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Differences in Application Rates and Receipt among Applicants by
Education and Race and Ethnicity**

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by Education and Race and Ethnicity

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Abstract

In this paper we examine patterned variation by educational attainment and race and ethnicity in rates of application for UI and receipt of UI benefits among applicants. We use the Current Population Survey (CPS) March 2005 UI non-filers supplement to examine UI application and participation rates of unemployed workers, stratifying the sample by educational attainment and race and ethnicity. We find that unemployed workers without a high school diploma are far less likely both to apply for and to receive UI, conditional on application, than their college-educated counterparts. Differences in rates of UI application and receipt by applicants among workers with a high school degree or more are less pronounced. Interestingly, however, we find statistically significant differences across education levels in the reasons cited by non-filers for their failure to apply. Our bivariate estimates suggest both Black and Hispanic unemployed workers are less likely to apply for UI, and applicants are less likely to receive benefits, when compared to non-Hispanic White individuals. In our multivariate estimates, though, the disparities by race and ethnicity are sensitive to the inclusion of other characteristics. The only consistent association we identify is that Hispanic UI applicants are less likely to receive UI than non-Hispanic applicants.

Introduction

The purpose of the Federal-State Unemployment Insurance Program (UI) is to provide partial wage replacement for individuals who lose a job through no fault of their own. The program also serves to stabilize the macroeconomy during economic downturnsⁱ. Receipt of UI, however, is far from universal, with consistently less than half of unemployed workers receiving benefitsⁱⁱ. Which workers fall into the group of insured unemployed and which do not varies based on several factors, such as the reason for unemployment, earnings history, part-time or full-time work status, union coverage, and duration of unemployment. Understudied, however, is whether variation in application for and receipt of benefits among applicants varies systematically with the key demographic characteristics of educational attainment and race and ethnicity.

Recent research suggests that low-educated and minority unemployed workers are less likely to access UI than high-educated and white non-Hispanic workers, respectivelyⁱⁱⁱ. At the same time, these workers may be more likely to need the monetary support provided by UI, as they are less likely to have assets that they can draw on to smooth consumption during periods of unemployment^{iv}. While studies have examined the overall likelihood that a worker will receive UI benefits by educational attainment and race and ethnicity^v, to date no in-depth analysis has been conducted that examines differences in application rates, receipt by applicants, and perceived ineligibility by educational attainment, nor by race and ethnicity.

To better understand which workers apply for UI, and which applicants receive it, we analyze the Current Population Survey (CPS) March 2005 UI non-filers supplement. We examine whether unemployed workers apply for UI, whether applicants receive UI,

and why non-applicants fail to apply, stratifying the sample by educational attainment and race and ethnicity. We find that unemployed workers without a high school diploma are far less likely both to apply for and to receive UI, conditional on application, than their college-educated counterparts. Differences in rates of UI application and receipt by applicants among workers with a high school degree or more are less pronounced. Interestingly, however, we find statistically significant differences across education levels in the reasons cited by non-filers for their failure to apply.

Turning to race and ethnicity, we find bivariate evidence that Hispanics are less likely both to apply for and to receive UI if they do apply, when compared to White non-Hispanics. Hispanics are also less likely to know that UI benefits exist, and less likely to know how to apply. Some but not all of this variation is accounted for by the higher percentage of non-citizens among Hispanic workers. We find bivariate evidence that Blacks are less likely to apply than White non-Hispanics, and while there appears to be a difference in the rate of receipt between applicants in these two groups, it is not statistically significant. Differences in rates of application and receipt among applicants by race and ethnicity are less robust in multivariate models.

Background

The Unemployment Insurance Program is administered through a federal-state partnership. Thus, eligibility requirements, benefit size, and duration of benefit receipt vary between states. During normal macroeconomic conditions, individuals are typically eligible to receive a percentage of their previous earnings for up to 26 weeks. To receive this benefit, individuals must do three things: 1) apply for UI; 2) satisfy “monetary eligibility^{vi}” criteria, which typically require that an individual have earnings above a

minimum threshold of earnings (that varies by state) in a designated four-quarter period; and 3) satisfy “initial non-monetary eligibility criteria,” which typically require that an employment separation be involuntary and no-fault, and that the worker be engaged in an ongoing search for re-employment. In some cases individuals with a voluntary separation meet non-monetary requirements if the separation is considered “good cause” such as avoidance of harassment or domestic violence or relocation to another state because of a spouse’s employment situation^{vii}.

The proportion of the unemployed receiving UI declined from around 50% in the 1950s to below 30% in the 1980s, and remained at about 35% even in 2009. Several papers have examined systematic variation in which individuals receive UI, including examining receipt based on gender, age, race, educational attainment, and previous employment status of workers. These studies generally find that low-educated and racial/ethnic minority workers are less likely to receive UI, but the reasons for this are largely unknown: it could be a result of differences in application rates or eligibility rates^{viii}. Non-monetary eligibility requirements present a greater barrier to accessing UI than monetary requirements, which a large majority of even low-wage workers meet. Even among unemployed workers who appear to be eligible, though, low-educated and low-wage workers are less likely to report receipt of UI benefits than others^{ix}. To date, no studies have examined systematic variation in UI application rates and receipt among applicants by education level and race and ethnicity of potential applicants.

Low-educated and minority workers are more likely to lose their jobs during economic downturns and have less financial cushion than their more educated and White non-Hispanic counterparts^x. Thus, these workers could benefit greatly from the income-

stabilizing function of UI. At the same time, unemployed individuals who are members of minority racial/ethnic groups or who have low levels of educational attainment could face unique barriers to receipt of the UI benefit. These workers could lack knowledge about benefit existence and/or application procedures; have difficulty satisfying eligibility criteria; face discrimination when applying for benefits; or have difficulty completing the application process. Understanding whether individuals who fall into specific racial/ethnic or education-level categories have lower rates of UI application and receipt—and if so why—is crucial to developing policies ensuring that the UI program satisfies its intended function for all members of the labor force. This paper provides evidence suggesting that low-educated and Hispanic workers apply for and, conditional on application, receive UI at lower rates than more highly educated and White non-Hispanic workers. This paper also provides some evidence as to why these differences exist and suggests future directions for research that would more conclusively determine the causes of these differences.

