

**Re-Examining Unemployment Insurance as a Potential Safety Net
for Workers at Risk of Public Assistance Receipt**

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BACKGROUND

Introduction. The Unemployment Insurance (UI) program provides financial assistance during periods of unemployment to workers who find themselves between jobs through no fault of their own. However, there is growing concern whether the UI program can provide an adequate safety net for workers who tend to be at risk for financial hardship. This is because such workers may have greater difficulty meeting the eligibility requirements for UI benefits pertaining to their accumulated work experience and the circumstances surrounding their unemployment. This paper will examine whether financially vulnerable workers, in particular those at risk of public assistance receipt, would likely qualify for UI in the event they were to become unemployed.

Overview of The Unemployment Insurance Program. To qualify for UI, unemployed workers must have accumulated sufficient work experience and earnings during their “base period,” which is often defined as the first four quarters of the five quarters prior to job separation. These requirements refer to the total earnings a worker accumulated during the base period as well as the earnings during the highest quarter of that period, the amount of work during the base period, and the earnings outside the high quarter. The specifics of these requirements vary greatly by state. As of the year 2000, virtually every state had a minimum base period earnings requirement, ranging from \$600 in Connecticut to \$3,400 in Florida. Roughly two-thirds of the states had a high quarter earnings requirement, ranging from \$400 in Nevada to \$2,267 in Florida. Most states required wages in at least two quarters, and four states required at least 20 weeks of work.¹

¹See Dept. of Labor, 2000.

In addition to meeting requirements pertaining to their accumulation of earnings and work, unemployed workers must also meet nonmonetary requirements in order to qualify for UI. These requirements pertain to both separation and nonseparation issues. Typically, the workers must have become unemployed through no fault of their own. This means a worker must not have been discharged for reason of misconduct and must not have left voluntarily, or if leaving voluntarily must have done so for “good cause.” These are separation issues. The definition of good cause for voluntary quits varies substantially across states. Fully 24 states specify that good cause must relate to employment circumstances except as noted in law, with most exceptions in law pertaining to personal illness and fewer exceptions pertaining to sexual harassment and domestic violence.² An additional 14 states restrict the definition of “good cause” in other ways.

Workers also must be available for and actively seeking suitable work in each week they are claiming benefits. These are called nonseparation issues. There is much less variation regarding these requirements across states. Nearly all states specify that the claimant must be actively seeking work, and only 11 states provide some exception to these requirements based on claimant illness or disability.³ In most states, a worker who declares he or she is seeking only part-time work does not meet the definition of available for and actively seeking work, and is ineligible for UI benefits.⁴

²See U.S. Dept. of Labor, 2001.

³There is some variation in the states’ definition of “suitable work,” however this is not reflected in the analysis presented in this paper.

⁴For further details on UI eligibility for part-time job seekers, see National Employment Law Project, 2001(a)

Recent Developments. Concern over the availability of UI benefits for the low-wage sector of the labor market has grown with the passage of welfare reform in 1996. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced Aid to Families with Dependent Children (AFDC) with Temporary Assistance for Needy Families (TANF). Changes to welfare under TANF include the imposition of time-limited welfare benefits and a greatly increased focus on moving cash assistance recipients into jobs. The Department of Health and Human Services (2000) reports that caseloads have fallen by roughly half since the passage of welfare reform, and roughly half of these cases left welfare for work. However, the majority of these jobs were in the low-wage labor market.

Several researchers, including this author, released studies in the mid 1990s reflecting the concern over the difficulties that various at-risk populations would face in qualifying for UI benefits. The majority of these studies utilized data from the 1980s and early 1990s. Kaye (1997), Gustafson and Levine (1998) and Spalter-Roth *et al* (1994) focused directly on the availability of UI for women leaving AFDC. Kaye estimated that only about 35 percent of women leaving welfare would be expected to accumulate sufficient work experience to qualify for UI, and Spalter-Roth estimated only 10 percent would actually collect UI benefits.

Additional studies focused on broader at-risk populations, such as women, low wage workers and part-time workers, and expressed similar concerns. This research includes reports by the Advisory Council on Unemployment Compensation (1996), Bassi and Chasanov (1997), Falk (1990), Savner and Greenberg (1996) and Yoon *et al* (1995).

