

REPORT

FINAL REPORT

A Longitudinal Survey of Unemployment Insurance Recipients in Two Regions in California

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CONTENTS

EXECUTIVE SUMMARY	XIII
I. INTRODUCTION.....	1
A. Research questions and research design	2
B. Prior research on study topics	3
1. Job search behavior of Unemployment Insurance (UI) recipients	4
2. UI and the maintenance of consumption	5
3. Other means of maintaining consumption	6
4. UI recipients' satisfaction with UI benefits and administrative procedures	7
C. Road map for the rest of the report	8
II. LONGITUDINAL STUDY DESIGN AND METHODS.....	9
A. Sample design	9
B. Overview of the UI system in California and the population in the two study areas	12
C. Study data.....	15
1. Administrative data.....	15
2. Survey data	15
D. Analysis approach	18
III. CHARACTERISTICS OF UI RECIPIENTS AND THEIR HOUSEHOLDS.....	21
A. UI recipients' demographic characteristics and pre-UI education levels.....	21
B. Characteristics of UI recipients' pre-UI jobs	23
C. UI recipients' household characteristics	26
IV. UI PROGRAM EXPERIENCES	29
A. UI recipients' benefit entitlements	29
B. UI recipients' benefit collection patterns.....	30
C. UI recipients' satisfaction with the UI system	33
V. WORK SEARCH	37
A. Timing and methods of work search	38
B. Use of reemployment services	46
C. Expectations of reemployment	49
VI. REEMPLOYMENT	57
A. Time to first job	57

B. Characteristics of first job	61
C. Characteristics of jobs over time	66
VII. FINANCIAL EXPERIENCES.....	69
A. Savings and debt.....	70
B. Financial adjustments of UI recipients and households	73
C. Reported financial importance of UI	84
VIII. CONCLUSIONS	89
A. Findings related to job search	89
B. Findings related to reemployment	91
C. Financial and other adjustments.....	92
REFERENCES.....	95
APPENDIX A: SURVEY DATA COLLECTION METHODOLOGY AND CONSTRUCTION OF WEIGHTS	A.1
APPENDIX B: NONRESPONSE BIAS ANALYSIS	B.1
APPENDIX C: TABLES CONTAINING DETAILED RESULTS FROM REGRESSION ANALYSES	C.1

TABLES

II.1	Comparison of populations in Los Angeles, Central Valley, California, and the nation (percentages except where indicated).....	14
II.2	Survey sample sizes and response rates, by area (percentages except where indicated).....	17
II.3	Sample sizes and precision estimates, by area (percentage points except where indicated).....	19
III.1	Characteristics of UI recipients, by area (percentages except where indicated).....	22
III.2	Industry and occupation prior to the UI claim, by area (percentage distributions except where indicated).....	23
III.3	Characteristics of the separating job, by area (percentages except where indicated).....	24
III.4	Relationship status, household size, and earnings of UI recipients prior to job separation, by area (percentages except where indicated).....	26
IV.1	UI entitlement of UI recipients, by area (percentages except where indicated).....	30
IV.2	UI benefits collected by UI recipients during the benefit year, by area (percentages except where indicated).....	31
IV.3	Satisfaction of UI recipients with the process of filing an initial claim, by area (percentages).....	35
IV.4	Satisfaction of UI recipients with the UI program at Wave 2, by area (percentages).....	36
V.1	Search for employment by UI recipients who were not employed, by area (percentages except where indicated).....	42
V.2	Time spent and methods used to search for employment by UI recipients who were not employed and looked for a job, by area (percentages except where indicated).....	44
V.3	Main reason given for not looking for employment by UI recipients who did not look for employment in the previous week, by area (percentages).....	45
V.4	Use of reemployment services at an American Job Center since the job separation month, by area (percentages).....	46
V.5	Expected time to reemployment from the interview date by UI recipients who were seeking employment, by area (percentages except where indicated).....	50
V.6	Characteristics of employment sought by UI recipients in Los Angeles who were seeking employment (percentages except where indicated).....	51
V.7	Characteristics of employment sought by UI recipients in the Central Valley who were seeking employment (percentages except where indicated).....	52
V.8	Acceptance of job offers UI recipients received, by area (percentages except where indicated).....	55
VI.1	Reemployment of UI recipients, by area (percentages except where indicated).....	59
VI.2	Characteristics of the separating job and the first job since job separation for UI recipients in Los Angeles who were reemployed (percentages except where indicated).....	62

VI.3	Characteristics of the separating job and the first job since job separation for UI recipients in the Central Valley who were reemployed (percentages except where indicated)	65
VI.4	Characteristics of jobs over time for reemployed UI recipients in Los Angeles (percentages except where indicated)	67
VI.5	Characteristics of jobs over time for reemployed UI recipients in the Central Valley (percentages except where indicated)	68
VII.1	UI recipients' savings, by area (percentages except where indicated).....	71
VII.2	UI recipients' debt, by area (percentages except where indicated).....	72
VII.3	Financial adjustments of UI recipients and their households, by area (percentages)	75
VII.4	Food insecurity of UI recipients and their households, by area (percentages).....	76
VII.5	Hours worked by UI recipients' spouses or partners, by area (percentages except where indicated).....	81
VII.6	Participation by UI recipients' households in public programs that provide income or in-kind support, by area (percentages except where indicated)	82
A.1	Response rates by area ^a	A.7
C.1	Summary statistics for variables used in regression analyses (percentages except where indicated).....	C.3
C.2	Predicted differences in the probability of exhaustion, the ratio of the minimum weekly wage sought at Wave 2 to the pre-UI weekly wage, and the probability of reemployment (percentages except where indicated)	C.5
C.3	Predicted differences in the probabilities of having food insecurity between the time of job separation and Wave 2, participating in public programs providing income or in-kind support, and reporting UI is very important for meeting financial obligations (percentages).....	C.6

FIGURES

ES.1	California counties in the Central Valley and Los Angeles areas	xvi
II.1	Map of California counties in the Central Valley and Los Angeles areas	11
IV.1	Predicted probabilities of exhausting benefits based on area and pre-UI characteristics (percentages)	32
IV.2	Predicted probabilities of exhausting benefits based on UI claim characteristics (percentages)	33
IV.3	Methods used to file UI initial claims, by area (percentages)	34
V.1	Timing of the beginning of UI recipients' work search after the job separation, by area (percentages)	39
V.2	Employment status of Los Angeles UI recipients at Waves 1 and 2 (percentages)	40
V.3	Employment status of Central Valley UI recipients At Waves 1 and 2 (percentages)	41
V.4	UI recipients' perceptions of the usefulness of reemployment services in Los Angeles, by timing of service receipt (percentages)	48
V.5	UI recipients' perceptions of the usefulness of reemployment services in the Central Valley, by timing of service receipt (percentages)	49
V.6	Predicted ratios of the minimum weekly wage sought at Wave 2 to the pre-UI weekly wage based on area, base period earnings, and union membership	53
V.7	Predicted ratios of the minimum weekly wage sought at Wave 2 to the pre-UI weekly wage based on weekly benefit amount, potential duration, and benefit exhaustion by Wave 2	54
VI.1	Predicted probabilities of being reemployed by the second wave based on area, pre-UI characteristics, and health status (percentages)	59
VI.2	Predicted probabilities of being reemployed by the second wave based on weekly benefit amount, potential duration, and education level (percentages)	60
VI.3	Ratio of weekly earnings from the first job since job separation to weekly earnings from the pre-UI job for UI recipients in Los Angeles	63
VI.4	Ratio of weekly earnings from the first job since job separation to weekly earnings from the pre-UI job, for UI recipients in the Central Valley	66
VII.1	Predicted probabilities of food insecurity from time of job separation to Wave 2, based on area, gender, and race/ethnicity (percentages)	77
VII.2	Predicted probabilities of food insecurity from time of job separation to Wave 2, based on education and health (percentages)	78
VII.3	Predicted probabilities of food insecurity from time of job separation to Wave 2, based on pre-UI and claim characteristics (percentages)	79
VII.4	Predicted probabilities of participating in a public program providing income or in-kind support at Wave 2, based on area, pre-UI participation in public programs, and weekly benefit amount (percentages)	83

