

Unemployment insurance recipients and nonrecipients in the CPS

Data from unemployment insurance supplements to the Current Population Survey show that the percentages of unemployed people who applied for and received UI benefits vary by reason for unemployment; the data also reveal that most people who did not file for benefits believed they were not eligible for them

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The unemployment insurance (UI) program in the United States consistently compensates less than half of all unemployed workers. The low UI reciprocity rate¹ could reflect such diverse factors as accurate worker perceptions of ineligibility in certain State programs in which eligibility is for the most part limited to people who have lost their job, poor understanding of program eligibility rules among eligible people, or voluntary decisions among the unemployed not to apply. Distinguishing among the various possible explanations is important in assessing the effectiveness of the UI program.

Each month, the U.S. Census Bureau conducts the Current Population Survey (CPS), which is a survey of a nationally representative sample of U.S. households. In 4 of the past 30 years, a supplement to the CPS has queried unemployed people about applications for and receipt of UI benefits.² Although the supplement was administered multiple times in three of the four years, annual estimates were calculated for each of the years; thus, this article refers to “the supplement of 2005,” for example, to refer to all the UI supplement data collected during multiple months throughout

the year. Unlike UI administrative data, which pertain just to applicants and recipients, the data from the CPS supplements also cover unemployed nonapplicants and nonrecipients. Three of the four UI supplements posed questions to the unemployed about their reasons for not filing for or not receiving UI benefits. Responses to these “reason” questions are helpful for understanding why UI reciprocity rates are so low. This article summarizes findings from the most recent UI supplement in the CPS, which was conducted during 2005. Selected results from the three earlier supplements—of 1976, 1989, and 1993—also are noted. In addition, the article draws from a project report published this year by the Employment and Training Administration.³

Two principal findings are suggested by the CPS data. (1) In regard to UI benefits, application rates and reciprocity rates vary systematically according to people’s reasons for unemployment. For example, “job leavers” often perceive they are ineligible because of the circumstances of their job separation (they may have quit their job, for example), whereas labor force reentrants commonly believe their lack of recent work experience makes them ineligible. People on temporary layoff frequently do not apply for benefits because they expect

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to be recalled soon. Additionally, factors such as age, duration of unemployment, and State of residence also are correlated with the decision to apply or not to apply for benefits. (2) The most common reason for not applying for UI benefits is the belief that one is not eligible for them; the fact that this belief is fairly widespread is the primary cause of the low overall UI benefit reciprocity rate.

The 2005 UI supplement

In 2005 the CPS unemployment insurance supplement was administered in four separate months (January, May, July, and November) to unemployed people in outgoing rotation groups, which are groups of individuals who are in their 4th or 16th month as part of the sample. The eight supplemental questions were administered at the same time as the regular survey questions. The supplemental questions asked about application for UI benefits since the last job, receipt of UI benefits—whether the person had received benefits anytime since the last job and whether the person had received benefits anytime during the previous week—the main reason for not applying for or not receiving benefits, exhaustion of benefits, and union membership.⁴

The supplemental sample had 3,033 unemployed persons. The Census Bureau developed weights for this sample in order that it be representative of annual unemployment in 2005. Usable responses to the application and reciprocity questions were obtained from 2,849 persons. Most of the analysis in this article is based upon these persons.

Summary of application and reciprocity rates

In 2005, 34.8 percent of the unemployed applied for UI benefits, a figure that closely approximates the corresponding statistic in the UI program data.⁵ Table 1 displays data on applications for UI benefits, showing the percentage of unemployed people who applied for benefits in 2005 by sex, age, reason for unemployment, and duration of unemployment. Each entry in the table shows the percentage of unemployed people who applied for UI benefits since leaving their last job. Applicants are included in the data regardless of whether or not they actually were qualified to apply for UI benefits.

For each of the four variables included in table 1, the patterns of UI application rates match those found in UI program data. Application rates rise sharply with age:

the rate is 14.0 percent of women and 13.1 percent of men aged 16–24, as compared with 46.7 percent of women and 49.6 percent of men 45 and older. The overall application rates of men and women were quite similar—33.5 percent for women and 35.9 percent for men.⁶ Among job leavers and “reentrants,” women were slightly more likely to apply than men.

“Job losers” (that is, people who have lost their jobs) were about three times more likely to file for benefits than job leavers or reentrants. They were also, on the whole, considerably more likely to be eligible for benefits than jobs leavers or reentrants. As shown in table 1, the application rate for job losers was 50.7 percent, compared with 18.7 percent for job leavers and 15.4 percent for reentrants. Since the UI program is intended mainly to compensate those who lose jobs through no fault of their own, the fact that job losers have a much higher application rate than job leavers and reentrants is to be expected. However, the low overall application rate among job losers (roughly 50 percent) raises questions.