The availability of UI benefits for low-wage workers remains of critical importance. In their recent report, the General Accounting Office (2000) cautions that without reforms in the determination of eligibility, the role of UI as a safety net for low-wage workers will be further eroded. Their examination of data from 1992 to 1995 shows that low-wage workers are more than twice as likely to be unemployed compared to higher wage workers but roughly half as likely to collect UI if they become unemployed.

However, the late 1990s have seen dramatic improvements in the economy, with employment outcomes strengthened across the labor market, including the low-wage sector. In his recent study, Holzer (2000) stresses the importance of re-examining potential UI eligibility for at-risk workers in light of these recent developments. His study focuses on former welfare recipients in particular. Based on data gathered from employers in four metropolitan areas between 1998 and 1999, Holzer suggests that UI eligibility among former welfare recipients could be significantly greater than previously thought, although some workers could still face serious problems.

Several factors pertaining to the UI program have also served to increase benefit eligibility for some workers during this period. For example, monetary eligibility thresholds in over half the states have remained unchanged for several years because they were not indexed for inflation. This has increased the chances that low-wage workers will satisfy these requirements as wages rise. The past several years have also seen significant activity to reform UI eligibility criteria at the state level and proposals for national-level reform as well.

One key reform would extend UI benefits to workers who are only available for part-time work. GAO (2000) reports that currently these workers would be ineligible for UI in 30 states, but recent state and national proposals would extend eligibility to all such workers provided they meet all other qualification criteria and had been working part-time during their base period.⁵ Clearly, this is a time when further research is needed regarding the accessibility of UI benefits for at-risk workers, in light of these recent labor market and UI program developments.

Purpose. This paper builds on the research cited above by providing more recent evidence on the degree to which economically vulnerable workers would likely qualify for unemployment insurance in the event they lose their jobs. The paper first estimates the likelihood that workers at risk of public assistance receipt would meet monetary and nonmonetary eligibility requirements in effect for the year 2000. Next, the paper examines the potential importance of extending eligibility to part-time workers. Employment outcomes were measured as of 1997 and inflated to account for wage growth through 2000.

DATA SOURCES

The data that best measure UI eligibility among unemployed workers are the administrative data on wage records and benefit determinations collected by states. These data speak directly to

⁵Other key reforms have been proposed by both state and national policy makers as well, including the alternative minimum base period. These reforms are beyond the scope of the analysis presented here. For a discussion of recent state reform activities that could affect UI eligibility for low-wage workers, see National Employment Law Project, 2001(b).

issues of monetary and nonmonetary eligibility in each state, and the large number of observations contained in the program file can support various subgroup analyses.

Unfortunately, the data are not nationally aggregated, and thus can only be used to study individual states or small groups of states.

National surveys provide an alternative data source for examining the research questions posed here. This analysis will rely primarily on data from the Survey of Program Dynamics (SPD). These data do not directly measure UI eligibility, however they contain several variables that, taken together, provide a general indication of whether at-risk workers are likely to meet monetary and nonmonetary requirements. The data have the advantage of being nationally representative.

The SPD was authorized and funded under the 1996 welfare reform law to help track outcomes associated with welfare reform. As part of its primary focus, the survey collects detailed information on participation in public assistance programs and employment outcomes. As described by the Bureau of the Census (2000), the SPD consists of three components: the 1992 and 1993 SIPP panels covering the period of 1992 to 1995; the 1997 “bridge” survey that serves as a link between these SIPP panels and future SPD waves; and SPD data waves for 1998 and future years. All waves track the 1992/1993 SIPP cohort, and can be merged to eventually provide longitudinal data for the ten year period from 1992 to 2001. For the 1998 wave, the most recent available, data represent completed interviews with just over 16,000 households, and

approximately 56,000 person-level records. Results for this paper will utilize the 1997 and 1998 waves, representing outcomes for calendar years 1996 and 1997.⁶

The 1997 wave contains information on several household, family and individual outcomes, including detailed coverage of participation in public assistance programs for 1996. The data also show, for those who worked part-time in 1996, the reasons for working part-time. The 1998 wave has been released as an unedited, experimental file. This wave contains very detailed employment histories for up to four jobs held during 1997, with sufficient information to determine whether an individual would meet the primary monetary requirements in his or her state based on those four quarters of work experience. The data also contain information on the extent to which a worker between jobs is looking for work, the reason for leaving employment, the reason for working less than 52 weeks, whether an individual typically works less than full-time at his or her job, and monthly participation in public assistance programs.