VII.5	Predicted probabilities of participating in a public program providing income or in-kind support at Wave 2, based on gender, marital status, and household size (percentages).....	84
VII.6	Importance of UI payments in helping UI recipients in Los Angeles meet financial obligations and avoid financial losses (percentages)	85
VII.7	Importance of UI payments in helping UI recipients in the Central Valley meet financial obligations and avoid financial losses (percentages)	85
VII.8	Predicted probabilities of UI recipients reporting that UI payments are very important in helping meet financial obligations and avoid financial losses, based on area, race/ethnicity, and education (percentages).....	86
VII.9	Predicted probabilities of UI recipients reporting that UI payments are very important in helping meet financial obligations and avoid financial losses, based on pre-UI and claim characteristics (percentages).....	87

EXECUTIVE SUMMARY

A main goal of the U.S. Unemployment Insurance (UI) program is to provide temporary income support to workers who lose their jobs through no fault of their own. Benefits supply only partial wage replacement and are time-limited, so as to balance providing income support during unemployment and preserving incentives for benefit recipients to return to work. Most UI claimants who begin receiving benefits during non-recessionary periods can collect them for up to 26 weeks. Claimants must collect all benefits to which they are entitled within one year from starting or they lose their entitlement.

To minimize the negative impacts of job loss, unemployed workers must make a variety of changes in their activities both shortly after job loss and in the ensuing months. In the first few weeks or months after job loss, they must develop a strategy for finding a new job, including defining what kinds of jobs to seek as well as methods of job search to use; adopt methods for maintaining or minimizing decreases in consumption levels for themselves and their families, such as withdrawing money from savings; and possibly take steps to participate in public programs that provide income support, such as the UI program or the Supplemental Nutrition Assistance Program (SNAP). Those who have not found satisfactory reemployment in the short term might adapt their job search, take on added debt, rely on others in their household to increase their work activity (by taking on new jobs or expanding hours), and further avail themselves of income supports offered by other public programs. The extent to which they make these changes can be influenced by the collection of UI benefits and the associated administrative rules (such as the requirement that recipients be available for work and engage in active job search).

The U.S. Department of Labor commissioned this study of UI recipients to gain an understanding of short- and medium-term adjustments after their job losses. The study uses data from a two-wave longitudinal survey and UI administrative records to focus on such issues as how recipients' job search strategies change over time, the role of UI benefits and other strategies unemployed workers use to cope with financial hardships, and UI recipients' satisfaction with the program. The study provides insights that are useful to policymakers who are interested in evaluating the extent to which the UI program is meeting its goal of providing temporary income support to unemployed workers who lose their jobs through no fault of their own, while also encouraging them to return to work quickly. It also provides insights about how the UI system might be improved to better meet this goal in a nonrecessionary context, specifically in the period following the Great Recession. Our key recommendations are: (1) identify strategies to improve targeting of services to workers who lose jobs and delay filing for UI benefits, possibly through more research if needed; and (2) consider the feasibility and potential benefit of expanding strategies to provide additional reemployment services to UI recipients later in their UI benefit collection periods but before they exhaust benefits.

A. Research questions

This study of UI recipients addresses research questions in four general areas:

- **UI program experiences.** What are UI recipients' benefit entitlements for the current benefit year? What portion of their UI benefit entitlements did recipients collect? How many

recipients exhausted their benefit entitlements, and what were some of the important correlates of exhaustion? How satisfied were recipients with the process of filing claims for benefits, the helpfulness of UI staff, the clarity of information provided, and the timeliness of benefit receipt? More generally, how do recipients view the UI program and the income support it provides overall?

- **Work search.** How soon after job separation did UI recipients begin looking for jobs? How many hours did UI recipients spend on job search each week, and did this amount change over time? What methods did UI recipients use to look for jobs, and did these methods change over time? What reemployment services did they use? Did they change their use of such services over time, and did they think these reemployment services were helpful? Did UI recipients' criteria for acceptable job offers (including the minimum weekly wage sought) or expectations about their reemployment change over time? Were UI recipients willing to relocate to gain reemployment?
- **Reemployment.** How quickly did recipients become reemployed? How many returned to their previous jobs? What were the hours and earnings of their new jobs? What fringe benefits did those jobs provide? How did the jobs found by recipients compare to those they held prior to layoff?
- **Financial experiences.** How much savings and debt did UI recipients have before the pre-UI job separation, and how did these amounts change over time? What financial adjustments did UI recipients make, such as withdrawing money from savings accounts or accessing cash from credit card accounts? How did the labor supply decisions of spouses and partners change over time? Was there evidence of financial hardship, such as being 60 or more days late on bill payments? Did recipients' households begin participating in public assistance programs that provide income or in-kind support after the pre-UI job separation, such as SNAP, Supplemental Security Income, and Medicaid?

To provide context, we also present information on the characteristics of our sample, including information about their demographic and socioeconomic characteristics (such as their household income and poverty status), the characteristics of their employment before their UI claims, and whether or not they had received UI benefits in the past 10 years before their most recent claim.

B. Sample design and study data

The main data source for analyzing these research questions is a longitudinal survey, conducted in two waves. The survey allowed us to examine changes over time in measures that are not available in administrative data, based on detailed questions about job search, financial status, customer satisfaction, internet filing, and the reported importance of UI for dealing with financial obligations. Our analysis supplements the survey data with administrative data to examine some of the questions related to benefit collection and UI program experiences.

The samples for the study were selected using a UI claims administrative data extract from California of UI recipients who were eligible for UI benefits through a new initial claim and whose first compensable week of benefits ended during a single, specified calendar week (February 15-21, 2015). We included all UI recipients except those receiving short-time compensation (a special program in the UI system for workers who have reduced work hours

rather than a job loss). We excluded participants in short-time compensation because their experiences after they start collecting unemployment benefits are likely to differ dramatically from those of workers who, at least temporarily, are no longer working.

We included in the study UI recipients from two geographic areas—the Los Angeles metropolitan statistical area and the Central Valley. Drawing from two areas was valuable because it enables us to explore UI experiences across recipients facing different labor market characteristics, such as job density, job quality, and transportation options. These characteristics could influence UI recipients' experiences with the program as well as their job search activities and outcomes. The Los Angeles area included in the study was defined to consist of two large counties in southern California (Los Angeles County and Orange County) that are primarily urban. The Central Valley area included in the study was defined to consist of 18 smaller counties (Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba counties) (Figure ES.1). The Central Valley area is primarily rural and has a strong agricultural focus. For short, we refer to these areas as “Los Angeles” and “Central Valley” throughout the report.