Data and Methods

The Current Population Survey (CPS) is a monthly survey of 57,000 nationally representative U.S. households conducted by the Census Bureau on behalf of the Bureau of Labor Statistics. The survey includes data on demographic characteristics and the work situations of respondents. Additional supplementary questions are added to the CPS survey in given months in order to gain more detailed information on specific topics, including UI filing. The CPS has conducted three supplements on applications for and (among applicants) receipt of UI: one in 1989, one in 1993, and most recently one in 2005. Beyond the demographic and labor force participation variables available in the

core CPS surveys, the 2005 UI Non-Filers Supplement provides recent data on whether unemployed workers have applied for UI, whether they received benefits if they applied, and, if they did not apply, the reasons they give for their non-application. This makes the CPS UI Non-Filers Supplement the best available data source for a preliminary exploration of variation in UI application and receipt among applicants. To our knowledge, the Current Population Survey's UI non-filing supplement has not yet been analyzed on the basis of educational attainment or race and ethnicity.

We used the CPS 2005 UI Non-Filers supplement to estimate the proportion of the unemployed that 1) apply for UI and 2) receive UI conditional on application, and to 3) examine various reasons for why workers did not apply. All analyses stratify the population by educational attainment and race and ethnicity^{xi}.

We restrict our estimates to unemployed workers who were 1) job losers (including those whose temporary job had ended) and 2) job leavers. Job losers are more likely to be eligible for UI than job leavers because they are more likely to meet non-monetary eligibility requirements, which generally require that the employment separation be employer-initiated; however because several categories of job leavers are eligible (discussed above) they are also included in our sample^{xii}. We excluded individuals who were working, who were not in the labor force, new entrants into the labor force, and re-entrants. There is no consensus in the literature on how to handle re-entrants: some studies assume that they are likely to have spent a short period outside of the labor force and display characteristics similar to job losers and job leavers^{xiii}, while others assume that reentrants have likely spent a long period outside of the labor force and thus group them with new entrants^{xiv}. Because there is likely considerable

heterogeneity within this group, with some respondents being similar to new entrants and others being more similar to job losers and job leavers, we exclude them from our analyses^{xv}. Our resulting sample consists of 1,929 respondents.

Years of education were used to place respondents into one of four categories: “less than high school” for individuals without a high school diploma or GED, “high school diploma” for individuals who have a high school diploma or GED but who had not attended any college, “some college” for individuals who attended a post-secondary institution without receiving a bachelor’s degree, and “bachelor’s degree and higher” for those with a bachelor’s degree or more. Respondents were coded into four mutually exclusive race and ethnicity categories: White non-Hispanic; Black; Hispanic^{xvi}; and other race. Individuals in the “other race” category were excluded from the tables because of inadequate sample size.

Citizenship status can affect an individual’s eligibility (or perceived eligibility) for government benefits^{xvii} and is correlated with ethnicity. Nearly a third of Hispanic respondents in our sample were not citizens, compared with 5.2 percent of black respondents and 1.5 percent of white non-Hispanic respondents. To examine the citizenship status of respondents in our sample, a more detailed measure of citizenship status was collapsed into the dichotomous categories “citizen” and “non-citizen.” In alternative analyses, a dichotomous category “immigrant” and “non-immigrant” was used, and this yielded substantively similar results^{xviii}.

Survey questions such as “Did you receive Unemployment Insurance?” and “Is this a reason that you did not apply for Unemployment Insurance” were re-coded so that both “I don’t know” and “no” responses were coded as “no.”^{xix} “Yes” responses were

the only responses coded as “yes” and refusals were coded as missing. 39 observations that were inconsistently coded were excluded from the analyses of reasons given by non-applicants for failure to apply.

For consistency, in the estimates discussed below White non-Hispanic respondents are used as the reference category for comparison with other race and ethnicity categories. Respondents with a bachelor’s degree are used as the reference category for comparison with all other categories of educational attainment. Estimates are weighted using probability weights provided by the U.S. Census Bureau and standard errors are clustered at the state level to account for the CPS’s stratified survey design.

Rates of Application

The top half of Table 1 shows the proportion of unemployed individuals who applied for UI, stratified by educational attainment and race and ethnicity. We examine our full sample of unemployed workers, as well as looking at job losers and job leavers separately. Focusing first on educational attainment, among the three groups of respondents with a high school diploma or more, the proportion of respondents applying for UI ranges from 44.4% of those with only a high school diploma to 50.9% of those with a bachelor’s degree, and this difference is only significant at the .10 level. Among respondents with less than a high school diploma, though, only 30.1% applied for UI. This is a statistically significant 20.8 percentage points lower than the application rate among respondents with a Bachelor’s degree. Thus, we see that workers with less than a high school diploma are much less likely than more highly educated workers to apply for UI.

It appears that this difference is consistent across both job losers and job leavers.

While 57.2% of job losers with a bachelor's degree applied for UI, the same was true of just over a third of job losers with less than a high school degree. Even among job leavers, those with less than a high school degree were also less likely to apply, with 7.2 percent applying in comparison to 23.3 percent of college graduates.

Turning to the top right hand panel of Table 1, there are some statistically significant differences across racial and ethnic groups as well. While 49.1 percent of White non-Hispanic respondents applied for UI, the same was true of only 38.1 percent of Black respondents (difference marginally significant at the .10 level). Interestingly, this difference was entirely a result of Black job losers being less likely to apply than White job losers, in fact, application rates among job leavers were similar for these two groups.

Even less likely to apply were Hispanic respondents, with just over a third of them doing so. Because different rates of citizenship may explain some of this disparity^{xx}, we compared Hispanic citizens to White non-Hispanic respondents^{xxi}, and this narrowed the gap between these groups from 15.0 to 8.2 percentage points (significant at the .05 level). Thus, citizenship explains some of the differential rates in application between Hispanic and white non-Hispanic workers. The differences in application rates between Hispanic and White non-Hispanic workers were consistent across both job losers and job leavers. Restricting to Hispanic citizens narrows the gap among job losers, but not among job leavers.

Receipt Among Those Who Applied

Simply applying for UI does not guarantee benefit receipt. Workers must also satisfy monetary and non-monetary eligibility criteria to receive benefits. The bottom

panels of Table 1 report on our analysis of levels of UI receipt among the 585 respondents in our sample who applied for UI.

In terms of receipt of benefits among applicants, there are clearer differences across the education groups. UI applicants with a bachelor's degree or higher appear approximately 9 percentage points more likely to receive UI than applicants with some college (significant at the .10 level) or a high school diploma only (this difference is statistically insignificant). Respondents with less than a high school diploma who applied for UI are 18.5 percentage points less likely to receive UI than their counterparts with a bachelor's degree (significant at the .05 level). The disparity between college-educated respondents and those with less than a high school diploma remains large among both job losers and job leavers, although the difference is not statistically significant among job leavers. This is likely a result of small sample size.