The public use SPD data file identifies state of residence for all individuals except those living in Maine, Vermont, Iowa, North Dakota, South Dakota, Alaska, Idaho, Montana and Wyoming. Due to small sample sizes in these states, the observations have been grouped together regionally. Because it is not possible to match these observations with state-specific parameters for the UI program, they have been dropped from the analysis.⁷ Therefore, while the findings below are

⁶It is important to note that these data represent the 1996 and 1997 outcomes associated with a cohort of the population drawn in 1992 to 1993. This cohort will differ somewhat from a cross-section of the 1997 population due various factors, such as aging and immigration.

⁷These states account for less than four percent of the national labor force.

presented as national aggregates, it should be noted that they do not reflect UI programs in the nine states mentioned above.

In addition to the SPD data, information from the Unemployment Insurance program is used to construct state-specific parameters for monetary and nonmonetary eligibility provisions as of 2000. Monetary provisions modeled here include work requirements, provisions for minimum base period and high quarter earnings, and distribution of earnings outside the high quarter. Nonmonetary provisions include definition of good cause for voluntary quits and medical exceptions to requirements for seeking work.

METHODOLOGY

This paper presents descriptive tabulations showing the percent of at-risk workers that would meet the Unemployment Insurance eligibility requirements in effect as of 2000. It is based on a simple comparison of workers' employment history and circumstances relative to UI monetary and nonmonetary provisions in their state of residence. Employment outcomes are measured in 1997, the most recent year for which data are available, and inflated to make comparable to UI requirements in 2000. The analysis focuses on the population at risk of receiving public assistance that is attached to the labor market, described more fully below.

At Risk of Public Assistance Receipt. The analysis does not focus strictly on outcomes for people who have left welfare, but rather a broader population of vulnerable families. This

population is defined as all family heads who lived in a household that received cash assistance, Medicaid or Food Stamps in either 1996 or 1997. The definition includes both men and women, married and single. There are various ways in which one could define the at-risk population, and different definitions would likely yield different results. However, given that the goal of this analysis was to examine the likelihood of UI eligibility among a population of workers that are broadly considered to be vulnerable, the definition chosen here is reasonable. One could also consider other definitions of the population at risk, such as female-headed households, or workers within 200 percent of the poverty threshold.

Attached to the Labor Market. Unemployment Insurance is a program for individuals who are attached to the labor market. For the purposes of this analysis, attachment to the labor market is defined to include all those individuals who reported at least some work for pay during 1997 and accumulated at least two quarters in 1997 during which they were off TANF. Although this definition is somewhat arbitrary, it was chosen to generate results that are policy relevant. The definition excludes, for example, individuals who worked for one month but then received TANF for the remaining 11 months, because their attachment to the labor force is low and generally they would not be expected to qualify for UI. The definition does not exclude all workers that had any TANF experience in 1997, because this would reflect a select subgroup of vulnerable working families that might have more favorable outcomes than vulnerable families in general.

Approximation of Monetary Eligibility. To measure monetary eligibility directly, one would identify all at-risk workers experiencing a spell of unemployment in 1997, then examine their

work histories during the preceding quarters that would comprise their base period and compare to the monetary requirements in their state. This is not possible using the SPD data, because the waves used in this analysis have detailed work histories for only the four quarters of 1997, with the work histories for 1996 reflected in much less detail. Therefore, this analysis answers a more hypothetical question; that is, how many at-risk workers would have accumulated sufficient work experience during the four quarters of 1997, were that to be their base period for some future spell of unemployment?

Wages in 1997 are inflated based on the weighted average of earnings growth between 1997 and 2000 by race, gender and education, with weights approximating the demographic composition of the at-risk worker population. Average earnings were reported by the U.S. Bureau of the Census (1998, 1999 and 2000), based on data from the Current Population Survey.