The core data for the study come from two waves of the survey with UI recipients, timed to align with critical time periods in their benefit collection experiences. The first, which aligns with the early portion of benefit period, was fielded from March 23, 2015, to May 29, 2015—approximately 6 to 15 weeks after the recipients began their eligibility for benefits. Wave 2 was timed to align with a period near or shortly after recipients who exhausted their benefits could have done so. It was fielded from August 16, 2015, to November 9, 2015—about 6 to 9 months in the claim period. Although recipients were entitled during this time period to 26 weeks of benefits at most, it is possible that some were still entitled to benefits that they had not yet collected when they completed Wave 2.

The initial sample size in each of the two study areas was 1,815 recipients. About 61 percent of sample members in Los Angeles and 57 percent in the Central Valley responded to the survey in Wave 1. Only these individuals were included in Wave 2. At Wave 2, 78 percent of sample members in Los Angeles and 74 percent of those in the Central Valley responded. Final response rates—the percentage of recipients we tried to interview at Wave 1 who completed both Waves 1 and 2—were 48 and 43 percent for the two locations, respectively.

Our analysis focuses on recipients who responded to both waves, which includes 871 UI recipients in Los Angeles and 774 in the Central Valley. We refer to our sample as UI recipients because of the study design and not because sample members were necessarily collecting benefits at either wave of the survey. We examine those who responded to both survey waves to ensure that we have a uniform set of sample members for observing changes over time in behavior and outcomes. Our discussion highlights differences that are substantively important over time and emphasizes key differences or similarities across the two regions.

The survey data and publicly available data indicate that UI recipients in Los Angeles and the Central Valley have different characteristics and face different labor markets. In our survey samples, Central Valley recipients were about three times as likely as Los Angeles recipients to have less than a high school diploma or GED as their highest educational attainment (44 percent versus 15 percent). They were only about one-fifth as likely (7 percent versus 35 percent) to have

a bachelor’s degree or higher level of educational attainment. Compared to UI recipients in Los Angeles, those in the Central Valley were more likely to have jobs in industries including agricultural work and to have had lower-paying jobs prior to the start of UI benefit collection. Pre-UI jobs for Los Angeles recipients were much more diverse in terms of industries. Before job separation, UI recipients’ households in the Central Valley were also larger (with an average of 3.7 people compared to 3.0 people) and more likely to have incomes below the poverty threshold (29 percent versus 13 percent).

Figure ES.1. California counties in the Central Valley and Los Angeles areas



Source: <http://geology.com/county-map/california.shtml>

C. UI program experiences

UI recipients in Los Angeles had larger average UI entitlements than UI recipients in the Central Valley (\$8,379 versus \$6,244). This was a result of Los Angeles recipients having longer potential durations of benefits (24 versus 22 weeks) and higher average weekly benefit amounts (\$335 versus \$273), which was in turn based on their higher average earnings at their pre-UI jobs. Los Angeles UI recipients also collected more UI benefits (an average of \$5,985 versus \$4,945). They were less likely to exhaust their benefits (51 percent versus 59 percent).

Most UI recipients were satisfied with the process of filing their UI initial claims. Despite the different labor market characteristics in the Los Angeles and Central Valley areas, UI recipients in both areas had high levels of satisfaction with the ease of understanding and following filing instructions, clarity of information about benefit rights and responsibilities, explanation of available benefits and services, length of time to file the initial claim, and timeliness of receiving benefit checks or deposits. Recipients in both areas also used similar processes to file their initial claims. About three-quarters of UI recipients in both areas (75 to 78 percent) filed their initial claims online, and most of the rest (12 to 15 percent) filed by telephone.

Recipients in both sites also had high satisfaction levels with their overall experience with the UI program at the time of the second wave of the survey. Seventy-eight percent of recipients in Los Angeles and 88 percent of recipients in the Central Valley reported being “very satisfied” or “somewhat satisfied.”

D. Work search

While three-quarters of recipients did not have a job at the Wave 1 interview date, half of those in Los Angeles and 65 percent in the Central Valley had a job at the Wave 2 interview date. Recipients began looking for work soon after their job separation. In both sites, most recipients (86 percent in Los Angeles and 77 percent in the Central Valley) reported beginning to look for work within two weeks after their job separation.

Recipients who were not employed at both waves were most likely to look for work by contacting friends, relatives, or professional associates (91 percent in Los Angeles and 86 to 89 percent in the Central Valley). Our analysis of work search focuses on those who were not employed at both waves to learn about the distribution of work search methods and how they changed over time. These recipients were also likely to use the internet (88 to 92 percent in Los Angeles, 75 to 77 percent in the Central Valley) and apply directly to prospective employers (79 percent in Los Angeles, 78 to 79 percent in the Central Valley). Los Angeles recipients who were not employed at both waves were more likely to answer ads in newspapers or other publications at Wave 2 than they were at Wave 1 (42 percent at Wave 1 versus 50 percent at Wave 2).

By Wave 2, 43 percent of Los Angeles recipients and 33 percent of Central Valley recipients received information from an American Job Center (AJC) on education or job training programs. In both areas, the percentage of recipients who ever used reemployment services from an AJC increased by 8 to 10 percentage points from Wave 1 to Wave 2 (from 72 to 80 percent in Los Angeles and from 59 to 69 percent in the Central Valley). About 65 percent of

Los Angeles recipients and 75 percent of Central Valley recipients who received reemployment services from AJCs found them to be very or somewhat useful.

Los Angeles and Central Valley recipients who were seeking employment at both waves of the survey did not materially change the characteristics of the employment they sought over time. There were no statistically significant changes in the minimum weekly earnings sought, fringe benefits sought, or expectations that relocation would be necessary.

Controlling for individual, household, and claim characteristics, recipients who had higher base period earnings, were union members, or had higher weekly benefit amounts sought lower weekly earnings at Wave 2 relative to their separating job, compared to other recipients. This analysis uses multivariate linear regression, where the dependent variable is the ratio of the minimum weekly earnings sought at Wave 2 to weekly earnings from the separating job, and the estimation sample is recipients who were seeking employment at Wave 2. This pattern of results supports a view that recipients who had more job-specific skills had lower wage expectations for their new job, relative to their separating job. Separating jobs that were held by union members might also be expected to pay more than a new, non-union job. Recipients who exhausted their UI benefits by Wave 2 had lower ratios at that point in their job search, compared with those who had not exhausted their benefits.

E. Reemployment

About two-thirds of recipients in Los Angeles (63 percent) and three-quarters of recipients in the Central Valley (77 percent) were reemployed by the second wave. These estimates are based on the recipient holding any job after the pre-UI job, regardless of whether he or she was still employed at the Wave 2 interview date. Consequently, these rates are higher than the employment rates at the Wave 2 interview (51 and 65 percent for Los Angeles and the Central Valley, respectively).