It should also be noted that application rates and reciprocity rates vary widely across geographic areas. The aforementioned Employment and Training Administration report from this year examines State-level variation and finds that patterns in UI program data are extremely similar in the CPS supplement data. Application rates are highest in the States of the Northeast, of the upper Midwest and along the west coast. Application rates are below average throughout the southern and Rocky Mountain States.

People who are unemployed because their temporary jobs ended now constitute a sizeable segment of U.S. unemployment. Since 1994, the CPS has identified this group of people within the total unemployment pool. The 2005 CPS supplement is the first supplement to identify and study the phenomenon of workers who are unemployed because their temporary jobs ended. There were approximately 756,000 of these workers, or 21 percent of all job losers, in the weighted data from the 2005 supplement. By comparison, the total number of job leavers was approximately 797,000.

Because individuals who are unemployed following the end of a temporary job are like other job losers in that their unemployment is due to an employer-initiated job separation, it is important to learn about their experiences in applying for and receiving UI benefits. The 2005 supplement indicated that people from this group were less likely to apply for benefits than job losers on temporary layoff or other job losers. The application rate of workers unemployed after a temporary job was 28.8 percent, compared with 44.2 percent for people on temporary layoff and 62.6 percent among other job losers. However, similar to the application rate of other unemployed groups, the application rate of those unemployed following a temporary job increases with age and duration of unem-

Table 1. UI benefits application rates by sex, age, reason for unemployment, and duration of unemployment, 2005

[In percent]

Unemployment duration, in weeks	Women				Men				Total
	16-24	25-44	45 or older	Total	16-24	25-44	45 or older	Total	
Job losers									
0 to 2	7.1	29.4	28.7	22.9	14.7	36.5	40.7	32.0	28.3
3 to 4	32.8	33.7	53.9	40.8	37.5	45.8	48.9	45.5	43.4
5 to 10	34.1	48.2	55.9	48.2	51.2	50.0	61.1	54.1	51.6
11 to 26	40.7	71.0	75.7	68.1	20.6	66.7	72.7	58.4	62.4
27 or more.....	(¹)	50.4	72.8	60.9	53.4	58.9	60.7	59.3	59.9
Total.....	27.6	50.0	60.5	50.1	29.2	53.7	58.6	51.0	50.7
Job leavers									
0 to 2	0.0	0.0	(¹)	4.8	3.6	14.8	(¹)	7.8	6.3
3 to 4	17.6	17.7	(¹)	23.0	0.0	17.0	(¹)	18.3	20.9
5 to 10.....	(¹)	9.9	35.1	20.0	(¹)	10.5	(¹)	8.0	13.6
11 to 26	9.5	32.9	30.1	25.0	20.8	28.8	39.8	27.5	26.2
27 or more.....	(¹)	(¹)	(¹)	40.7	(¹)	11.0	24.3	18.6	28.5
Total.....	7.4	19.5	36.8	21.1	8.6	17.3	29.1	16.2	18.7
Reentrants									
0 to 2	6.1	3.8	6.3	5.4	3.2	(¹)	(¹)	4.4	5.1
3 to 4	9.4	26.3	1.3	13.5	10.4	18.9	(¹)	11.7	12.8
5 to 10.....	6.8	16.7	40.0	18.7	0.0	32.4	6.7	7.2	13.6
11 to 26	7.7	31.7	25.1	22.2	0.0	13.4	27.0	9.9	16.8
27 or more.....	15.9	28.1	32.2	26.6	4.1	26.3	36.3	23.6	25.2
Total.....	8.5	23.8	24.5	18.1	3.2	21.8	23.6	12.1	15.4
All unemployed									
0 to 2	5.4	15.7	22.2	13.2	7.7	30.0	34.4	21.6	17.6
3 to 4	17.7	28.3	40.6	27.7	16.6	37.7	47.4	32.9	30.3
5 to 10.....	16.1	33.4	47.8	33.6	15.6	43.7	45.9	35.4	34.6
11 to 26	17.7	51.4	54.3	44.1	11.1	52.5	59.3	41.0	42.5
27 or more.....	16.5	40.1	56.7	43.7	20.8	44.7	51.9	44.1	44.0
Total.....	14.0	36.4	46.7	33.5	13.1	43.3	49.6	35.9	34.8

¹ Application rate not shown because the cell has fewer than 10 unemployed persons.
 NOTE: All cells show percentages that are based on weighted data measured in thousands of persons.
 SOURCE: Supplements to the CPS conducted in January, May, July, and November 2005.

ployment. More discussion of their experiences with UI appears later in this article.