Turning to rates of receipt stratified by race and ethnicity, we see that Hispanic applicants are considerably less likely to receive UI than their White non-Hispanic counterparts, even when the sample is restricted to Hispanic citizens. This suggests that citizenship status cannot completely account for these differences in receipt rates among UI applicants in these two groups. Black applicants appear 7 percentage points less likely to receive benefits than non-Hispanic Whites, however, this difference is not significantly significant.

Multivariate Models

Tables 2 and 3 report on a series of linear probability (LP) models that test the bivariate relationships described above. Table 2 reports on models in which the outcome is the probability of UI application, while table 3 reports on models in which the outcome

is the probability of UI receipt among applicants. All models include controls for age of respondent (in dummies for <25, 25-34, 35-44, 45-54, 55-64, 65 and up), sex, and marital status. Results for five model variations are reported. Each examines a different constellation of variables capturing education level, citizenship, race and ethnicity, and the reason for the employment separation. The final model adds in state fixed effects.

Having less than a high school degree is associated with a decrease of between 10.6 and 14.8 percentage points in the likelihood of UI application, relative to college graduates. Citizenship is associated with a substantial increase in the probability of application, while being a job leaver is associated with a substantial decrease in this probability. Differences in application rates by race and ethnicity are less robust to model specification. Hispanic origin is negatively associated with the probability application, but only statistically significant in two of four variations. The point estimates associated with being Black are negative and between 7 and 8 percentage points across three model variation, but are not statistically significant in any of these. Further, when state fixed effects are introduced in model 5, the point estimate associated with being Black falls to a statistically insignificant -1.8 percentage points.

Turning to table 3, we find that having less than a high school degree is associated with a large decrease in the probability that an applicant will receive UI benefits. Once again, the point estimate associated with being black is negative, but not statistically significant. Across all models, Hispanic applicants are 9.2 to 12.6 percentage points less likely to receive benefits than white non-Hispanic applicants. Interestingly, citizenship is not statistically significantly related to receipt among applicants. Being a job leaver is highly associated with a reduced probability of accessing benefits.

Our bivariate and multivariate analyses yield statistically significant evidence that individuals with less than a high school diploma are much less likely to apply for UI, and less likely to receive it if they do apply, than college-educated workers. Further, our bivariate estimates suggest both Black and Hispanic unemployed workers are less likely to apply for UI, and applicants are less likely to receive benefits, when compared to college-educated and non-Hispanic White individuals, respectively. In our multivariate estimates, though, the disparities by race and ethnicity are sensitive to the inclusion of other characteristics. The only consistent association we identify is that Hispanic UI applicants are less likely to receive UI than non-Hispanic applicants.

Compounded, these bivariate differences in both application rates and receipt among applicants result in a large discrepancy between rates of UI access of White non-Hispanic and highly-educated workers when compared with minority and low-educated workers. Figures 1 and 2 illustrate these differences: these pie charts break the full population of job losers and job leavers into three groups: non-applicants, applicants who did not receive UI, and applicants who received UI. Looking at the segment of the charts representing recipients, one can see that the compounded lower rates of application and receipt conditional on application have appreciable results: a far lower percentage of the overall populations of unemployed minority and low-educated workers receive assistance from the UI program than White non-Hispanic and highly-educated unemployed workers, respectively.

It is, however, possible that the lower levels of application reflect correct perceptions by members of these groups that they are ineligible for benefits. Below, we examine reasons that individuals gave for failure to apply for UI, to see the extent to

which differences in perceived ineligibility across group is driving the differences in rates of application.

Reasons Given for not Applying for UI

Unemployed workers may choose not to apply for UI for a variety of reasons. The 2005 UI non-filers supplement allowed non-filers to select from a list of potential reasons for failure to file. The survey asked respondents to indicate all reasons that influenced their decision not to file, and then asked them to select their main reason. Tables 4 and 5 display the percentages of respondents who indicate each specific reason for not filing. Because respondents were permitted to select multiple reasons, percentages do not sum to 100. As found in previous research^{xxii}, perceived ineligibility, optimistic expectations for re-employment and the “other” category are the most-cited reasons for failure to file.

Table 4 stratifies results by educational attainment. Respondents with a bachelor’s degree are less likely to think they are ineligible than respondents in any of the other educational groups. Conversely, respondents with a bachelor’s degree are more likely to list “other” as a reason for failure to file. These differences are highly statistically significant. Attempts have been made with each successive drafting of the UI non-filers supplement to reduce the number of respondents selecting the “other” response. The non-random variation in who selects “other” suggests that there may be a reason for failure to file that is more common among highly educated respondents, which is not included among the current options. Finally, former workers with less than a bachelor’s degree are less likely to indicate “not needing the money” as a reason for failure to file. While this difference is only marginally statistically significant, it is consistent across

categories of educational attainment. Workers with less than a high school diploma, with a high school diploma, and with some college are all approximately four percentage points below the 6.0% of workers with a bachelor's degree who said they did not file because they did not need the money.

Table 5 indicates some systematic variation by race and ethnicity. Statistically significant differences between Hispanic respondents and white non-Hispanic respondents are evident: A greater proportion of Hispanic respondents (6.7%) than White non-Hispanic respondents (1.7%) indicate not knowing where or how to apply as a reason for failure to file. Similarly, a greater proportion of Hispanic respondents (6.1%) report not knowing benefits existed in comparison to White non-Hispanic respondents (1.1%). This difference is statistically significant at the .01 level and cannot be completely accounted for by citizenship status: 5.9% of Hispanic citizens report not knowing UI benefits exist, which is significantly different from non-Hispanic Whites at the .05 level. There is important variation by citizenship status on other measures, however: no Hispanic citizens indicate a language barrier as a reason for failure to file, while in the larger Hispanic group, 5.1% of respondents list inability to speak English as a reason for non-filing. This percentage is highly statistically significantly different from the percentage of white non-Hispanic respondents.

There are only marginally statistically significant differences between the reasons for failure to file given by Black versus and White non-Hispanic respondents.^{xxiii} While the difference is statistically insignificant, it may be worth noting that a greater proportion of Black respondents (58.0%) than white non-Hispanic respondents (52.6%) failed to file because they perceived themselves to be ineligible.