About a third of reemployed Los Angeles recipients and about 60 percent of reemployed Central Valley recipients returned to the same employer they had for their pre-UI job. The higher rate in the Central Valley is likely related to the prevalence of seasonal work in the agricultural sector. Average hours worked per week declined by 17 to 18 percent for reemployed Los Angeles recipients and 5 percent for those from the Central Valley, regardless of whether they held a job at the same or a different employer as their pre-UI job. Among recipients who changed employers, average weekly earnings declined by 14 to 15 percent relative to their pre-UI job.

Central Valley recipients who were reemployed by a different employer were more likely to be offered paid sick days, a retirement savings or pension plan, and health insurance through their first post-UI job than they were through their pre-UI job. The first post-UI job for these recipients was less likely to be in the agricultural sector and more likely to be in the manufacturing or trade, transportation, and utilities sectors.

Reemployed Los Angeles recipients who switched employers were not significantly more likely to have paid sick days, health insurance benefits, or retirement savings available to them through their new jobs. Their first post-UI job was less likely than the pre-

UI job to be in the business support services industry and more likely to be in the leisure and hospitality industry.

F. Financial experiences

In both areas, recipients' average debt and loan amounts increased over time, while average savings did not significantly decrease. Los Angeles recipients' reports of their savings amounts remained stable over time, from the time of the job separation to the second wave. Central Valley recipients were more likely to report having a savings account over time. Average savings amounts remained relatively low in both areas at Wave 2 (\$4,766 in Los Angeles; \$2,671 in the Central Valley).

Shortly after recipients lost their jobs, their households used a variety of financial management strategies, most commonly withdrawing money from savings, but this became less common over time as more recipients found reemployment. In both sites, recipients did not become more likely over time to report having been 60 or more days late in paying their bills. Reported food insecurity did not change over time in Los Angeles and improved in the Central Valley, especially for Central Valley recipients who became reemployed by the time they responded to Wave 2 of the survey.

Over time, spouses and unmarried partners of UI recipients increased their average hours worked. Among all spouses or partners (including those who worked zero hours), average hours worked rose from 25 to 29 hours in Los Angeles and 17 to 27 hours in the Central Valley. We did not find that spouses were more likely to have jobs over time.

Household rates of receipt of any of five types of public benefits also increased by Wave 2. At the time of the pre-UI job separation, 34 percent of Los Angeles UI recipients were in households that received SNAP benefits, some type of welfare benefits, Social Security benefits, some type of disability-related benefits, or a public health insurance benefit, such as Medicaid. By Wave 2, 40 percent of UI recipients were in households that did so. In the Central Valley, 56 percent of UI recipients were in households that received any of the five types of public benefits listed above at the time of job separation, and this rate increased to 61 percent by Wave 2.

Ninety-seven percent of recipients reported in Wave 1 that UI payments were very important or somewhat important in helping them to meet their financial obligations and avoid financial losses. At Wave 2, 93 percent of Los Angeles recipients and 95 percent of Central Valley recipients reported that UI payments were very or somewhat important. Recipients who were non-Hispanic black or Hispanic, attained at most a high school diploma, were older in age, had lower base period earnings, or had higher weekly benefit amounts were more likely to report at Wave 2 that UI payments were very important financially. While this provides evidence that recipients thought UI payments were important, it does not imply that there are positive impacts of the UI program on financial well-being. Our sample included only UI recipients, so we cannot compare the outcomes of UI recipients and nonrecipients.

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I. INTRODUCTION

A main goal of the U.S. Unemployment Insurance (UI) program is to provide temporary income support to workers who lose their jobs through no fault of their own.¹ Benefits are based on prior earnings, provide only partial wage replacement, and are time-limited. The program benefits have been designed to provide a suitable tradeoff between offering income support during unemployment and preserving incentives for benefit recipients to return to work. Most UI claimants who begin receiving benefits during non-recessionary periods can collect them for up to 26 weeks.² Claimants must collect all benefits to which they are entitled within one year from starting or they lose their entitlements to them. UI operates as a Federal-state partnership under which the Federal government sets general standards for the program and states determine the specifics of their eligibility provisions and benefit levels. These provisions vary significantly from state to state.

Workers who lose their jobs must make a variety of changes in their activities both over the short term and over the longer term. In the short term, such the first few weeks or months after their job loss, they must develop a strategy for finding a new job, including defining what kinds of jobs to seek as well as methods of job search to use; adopt methods for maintaining the consumption levels for them and their families such as withdrawing from existing savings; and possibly take steps to participate in public programs that provide income support, such as the UI program or the Supplemental Nutrition Assistance Program (SNAP). Over the longer term, workers might adapt their job search strategies in response to their experiences, take on added debt, have others in their household increase their levels of employment, and further avail themselves of the income support offered by other public programs. The extent to which they make any of these changes could be influenced by the collection of UI benefits and the administrative rules associated with such collection (such as the requirement that recipients be available for work and engage in active job search).

The U.S. Department of Labor commissioned this study of UI recipients to gain an understanding of their short- and medium-term adjustments after their job losses. The specific focus of the study is on such issues as how recipients' job search strategies change over time, the role of UI benefits and other strategies unemployed workers use to maintain or smooth their consumption and cope with financial hardships, and UI recipients' satisfaction with the program. Information from this study is useful to policymakers who are interested in evaluating the extent to which the UI program is meeting its goal of providing temporary income support to unemployed workers who lose their jobs through no fault of their own. It also provides insights about how benefits and services offered by the UI system might be improved so as better to meet this goal in a nonrecessionary context, specifically in the period following the Great Recession.

¹ This aim is expressed by California in its description of services for the unemployed (See "For Your Benefit: California's Programs for the Unemployed", available at http://www.edd.ca.gov/pdf_pub_ctr/de2320.pdf).

² Of the 53 UI jurisdictions (which are the 50 states and 3 U.S. territories), currently 9 provide a uniform potential duration of 26 weeks to all recipients, 2 provide a uniform potential duration of less than 26 weeks, 4 provide a variable potential duration with a maximum less than 26 weeks, 36 provide a variable potential duration with a maximum of 26 weeks, and two provide potential durations longer than 26 weeks (at least during some periods).

To explore these topics, the study primarily uses a two-wave longitudinal survey of recipients in two areas within California, supplemented with administrative data from the UI system. The survey allows us to examine measures that are not available in administrative data, based on detailed questions about job search, financial status, customer satisfaction, internet filing, and the reported importance of UI for dealing with financial obligations. The longitudinal structure for the survey also provides better data on the types and timing of recipients' adjustments than would a survey conducted at a single point in time. Further, the two waves of the survey were timed to align with critical time periods in their benefit collection experiences. Administrative data were used to draw the samples for the survey, reduce the burden of the survey on respondents for data elements such as age and gender, and to obtain accurate programmatic information about UI benefit entitlements and collection. Drawing from two areas was valuable because it enables us to explore UI experiences across recipients facing different labor market characteristics, such as job density, job quality, and transportation options. Our analysis focuses on individuals who responded to both waves of the survey.

In this introductory chapter we provide a brief motivation for the study, describe the research questions to be addressed together with an overview of our research design, briefly summarize prior research on the study topics, and provide a roadmap to the remainder of the report.