In summary, data from the 2005 UI supplement show that only about one-third of the unemployed applied for UI benefits during that year. Among job leavers and labor force reentrants, applicants represented less than 20 percent of the unemployed. Even among job losers, the group most likely to file for benefits, the overall application rate was only about 50 percent. The low rate of UI benefit reciprocity in the United States is mainly a reflection of a low overall application rate.

Not all people who apply for UI benefits receive a payment. Table 2 summarizes information on the receipt of UI benefits among all unemployed people (whether or not

they applied for UI benefits) since their last job ended. The statistics are calculated by sex, age, reason for unemployment, and duration of unemployment. As expected, in most cases UI reciprocity increases with age within “reason for unemployment” groups, and it also tends to increase with unemployment duration. Overall, about one-fourth (23.9 percent) of unemployed people reported receipt of UI benefits in 2005. This rate is about three-quarters of the reciprocity rate in the UI program data. According to the CPS supplement, the average reciprocity rate was 35.6 percent for job losers, 8.8 percent for job leavers, and 10.9 percent for reentrants.

Lags in the process of applying for and receiving benefits cause the percentages of recipients to be especially low in

Table 2. UI benefits reciprocity rates among all unemployed people, by sex, age, reason for unemployment, and duration of unemployment, 2005

[In percent]

Unemployment duration, in weeks	Women				Men				Total
	16-24	25-44	45 or older	Total	16-24	25-44	45 or older	Total	
Job losers									
0 to 2	0.0	8.1	16.5	8.7	0.8	14.3	14.1	10.5	9.8
3 to 4	5.1	15.2	37.6	21.0	17.0	21.3	21.1	20.8	20.9
5 to 10	14.3	35.9	53.2	37.8	30.1	32.8	46.2	37.5	37.5
11 to 26	16.1	59.2	71.2	58.0	14.3	53.0	55.2	45.1	50.1
27 or more	(¹)	38.8	57.3	47.9	53.4	44.7	55.6	50.8	49.4
Total	9.4	35.7	50.6	37.0	16.9	36.0	41.7	34.8	35.6
Job leavers									
0 to 2 .....	.0	.0	(¹)	.0	.0	.0	(¹)	.0	.0
3 to 4 .....	.0	8.3	(¹)	9.0	.0	.0	(¹)	7.3	8.3
5 to 10	(¹)	.0	8.6	3.6	(¹)	8.9	(¹)	7.4	5.7
11 to 26	7.9	28.2	15.3	17.6	7.3	2.7	17.1	7.2	12.8
27 or more	(¹)	(¹)	(¹)	23.1	(¹)	11.0	24.3	18.6	20.7
Total	2.2	10.8	17.1	10.1	4.0	3.8	21.2	7.4	8.8
Reentrants									
0 to 2	3.1	3.3	6.3	3.7	.0	(¹)	(¹)	2.0	3.1
3 to 4	5.7	25.7	1.3	11.4	3.3	3.7	(¹)	3.2	8.0
5 to 10	3.8	5.9	29.9	11	.0	32.4	5.8	7.0	9.3
11 to 26	6.0	21.2	16.3	15	.0	12.1	27.0	9.6	12.6
27 or more	13.5	20.2	18.5	18.1	4.1	13.0	35.8	17.8	18.0
Total	5.7	16.5	16.4	12.3	1.1	14.3	23.2	9.0	10.9
All unemployed									
0 to 2	1.6	5.0	11.9	5.4	0.3	11.6	.9	6.9	6.2
3 to 4	4.7	17.2	27.9	15.5	6.7	15.7	22.0	14.2	14.9
5 to 10	7.4	21.9	39.3	23.6	9.2	30.5	35.2	25.2	24.4
11 to 26	9.3	40.8	47.0	35.3	6.8	39.9	45.8	30.8	32.9
27 or more	14.8	28.8	42.0	32.3	20.8	32.0	48.3	37.1	35.0
Total	6.3	7.1	36.2	23.6	7.1	28.1	36.6	24.3	23.9

¹ Reciprocity rate not shown because the cell has fewer than 10 unemployed persons.

NOTE: All cells show percentages that are based on weighted data

measured in thousands of people.

SOURCE: Supplements to the CPS conducted in January, May, July, and November 2005.

the category of 0- to 2-weeks' unemployment duration. Whereas the overall application rate for this category is 17.6 percent (table 1), the overall reciprocity rate is 6.2 percent (table 2), about one-third of the application rate. In contrast, the overall reciprocity rate in the category for the longest duration of unemployment—more than 27 weeks—was 35.0 percent, roughly four-fifths of the application rate of the same group (44.0 percent). Denials of benefits account for most of the difference between the application rate and the reciprocity rate of those with a long duration of unemployment. However, the 1-week waiting period and lags in administrative decisionmaking also contribute to low reciprocity among people with a short duration of unemployment.