Consistent with previous findings^{xxiv}, only a small proportion of individuals cite the “too much hassle to apply” and “too much like charity/welfare” as reasons for failure to apply. This finding merits discussion because these reasons are common explanations for failure to take up benefits. Respondents indicate these responses as reasons for non-filing at low levels consistently across race and ethnic and educational attainment groups.

Reasons Given for Perceived Ineligibility

As discussed above, perceived ineligibility is the most commonly cited reason for failure to apply for UI benefits among non-applicants. However, there is a wide range of reasons that individuals may perceive themselves to be ineligible. This section explores whether the likelihood of citing a given reason for perceived ineligibility varies by level of education, race or ethnicity. The UI non-filers supplement asked respondents who report perceived eligibility as a reason for failure to file why they perceived ineligibility. Respondents were allowed to select one response, and proportions of individuals selecting each option are reported in Table 6.

Table 6 shows systematic variation in the reasons for perceived ineligibility by educational attainment. Non-filers with lower levels of education who perceived themselves to be ineligible are more likely to attribute ineligibility to inadequate work or earnings than their counterparts with a bachelor’s degree. Respondents with a bachelor’s degree are more likely to report a voluntary quit as the reason for perceived ineligibility than respondents in each of the other categories of educational attainment.

Turning to the right hand panel of table 6, we see a less clear pattern of variation by race/ethnicity. When compared to non-Hispanic White respondents, a lower percentage of Black and Hispanic respondents in our sample report a voluntary quit as the

reason for perceived ineligibility, and the difference is marginally statistically significant for Black respondents. Interestingly, though, a greater proportion of Hispanic citizens in our sample report a voluntary quit as the reason for perceived ineligibility than White non-Hispanic respondents, though this difference is not statistically significant. There is no statistically significant difference between Hispanics and White non-Hispanics in terms of reporting not earning or working enough as the reason for perceived ineligibility and this lack of significance extends to Hispanic citizens as well. The percentage of Black respondents reporting not earning enough as the reason for perceived ineligibility is 12.8% higher than the percentage of White non-Hispanic respondents reporting this reason, though this difference is not statistically significant.

The only variation by race/ethnicity that is significant at the .05 level is the higher proportion of Hispanic respondents reporting “other” and the lower percentage of Black respondents reporting a firing as a reason for perceived ineligibility. The substantive significance of these findings is unclear. Thus, the most suggestive findings on reasons for perceived eligibility relate to educational level, rather than race/ethnicity: more educated workers are more likely to perceive themselves to be ineligible because of a voluntarily quit, while less educated workers are more likely to perceive themselves to be ineligible because they did not work or earn enough.

The absence of a measure of whether individuals accurately perceive their eligibility status results in ambiguity in the interpretation of reported rates of perceived eligibility. We attempted to exploit variation in state monetary eligibility thresholds in order to shed light on the accuracy of self-perceived eligibility statuses. Ostensibly, states with higher monetary eligibility thresholds will have a smaller proportion of

unemployed workers who meet these requirements. Conversely, unemployed workers in states with low monetary eligibility thresholds will be more likely to meet these requirements. If workers' perceptions of ineligibility due to not working or earning enough are accurate, we might expect that a larger percentage of workers in states with relatively high monetary eligibility requirements would perceive themselves to be ineligible because they did not work or earned enough, compared to workers in states with relatively low monetary requirements. To test this, we broke states into quintiles by their monetary requirements. We then compared levels of perceived ineligibility due to not working or earning enough for workers in states with monetary requirements in the highest quintile to workers in states with monetary requirements in the lowest quintile. This sensitivity analysis yielded no evidence that higher monetary requirements were associated with a higher probability of citing inadequate earnings or work history as the reason for perceived ineligibility^{xxv}. However, because of our small sample size and inability to take factors such as average earnings in a state into account, these findings should be interpreted as suggestive but inconclusive.

Discussion

Our analyses show that unemployed workers of different racial/ethnic groups and different levels of educational attainment have different experiences with the UI program. Respondents with a bachelor's degree or greater are more likely to apply for UI and are more likely to receive it if they apply. This constitutes a double advantage for these members of the labor force. Figure 1 shows how this double advantage results in a far higher percentage of highly educated former workers receiving UI than former workers without a high school degree. Further, highly educated respondents are more likely to

attribute perceived ineligibility to a voluntary quit. Ostensibly, a number of these voluntary job leavers are able to financially plan for the loss of employment income. Thus, it appears that the UI program is best serving the needs of highly educated workers.

Importantly, when compared to workers with higher levels of education, unemployed workers with less than a high school diploma who do not apply for UI are the most likely to perceive themselves as ineligible because they did not work or earn enough. This is somewhat surprising since monetary requirements are far easier to meet than non-monetary requirements: recent studies find that a large majority of both low-wage workers (who are likely low-educated) and high-wage workers (who are likely more educated) meet monetary requirements, but far fewer meet non-monetary requirements. We would thus expect that a large majority of both highly-educated and less-educated workers would perceive themselves to be monetarily eligible. On the other hand, involuntary employment separations are less common in the industries in which low-wage workers are clustered, suggesting that low-wage workers are more likely to fail to meet non-monetary eligibility criteria^{xxvi}.

Our finding that less-educated workers are far more likely to perceive themselves as ineligible due to monetary eligibility reasons and far less likely to perceive themselves as ineligible due to a voluntary quit suggests that less-educated workers may lack sufficient understanding of UI eligibility criteria. Unfortunately, CPS survey questions do not explore the accuracy of respondents' 1) understandings of the UI program and their own eligibility or 2) accuracy in self-perceived eligibility status. A future qualitative study could perhaps yield useful information on these two points if it were able to better explore the accuracy of respondents' basic understanding of UI program

eligibility rules, respondents' self-perception of eligibility, and factors that would influence respondents' actual eligibility status such as nature of job separation and base period earnings.

Turning to variation by ethnicity, we find bivariate evidence that Black unemployed workers were less likely to apply for UI than White non-Hispanic respondents, although this difference was only significant at the .10 level. We find a 7 percentage point gap among these groups in rates of receipt among applicants, but this difference is not statistically significant. In multivariate models, the point estimates associated with being Black are not statistically significant for either outcome. Further research is needed to determine whether this lack of significance stems from our small sample size, or whether Black and White non-Hispanic Americans are similarly likely to apply for UI and receive UI if they do apply.