Approximation of Nonmonetary Eligibility. To provide an indication of how likely at-risk workers are to meet the nonmonetary requirements, the analysis examines three different variables. First, for all workers without a job in week 52 of 1997, the SPD provides information on the reason for job separation. This variable is used to approximate whether workers are likely or unlikely to have a qualifying separation from employment based on the definition of “good cause” in their state. Second, for those with any spell of unemployment for 1997, the SPD data provides the reason for working less than 52 weeks. This variable is used to approximate whether a person appeared available or unavailable for work during periods of unemployment. Finally, for those working less than 52 weeks, the SPD data shows whether they were looking for

work. While these variables do not estimate nonmonetary qualification directly, they provide a good indication of the circumstances surrounding the unemployment of at-risk workers, and whether nonmonetary requirements are likely to play a large role in reducing UI eligibility.

The Potential Impact of Reforms to Extend UI Benefits to Part-Time Workers. Policy makers have proposed reforms that would extend UI benefits to jobless workers who declare they are available only for part-time work, provided that they would otherwise be eligible for UI and had worked part-time during their base-period. The potential importance of this reform for at-risk workers depends in part on the likelihood that they could meet monetary eligibility based on part-time work, and the extent to which they would be seeking part-time rather than full-time work in the event they became unemployed.

The analysis below shows the likelihood of meeting monetary eligibility requirements among at-risk, part-time workers, and the share of all at-risk monetarily eligible workers that are part-time. In this case, the analysis is limited to only those workers who held one job at a time. Part-time workers are those who identified themselves as typically working 35 hours a week or less, or those whose average hours during the weeks they worked is calculated to be 35 hours or less.

The data also give a rough picture of whether at-risk, part-time workers might be expected to seek full-time versus part-time work. The SPD provides information on the reason for working less than full-time among workers in 1996, including “slack work,” and “wanted part-time work.” These reasons indicate the extent to which the part-time status among at-risk workers

was voluntary or involuntary, and thus whether they might seek full time work if it were available.

FINDINGS

Below are findings that reflect whether an at-risk worker would be likely to meet the monetary and nonmonetary requirements of UI as specified in the year 2000, as well as the potential impact of reforms extending eligibility to part-time workers. These results are based on work outcomes for a sample of 1,857 workers who were at risk of public assistance receipt. The findings should be viewed as general approximations rather than precise estimates, because as noted the data used for this analysis are limited in several ways.

Monetary Eligibility

Qualifying Workers. Table 1 shows that fully 81 percent of at-risk workers would be likely to meet the monetary requirements in their state if the four quarters observed for this analysis were to be the base period for a subsequent spell of unemployment.⁸ This result is consistent with conclusions reached by Holzer (2000), and much more optimistic than one would expect based on earlier studies of the 1990s. The difference likely reflects a combination of several factors, including improved labor market conditions, favorable changes to the UI program, and increased

⁸This proportion should be viewed as an upper bound. Recall that, due to data limitations, this analysis is based on a hypothetical base period for all workers during 1997, rather than examining the actual base period for unemployed workers. It is possible that workers who go on to experience a spell of joblessness tended to have lower rates of pay to begin with. In fact, wages earned during weeks worked averaged \$373 for individuals who worked all 52 weeks, compared to just \$308 for individuals working less than 52 weeks. This difference is statistically significant.

labor market experience among former cash assistance recipients. The estimates presented here also reflect a broader definition of the at-risk population compared to earlier studies; one that includes former welfare recipients, but other vulnerable workers as well.

Workers at risk of public assistance appear only slightly less likely than the population in general to meet the UI monetary eligibility requirements. According to administrative data reported by the Department of Labor (1999), approximately 89 percent of all workers applying for UI benefits had sufficient wages to qualify in 1998. Monetary requirements are less of a barrier to eligibility than they once were, in part because as wages have grown, minimum earnings thresholds have remained constant in many states. The General Accounting Office (2000) reports that since 1996, 29 states kept the minimum earnings level for the base period unchanged.

Workers Failing to Qualify. Nonetheless, the nearly 20 percent of at-risk workers failing to meet monetary requirements are a source of concern. The top panel of Table 2 shows that minimum base period and high quarter earnings requirements were a barrier for nearly half of the workers who failed to qualify monetarily. Minimum wages outside the high quarter were much less of a barrier (affecting only 13 percent of those failing to qualify), in part because only five states had such a requirement. While the majority of states require earnings in at least two quarters, this posed a barrier for only 22 percent of nonqualifying workers.

