Making the Case: Preserving Strong State UI Programs Through Research

*Understanding UI Benefits*

NELP 2011 UI Conference
Washington, D.C.
December 6, 2011

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National Employment Law Project
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Key UI Benefits Concepts

- **Eligibility and Recipiency:**
  - What percent of UI applicants receive benefits?
  - How many unemployed workers collect benefits?

- **Amount:**
  - How much do workers receive in benefits?
  - What percent of lost wages does UI replace?

- **Duration:**
  - How long do workers collect benefits?
  - How many run out of benefits before finding a job?
Applications for, and Workers on, UI

- **Initial Claims**: Number of workers applying for UI during new period of unemployment. Proxy for labor market conditions (400,000+ indicates no growth)
  - New: Applications *to start* benefit year
  - Additional: Applications *within* benefit year

- **First Payments**: Number of workers accepted onto program and receiving first weekly payment of benefit year. Equals “beneficiaries.”

- **Continued Claims (Insured Unemployed)**: Number of workers currently receiving UI
Aggregate Measures of Program Levels

- **Weeks Claimed**: Number of weeks of benefits *claimed* (including waiting weeks and disqualification periods)

- **Weeks Compensated**: Number of weeks claimed for which benefits *paid*, including partial unemployment (number of weekly checks distributed)

- See also **Benefits Paid ($)**
Recipiency Measures

- **Recipiency Rate:** Percentage of *all* unemployed on UI. Equals Insured Unemployed divided by Total Unemployed. Imperfect measure, as includes ineligible workers.
  - **Regular:** State UI, UCFE, and UCX
  - **All Programs:** Regular Programs and Federal Extensions

- **Insured Unemployment Rate (IUR):** Percentage of Covered Employment (UI-covered employees as reported by employers) on UI. Equals Insured Unemployed divided by Covered Employment.
Benefit Amount Measures

- **Benefits Paid ($):** Total value of benefits paid out in given time period. Measure of program cost.

- **Maximum Weekly Benefit:** Benefit calculation cannot exceed this amount. 36 states index to wage growth. 14 provide Dependents’ Allowances.

- **Replacement Rate:** Portion of wages replaced by UI. Equals AWBA divided by Average Weekly Wage (AWW, total wages paid to Covered Employment divided by 52).
Duration Measures

- **Maximum:** 26 weeks standard (MA offers 30)
  - Six states reduced maximum in 2011; more in 2012?

- **Average Duration:**
  - Average number of weeks claimants receive in benefit year
  - Equals Weeks Compensated for year divided by First Payments

- **Exhaustions (Final Payments):** Number of claimants who reach end of benefit entitlement (presumably unemployed)

- **Exhaustion Rate:** Percent of claimants who begin receiving benefits who exhaust them six* months later (7.11 to 12.11 = Exhaustions divided by First Payments 1.11 to 6.11)
Key State UI Benefits Data Sources

- **Weekly Claims Data:**
  [Weekly Claims Data](http://www.ows.doleta.gov/unemploy/claims.asp)

- **Program Data:**
  - **Monthly:** [Monthly Data](http://www.ows.doleta.gov/unemploy/claimssum.asp)
  - **Quarterly and 12-month (UI Data Summary):**
    [Quarterly and 12-month Data](http://www.ows.doleta.gov/unemploy/content/data.asp)
  - **Annual, Historical (394 Handbook / UI Chartbook):**

- **Eligibility Criteria and Benefit Entitlement:**
  - **Comparison of State UI Laws** (Annual)
  - **Significant Provisions of State UI Laws** (January/July)
State UI Weekly Claims Data

- **Current Weekly, National (12.1 Press Release):**
  

  In week ending November 26, **402,000** persons lost their jobs and filed for UI. Figure accounts for seasonal fluctuations.