Hispanics were particularly unlikely to either apply for or receive UI if they applied, when compared to White Non-Hispanics, and these differences were robust in some multivariate models. The differences even among Blacks and Hispanics—while statistically insignificant—suggest that in future studies of UI application and receipt researchers should examine these groups separately, whenever possible. Further, our results suggest that while the higher proportion of non-citizens can account for some of the difference in UI participation between Hispanics and White non-Hispanics, citizenship status cannot account entirely for these disparities. This finding provides further impetus to examine Hispanic workers separately from other under-represented minorities, in order to understand what factors are driving these differences.

While our analyses show patterned variation in UI application and receipt among

applicants on the basis of educational attainment and race and ethnicity, they leave many questions unanswered. The ideal analysis would go beyond the current bivariate and simple multivariate comparisons of outcomes for workers in various ethnic and educational attainment categories. A more sophisticated analysis would try to more robustly isolate the effects of membership within each category by controlling for other factors that might affect an individual's propensity to apply for UI, receive UI if they apply, or give a specific reason for failure to apply. The small sample size of the CPS UI non-filers supplement limits the ability to undertake such robust multivariate analyses (e.g. 68 Hispanic respondents who applied for UI). A similar survey with a larger sample would better allow researchers to explore whether membership in the categories studied is a causal factor in the relationships we find.

However, even a larger survey would leave a crucial questions unanswered: when individuals perceive themselves to be ineligible, how accurate is that perception? The answer to this question has important policy implications. If eligible workers are wrong in assuming that they are ineligible—and if this group is disproportionately made up of low-educated and minority workers—then the implied policy response would be to encourage higher levels of application and greater understanding of the UI program within these groups. However, if individuals perceive ineligibility accurately, then applying for UI is not in their interest and they should not be encouraged to apply. Either way, the answer to this question has important implications for the UI program and its ability to serve all workers with reasonable attachment to the labor force.

A further limitation of this study is that survey data are subject to serious underreporting of public benefits receipt^{xxvii}. Further, no evidence exists on under-

reporting of application rates, which may be subject to a similar bias. Possible explanations for failure to report receipt of benefits include stigma, failure to recall benefit receipt, and inability to correctly identify the program responsible for the cash transfer (e.g. reporting “workmen’s compensation” when in reality one is receiving UI). These causes of underreporting could be correlated with educational attainment, as well as race or ethnicity, and our results could thus reflect differences in reporting behaviors rather than differences in outcomes.

In order to address these serious limitations, survey data from datasets like the CPS non-filers supplement must be linked to administrative UI records on application and receipt of benefits. By linking administrative data with survey data, researchers could, with greater certainty, determine whether respondents applied for and received UI. They would also be able to better determine whether individuals who believe that they are ineligible perceive correctly. Like survey data, available administrative records also have limitations. Most importantly, these records do not include any data on workers’ demographic characteristics such as education, race, or ethnicity. Thus, a study such as this one is currently not possible using administrative records only. But a linked dataset could answer the questions posed in the current study, as well as questions previously posed in the extant body of UI research, to a greater degree of certainty. Answering these questions with greater certainty is a necessary first step for ensuring that the UI program is serving its intended purpose.

Table 1. Proportion of Workers Applying for Unemployment Insurance & Proportion of Applicants Receiving Unemployment Insurance								
By Educational Attainment					By Race, Ethnicity and Citizenship			
	B.A. Degree	Some College	High School Diploma	Less Than High School	White NH	Hispanic	Hispanic Citizens	Black
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<i>Proportion Applying for Unemployment Insurance</i>								
Unemployed	0.509 (0.033)	0.513 (0.035)	0.444 [†] (0.028)	0.301*** (0.037)	0.491 (0.026)	0.341*** (0.036)	0.409* (0.037)	0.381 [†] (0.052)
Job Losers	0.572 (0.037)	0.594 (0.036)	0.498 [†] (0.031)	0.343*** (0.043)	0.559 (0.023)	0.385*** (0.034)	0.487 (0.045)	0.417* (0.057)
Job Leavers	0.233 (0.049)	0.240 (0.054)	0.171 (0.033)	0.0719* (0.035)	0.201 (0.037)	0.0615* (0.043)	0.0644* (0.050)	0.224 (0.061)
<i>Proportion of Applicants Receiving Unemployment Insurance</i>								
Unemployed	0.763 (0.040)	0.671* (0.042)	0.672 (0.0314)	0.578** (0.0359)	0.709 (0.019)	0.562** (0.036)	0.593* (0.041)	0.639 (0.057)
Job Losers	0.767 (0.044)	0.708 (0.041)	0.690 (0.033)	0.582*** (0.036)	0.729 (0.020)	0.575** (0.038)	0.610* (0.046)	0.644 (0.065)
Job Leavers	0.727 (0.119)	0.364* (0.149)	0.405 [†] (0.129)	0.469 (0.234)	0.466 (0.079)	0.0825** (0.096)	--- ---	0.591 (0.174)
Source: Authors' analysis of May 2005 CPS UI Non-filers Supplement								
[†] significantly different from the reference group at p < .1 *significantly different from the reference group at p < .05 ** significantly different from the reference group at p < .01 *** significantly different from the reference group at p < .001								

Table 2. Linear Probability Model Probability of Application for UI among Unemployed Former Workers					
	(1)	(2)	(3)	(4)	(5)
Less than high school	-0.148*** (0.049)		-0.108** (0.044)	-0.123*** (0.043)	-0.106** (0.045)
High school diploma	-0.007 (0.037)		0.002 (0.033)	-0.015 (0.032)	-0.018 (0.033)
Some College	0.046 (0.036)		0.049 (0.036)	0.051 (0.034)	0.050 (0.033)
Other Race		0.008 (0.054)	0.008 (0.056)	0.013 (0.053)	0.013 (0.050)
Black		-0.083 (0.062)	-0.072 (0.058)	-0.072 (0.057)	-0.018 (0.046)
Hispanic		-0.079** (0.037)	-0.050 (0.036)	-0.055** (0.027)	-0.038 (0.025)
Non-citizen					
Citizen		0.160*** (0.043)	0.127*** (0.045)	0.157*** (0.046)	0.170*** (0.046)
Job Leaver				-0.290*** (0.038)	-0.266*** (0.0403)
State Fixed Effects	NO	NO	NO	NO	YES
Constant	0.306*** (0.059)	0.144*** (0.048)	0.188*** (0.063)	0.250*** (0.062)	-0.0368 (0.055)
N	1834	1834	1834	1834	1834
R-squared	0.088	0.086	0.097	0.145	0.193
Source: Authors' analysis of May 2005 CPS UI Non-filers Supplement					
Robust standard errors in parentheses					
*** p<0.01, ** p<0.05, * p<0.1					
Reference category for race/ethnicity dummies is White non-Hispanic					
Reference category for educational attainment dummies is BA degree or greater					
Reference category for citizenship dummy is citizen					
Reference category for job separation dummy is job loser					