The bottom panel of Table 2 shows that, on average, nonqualifying workers accumulated 23 weeks of work during their base period, worked in just over two quarters of the year, and had

median earnings of \$2000 per year. Thus, these workers failed to meet monetary eligibility requirements in spite of measurable work effort.

Summary. These results suggest that the majority of workers at risk of public assistance receipt would be able to meet the monetary requirements for UI benefits. Roughly one-fifth of all at-risk workers would fail to meet the monetary requirements, in spite of averaging nearly 23 weeks of work during the year and earning median wages of \$2,000. Requirements pertaining to amount of earnings rather than quarters or weeks of work appeared to pose the biggest difficulties.

Nonmonetary Eligibility

Separation Issues. Administrative data reported by DOL (1999) indicate that once monetary determination is made, another 12 percent of all UI applications are disqualified based on separation issues. However, this figure does not tell the full picture for at-risk workers, many of whom may never even apply for UI benefits. In fact, among at-risk workers who lost their jobs or left due to illness or work-related reasons, the SPD data show that only 17 percent applied for benefits. The data provide no information on UI applications for workers who left for other reasons, but the rates are likely to be even lower.⁹

Therefore, it is not surprising that when examining potential UI eligibility among all at-risk workers, separation issues appear to have a substantially larger impact than reflected in the

⁹Wandner and Stettner (2001) confirm that a large percentage of all unemployed workers never apply for benefits, with over two thirds saying their reason for not applying was perceived ineligibility. Workers who left their jobs voluntarily were less than half as likely to apply as workers who lost their jobs.

administrative reports. Table 3 describes the reasons for job separation among at-risk workers meeting monetary requirements who were unemployed in week 52. The most common reason for separation was slack work or layoff, given by nearly one-fourth of the unemployed workers. Health and disability as well as temporary or seasonal work were also common reasons.

These reasons provide an indication of whether workers are likely to meet the requirements in their state. For example, those workers leaving due to slack work or being laid off are very likely to have a qualifying separation regardless of their state of residence, while those returning to school are very unlikely. Those separating due to health or disability are assumed to be somewhat or very likely to qualify in states with exceptions for illness but very unlikely to qualify in other states with no such exception. In this way each reason for leaving is judged unlikely, somewhat likely or very likely to meet the criteria in each state.¹⁰ Based on this approximation, the bottom panel of Table 3 shows that less than one-third of the unemployed workers meeting the monetary requirements appear very likely to have a qualifying separation, and over one quarter appear very unlikely.

Nonseparation Issues. Unemployed workers must also be available for and seeking work.

Among workers meeting monetary requirements and applying for UI benefits, DOL reports that less than two percent of weeks claimed are denied due to nonseparation issues. But again, the picture seems to be quite different for the population of at-risk workers examined here, the

¹⁰The large proportion of workers listing reasons of “other or don’t know” are difficult to classify. They are considered to be very unlikely to qualify if they live in a state that restricts its definition of good cause to work related reasons, and somewhat likely otherwise. See Appendix A for further details.

majority of whom would not likely apply for benefits and therefore not show up in official reports.

Table 4 looks at the reasons for working less than 52 weeks during the year among at-risk workers experiencing any weeks of unemployment. Nearly 40 percent cited reasons of layoff or no work available. Being ill or disabled or taking care of family members were also commonly cited reasons. These reasons provide a rough indication of the person's availability for work during their spell of joblessness. For example, those who say they are on layoff or there is no work available are very likely to be deemed available, while those who are going to school or did not want to work are very unlikely. Approximating the availability of unemployed workers in this way indicates that only about 40 percent of unemployed at-risk workers who are monetarily eligible would likely to meet this requirement for UI benefits.¹¹ Fully 40 percent appear very unlikely. These figures are shown in the top panel of Table 5.