  Four-week average smooths volatility

  **3.2 million** people currently receiving regular state UI (NSA)

<table>
<thead>
<tr>
<th>WEEK ENDING</th>
<th>Advance Nov. 26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Claims (SA)</td>
<td>402,000</td>
</tr>
<tr>
<td>Initial Claims (NSA)</td>
<td>370,615</td>
</tr>
<tr>
<td>4-Wk Moving Average (SA)</td>
<td>395,750</td>
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</table>

<table>
<thead>
<tr>
<th>WEEK ENDING</th>
<th>Advance Nov. 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ins. Unemployment (SA)</td>
<td>3,740,000</td>
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<tr>
<td>Ins. Unemployment (NSA)</td>
<td>3,152,577</td>
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<tr>
<td>4-Wk Moving Average (SA)</td>
<td>3,683,250</td>
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<tr>
<td>Ins. Unemployment Rate (SA)</td>
<td></td>
</tr>
<tr>
<td>Ins. Unemployment Rate (NSA)</td>
<td></td>
</tr>
</tbody>
</table>

- **Historical Weekly, National and State (NSA):**
  
State UI Summary Data by Month

Monthly Program and Financial Data

The monthly summary report is intended to provide the user with a quick overview of the status of the UI system at the national and state levels. This summary report contains monthly information on claims activities and on the number and amount of payments under State unemployment insurance laws. This data is used in budgetary and administrative planning, program evaluation, and reports to Congress and the public.

Select:
- State
- US Total

Please select State(s):
- District of Columbia
- Florida
- Georgia
- Hawaii

Please select a date range (YYYY/MM):
- Starts: 2011 1
- Ends: 2011 10

May choose one month of data for All States (and U.S.) or multiple months of data for a single State.

Source: http://www.ows.doleta.gov/unemploy/claimssum.asp
### Monthly Eligibility Data - Florida

**Monthly Program and Financial Data**

**SUMMARY DATA FOR STATE PROGRAMS, BY SELECTION OF THE STATE(S), REPORT PERIOD BETWEEN 01/01/2011 AND 10/31/2011**

<table>
<thead>
<tr>
<th>STATE</th>
<th>Initial Claims</th>
<th>First Payments</th>
<th>Weeks Claimed</th>
<th>Weeks Compensated</th>
<th>Avg. Wkly Benefit</th>
<th>Benefits Paid</th>
<th>Final Payments</th>
</tr>
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<tbody>
<tr>
<td>Florida</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01/31/2011</td>
<td>105,635</td>
<td>40,201</td>
<td>863,800</td>
<td>703,951</td>
<td>$229.75</td>
<td>159,133,502</td>
<td>29,668</td>
</tr>
<tr>
<td>02/28/2011</td>
<td>69,366</td>
<td>35,746</td>
<td>771,039</td>
<td>644,259</td>
<td>$229.74</td>
<td>145,315,720</td>
<td>24,742</td>
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<tr>
<td>03/31/2011</td>
<td>73,241</td>
<td>33,869</td>
<td>831,651</td>
<td>697,355</td>
<td>$230.60</td>
<td>157,947,848</td>
<td>27,167</td>
</tr>
<tr>
<td>04/30/2011</td>
<td>77,566</td>
<td>31,742</td>
<td>672,562</td>
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<tr>
<td>05/31/2011</td>
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<tr>
<td>06/30/2011</td>
<td>85,432</td>
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<tr>
<td>07/31/2011</td>
<td>95,608</td>
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<tr>
<td>08/31/2011</td>
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<tr>
<td>09/30/2011</td>
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<td>10/31/2011</td>
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<td>617,238</td>
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<td>112,265,374</td>
<td>20,421</td>
</tr>
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* Run Date: 11/30/2011

* Average Weekly Benefit for weeks of total unemployment.

**Source:** http://www.ows.doleta.gov/unemploy/claimssum.asp

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In October 2011, roughly **72,000 Floridians** lost their jobs and **filed for UI benefits**.

Over **22,000 Floridians qualified** for UI benefits.
In October 2011, out of roughly 617,000 weeks of unemployment claimed in FL, roughly 492,000 UI checks were paid out. The average check equaled $231. In total, $112.3 million of benefits were distributed in FL in October 2011.

Source: http://www.ows.doleta.gov/unemploy/claimssum.asp
## Monthly Exhaustions - Florida

### Monthly Program and Financial Data

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<tr>
<td>04/30/2011</td>
<td>79,135</td>
<td>34,519</td>
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<td>05/31/2011</td>
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<td>06/30/2011</td>
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<td>07/31/2011</td>
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<td>143,745,563</td>
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<td></td>
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Run Date: 11/30/2011

* Average Weekly Benefit for weeks of total unemployment.