Table 3. Linear Probability Model Probability of UI Receipt among Applicants					
	(1)	(2)	(3)	(4)	(5)
Less than high school	-0.177*** (0.049)		-0.141** (0.057)	-0.150** (0.060)	-0.187*** (0.062)
High school diploma	-0.065 (0.047)		-0.057 (0.048)	-0.063 (0.048)	-0.085* (0.045)
Some College	-0.079** (0.038)		-0.073* (0.039)	-0.069* (0.040)	-0.080 (0.050)
Other Race		-0.019 (0.045)	-0.014 (0.046)	-0.019 (0.047)	-0.029 (0.054)
Black		-0.060 (0.055)	-0.049 (0.057)	-0.042 (0.057)	-0.030 (0.051)
Hispanic		-0.126*** (0.042)	-0.092** (0.044)	-0.101** (0.043)	-0.094* (0.052)
Non-citizen					
Citizen		0.067 (0.061)	0.059 (0.062)	0.075 (0.061)	0.089 (0.063)
Job Leaver				-0.248** (0.098)	-0.284*** (0.095)
State Fixed Effects	NO	NO	NO	NO	YES
Constant	0.538*** (0.106)	0.414*** (0.118)	0.486*** (0.114)	0.491*** (0.115)	0.382*** (0.115)
N	838	838	838	838	838
R-squared	0.050	0.049	0.056	0.075	0.149
Source: Authors' analysis of May 2005 CPS UI Non-filers Supplement					
Robust standard errors in parentheses					
*** p<0.01, ** p<0.05, * p<0.1					
Reference category for race/ethnicity dummies is White non-Hispanic					
Reference category for educational attainment dummies is BA degree or greater					
Reference category for citizenship dummy is citizen					
Reference category for job separation dummy is job loser					

Table 4. Reasons Cited by Non-Applicants for Failure to Apply by Educational Attainment (estimates indicate the percentage of non-applicants listing the reason)				
	B.A. Degree	Some College	H.S. Diploma	Less Than High School
	(1)	(2)	(3)	(4)
Did not think eligible	36.11	48.51†	58.52***	57.99**
Other	30.51	18.63*	15.61***	11.01***
Expect a new job	8.01	15.57†	8.07	6.44
Expect to be recalled	5.51	6.68	6.79	8.44
Told ineligible by employer	4.68	5.13	5.94	5.34
Starting a new job	5.68	4.19	1.53*	2.28
Exhausted benefits	1.84	3.00	2.12	4.29
Does not need money	5.99	1.43†	1.89†	1.25†
Did not know how to apply	3.68	1.46	1.54	3.85
Self-employed/ independent contractor	4.68	4.51	2.33	2.03
Plan to file soon	2.05	4.23	1.38	2.14
Too much hassle to apply	3.34	3.93	3.15	4.20
Did not know benefits existed	3.06	0.41†	3.09*	3.90
Too much like charity/welfare	0.89	1.03	0.80	1.08
Language barrier	1.49	0.00	0.00	3.50
Worried might impact future jobs	0.94	1.10	0.45	1.35
N	157	208	336	221
Source: Authors' analysis of May 2005 CPS UI Non-filers Supplement				
† significantly different from the reference group at p < .1				
** significantly different from the reference group at p < .01				
*** significantly different from the reference group at p < .001				

Table 5. Reasons Cited by Non-Applicants for Failure to Apply by Race, Ethnicity and Citizenship (numbers indicate the percentage of non-applicants listing the reason)				
	White NH	Hispanic	Hispanic Citizens	Black
	(1)	(2)	(3)	(4)
Did not think eligible	52.60	48.64	44.60	57.99
Other	18.50	15.21	18.63	15.97
Expect a new job	9.27	8.39	10.47	10.35
Expect to be recalled	7.23	10.41	8.00	3.45 [†]
Told ineligible by employer	6.24	3.40	2.54 [†]	3.18 [†]
Starting a new job	3.97	2.35	2.76	1.62 [†]
Exhausted benefits	1.50	6.68	5.83	6.68
Does not need money	2.53	1.80	3.21	0.95
Did not know how to apply	1.69	6.68*	6.45*	0.68
Self-employed/ independent contractor	4.58	0.86*	0.00	1.99
Plan to file soon	2.32	3.47	4.48	2.04
Too much hassle to apply	2.65	2.98	3.24	6.56 [†]
Did not know benefits existed	1.12	6.09**	5.86*	3.25
Too much like charity/welfare	1.14	0.00	0.00	1.37
Language barrier	0.26	5.05***	0.00	0.00
Worried might impact future jobs	0.48	2.05	2.03	0.68
N	566	136	78	157
Source: Authors' analysis of May 2005 CPS UI Non-filers Supplement				
[†] significantly different from the proportion of White Non-Hispanic non-applicants p<.1 * significantly different from the proportion of White Non-Hispanic non-applicants p<.05 ** significantly different from the proportion of White Non-Hispanic non-applicants p<.01 *** significantly different from the reference group at p <.001				

Table 6. Reasons Cited by Non-Applicants for Perceived Ineligibility (Estimates are restricted to non-applicants who list perceived ineligibility as the reason they did not apply for UI)								
	By Education Attainment				By Race, Ethnicity and Citizenship			
	B.A. Degree	Some College	H.S. Diploma	Less Than High School	White NH	Hispanic	Hispanic Citizens	Black
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Did not earn/work enough	17.96	27.52	44.67**	48.14***	34.89	35.33	37.41	47.70†
Voluntarily quit last job	37.19	27.94	25.18†	16.66**	29.67	18.98	33.69	18.80†
Other	31.64	28.62	14.38*	20.42	18.59	32.87*	23.77	17.91
Was fired from last job	4.90	5.52	4.11	5.97	7.14	4.39	3.44	1.87*
Did not have a recent job	2.06	1.72	1.77	1.09	1.92	0.00	0.00	2.17
Self-employed/ Independent Contractor	3.11	4.16	7.61	3.32	5.25	4.04	0.00	6.38
Don't know why	3.13	3.17	2.27	4.40	2.53	2.63	1.69	5.18
N	59	96	188	117	279	65	34	88
Source: Authors' analysis of May 2005 CPS UI Non-filers Supplement								
† significantly different from the reference group at $p < .1$ * significantly different from the reference group at $p < .05$ ** significantly different from the reference group at $p < .01$ *** significantly different from the reference group at $p < .001$								