It should be noted that the contrast between the re-

ciency rates in table 2 and the application rates in table 1 was greatest among job leavers (8.8 percent in table 2 compared with 18.7 percent in table 1). This wider gap between the application rate and the reciprocity rate among job leavers is to be expected since administrative determinations regarding the issue of quitting a job result in denials more than 70 percent of the time.⁷

Receipt of benefits in four CPS supplements

As previously indicated, the 2005 UI supplement was the fourth supplement undertaken during the past 30 years. (The other three supplements were in 1976, 1989, and 1993.) Conditions in the labor market during the four years in which the supplement was conducted varied from

one year to another. The highest unemployment rate was in May 1976 (7.4 percent in seasonally adjusted data); the annual unemployment rate in 1993 also was high, at 6.9 percent. In contrast, the unemployment rates in 1989 and 2005 were much lower and quite similar to one another: 5.3 percent in 1989 and 5.1 percent in 2005.

The four years also differed in the availability of UI benefits. In 1989 and 2005, the only benefits available were from the regular UI program—the State-financed 26-week program. In contrast, extended benefits were available in 1993 under Extended Unemployment Compensation, a temporary, federally financed program for people who had exhausted their benefits.⁸ During 1993, regular UI benefits of \$21.5 billion were paid, while the Extended Unemployment Compensation program paid an additional \$11.8 billion (or 55 percent of regular benefits).

In May 1976, benefits were available from an even wider array of UI programs. In addition to the regular UI program, there were three other programs: (1) the Federal-State Extended Benefit program; (2) the Federal Supplemental Benefits program, a temporary Federal benefit program like the one enacted in June 2008; and (3) the Supplemental Unemployment Assistance program, a unique, one-time program active from 1975 to 1978.⁹ Thus, opportunities for individuals to receive UI benefits were present under four different UI programs active in May 1976.

Table 3 summarizes benefit recipiency rates among people who applied for UI benefits, as measured in the four CPS supplements. The table presents recipiency rates along four dimensions: sex, reason for unemployment, duration of unemployment, and year. Across the four supplements, on the whole recipiency was highest in 1976, second highest in 1993, and lowest in 1989 and 2005. This recipiency pattern closely follows the pattern of unemployment rates and that of benefit availability across the four years. The similarity of recipiency rates in 1989 and 2005 is noteworthy, because only regular UI was available in those years and the unemployment rates of the two years were similar (5.3 percent in 1989 and 5.1 percent in 2005).

As expected, recipiency was consistently highest among job losers and people with long spells of unemployment. Across the rows in table 3, recipiency generally increases as the duration of unemployment becomes longer. Also, with just a single exception, in comparing the average recipiency rates for each of the four years with one another for each category of applicant, the recipiency rate is highest in 1976 and lowest in 1989 or 2005.¹⁰

Another clear pattern in table 3 is the comparatively high recipiency rates among job leavers and reentrants in

Table 3. UI benefits recipiency rates among people who applied for benefits, by sex, reason for unemployment, and duration of unemployment, in 1976, 1989, 1993, and 2005
[In percent]

Year	Unemployment duration, in weeks					Total
	1-2	3-4	5-10	11-26	27 or more	
Job losers - Women 16 or older						
1976.....	32.4	44.4	61.9	71.7	81.6	63.6
1989.....	7.4	32.7	47.2	54.4	56.0	39.2
1993.....	13.9	28.3	47.2	61.0	71.6	49.8
2005.....	8.7	21.0	37.8	58.0	47.9	37.0
Job losers - Men 16 or older						
1976.....	28.7	42.1	65.3	77.1	76.7	63.9
1989.....	10.0	26.8	49.2	54.8	53.0	39.6
1993.....	7.5	27.3	60.0	62.2	65.6	51.1
2005.....	10.5	20.8	37.5	45.1	50.8	34.8
Job leavers - Women 16 or older						
1976.....	16.7	6.5	13.0	53.6	67.5	31.0
1989.....	1.0	7.5	8.4	13.8	2.1	6.2
1993.....	0.6	2.1	0.7	29.8	(¹)	11.0
2005.....	0.0	9.0	3.6	17.6	23.1	10.1
Job leavers - Men 16 or older						
1976.....	3.3	13.2	28.9	52.9	58.3	31.8
1989.....	0.7	4.6	11.7	10.6	11.6	6.2
1993.....	3.2	14.4	1.8	23.5	37.4	15.3
2005.....	0.0	7.3	7.4	7.2	18.6	7.4
Reentrants - Women 16 or older						
1976.....	10.0	10.9	19.8	13.6	29.9	14.6
1989.....	3.0	9.1	10.4	10.7	18.2	8.5
1993.....	5.3	6.1	11.7	13.5	21.5	10.4
2005.....	3.7	11.4	11.0	15.0	18.1	12.3
Reentrants - Men 16 or older						
1976.....	10.5	19.0	24.6	33.3	33.3	25.1
1989.....	2.5	8.5	10.7	4.5	23.0	8.4
1993.....	1.5	5.4	17.7	24.3	13.9	12.2
2005.....	2.0	3.2	7.0	9.6	17.8	9.0