A. Research questions and research design

This longitudinal study of UI recipients addresses research questions in four general areas:

- **UI program experiences.** What are UI recipients' benefit entitlements for the current benefit year? What portion of their UI benefit entitlements did recipients collect? How many recipients exhausted their benefit entitlements, and what were some of the important correlates of exhaustion? How satisfied were recipients with the process of filing claims for benefits, the helpfulness of UI staff, the clarity of information provided, and the timeliness of benefit receipt? More generally, how do recipients view the UI program and the income support it provides overall?
- **Work search.** How soon after job separation did UI recipients begin looking for jobs? How many hours did UI recipients spend on job search each week, and did this amount change over time? What methods did UI recipients use to look for jobs, and did these methods change over time? What reemployment services did they use? Did they change their use of such services over time, and did they think these reemployment services were helpful? Did UI recipients' criteria for acceptable job offers (including the minimum weekly wage sought) or expectations about their reemployment change over time? Were UI recipients willing to relocate to gain reemployment?³

³ We also collected data to answer research questions about the kinds of job offers that UI recipients received, the characteristics of their most attractive job offers, and, for UI recipients who received but did not accept any job offers, the main reasons they did not accept these offers. We could not reliably address these research questions while protecting respondent confidentiality because few UI recipients in our sample received but did not accept a job offer.

- **Reemployment.** How quickly did recipients become reemployed? How many returned to their previous jobs? What were the hours and earnings of their new jobs? What fringe benefits did those jobs provide? How did the jobs found by recipients compare to those they held prior to layoff? In addition to addressing such questions we also use information on reemployment to explain the types of adjustments that recipients make. Many of the patterns we observe cannot be explained without taking it into account.
- **Financial experiences.** How much savings and debt did UI recipients have before the pre-UI job separation, and how did these amounts change over time? What financial adjustments did UI recipients make, such as withdrawing money from savings accounts or accessing cash from credit card accounts? How did the labor supply decisions of spouses and partners change over time? Was there evidence of financial hardship, such as being 60 or more days late on bill payments? Did recipients' households begin participating in public assistance programs that provide income or in-kind support after the pre-UI job separation, such as SNAP, Supplemental Security Income, and Medicaid?

To provide added context and describe controls in our multivariate analyses, we also present information on the characteristics of our sample:

- **Characteristics of UI recipients and their households.** What are the demographic and socioeconomic characteristics of UI recipients? What were the characteristics of their employment before their UI claims? What was their household size, household income, and poverty status at the time of the pre-UI job separation? Have UI recipients received UI benefits in the past 10 years before their most recent claim?

Our main data source is longitudinal survey data, supplemented with administrative data for some variables. We collected two waves of survey data to gather information on the adjustments that recipients make to their job losses and continuing unemployment. Wave 1 of the survey was administered close to the date at which recipients began collecting UI. Wave 2 was administered about six months later at a time where most recipients, if they had collected their UI benefits continuously, could have exhausted their entitlements. We timed the interviews in this way so that the first fielding would illustrate the ways in which individuals make short-term adjustments to their job losses and the second would show adjustments over the medium term. Administrative data are used to examine UI recipients' weekly benefit amounts, total UI monetary entitlements, and whether recipients exhausted those entitlements. By using such survey and administrative data, we can document the dynamics of the adaptations that UI recipients make and illustrate the ways in which receipt of UI benefits may affect those adaptations. The details of our research design are discussed in Chapter II.

B. Prior research on study topics

Research on UI recipients covers a wide range of topics including: the characteristics of the recipients; recipients' job search activities; the duration of recipients' unemployment spells and their post-UI employment and earnings outcomes; how receipt of UI affects household welfare; and how receipt of UI benefits is related to the receipt of other sources of income support. Here we describe knowledge from prior research in four topic areas that are most directly related to the goals of the study: (1) job search behavior of UI recipients, (2) UI and the maintenance of consumption, (3) other means of maintaining consumption for UI recipients, and (4) recipients'

general levels of satisfaction with the UI system and with its administrative processes. These topics have generally been addressed in separate studies, with different samples. The studies also took place in a range of economic conditions. The present study provides more detailed and updated information on many of these issues for samples of a single cohort from two areas at specific periods following their benefit receipt.

1. Job search behavior of Unemployment Insurance (UI) recipients

Direct evidence on the job search activities of UI recipients is relatively modest. This is in contrast to the large literature on the relationship between UI benefit receipt and the lengths of unemployment spells. In that literature, the connection to job search has largely been inferred from the relationship between individuals' UI entitlements and the duration of their unemployment. Most direct evidence about job search activities is focused on state UI requirements that recipients be "actively seeking work". This strand of the literature addresses both the ways in which the requirement has been enforced and the efficacy of various public job search assistance programs. A review of the research on both of these issues is provided in O'Leary (2006). The author reported on several studies showing that various types of public job search assistance may aid in shortening spells of UI collection. He also suggested that the enforcement of UI rules matters by encouraging more active job search but that the increasing use of telephone and internet claims processes may have moderated such effectiveness because of lack of personal contact with UI administrators. Efforts to more effectively focus job search assistance on those who find it most useful are summarized in the literature on the Worker Profiling and Reemployment Services (WPRS) system.⁴ This research has found that workers receiving services under such programs generally collect less in UI benefits (see Dickinson et al. 2002). More recent studies of the Reemployment and Eligibility Assessment (REA)⁵ have reached a similar conclusion as to the effectiveness of such employment services in assisting more rapid reemployment (see Michaelides et al. 2012).

A more general assessment of the job search activities of UI recipients is provided by Young (2012). This study used evidence from a large sample of random audits (including recipient surveys and direct verification of employer contacts) of UI recipients' actual job search activities. She found that the great majority of UI recipients engaged in active search, but that such search activity declined over time, perhaps in response to discouragement about job-finding prospects. Contrary to most theoretical models of the job search process, the author found that more generous UI benefits were associated with more active job search, especially for lower

⁴The WPRS system, established in 1993, requires that states identify people who have just started receiving regular UI benefits and are considered most likely to exhaust them. The identified UI claimants must participate in reemployment services, such as an orientation meeting to learn about reemployment service assistance available through AJCs.

⁵ Since 2005, DOL has provided funding to state workforce agencies to administer a UI REA program, also targeted at a subset of individuals receiving regular UI benefits. Unlike with the WPRS program, however, the subset of claimants who were targeted varies across states. According to UI Program Letter No. 10-14, UI REA programs must include in-person UI eligibility reviews, the provision of information on the local labor market, the development of individual reemployment plans, and referrals to reemployment services or training; in fiscal year 2013, 41 states operated a UI REA program. UI Program Letter No. 10-14 is accessible online at https://wdr.doleta.gov/directives/attach/UIPL/UIPL_10_14.pdf.

wage workers. She hypothesized that job search requirements may cause individuals without employment to remain in the labor force rather than dropping out.

A major portion of the literature on UI recipients' job search activities examines reported "reservation wages"—that is, the minimum wage at which they would accept a job. The reason for this focus is that reservation wages play a key role in theoretical models of job search behavior (for example, Mortenson 1977). If UI recipients set their reservation wages at unrealistically high levels or if these levels do not decline in response to negative on-going job search experiences, then observed unemployment spells may be longer than optimal. Whether UI benefit levels affect reservation wages has also been a central question in much of this research, in part because the size of such an effect can serve as an indicator of the adequacy of current UI benefit levels (Shimer and Werning 2007). An influential paper using data from the European Community Household Panel (Addison et al. 2010) found that higher UI benefit levels increased reservation wages and that such increases were correlated with longer unemployment spells. On the other hand, a recent study of reservation wages using a longitudinal survey of UI recipients in New Jersey (Krueger and Mueller 2016) found that, although "reservation wages start out too high [relative to available wage offers] and decline too slowly", there is little evidence that reservation wages were affected by the generosity of UI benefits. Only for older workers and for those with higher levels of liquid assets was there clear evidence that reservation wages declined over the duration of unemployment spells. The authors also found that hours per week spent searching for work did not have a strong correlation with reemployment.