Figure 1: Pie Chart of UI Application and Receipt by Educational Attainment

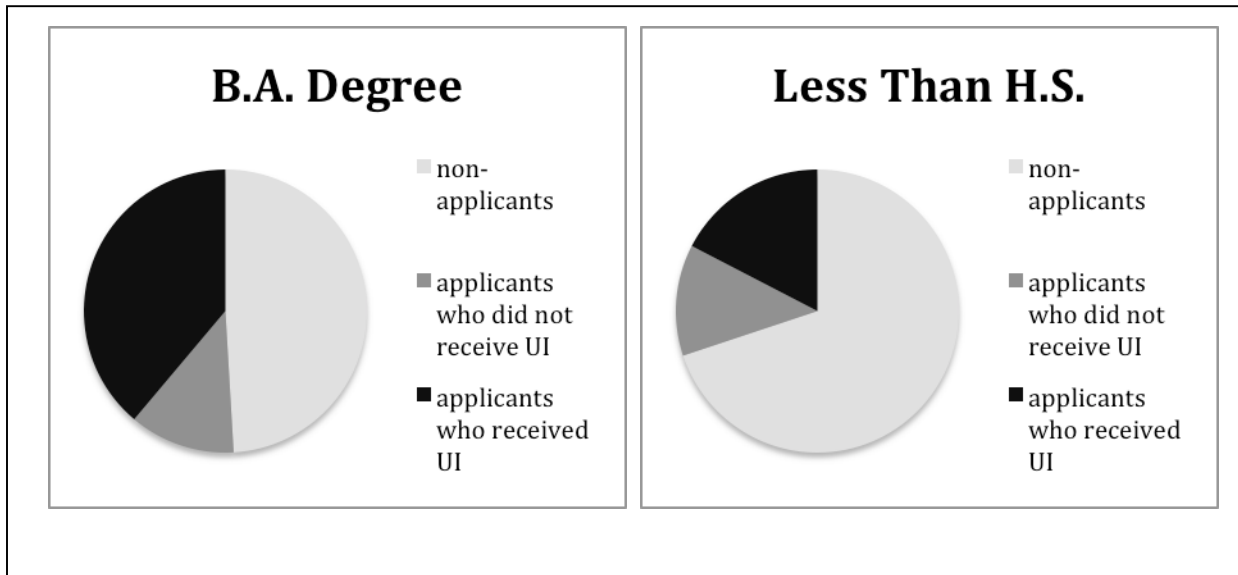
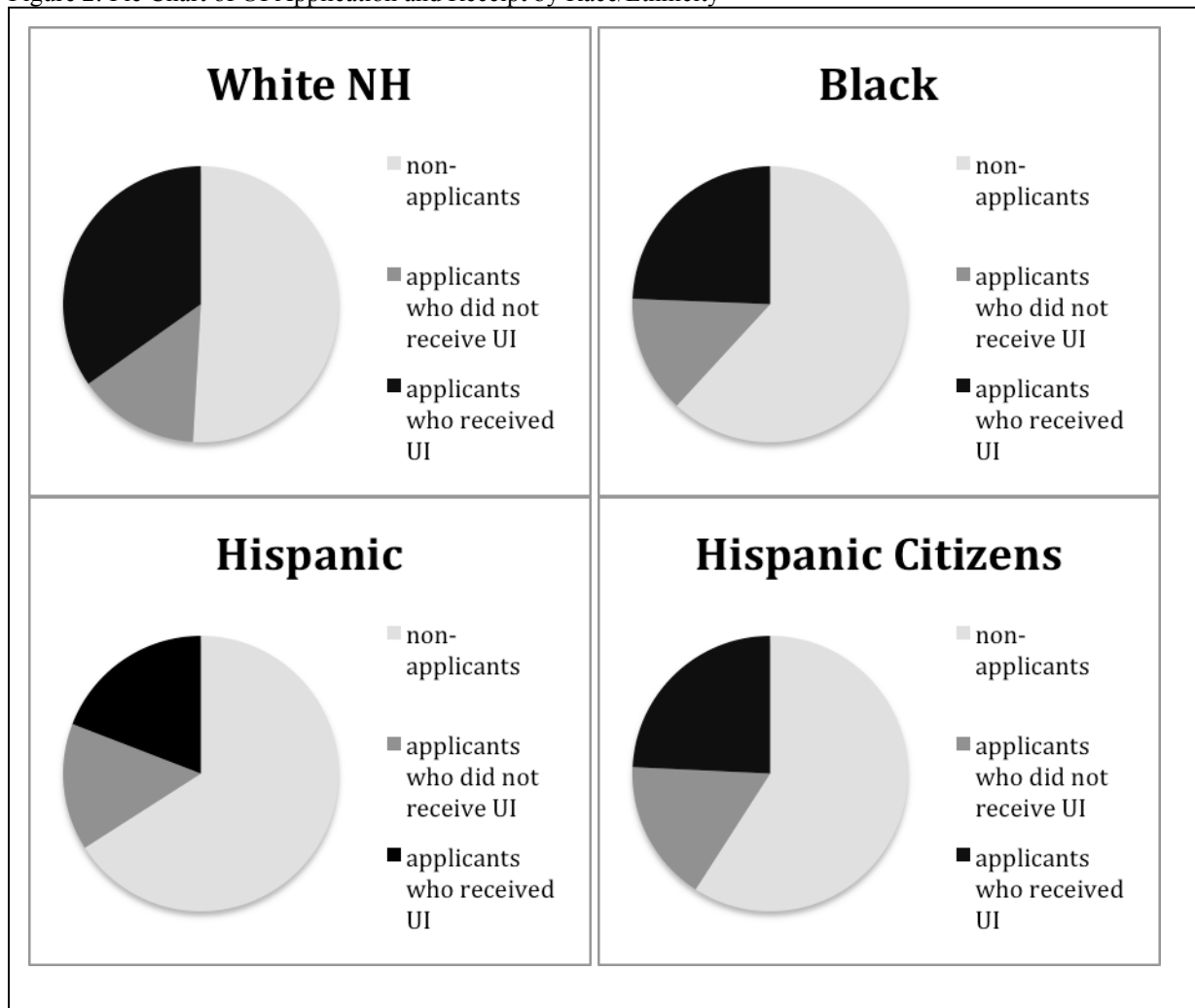


Figure 2: Pie Chart of UI Application and Receipt by Race/Ethnicity



ⁱ Wandner, S. A., & Stettner, A. (2000). Why are many jobless workers not applying for benefits? *Monthly Labor Review*, 123 (June): 21-33; Government Accountability Office. (2007). *Unemployment Insurance: Low-Wage and Part-Time Workers Continue to Experience Low Rates of Receipt*.