¹ Datum did not meet BLS publication criteria.
NOTE: The recipiency rates for job losers, job leavers, and reentrants combined were as follows: 1976 = 0.483, 1989 = 0.242, 1993 = 0.351 and 2005 = 0.240.
SOURCE: Unemployment insurance supplements to the CPS conducted in 1976, 1989, 1993, and 2005.

1976 in comparison with later years. This is to be expected, since three other programs besides regular UI were active in May 1976. Particularly important was the presence of the Supplemental Unemployment Assistance program in 1976, which used less stringent eligibility criteria than the regular UI program.¹¹

Reasons for not applying for benefits

The 2005 UI supplement and the supplements of 1989 and 1993 asked questions that sought to identify reasons for

not applying for and for not receiving benefits. Because nonapplicants do not have direct contact with the UI program, UI administrative data cannot inform researchers about the motivations that underlie decisions to remain outside the UI program. The CPS supplements identified several potential reasons for not applying.

Table 4 summarizes responses to the question about not applying for benefits. Four main kinds of reasons are identified in the rows, along with the catchall category of “other reasons.” The four broad reasons are the following: (1) belief that one is ineligible (this belief could be either well founded or not well founded), (2) attitude/understanding/barrier to UI benefits, (3) job expected/became employed, and (4) not looking (e.g., retired, ill, or disabled). The first two broad reasons are divided into more detailed categories, also referred to in this article as “detailed reasons.” Respondents were asked to choose one broad reason and one detailed reason as their primary rationale for not applying for UI benefits.

The two data columns in table 4 display estimated counts and percentages of nonapplicants in the broad and detailed categories. Note that even with the variety of reasons identified, more than one-tenth (11.4 percent) of people did not provide a reason for not applying that could be categorized. Through refinements of the questions and interviewer training, this “other reasons” problem has been reduced in successive CPS supplements: the percentage of people in the “other reasons” category went from 28.5 percent in 1989 to 22.5 percent in 1993 and then to 11.4 percent in 2005.

The most important reason for not applying in 2005 was the belief that one is ineligible for benefits. Of the estimated 4.368 million nonapplicants, 2.269 million (or 51.9 percent) stated they believed they were not eligible for benefits; 1.207 million said they had not worked long enough to be eligible, and 601,000 gave a reason for ineligibility related to the circumstances of their separation from their job.

The other broad categories of reasons for not applying all accounted for less than 20 percent of nonapplicants. The broad category of attitude/understanding/barrier to UI benefits accounted for 17.8 percent of the total, but each of its subcategories accounted for 5.0 percent or less of nonapplicants. Note the varied motivations within this broad grouping. Some did not need the money or did not want the hassle, and some viewed UI negatively. Others did not know about the program, did not know how to file for benefits, or faced a barrier (the most common of which was being told, mainly by their employer, that they were not eligible).

Of the people represented in table 4, note that about 594,000 (or 13.6 percent) indicated they expected a job soon or were employed. That is, there was no reason to file for benefits because they expected to be working in

the near future. The fourth broad category—“not looking for a job”—accounted for only 5.3 percent of the total responses. The responses in this category are appropriate to people not actively seeking work.

The reasons for not applying for benefits differ systematically according to the person’s reason for unemployment. Table 5 is similar to table 4 in that it organizes people by their reasons for not applying for UI benefits. The data in table 5, however, do not include people with “other reasons” for not applying, so each statistic refers to people who gave a definitive reason for not applying. Unlike table 4, table 5 organizes people by their reasons for unemployment in order to show what percent of each group of unemployed people cited which reason for not applying.

Note in column 1 that the belief that one is ineligible for UI benefits accounted for 58.6 percent of all the people who cited one of the four broad reasons for not applying for UI benefits. In each of the reason-for-unemployment groups the belief that one is ineligible accounted for at least 50 percent of nonapplicants except for job losers on temporary layoff (column 3), 33.7 percent of whom believed they were ineligible.

