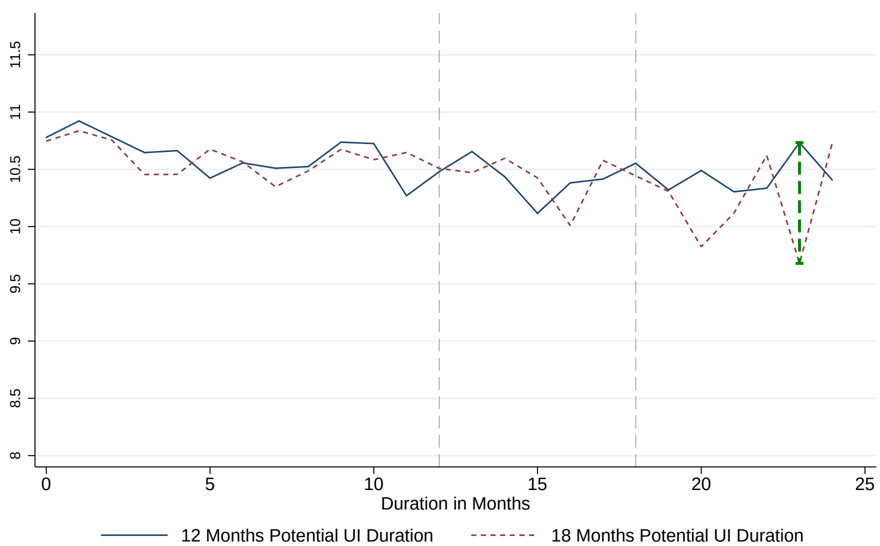
	(1) Log Wage Baseline	(2) Log Wage Ctrls Obs	(3) Log Wage Ctrls Obs	(4) Log Wage Ctrls Obs	(5) Log Wage Ctrls Obs	(6) Log Wage Ctrls Obs
Increase in Potential UI Dur. from 12 to 18 Months						
D(Age above Cutoff)	-0.0066	-0.0060	-0.0074	-0.0083	-0.0057	-0.0046
	[0.0029]*	[0.0029]*	[0.0030]*	[0.0030]**	[0.0026]*	[0.0026]
Switch 3 digit Industry after UE	-0.082	-0.035				
	[0.0015]**	[0.0018]**				
Switch Occupation after UE		-0.091				
		[0.0017]**				
UR at start of unemployment spell			-0.015			
			[0.00077]**			
UR at end of unemployment spell			-0.0066			
			[0.00081]**			
Log Establishment Size of Post-UE Job				0.036		
				[0.00043]**		
Post UE Spell: Fulltime Emp					0.61	
					[0.0024]**	
Tenure at next job after UE						0.012
						[0.00012]**
$\frac{dy}{dP}$	-0.0011	-0.0010	-0.0012	-0.0014	-0.00061	-0.00053
	[0.00049]*	[0.00049]*	[0.00049]*	[0.00049]**	[0.00044]	[0.00044]
Observations	437182	437182	437182	437182	437182	437182
Mean of Dep. Var.	4.01	4.01	4.01	4.01	4.01	4.01
Pooling both Thresholds (12 to 18 Months and 18 to 22 Months)						
D(Age above Cutoff)	-0.0039	-0.0034	-0.0050	-0.0051	-0.0044	-0.0028
	[0.0021]	[0.0021]	[0.0021]*	[0.0021]*	[0.0019]*	[0.0019]
Switch 3 digit Industry after UE	-0.085	-0.037				
	[0.0012]**	[0.0013]**				
Switch Occupation after UE		-0.093				
		[0.0012]**				
UR at start of spell			-0.018			
			[0.00059]**			
UR at end of unemployment spell			-0.0028			
			[0.00062]**			
Log Establishment Size of Post-UE Job				0.035		
				[0.00032]**		
Post UE Spell: Fulltime Emp					0.62	
					[0.0018]**	
Tenure at next job after UE						0.012
						[0.000089]**
$\frac{dy}{dP}$	-0.00079	-0.00069	-0.0010	-0.0010	-0.00047	-0.00037
	[0.00042]	[0.00042]	[0.00042]*	[0.00042]*	[0.00038]	[0.00038]
Observations	797752	797752	797752	797752	797752	797752
Mean of Dep. Var.	4.02	4.02	4.02	4.02	4.02	4.02

Notes: Coefficients from RD regressions. Local linear regressions (different slopes) on each side of cutoff. Standard errors clustered on day level (* P<.05, ** P<.01)).