Finally, unemployed workers seeking to claim UI benefits must be seeking work. Table 5 shows, for the same population as above, what percent spent at least some time looking for work. Among at-risk workers meeting the monetary requirements, only one half of the unemployed reported looking for work.¹² When taken together, these findings indicate that only 28 percent of this population were very likely to meet both requirements of being available for and seeking

¹¹The roughly one-fifth of workers listing the reason "other" are assumed to be somewhat likely to qualify. See Appendix B for further details.

¹²Some unemployed workers may be exempt from job search requirements if they are officially awaiting recall from their prior employers; however, only eight percent of the unemployed examined here indicated they had a specific recall date from their employer or were expecting recall in six months.

work. It appears that nonseparation issues would affect UI eligibility among a significant percentage of at-risk workers.

Summary. Although the majority of at-risk workers would meet monetary criteria, it appears that nonmonetary requirements could significantly reduce UI qualification among those monetarily eligible. This includes requirements pertaining to both separation and nonseparation issues.

Among the population experiencing unemployment in week 52, more than one quarter appeared unlikely to have a qualifying separation. Among those experiencing any unemployment during the year, 40 percent appeared unlikely to be available for work and 64 percent appeared unlikely to be both available and looking for work. Again, it should be stressed that these percentages are rough indicators. They are based on small sample sizes and subjective interpretations of reasons for leaving employment and working less than 52 weeks.

It should also be noted that among workers who do receive unemployment insurance, the benefits are likely to be small, as they are also based on the worker's accumulated earnings. As a next step in her research, the author plans to calculate the UI benefit amounts that would be available to at-risk workers who appear to be eligible based on the analysis presented above.

Eligibility for Part-Time Workers

Currently, unemployed part-time workers in most states will fail to meet the "available for suitable work" eligibility criteria for UI. In a recent survey of states, GAO (2000) found that workers who were available only for part-time work would be disqualified in 30 states.

Reforms that have been Proposed. Earlier this year, Congress introduced legislation stating that “compensation shall not be denied to an individual solely because such individual is seeking part-time work if (A) such individual otherwise qualifies for unemployment compensation, based wholly or mostly on part-time work; and (B) the part-time work sought by such individual generally requires at least 20 hours per week.”¹³

Potential Impact of Extending Benefits to Part-Time Workers. In 2000, the Department of Labor estimated that extending UI benefits to part-time workers who are otherwise eligible could result in an additional 600,000 workers becoming eligible.¹⁴ These reforms could be particularly important for at-risk workers, many of whom work part-time. However, there remains some question about potential impact of such reforms, because many at-risk, part-time workers may have difficulty meeting the monetary eligibility requirements. To shed some light on this question, the analysis below presents results on part-time work and monetary qualification among workers at risk of public assistance receipt.

Table 6 shows that part-time employment is an important segment of the labor market among at-risk workers, with just over one-third typically working less than 35 hours per week. This compares to only 25 percent among workers in general, as reported by the Commerce Department (1998). The results also indicate that many of these workers would be able to meet the monetary eligibility requirements for UI. Nearly 70 percent of at-risk, part-time workers

¹³See U.S. House of Representatives, 2001.

¹⁴See Uhalde, 2000

would accumulate sufficient work and wages to monetarily qualify. Fully 30 percent of all at-risk workers who meet the monetary requirements would do so based on part-time work, further illustrating the importance of part-time work among this population.

Not all of these part-time workers would necessarily be affected by the proposed reforms in the event they become unemployed. Some may actually be available for full-time work if it were offered, and therefore would already be potentially available for UI under current program rules. The data used for this analysis do not describe availability among part-time workers, however, for part-time workers in 1996, the data provide some insight.

As Table 7 shows, 39 percent of at-risk workers said they were working part-time because they could not find full-time work or due to slack work conditions. This may indicate they would be available for full-time if it were offered, and therefore might not be affected by the proposed reforms. One-third of the workers indicated they worked part-time based on their desire to do so, a possible indication that they would only be available for part-time and therefore would likely be affected by the reforms. It is difficult to speculate about the availability of the remaining 30 percent of part-time workers who listed their reason as “other.”

Summary. Taken together, these findings indicate that the proposed UI reforms covering part-time work could significantly increase benefit eligibility for at-risk workers. The analysis presented here strongly suggests that a majority of at-risk, part-time workers could meet the monetary requirements. Also, there is some evidence that many are working part-time

voluntarily and thus would continue to seek similar arrangements, although this cannot be measured directly. These findings reflect the potential impact of UI reforms in states that do not already have similar provisions.