Two other statistics related to UI eligibility also are noteworthy in table 5. First, 6.9 percent of “other job losers” had previously exhausted UI benefits. This group includes many displaced workers, who are known to experience long spells of unemployment. Their long unemployment spells imply that many did not have sufficient recent earnings to requalify for UI benefits following the exhaustion of their benefits. Second, 17.2 percent of people who were unemployed because a temporary job ended reported that their work was not covered by UI. This is highly questionable, because temporary employees work mainly as wage and salary workers and UI coverage among wage and salary workers exceeds 98 percent. The fact that the percentage is as high as 17.2 suggests that many temporary workers do not understand that their jobs fall within the umbrella of UI-covered employment or may have other reasons for not applying for UI benefits.

Note also that job leavers generally had different reasons for believing themselves to be ineligible for benefits than did labor force reentrants. Over 40 percent of job leavers gave a reason for ineligibility related to their manner of job separation, while nearly 40 percent of reentrants indicated they had “insufficient past work,” that is, that they had not worked long enough at the job to be eligible for UI benefits. Nearly 65 percent of both job leavers and reentrants gave reasons for not applying for benefits that were related to ineligibility.

As one would expect, job losers on temporary layoff was the unemployment group most likely not to apply for

Table 4. Reasons for not applying for UI benefits in 2005

Reason for not applying	Number of persons, in thousands	Percent of all unemployed people
Belief that one is ineligible.....	2,269	51.9
Work not covered by UI.....	303	6.9
Insufficient past work.....	1,207	27.6
Job separation reason (quit or misconduct).....	601	13.8
Any other reason concerning eligibility, other than previous exhaustion of benefits.....	35	0.8
Previous exhaustion of benefits.....	123	2.8
Attitude/understanding/barrier to UI benefits.....	778	17.8
Do not need the money or do not want the hassle.....	220	5.0
Negative attitude about UI.....	78	1.8
Do not know about UI/do not know how to file.....	212	4.9
Barrier to filing (e.g., language or transportation).....	52	1.2
Told not eligible.....	175	4.0
Plan to file soon.....	42	1.0
Job expected/became employed.....	594	13.6
Not looking for a job (e.g., retired, ill, or disabled).....	231	5.3
Other reasons.....	496	11.4
Just didn't/don't know why.....	107	2.4
All other reasons.....	389	8.9
Total	4,368	100.0

SOURCE: Weighted counts are based on 1,832 persons who were identified as unemployed and who did not apply for UI benefits.

benefits because of an expectation of being reemployed soon. The percentage of temporarily laid-off workers giving this reason is 39.6, more than twice the percentage for any other detailed reason-for-unemployment group.

Among people who were not looking for a job, 10.3 percent were in the reentrant category, more than in any other reason-for-unemployment category. The reentrants to the labor force who were not looking for a new job likely viewed themselves as focused more on personal and family activities than on the labor market and paid employment. The second-highest percentage of people who were not looking for a new job was the percentage of job losers on temporary layoff (4.6 percent).

Another noteworthy finding is the percentages of job losers who reported they were told that they were not eligible for UI benefits—4.7 percent of job losers on temporary layoff, 8.7 percent of other job losers, and 6.7 percent of people whose temporary jobs ended. Knowledge about the UI program and how to file for benefits seems especially low among the latter two groups. Among those whose temporary jobs ended, 9.1 percent indicated they did not file because they did not need the money or want the hassle.

If any single group of unemployed is especially ill informed about the UI program, the percentages in table 5

suggest it is those people whose temporary jobs have ended. This group had a high percentage of people stating that their work was not covered by UI, 17.2 percent, and a high percentage who did not know about UI or how to file for benefits, 8.9 percent. These two statistics sum to roughly one-quarter of all people in this group who did not apply for UI benefits. Since this group also had a much lower application rate than the two other categories of job losers (as discussed earlier), it appears that many people whose temporary jobs have ended do not fully understand how their previous work is related to UI eligibility.

To summarize, three comments about nonapplicants seem appropriate: (1) The most common reason for not applying for UI benefits is a perception of ineligibility. (Over half of all non-applicants gave this reason for not filing). (2) The reasons for not filing vary systematically according to the reason for unemployment. Reentrants are most likely to state they had insufficient

past work, whereas job leavers were most likely to give a reason for not filing that was related to the circumstances of the job separation. Job losers on temporary layoff were most likely to state that they expected to have a job soon. (3) People whose temporary jobs had ended appeared to have the least-developed understanding of the UI program and how to apply for benefits.