2. UI and the maintenance of consumption

Loss of a job causes a significant decline in income for most households. Considerable research effort has therefore been devoted to how well receipt of UI cushions this loss and whether such receipt affects other ways in which households might adjust (such as borrowing or increased reliance on the earnings of other household members). The earliest studies on this topic focused on the "adequacy" of UI benefits – that is, the extent to which such benefits allow individuals to sustain their prior consumption levels. For example, Burgess and Kingston (1978), defined a "benefit adequacy ratio" as the ratio of the UI benefit to a household's "necessary and obligated expenditures" (mainly food, housing, and medical care). Using data from a survey of Arizona UI recipients conducted early in their unemployment spell, the authors concluded that, on average, UI benefits represented about 63 percent of necessary and obligated expenses. Two factors accounted for the majority of situations in which the benefits had low levels of adequacy – large household sizes and the size of Arizona's maximum weekly benefit. In a subsequent study, Kingston and Burgess (1978) used data from later interviews to examine the types of adjustments households made to the loss of earnings of the UI recipient. They found that such households used a wide variety of adjustment strategies including greater reliance on the earnings of other household members, depletion of savings, reliance on "free food" (from charitable organizations), and modest cutbacks in actual expenditure levels. Such adjustments tended to occur early in recipients' unemployment spells.

A different approach to examining whether UI benefits sustain consumption has used explicit models of consumer behavior to evaluate households' well-being while collecting UI benefits. For example, O'Leary (1996) discussed the traditional UI goal of offering a "wage replacement rate" (that is, the ratio of the weekly UI benefit to prior weekly earnings) of 50

percent to most workers. He showed that most UI benefit schedules meet this goal for about 80 percent of recipients, with caps of weekly benefit amounts explaining most of the shortfalls. O’Leary then employed an explicit utility-maximizing model (including the value of non-work time) to conclude that UI benefit schedules allowed recipients to retain approximately the level of well-being they experienced prior to job loss – especially early in their unemployment spells. Hamermesh and Slesnick (1995) reached similar conclusions by comparing the well-being of UI recipients to similar workers who did not lose their jobs.

Other studies have examined the effects of UI benefits on consumption levels. One difficulty faced by researchers seeking to determine the consumption smoothing effects of UI benefits is that many nationally representative datasets (such as the Current Population Survey or the Consumer Expenditure Survey) do not have information on actual UI collections. One approach to this shortcoming is to impute potential benefit levels on the basis of observed characteristics. Gruber (1997) used this approach and concluded that UI benefits have provided a significant cushion to the decline in consumption suffered by laid-off workers. His estimates implied that consumption would fall by about 22 percent for such workers in the absence of UI benefits, but they actually fell only by about one-third of this amount when UI benefits were available. In a more recent application of this methodology, East and Kuka (2015) reached the same conclusion, but showed that the influence of UI benefits on consumption maintenance seems to have declined over time. Their study focused primarily on the 1990s, a period in which unemployment rates were both low and relatively stable, so individuals’ potential consumption needs during unemployment could be more easily anticipated. Some evidence that UI (especially the major extensions provided in response to the 2008 recession) may have had a greater effect over the period 2007-2010 is provided in a recent working paper by McKee and Verner (2015).

3. Other means of maintaining consumption

Workers who lose their jobs may also draw on other personal and household adjustment methods to ameliorate potential declines in household consumption. They may deplete existing savings, borrow using consumer loans or expanded credit card balances, obtain added earnings from other household members who increase their labor supply, make greater use of public programs of income support, or defer “non-essential” purchases. Although there is considerable evidence that households employ all of these approaches (Kingston and Burgess, 1978), most research has centered on the issue of liquidity constraints that arise from an absence of easily-accessible savings or inability to obtain credit. In part this focus derives from an influential paper by Chetty (2008) which showed that the absence of liquid assets helps explain a significant portion of the observed positive correlation between UI benefit generosity and unemployment durations. That is, more generous benefits allow such “liquidity-constrained” workers to be more selective in the jobs they take, avoiding stopgap employment just to make ends meet. The author’s finding is important because it suggests that longer unemployment durations can improve societal well-being and are not due entirely to the possibility that UI benefits encourage recipients to stay unemployed longer only to postpone taking a job.⁶ Jappelli (1990) provided direct evidence of the importance of borrowing constraints, concluding that about 20 percent of households face major constraints in borrowing to finance consumption. Income and wealth were important predictors of such constraints, but, after controlling for these factors, unemployment

⁶ This possibility is referred to in the literature as “moral hazard”.

had no independent effect. A subsequent paper (Jappelli et al. 1998) looked at the consumption behavior of those households identified as credit-constrained and found that spending on food is more volatile in those households – clearly a concern for low-income recipients who are more likely to experience various forms of food insecurity. Browning and Crossley (2009) reported similar results for a sample of unemployed Canadian workers and showed that spending on clothing (which is considered to be more easily postponed) was even more volatile than spending on food in credit-constrained households. It is important to note however that much of this evidence on credit constraints is from time periods when credit cards were less widespread than in more recent years. Sullivan (2008) found that unsecured borrowing by households in which the principal earner was unemployed was quite common among all but the poorest households. Similarly, Crossley and Low (2014) concluded that only about 5 percent of Canadian job losers are so credit-constrained that they cannot borrow at all.

How the availability of UI benefits affects the kinds of adjustments that households make after job loss is not well-understood. Although there is the presumption that such benefits may attenuate the need to make other adjustments, empirical evidence on this issue is modest. Engen and Gruber (2001) found that UI eligibility has a small, but statistically significant, negative effect on the accumulation of precautionary assets. Hsu et al. (2014) showed that availability of UI benefits reduced default rates on mortgages, and this might make credit more available to recipients because of the perceived reduced risks to lenders. Cullen and Gruber (2000) showed that higher UI benefits may reduce positive labor supply responses, such as labor force entry or increases in work hours, by other household members. Lastly, Rothstein and Valletta (2014) found that exhaustion of benefits available through the Extended Benefits and Emergency Unemployment Compensation Act of 2008 (EUC08) program during the Great Recession had a positive effect on participation in the SNAP program. This implies that extending UI benefits probably has a delaying effect on SNAP participation. While this body of literature is consistent with UI having modest attenuating effects on the other adjustments households make after job loss, the size and specific time patterns of these effects have not been clearly documented.

