

NOT WORKING AT WORK: LOAFING, UNEMPLOYMENT AND LABOR PRODUCTIVITY

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Abstract: Using the American Time Use Survey (ATUS) 2003-12, we estimate time spent by workers in non-work while on the job. Non-work time is substantial and co-varies positively with the local unemployment rate. While the fraction of workers who spend some time in non-work varies pro-cyclically, the average time spent by workers in non-work conditional on any positive non-work varies counter-cyclically. These results are consistent with a model in which heterogeneous workers are paid efficiency wages to refrain from loafing on the job. That model also predicts relationships of the incidence and conditional amounts of non-work with wage rates and unemployment benefits that are observed in links of the ATUS to data characterizing states' unemployment insurance schemes.