Reasons for not receiving benefits

Not all people who apply for UI benefits receive payments. The 2005 CPS supplement asked about receipt of benefits since the person's last job and within the previous week. About 3 in 10 who applied for UI in 2005 had not received a payment by the time of their interview.¹² As would be expected, the supplement found that most people who had not received benefits either had been denied benefits because they were found ineligible or were still waiting for their applications to be processed. Nearly half (48.0 percent) gave a reason related to UI eligibility. In descending order of importance, the four most common reasons that workers gave for denial of benefits were the following: (1) insufficient past work, (2) job separation reasons (quits or misconduct), (3) other administrative disqualifications, and (4) previous exhaustion of benefits. More than 40 percent of nonrecipients either were waiting approval of an

Table 5. Percentages of people who did not apply for UI benefits and gave a classifiable reason why not, by reason for unemployment and reason for not applying, 2005

Reason for not applying	All reasons for unemployment =[2]+[6]+[7]	Job loser total =[3]+[4]+[5]	Job losers on temporary layoff	Other job losers	Temporary job ended	Job leavers	Reentrants
	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Belief that one is ineligible.....	58.6	50.1	33.7	60.6	52.8	64.6	64.4
Work not covered by UI	7.8	11.6	11.5	7.4	17.2	1.3	6.6
Insufficient past work.....	31.2	26.3	17.3	31.3	28.9	19.1	39.6
Job separation reason (quit or misconduct).....	15.5	7.3	3.0	12.2	5.0	43.1	14.0
Any other reason concerning eligibility, other than previous exhaustion of benefits.....	.9	1.3	.6	2.8	.0	.0	.9
Previous exhaustion of benefits.....	3.2	3.7	1.3	6.9	1.7	1.1	3.4
Attitude/understanding/barrier to UI benefits.....	20.1	26.1	22.1	25.4	31.1	14.2	16.5
Do not need the money or do not want the hassle.....	5.7	6.0	10.3	.5	9.1	5.3	5.5
Negative attitude about UI.....	2.0	2.7	2.7	2.6	2.9	1.9	1.4
Do not know about UI/do not know how to file.....	5.5	6.9	2.8	8.4	8.9	3.7	4.8
Barrier to filing (e.g., language or transportation).....	1.3	1.2	.6	1.3	1.6	1.0	1.6
Told not eligible.....	4.5	6.9	4.7	8.7	6.7	1.7	3.2
Plan to file soon.....	1.1	2.4	1.0	3.9	1.9	.6	.0
Job expected/became employed.....	15.3	21.1	39.6	12.4	13.8	19.3	8.8
Not looking (e.g., retired, ill, or disabled)....	6.0	2.7	4.6	1.7	2.2	1.9	10.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0

SOURCE: Weighted counts are based on 1,336 persons who were identified and unemployed and who gave reasons for not applying for UI benefits.

application or had already had their applications approved and were waiting to receive their first payment of benefits.

Among people who had received benefits since their last job, a sizeable percentage (40.1 percent) had not received benefits in the previous week. More than 80 percent of those who had not received benefits during the previous week reported they had exhausted their eligibility prior to the past week. Every reason other than the exhaustion of benefits accounted for less than 4 percent of the people who had received benefits since their last job but had not received benefits in the last week. Considering both nonreceipt of benefits since the last job and nonreceipt during the past week, the explanations given were straightforward and presented no major surprises. Nonreceipt mainly resulted from ineligibility (especially because of the exhaustion of benefits) and from delays in the processing of applications.

Analysis of microdata

Unemployed respondents in the 2005 UI supplement provide a sample of 2,859 complete microrecords. The determinants of applications for benefits and receipt of benefits

(both measured as 0–1 variables) were examined with a series of multiple regressions.¹³ The regressions used sets of dummy (0–1) variables to capture the effects of individual explanatory factors such as age, sex and duration of unemployment. Because applications for and receipt of benefits vary widely according to people’s reasons for unemployment, the regressions were fitted separately for each of five “reason” groups.

A consistent finding of the analysis was that age and unemployment duration were the most consistently significant factors in explaining both applications for benefits and the receipt of benefits. The regressions were least successful in explaining the applications for benefits and receipt of benefits among job leavers and people whose temporary jobs had ended. The best explanations were for the behavior of those on temporary layoff and those in the “other job losers” category. The regressions revealed substantial differences in application rates across regions. The regressions were also able to determine that delays in the processing of applications were much shorter for “other job losers” than for people on temporary layoff.

The regression analysis was only a preliminary investigation, but it highlights the importance of several iden-

tifiable influences on UI applications and the receipt of benefits. The findings all mirrored the tabular summaries like those displayed in tables 1–3. Additional analysis of the microdata is warranted.