Conclusions

The findings presented here suggest that most workers at-risk of public assistance receipt would accumulate sufficient work and wages to meet the monetary requirements for UI benefits if they were to become unemployed. However, one fifth would have difficulty, particularly in meeting the high quarter and base period earnings requirements. These workers would have difficulty in spite of measurable work experience, with an average of 23 weeks of work and \$2000 in median earnings during the four quarters that would proxy as their base period.

In addition, among those monetarily eligible, it appears that a substantial proportion would have difficulty meeting the nonmonetary requirements. The results suggest that over one quarter appear very unlikely to have a qualifying separation and nearly two-thirds would fail to be available for and seeking work. Based on the reasons provided for leaving work or remaining out of work, many at-risk families appear to struggle in their attempts to care for families and participate fully in the labor market.

Proposed reforms concerning part-time workers may significantly increase eligibility among at-risk workers. Part-time employment is a significant segment of the labor market among at-risk

workers, and part-time at-risk workers appear able to meet the monetary eligibility requirements. However, it is likely that they will face the same difficulties with nonmonetary eligibility requirements discussed above.

The analysis presented here provides a clear indication that workers at-risk of public assistance may not have access to UI as a safety net if they find themselves between jobs. The implications of these results for the Unemployment Insurance program and other public policies are less straightforward. It is a more difficult question whether workers who do not appear to be available for or seeking work are considered part of the labor force and part of the mission of the UI program, or what types of support should be available to families that struggle to balance family and job responsibilities.

Table 1. Population of Workers At-Risk of Public Assistance Receipt

Work Outcomes During Four Quarter Period	
Average Weeks of Work	43.0
Average Quarters with Wages	3.5
Median Earnings	\$12,108
Percent of At-Risk Workers Who Would Meet Monetary Requirements	81%

Note: Based on a sample of 1,857 adult workers who lived in a household receiving cash assistance, Medicaid or Foodstamps in 1996 or 1997, had positive weeks of work and earnings in 1997, and had at least 2 quarters without TANF receipt in 1997. Findings represent work outcomes during the four quarters of 1997 (adjusted to reflect earnings growth weighted by race, gender and education between 1997 and 2000), and UI provisions in the worker's state of residence.

Table 2. Outcomes Among At-Risk Workers Failing to Meet Monetary Requirements

Monetary Requirements	% of Nonqualifiers Not Meeting Each Requirement	States with each Requirement
Minimum High Quarter Wage	49%	36
Minimum Base Period Earnings	42%	52
Minimum Wages Outside High Quarter	13%	5
Minimum Weeks of Work	9%	3
Minimum Quarters of Work	22%	43
Work Outcomes During Four Quarter Period		
Average Weeks of Work	23.0	
Average Quarters with Wages	2.3	
Median Earnings	\$2,000	

Note: Based on a sample of 348 workers defined as at risk and attached to the labor market, who failed to meet monetary requirements based on the UI provisions in the worker's state of residence. Findings represent work outcomes during the four quarters of 1997, adjusted to reflect earnings growth weighted by race, gender and education between 1997 and 2000. Nonqualifiers may fail to meet more than one requirements and percentages therefore sum to more than 100.

Table 3. Reasons for Leaving Job Among Monetarily Eligible At-Risk Workers who are Unemployed in Week 52

<u>Reason</u>	<u>Percent</u>
Personal or Family (including Pregnancy)	8%
Return to School	5%
Health or Disability	15%
Retirement	2%
Temporary, Seasonal or Intermittent Job	14%
Slack Work, Business Conditions or Laid Off	23%
Unsatisfactory Work Arrangements (Hours, Pay, Location, etc.)	9%
Fired	3%
Other or Don't Know	22%
Total	100%
Likelihood of Having a Qualifying Separation	
Unlikely	27%
Somewhat Likley	41%
Very Likely	31%
Total	100%

Note: Based on 154 workers defined as at-risk and attached to the labor force who were unemployed in week 52 of 1997 and met monetary eligibility requirements. Likelihood of having a qualifying separation reflects reasons for leaving job and definition of "good cause" in the worker's state of residence. See Appendix A for further details.