4. UI recipients' satisfaction with UI benefits and administrative procedures

Information on UI recipients' attitudes toward the program and its various administrative procedures can be helpful both in understanding how recipients are affected by the program and in designing improvements that may make the program more effective. Unfortunately, there is relatively little existing literature on these topics. Marcus and Frees (1998) reviewed survey information from more than 3,000 claimants in 16 states about the satisfaction levels of individuals who filed for UI benefits in 1996 and 1997. They found that overall satisfaction with the UI system and staff was high, with a mean of 4.0 on a 5-point scale. They also were generally satisfied with specific aspects of the process, such as the clarity and ease of understanding the claimant's rights and responsibilities, and with the staff with whom they had contact. About three-quarters of claimants thought that benefit amounts were "fair and reasonable," and 62 percent said they could "find better jobs because of the financial support provided by unemployment insurance benefits." Needels et al. (2000) summarized state-specific satisfaction surveys focusing primarily on claimants' experiences filing initial claims by telephone, given that more states had relaxed requirements to file in-person claims during the past decade. They found that claimants were satisfied with this method of claims-taking, mainly because of the time

saved relative to the in-person filing method. Similar results were reported for internet claims filing by Kenyon et al. (2004).

C. Road map for the rest of the report

The main text of the report proceeds as follows. Chapter II summarizes the study design and methods, and Chapter III presents characteristics of UI recipients in this study. Chapter IV describes recipients' experiences with the UI program. Chapters V–VII focus on work search, reemployment, and financial outcomes, respectively. Each chapter begins with a brief overview, and Chapters III–VII also contain summaries of key points. Chapter VIII presents our conclusions. Lastly, we provide additional technical information in three appendices. Appendix A focuses on the survey design and weights used in the analysis, and Appendix B summarizes the nonresponse bias analysis conducted for this study. The topics in Appendices A and B are discussed further in Santos et al. (2016). Appendix C provides detailed information on the regressions estimated in Chapters IV–VII.

II. LONGITUDINAL STUDY DESIGN AND METHODS

As explained in Chapter I, this study was designed to provide insights about the experiences of UI recipients over time. Given this, it was especially important to ensure that the foundations for the study’s analysis—namely, the sample design and data to be collected—were in place to ensure that the study’s objectives could be met. The main data source for analysis in the study is two waves of a longitudinal survey (Longitudinal Survey of UI Recipients [LSUI]), which we also supplement with administrative data. In this chapter, we explain the LSUI sample design, provide an overview of the UI system in California and the population in the two study sites, describe the study data, and give details about our analysis approach.

A. Sample design

The samples for the study were selected using a UI claims administrative data extract from California of UI recipients who were eligible for UI benefits through a new initial claim and whose first compensable week of benefits ended during a single, specified calendar week (and who were not short-time compensation recipients).⁷ By focusing on UI recipients, rather than broader groups of UI claimants or unemployed workers, we are able to more precisely examine the role of UI benefits in the lives of individuals who receive them, although it is important to keep in mind that results from this study cannot be generalized to a broader groups of UI claimants or unemployed workers, and it does not examine the effects of UI receipt.⁸ The calendar week chosen was February 15-21, 2015, which we refer to as “Week 1” of the recipients’ benefit claim collection period. We selected this calendar week to avoid extremely atypical weeks in the UI program, although no week could be considered perfectly typical given the seasonal nature of job losses and the sensitivity of UI claims to local economic shocks, such as a plant closing.

For the samples from which study members could be selected, we included all UI recipients with new initial claims except those receiving short-time compensation. We excluded participants in California’s short-time compensation program because they are eligible to be paid a share of their full weekly benefit amount equal in proportion to a reduction in work hours while they continue to be employed at their jobs. Thus, their experiences after they start collecting

⁷ The short-time compensation program is referred to in California as “Work Sharing Unemployment Insurance.” UI recipients receiving short-time compensation represent a small portion of UI recipients in California and in the United States. More information on the Work Sharing Unemployment Insurance program in California is available at http://www.edd.ca.gov/Unemployment/Work_Sharing_Program.htm.

⁸ The broader group of unemployed workers includes UI claimants as well as jobseekers who did not file for benefits. UI claimants includes both those who received benefits and individuals who filed to collect UI benefits but who did not do so—due to either ineligibility for benefits or another reason, such as quick attainment of a new job. UI claimants are not representative of unemployed workers; for instance, Vroman (2009) shows that UI application rates and reciprocity rates among unemployed workers vary on the basis of demographic characteristics and reasons for unemployment. UI recipients are also not representative of UI claimants; Needels et al. (2016) documents differences between the characteristics and outcomes of UI recipients and nonrecipients who were displaced from jobs during 2009. For example, nonrecipients were more likely than the recipients to have had a low level of educational attainment (less than a high school diploma or GED); they also were more likely to be Hispanic and to be younger than age 25.

unemployment benefits are likely to differ dramatically from those of workers who, at least temporarily, are no longer working.

So that we could gain insights about the characteristics and experiences of UI recipients in labor markets that differ on important characteristics, we included in the study UI recipients from two geographic areas—the Los Angeles metropolitan statistical area and the Central Valley—rather than from the entire state. Examining two areas with different labor markets is valuable because labor market characteristics, such as job density, job quality, and transportation options, are likely to have strong effects on UI recipients’ job search activities and outcomes. The Los Angeles area included in the study was defined to consist of two large counties in southern California (Los Angeles County and Orange County). The Central Valley area included in the study was defined to consist of 18 smaller counties (Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba counties) (Figure II.1). For short, we refer to these areas as “Los Angeles” and “Central Valley” throughout the report.

These two areas were chosen for two primary reasons. First, we expected each area would contain a large enough number of UI recipients who would meet our sample criteria in a given calendar week to allow us to attain a desirable level of statistical precision for measures of interest for the study. Second, we would be able to present information on recipients in significantly different labor markets in terms of characteristics such as their unemployment rates and industrial makeup of employment. Intuitively, the Los Angeles site can be viewed as illustrative of a large metropolitan statistical area without a particularly dominant industry, whereas the Central Valley site can be viewed as illustrative of a collection of smaller metropolitan statistical areas (smaller cities) and rural areas with an agricultural focus.⁹ However, because the sites were purposively selected, they cannot be viewed from a statistical perspective as being representative of any larger geographic area or group of recipients.

To enhance the differences between the two areas to be included in the study, we initially pursued a strategy to select the study areas from two different states because each state is a UI jurisdiction and, thus, has flexibility (subject to guidelines provided by the Federal government) in how it administers its program, including the eligibility criteria for benefits and the generosity of those benefits. Including two areas from different states would have fostered diversity in the characteristics of UI programs that recipients faced. However, it was determined, in conjunction with DOL, that both study sites would be selected from California given challenges encountered in obtaining administrative data about UI recipients from two states and the desired schedule for completion of the study.

⁹ An early goal of the study was to include one site from among the five largest metropolitan statistical areas and the other site from the 50th through 100th largest metropolitan statistical areas. However, we had concern about whether a smaller metropolitan statistical area would provide adequate sample, and hence statistical precision, for answering research questions. The construction of the Central Valley site from small metropolitan statistical areas addresses this concern.

The survey sample for each study area was drawn separately. To ensure that each area's survey sample would mirror the distributional characteristics of its sampling frame on factors likely to be correlated with key labor-market outcomes, we implicitly stratified each sample by UI characteristics in the administrative data. This stratification used the following measures: recipient's WPRS score; the potential durations of benefits;⁴ gender; race and ethnicity; age; whether an REA had been scheduled; base period earnings, which are the earnings during the one-year period from which UI entitlements are determined; and the pre-UI job separation reason.