THE UI SUPPLEMENT IN THE 2005 CPS PROVIDES fairly recent data on applications for and the receipt of UI benefits. Tabular summaries and regression analysis of microdata have found a number of important statistical regularities. Perhaps the most important finding from

these data is that most people who do not file for UI benefits believe they are not eligible for benefits. The specific reason for not applying, however, depends strongly upon the person's reason for unemployment. At least among people whose temporary jobs ended, the data suggest that many of them do not understand key elements of UI program coverage and eligibility. More analysis of similar microdata would help improve researchers' understanding of why so few unemployed people apply for and receive UI benefits. □

Notes

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¹ The reciprocity rate is the ratio of weekly UI beneficiaries to weekly total unemployment. Among the 21 high-income countries that are members of the Organization for Economic Cooperation and Development, the median UI reciprocity rate during the 2000–04 timespan was 0.875; during the same period, reciprocity in the United States averaged 0.391, less than half the median of the 21 countries' rates. Of these countries, only Greece and Japan had lower reciprocity rates than the United States.

² Three papers that summarize the first three CPS supplements from 1976, 1989, and 1993 are the following: Carl Rosenfeld, "Job search of the unemployed, May 1976," *Monthly Labor Review*, November 1977, pp. 39–43; Wayne Vroman, "The Decline in Unemployment Insurance Claims Activity in the 1980s," Unemployment Insurance Occasional Paper 91–2, (Washington, DC, U.S. Department of Labor, Employment and Training Administration, 1991); and Stephen Wandner and Andrew Stettner, "Why are many jobless workers not applying for benefits?" *Monthly Labor Review*, June 2000, pp. 21–32.

³ See Wayne Vroman, "An Analysis of Unemployment Insurance Non-Filers: 2005 CPS Supplement Results," Occasional Paper 2009–7, (Washington, DC, U.S. Department of Labor, Employment and Training Administration, 2009).

⁴ The eight questions are shown in the appendix of this article.

⁵ According to the UI program data, applicants for unemployment insurance (collectively referred to as "insured unemployment") were 34.4 percent of total unemployment in 2005.

⁶ In UI program data for 2005, the difference between the sexes was slightly larger. The insured-employment-to-uninsured-employment ratio was 0.324 for women and 0.366 for men.

⁷ UI program data on nonmonetary decisions involving voluntary quits in 2005 indicate a denial rate of 0.73.

⁸ Some form of temporary Federal benefit program has been enacted in every recession since 1958. Federal-State Extended Benefits also were paid in 1993 in Oregon, Puerto Rico, and Washington State.

⁹ The Supplemental Unemployment Assistance program paid benefits to people regardless of their eligibility for regular UI. Usually, emergency and extended benefit programs pay benefits only to people who have already exhausted their entitlement to regular UI benefits. The Supplemental Unemployment Assistance program served many individuals with low and/or intermittent earnings histories and employees of nonprofit organizations and the government who were not covered by UI at the time.

¹⁰ The only exception to this generalization is women reentrants. In this category, the 2005 average of 12.3 percent is only marginally higher than the 1993 average of 10.4 percent.

¹¹ Eligibility was extended to people who previously had worked in noncovered sectors and to some who did not satisfy other eligibility criteria for the regular UI program.

¹² In UI program data for 2005, the ratio of first payments to new initial claims is 0.757.

¹³ The regression analysis is discussed in Section 7 and Appendix B of Vroman, "An Analysis of Unemployment Insurance Non-Filers."

APPENDIX: Questions in the 2005 UI supplement in the CPS

As noted in the text, the supplement questions were administered mainly to unemployed people in outgoing rotation groups during the months of January, May, July, and November in 2005. The eight questions are listed below. Details that relate to skip patterns for the questions, the selection of people to be interviewed, and other instructions to the CPS interviewers are available from the Census Bureau, which has prepared documentation for potential users of data on UI benefits.

Question 1. Have you (or her/his name) applied for unemployment benefits since (your/her/his) last job?

Question 2. Have you (or her/his name) received any unemployment benefits since (your/her/his) last job?

Question 3. Did you (or her/his name) receive unemployment benefits last week?

Question 4a. Why didn't you (or her/his name) receive any unemployment benefits last week?

Question 4b. Why haven't you (or hasn't her/his name) received any unemployment benefits since (your/her/his/) last job?

Question 5. There are a variety of reasons why people might not apply for unemployment benefits. What are the reasons (you have/name has) not applied for unemployment benefits since (your/her/his) last job?

Question 6. Why didn't (you/name) believe (you were/she was/he was) eligible for unemployment benefits?

Question 7. Of the reasons you just mentioned, (read the list of reasons), what is the main reason (you/name) did not apply?

Question 8. Were you (Was name) a union member or covered by a union contract on (your/his/her) last job?