Table 4. Reason for Working Less Than 52 Weeks Among Monetarily Eligible At-Risk Workers

<u>Reason</u>	<u>Percent</u>
On layoff	18%
No Work Available	21%
Ill of Disabled	13%
Taking Care of Home or Family	16%
Going to School	6%
Retired	2%
Child Care Problems	1%
Vacation	2%
Did not Want to Work	2%
Other	19%
Total	100%

Note: Results reflect sample of 332 workers defined to be at risk of public assistance receipt and attached to the labor market who were employed for less than 52 weeks during the year and met monetary eligibility requirements in their state of residence.

Table 5. Meeting Nonseparation Requirements Among Monetarily Eligible At-Risk Workers

Likelihood of Meeting Availability Requirements	
Unlikely	40%
Somewhat Likely	19%
Very Likely	41%
Percent Looking For Work	50%
Likelihood of being Available and Looking For Work	
Unlikely	64%
Somewhat Likely	9%
Very Likely	28%

Note: Results reflect sample of 332 workers defined as at-risk and attached to the labor market who were employed for less than 52 weeks during the year and met monetary eligibility requirements

Table 6. Part-Time Work and Monetary Eligibility among At-Risk Workers in 1997

Percent of At-Risk Workers that are Part-Time	34%
Percent of At-Risk Part-Time Workers Meeting Monetary Eligibility Requirements	69%
Percent of At-Risk Monetarily Eligible Workers that are Part-Time	29%

Note: Reflects results from a sample of 1856 workers defined to be at-risk and attached to the labor force. Part-Time workers defined as those who identified themselves as typically working less than 35 hours per week, or those whose average weekly hours during the weeks they worked is calculated to be less than 35 hours.

Table 7. Part-Time Work in 1996

Percent of At-Risk Workers that are Part-Time	36%
Reason for Working Part-Time	
Could Only Find Part-Time Work	15%
Slack Work	24%
Wanted Part-Time Work	33%
Other	29%
Total	100%

Note: Reflects results from a sample of 662 workers defined to be at-risk and attached to the labor market who were employed part-time in 1996.

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APPENDIX A: Analysis of Reasons for Job Separation

Workers listing “Personal” (8%) as their reason for separation are assumed to be:

- Somewhat likely to qualify if they lived in a state that expressly included exceptions for family illness, domestic violence or sexual harassment, or a state that did not restrict its definition of “good cause” to work related reasons.
- Very unlikely to qualify if the above is not true.

Workers listing “Return to School” (5%) are assumed to be very unlikely to qualify in all states

Workers listing “Health, Disability” (15%) are assumed to be:

- very likely to qualify if the state generally lists illness as an exception
- somewhat likely if a state lists illness as an exception but with stricter guidelines (notice from doctor, etc), or if definition of “good cause” is not restricted to work related reasons.
- very unlikely to qualify if above is not true.

Workers listing “Retirement” (2%) are assumed to be very unlikely to qualify in all states.

Workers listing “Temporary/Seasonal” (14%) are assumed to be somewhat likely to qualify in all states.

Workers listing “Slack Work” (23%) are assumed to be very likely to qualify in all states.

Workers listing “Unsatisfactory Work Arrangements (hours, pay, location)” (9%) are assumed to be somewhat likely to qualify in all states.

Workers listing “Fired” (3%) are assumed to be very unlikely to qualify in all states.

Workers listing “Other” (2%) or Don’t Know (20%) are assumed to be:

- somewhat likely to qualify in a state where “good cause” is not restricted to work-related reason
- very unlikely otherwise.

Appendix B: Analysis of Reasons for Working less than 52 Weeks

If reason listed for working less than 52 weeks is “On Layoff,” or “No Work Available,” likelihood of availability is assumed to be very likely in all states.

If reason listed is “Ill or Disabled,” availability is assumed to be:

- Likely if state includes exception for illness
- Unlikely otherwise

If reason listed is “Taking care of home or family,” “Going to school,” “Retired,” “Child-care problems,” “Vacation,” or “Did not want to work,” availability is assumed to be unlikely.

If reason listed is “Other,” or “Don’t Know,” availability is assumed to be somewhat likely.