Figure 1: The Effects of Extended Potential UI Durations on Selection throughout the Spell of Non-employment



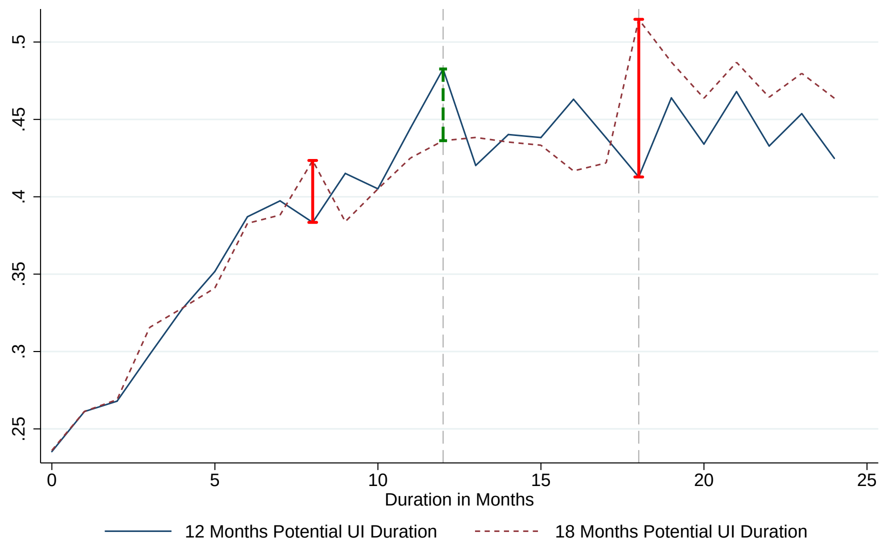
(a) Years of Schooling



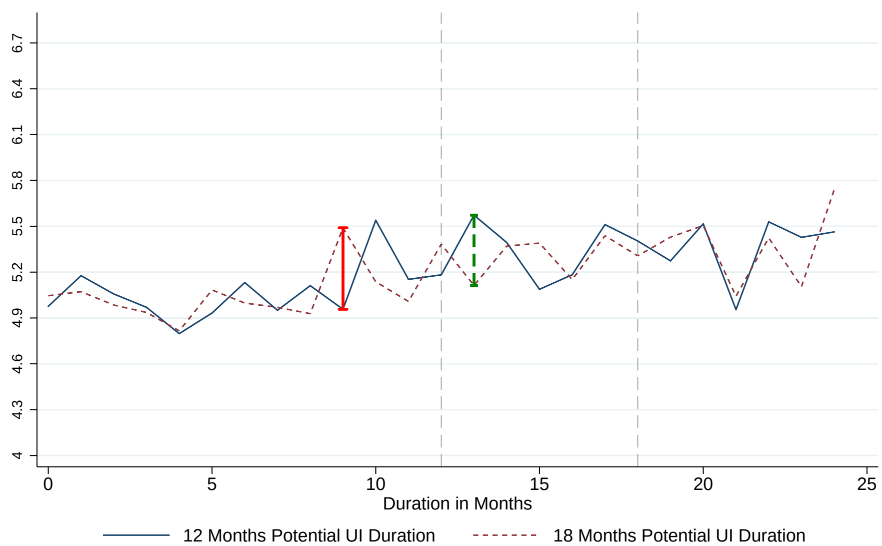
(b) Pre-unemployment Experience

Notes: The difference between the lines is estimated pointwise at each point of support using regression discontinuity estimation. Vertical bars indicate that the differences are statistically significant from each other at the five percent level. The sample are unemployed worker claiming UI between July 1987 and March 1999 who had worked for at least 36 months in the last 7 years without intermittent UI spell. For details see text.