* In October 2011, roughly 20,000 Floridians exhausted their regular state UI benefits.

**Source:** [http://www.ows.doleta.gov/unemploy/claimssum.asp](http://www.ows.doleta.gov/unemploy/claimssum.asp)
Current Quarterly or 12-month Data: UI Data Summary

- State-reported data from UI data base and UI-related data from external sources (e.g., Bureau of Labor Statistics and U.S. Department of Treasury)
- Provides individual state pages and summary tables
- Covers regular state UI (except for Recipiency)
- Reports data for latest quarter (2011.3) and 12 months; ranks states according to each measure
- Glossary of terms

Source: http://www.ows.doleta.gov/unemploy/content/data.asp
UI Data Summary - Benefits

The average check paid out in FL over the last year equaled **$230** and replaced **29.0%** of the average wage. The state **ranks at the bottom** on these two measures.

Roughly **63%** of FL state UI recipients exhausted their benefits over last year. Rate is **second highest** in U.S.

FL paid out **8.6 million** UI checks last year totaling **$1.9 billion** in benefits in last year. Rank with populous, high-unemployment states.

Source: [http://www.ows.doleta.gov/unemploy/content/data.asp](http://www.ows.doleta.gov/unemploy/content/data.asp)
UI Data Summary - Labor Force and Recipiency

There are roughly **1.1 million** unemployed workers in FL. State ranks **third**. About **3%** of covered employees in FL are on UI. State ranks **in bottom one-third** of states.

Roughly **19%** of unemployed workers in FL received regular UI in last year, on average. State ranks **near last**.

There are roughly **7.0 million** UI-covered employees in FL (out of Labor Force of **9.2 million**).

**Source:** http://www.ows.doleta.gov/unemploy/content/data.asp
Annual Historical Data: 394 Handbook

ET Financial Data Handbook 394 -- FOREWORD

The Unemployment Insurance Financial Data Handbook is intended primarily for the use of State Workforce Agencies and others in projecting unemployment insurance benefits costs and in the analysis of various aspects of benefit financing.

Most of these data were compiled from monthly and quarterly statistical and accounting reports submitted by the State Workforce Agencies to the Employment and Training Administration of the U.S. Department of Labor. Revised data and corrections have been incorporated into these tables to the extent possible. Data contained in this Handbook may not be identical with State records. Significant corrections and/or additions, as well as any comments, should be sent to the national office (Attention: TEUFA).

In comparing data for different States or years, analysts should consider differences in coverage provisions, benefits formulas, tax bases, economic conditions, etc. They should use the expertise of the State agency and the national office personnel in determining significant changes in data among States or years and understand the General Notes and the Glossary prior to using the Handbook data.

Annual employment, wage, claims, and benefit amount (and financial) data available for states and U.S. going back to 1938.

Source: http://workforcesecurity.doleta.gov/unemploy/hb394.asp
Annual Historical Data: UI Chartbook

Unemployment Insurance Chartbook

The UI Chartbook are used in current economic analysis of unemployment trends in the Nation, and in each State. Initial claims measure emerging unemployment and continued weeks claimed measure the number of persons claiming unemployment benefits.

Quickly generates figures at state or national level for select key UI measures (e.g., Recipiency over time). User may email underlying data.

Source: http://www.doleta.gov/unemploy/chartbook.cfm
Total State UI Weeks Compensated by Year - U.S. and Florida, 1970 to 2010 (mil)

State UI Exhaustion Rate by Year - U.S. and Florida, 1970 to 2011

Percent of FL UI recipients who exhaust benefits almost always above U.S. average. Peaked at about 71% in 2009.

National exhaustion rate over 50 percent since 2009, when it peaked at about 59%.

Regular UI Recipiency by Year - U.S. and Florida, 1970(6) to 2011

U.S. average recipiency trending downward. **2011** to be record year.

1984: 29.5%

1986: 15.0%

FL recipiency consistently, **significantly** below U.S. average. **2011** rate near 1986 record.

2011: 27.0%

2011: 17.0%

State UI Replacement Rate by Year - U.S. and Florida, 1970 to 2011

U.S. replacement steady over time. Is currently around 33%.

For last decade, FL weekly benefit has provided below-average coverage. Is currently around 29%.