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## Increasing Application Rates to Increase UI Reciprocity

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### **Question: What is the leading reason that jobless individuals do not receive UI?**

**Answer:** No single factor explains low UI receipt by jobless workers. But the biggest single reason for low UI reciprocity is non-application for UI. Indeed, the largest single group of non-recipients among unemployed workers is non-applicants. According to GAO reports using SIPP data, low-wage workers are more than twice as likely to experience unemployment as higher-wage workers, but about half as likely to receive UI benefits (GAO, 2007, 2000). While there are many formal legislative steps that advocates can seek to improve UI that we discuss in this Toolkit, making UI administration more customer-friendly and accessible is a potentially worthwhile step that will have a positive impact by increasing UI reciprocity among non-applicants.

### **Question: What are the known reasons for low application rates for UI?**

**Answer:** Supplemental CPS surveys of unemployed workers have been conducted (in 1976, 1989, 1993, and 2005) to provide us with some reasons why individuals don't apply for UI. Wayne Vroman of The Urban Institute has analyzed these surveys over the years to try to determine the reasons for low application rates. His latest paper summarizes his findings using the 2005 supplement data along with his observations about results of the earlier surveys (Vroman, 2009a). Survey results show the single biggest reason (51.9 percent) that individuals surveyed did not apply was a belief that they were not eligible. Workers in temporary employment were identified as especially ill-informed about UI, with 17.2 percent believing their work was not covered by UI and 8.9 percent saying they did not know about UI or know how to file for UI (id., Table 5).

Among the reasons given for not applying by those in the group who gave a belief that they were ineligible, the two biggest subgroups were those saying they had insufficient past work to qualify (27.6 %) and individuals reporting they were separated due to a quit or discharge (13.8 %). Another 13.6 percent of non-applicants had a job lined up or were employed by the time of the survey. A significant group of those not applying for UI (17.8%) had some barrier arising from their attitude or understanding of UI, with 5 percent stating they did not need the money or did not want the hassle, 4.9 percent saying they did not know about UI or know how to file for UI, and 4.0 percent being told they were not eligible for UI. Only 1.8 percent gave a negative attitude about UI as a reason for not applying, and this is consistent with earlier findings that stigma is not given as a big reason for non-application for UI (id., Table 4). For more detailed results analyzing the 2005 data, see Vroman, 2009b.

In a later study of the 2005 CPS supplement data, Alix Gould-Werth and Luke Shaefer explored the demographics of non-applicants for UI. They found that those without a high school degree and Hispanic speakers made up a significant portion of non-applicants and that individuals in these groups especially lacked knowledge of UI. (Gould-Werth, 2012a, 2012b).

Explanations for non-filing that NELP has heard anecdotally from jobless workers include fear of employer retaliation (in terms of not rehiring workers who file claims).

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In some states, anti-fraud measures directed at UI claimants have resulted in reluctance to apply for benefits. In addition, some employers may advise workers they are not eligible or ask employees to sign documents (legally unenforceable under federal and state law) to indemnify employers for UI benefits. These anecdotal reasons for non-filing have not been explored in depth. Nonetheless, it seems difficult for employer groups to argue against measures to reduce the risk that these sorts of activities are reducing UI application rates.

**Question: What steps can be taken to increase UI application rates?**

**Answer:** Sensible steps to increase UI application rates would include ensuring that at least two of the three typical means of taking UI applications (in-person, online, and telephone) are available in every state, providing UI access in more languages than English, public education about UI programs, employer posting of UI benefit information, anti-retaliation protections, requiring or encouraging employer-filed claims, and eliminating technological barriers to claims filing and work registration. (Gould-Werth, 2012b).

Many of these access recommendations are now legally mandated. Recent guidance from the U.S. Labor Department significantly clarified the responsibilities of state UI agencies regarding access to UI benefits. Relying upon both federal UI and civil rights legal requirements, Labor has instructed states that while on-line filing requirements can be promoted as a primary means of filing UI claims, state policies and operational practices cannot be exclusively on-line, and alternative methods for in-person and telephonic filing must provide “equal access” to individuals seeking benefits (USDOL, 2015). Increasing administrative funding for state UI agencies in order to implement customer service standards and mandating outreach to potential claimants are other measures that states can undertake or that USDOL could encourage.

**Resources:**

- Government Accountability Office (GAO), “Unemployment Insurance: Low-Wage and Part-Time Workers Continue to Experience Low Rates of Receipt,” GAO-07-1147 (September 2007), <http://www.gao.gov/assets/270/266500.pdf>.
- (GAO), “Unemployment Insurance: Role as Safety Net for Low-Wage Workers is Limited,” GAO-01-181 (December 29, 2000), <http://www.gao.gov/products/GAO-01-181>.
- U.S. Department of Labor, “State Responsibilities for Ensuring Access to UI Benefits,” UI Program Letter No. 2-16 (October 1, 2015), [http://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_02-16\\_Acc.pdf](http://wdr.doleta.gov/directives/attach/UIPL/UIPL_02-16_Acc.pdf).
- Alix Gould-Werth and H. Luke Shaefer, “Unemployment Insurance participation by education and by race and ethnicity,” Monthly Labor Review, vol. 135 (October 2012a), pp 28-41, <http://www.bls.gov/opub/mlr/2012/10/art3full.pdf>.
- Alix Gould-Werth and Claire McKenna, “Unemployment Insurance Application and Receipt: Findings on Demographic Disparities and Suggestions for Change,” Brief (December 2012b), <http://www.nelp.org/content/uploads/2015/03/Unemployment-Insurance-Application-Receipt-Demographic-Disparities-Report.pdf>.
- Wayne Vroman, “Unemployment insurance recipients and nonrecipients in the CPS,” Monthly Labor Review, (October 2009a), <http://www.bls.gov/opub/mlr/2009/10/art4full.pdf>.
- “An Analysis of Unemployment Insurance Non-Filers: 2005 CPS Supplement Results,” IMPAQ International for USDOL (ETAOP 2009-07) (2009b), [http://wdr.doleta.gov/research/FullText\\_Documents/An%20Analysis%20of%20Unemployment%20Insurance%20Non-Filers%20-%202005%20CPS%20Supplement%20Results.pdf](http://wdr.doleta.gov/research/FullText_Documents/An%20Analysis%20of%20Unemployment%20Insurance%20Non-Filers%20-%202005%20CPS%20Supplement%20Results.pdf).