Figure 2: The Effects of Extended Potential UI Durations on Selection throughout the Spell of Non-employment



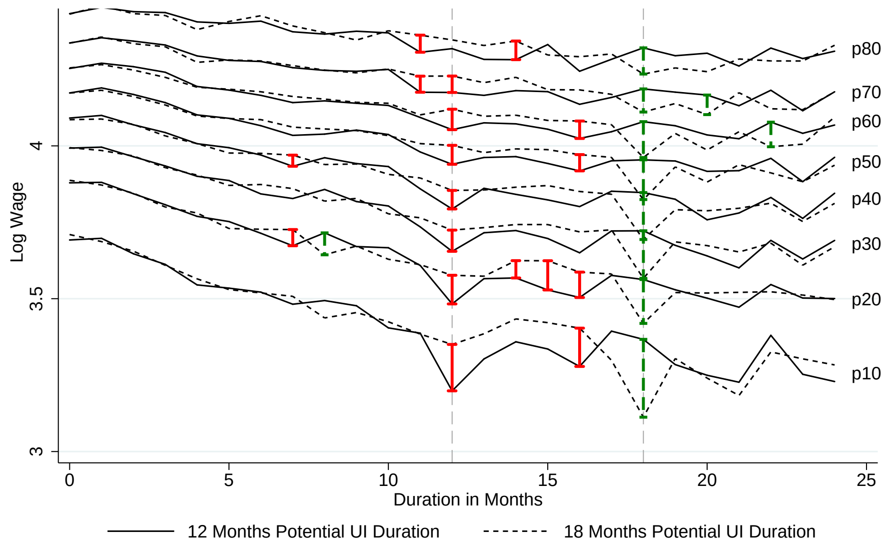
(a) Female



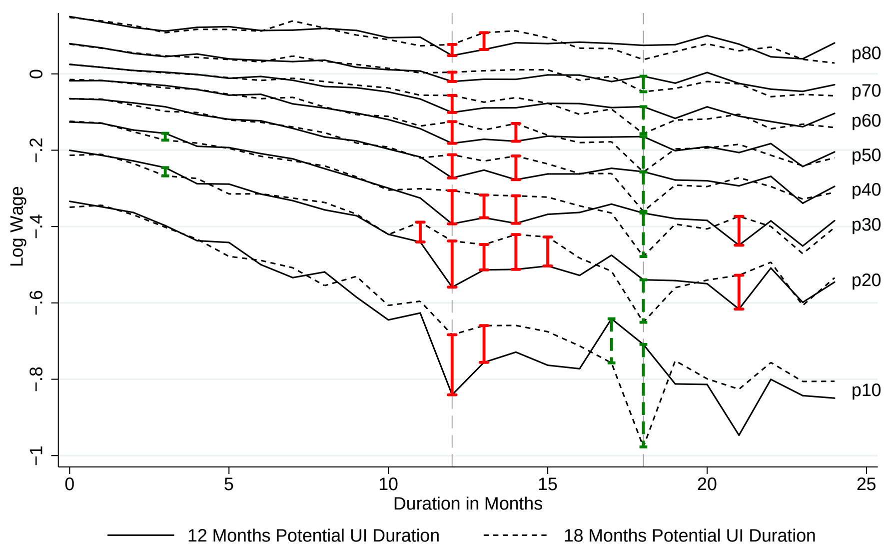
(b) Pre-unemployment Tenure

Notes: The difference between the lines is estimated pointwise at each point of support using regression discontinuity estimation. Vertical bars indicate that the differences are statistically significant from each other at the five percent level. The sample are unemployed worker claiming UI between July 1987 and March 1999 who had worked for at least 36 months in the last 7 years without intermittent UI spell. For details see text.

Figure 3: Quantile Regressions of the Effects of Extended Potential UI Durations on Reemployment Wages throughout the Spell of Non-employment



(a) Post-unemployment log wage



(b) Log wage difference (post - pre unemployment)

Notes: The difference between the lines is estimated point wise at each point of support using regression discontinuity estimation. Vertical bars indicate that the differences are statistically significant from each other at the five percent level. The sample are unemployed worker claiming UI between July 1987 and March 1999 who had worked for at least 36 months in the last 7 years without intermittent UI spell. The labels on the right indicate the percentiles at which the differences are estimated. For details see text.