ⁱⁱ Wentworth, G. (2010). *Unemployment Insurance at 75: Assessing Benefit Eligibility, Adequacy and Duration of UI Benefits: How Much is Enough?* Report by National Employment Law Project.

ⁱⁱⁱ Grant-Thomas, A. (2011). Why Are African Americans and Latinos Underrepresented Among Recipients of Unemployment Insurance and What Should we Do About It? *Poverty and Race*, 30(3), 8-11; Shaefer, H. L. (2010). Identifying Key Barriers to Unemployment Insurance for Disadvantaged Workers in the United States. *Journal of Social Policy*, 39(3), 439-460.

^{iv} Conley, D. (1999). *Being Black, Living in the Red: Race, Wealth and Social Policy in America*. University of California Press, Berkeley.

^v Grant-Thomas, A. (2011). Why Are African Americans and Latinos Underrepresented Among Recipients of Unemployment Insurance and What Should we Do About It? *Poverty and Race*, 30(3), 8-11; Shaefer, H. L. (2010). Identifying Key Barriers to Unemployment Insurance for Disadvantaged Workers in the United States. *Journal of Social Policy*, 39(3), 439-460.

^{vi} Also called “earnings requirements”

^{vii} Monetary incentives included in the UI Modernization Act, which was part of the American Recovery and Reinvestment Act of 2009 (123 Stat. 115) led some states to relax nonmonetary requirements, making eligible those who quite for “compelling family reasons.” These reasons include domestic violence, illness or disability of an immediate family member, or a spouse’s employment relocation.

^{viii} Shaefer, H. L. (2010). Identifying Key Barriers to Unemployment Insurance for Disadvantaged Workers in the United States. *Journal of Social Policy*, 39(3), 439-460; Government Accountability Office. (2007). *Unemployment Insurance: Low-Wage and Part- Time Workers Continue to Experience Low Rates of Receipt*; Grant-Thomas, A. (2011). Why Are African Americans and Latinos Underrepresented Among Recipients of Unemployment Insurance and What Should we Do About It? *Poverty and Race*, 30(3), 8-11.

^{ix} Vroman, W. (2009). Unemployment insurance recipients and nonrecipients. *Monthly Labor Review*, 132 (October), 44-53; Wandner, S. A., & Stettner, A. (2000). Why are many jobless workers not applying for benefits? *Monthly Labor Review*, 123 (June): 21-33; Government Accountability Office. (2006). *Unemployment Insurance: Factors Associated with Benefit Receipt*.

^x Benjamin Keys and Sheldon Danziger 2008. “The Risk of Unemployment among Disadvantaged and Advantaged Male Workers, 1968-2003.” In K. Newman, ed. *Laid Off, Laid Low: Political and Economic Consequences of Employment Insecurity*. New York: Columbia University Press: 56-73; Fairlie, R. W., & Kletzer, L. G. (1998). Jobs Lost, Jobs Regained: An Analysis of Black/White Differences in Job Displacement in the 1980s. *Industrial Relations*, 37(4), 460-477.; Conley, D. (1999). *Being Black, Living in the Red: Race, Wealth and Social Policy in America*. University of California Press, Berkeley.

^{xi} After proportions were calculated, a simple, two-variable OLS regression was used to determine whether statistically significant differences between groups existed.

^{xii} There are 352 job leavers in our sample, constituting 18.2% of the total sample.

^{xiii} See Vroman, W. (2009). Unemployment insurance recipients and nonrecipients. *Monthly Labor Review*, 132 (October), 44-53

^{xiv} See Valetta, R., & Kuang, K. (2010). Extended Unemployment and UI Benefits. *FRBSF Economic Letter*; Krueger, A. B., & Mueller, A. (2010). Job search and unemployment insurance: New evidence from time use data. *Journal of Public Economics*, 94(3-4), 298-307. Elsevier B.V. doi:10.1016/j.jpubeco.2009.12.001

^{xv} There are 967 re-entrants between the ages of 18 and 64 in the 2005 CPS UI non-filers supplement, compared with 1929 job leavers and job losers. If included re-entrants would constitute one third of our sample, and the heterogeneity in the group could seriously affect our results.

^{xvi} Respondents who indicated Hispanic ethnicity were coded as Hispanic rather than as the racial group they indicated. In our sample there were six Hispanic respondents who indicated that their racial category was black, 170 indicating white, and ten indicating other.

^{xvii} National Employment Law Project. (2002). *Immigrants’ Eligibility for Unemployment Compensation* (pp. 1-5).

^{xviii} Results available upon request.

^{xix} In the case UI receipt, it was assumed that individuals would indicate “yes” if they received the benefit, and that those who did not know if they were recipients, likely were not. In the case of reasons for failure to file, it was assumed that if a respondent did not know whether a reason had affected his/her decision to file, the reason likely did not have a large impact on his/her decision.

^{xx} 30.9% of respondents in our Hispanic sample are not U.S. citizens, a large proportion when compared with the White non-Hispanic reference group, which is 1.5% non-citizen.

^{xxi} Table 1 displays the significance level for the comparison between Hispanic citizens and all White non-Hispanic respondents. We also performed this analysis comparing White non-Hispanic citizens to Hispanic citizens and there were no appreciable differences in the results. These results are available upon request.

^{xxii} Vroman, W. (2009). “Unemployment insurance recipients and nonrecipients” in *Monthly Labor Review*, 132 (October), 44-53; Wandner, S. A., & Stettner, A. (2000). “Why are many jobless workers not applying for benefits?” *Monthly Labor Review*, 123 (June): 21-33.

^{xxiii} *ibid*

^{xxiv} A notable exception is Black respondents, 6.6% of whom cite “too much hassle” as a reason for not applying.

^{xxv} Results available upon request.

^{xxvi} Government Accountability Office. (2006). *Unemployment Insurance: Factors Associated with Benefit Receipt*.

^{xxvii} Meyer, B. D., Mok, W. K. C., & Sullivan, J. X. (2009). *The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences* (NBER Working Paper 15181). Retrieved July 24, 2011 from www.nber.org/papers/w15181