This study design, including the timing of the survey data collection, enabled us to gather information about the experiences of UI recipients shortly after their unemployment began and to learn how those experiences changed over time. The timing of data collection is described further in Section II.C.

B. Overview of the UI system in California and the population in the two study areas

The UI program is administered as a Federal-state partnership. Thus, within broad parameters specified by the Federal government, each state (technically, 53 UI jurisdictions comprising 50 states and 3 territories) has flexibility to determine conditions for eligibility, benefit amounts, and other aspects of its program. Although states can tailor their programs to the unique priorities and workforce characteristics—thus leading to much variation across states—the program is uniformly administered within a state. In all states, eligibility for benefits depends on recent earnings history and the reason for the job separation. The amount of benefits to which eligible individuals are entitled also depends on their recent earnings history.

Given this variation across states in their UI programs, knowledge of how California's program is (or is not) typical provides insights about the UI program experiences of study sample members. In 2015, California, like all but 8 other states, had a waiting week, in which claimants must meet eligibility requirements for UI benefits for the week but for which benefits are not provided. As a result, the first compensable week was the first week that claimants are eligible for UI benefits after they meet the waiting-week requirement. California's weekly benefit amount ranged from \$40 to \$450. Like most jurisdictions, California had a range in potential durations. As in 43 of 53 jurisdictions, California offered up to 26 weeks in benefits if the claimant had no earnings during each week.¹⁰ California was also similar to most UI jurisdictions (40 of 53) in not offering additional benefits to recipients based on the number of their dependents. Taken together, the maximum weekly benefit amount and the maximum potential duration yielded a maximum benefit amount (MBA) of \$11,700 (= \$450 per week × 26 weeks). This MBA was neither especially high nor especially low relative to other states, given

¹⁰ As is the case in other states, California offers to eligible UI claimants an amount of benefits that can be drawn down over the course of a year. The potential duration of benefits is defined as this amount divided by the weekly benefit amount. In our study samples, the shortest potential duration is 12 weeks and the longest is 26 weeks. However, receipt of benefits could stretch over more weeks than is indicated by the potential duration if the recipient has interruptions in benefit collection or if he or she is entitled to less than a full weekly benefit amount for a week due to employment during the week.

that slightly more than half of the states have maximum MBAs in the range of \$10,000 to \$15,000.

We examine key demographic, labor force, and UI program characteristics of the Los Angeles and Central Valley areas, relative to California and the United States as a whole (Table II.1). Both the Central Valley and Los Angeles study areas are important regions in California, but—from a statistical and intuitive sense—neither is representative of California or the nation in terms of its demographics or labor force.

- The Los Angeles area represented more than one-third of the state’s population and labor force (34 percent and 35 percent, respectively), whereas the Central Valley area contained about one-sixth of the state’s population and labor force (18 percent and 16 percent, respectively). Thus, together, the study represents about half of Californians.
- Both Los Angeles and the Central Valley were diverse racially. In Los Angeles, non-Hispanic whites constituted less than one-third (31 percent) of the population. By contrast, Hispanics accounted for 45 percent, non-Hispanic African Americans for about 7 percent, and other groups about 18 percent. A larger share of the Central Valley’s population (44 percent) was non-Hispanic white, and the shares of other racial/ethnic groups were smaller in the Central Valley population than in the Los Angeles population.¹¹ Compared to the United States as a whole, the population in each of these sites and in California as a whole included lower percentages of non-Hispanic whites or non-Hispanic African Americans and higher percentages of other racial and ethnic groups.
- Relative to both California as a whole and the nation, people in the Central Valley were more often employed in agriculture (9 percent for the Central Valley and 2 percent for both the state and the nation). Farming, fishing, and foresting occupations were more common as well (6 percent in the Central Valley versus 1 percent or less in the state and nation). Public administration was also a more common industry (22 percent) in the Central Valley, which includes the state capital. In contrast, the industrial and occupational distributions of Los Angeles looked generally similar to both the state and nation.
- The unemployment rates in both areas—7.0 percent in Los Angeles and 9.8 percent in the Central Valley—were higher than in the state as a whole (6.9 percent) and the nation (5.8 percent) at the time our sample members began collecting UI benefits (February 2015).
- Although the Central Valley area has a much smaller population than the Los Angeles area, its higher unemployment rate and other demographic and economic differences between the sites led to a greater number of initial claims filed, more benefits paid out, and more recipients exhausting benefits. Together, the two areas represented more than half of the initial claims, benefits paid out, and exhaustees in the state.

¹¹ The counties in the Central Valley area are also diverse in terms of the percentage of individuals who reported being of Hispanic origin. Tulare County, which is the southernmost county in the Central Valley study area, has the highest Hispanic population (62 percent), whereas in Sacramento County, which is one of the northernmost counties and contains the state capital, 22 percent of its population is Hispanic.

Table II.1. Comparison of populations in Los Angeles, Central Valley, California, and the nation (percentages except where indicated)

	Los Angeles	Central Valley	California	United States
Demographics and geography				
Population in 2015 (thousands of people)	13,340	6,934	39,145	321,419
Race/ethnicity in 2014				
Non-Hispanic white	30.9	43.9	39.2	61.9
Non-Hispanic African American	6.5	3.9	5.7	12.3
Hispanic	44.8	36.4	38.2	17.3
Asian, American Indian, Alaska Native or Other	17.8	15.8	16.9	8.5
Land area in 2015 (square miles)	4,848	42,709	155,779	3,531,905
Labor force				
Labor force in February 2015 (thousands of people)	6,656	3,102	18,962	156,213
Employment in February 2015 (thousands of people)	6,190	2,798	17,661	147,118
Employment by industry in December 2014 (percent distribution of employed persons)				
Agriculture, natural resources, and mining	0.2	8.6	2.4	2.1
Construction	3.5	3.5	4.2	4.3
Manufacturing	8.9	6.3	7.7	8.6
Trade, transportation, and utilities	19.0	18.7	18.4	18.6
Information	3.9	1.1	2.9	1.9
Financial activities	5.7	4.0	4.9	5.6
Professional services and management	8.4	3.7	8.9	7.4
Business support services	6.9	4.4	6.4	6.0
Education and health services	16.0	15.4	15.1	15.1
Leisure and hospitality	11.5	9.0	10.9	10.4
Public administration	12.5	22.2	15.0	15.4
Other services	3.4	3.1	3.3	4.5
Employment by occupation in May 2014 (percent distribution of employed persons)				
Management, business and finance	11.7	9.4	11.5	10.0
Computer, engineering, and science	5.4	4.6	6.8	5.5
Community and social services	11.0	10.6	10.3	9.8
Health care practitioners and technical	4.9	5.3	4.8	5.8
Service	19.6	19.6	20.2	20.8
Sales	10.6	9.9	10.2	10.5
Office and administrative support	17.5	15.6	15.9	16.0
Farming, fishing, and forestry	0.1	5.6	1.3	0.3
Construction and extraction	2.9	3.9	3.6	3.9
Installation, maintenance, and repair	3.0	3.6	3.2	3.9
Production	6.7	4.8	5.6	6.6
Transportation and material moving; military	6.6	7.1	6.5	6.8
Unemployment rate in February 2015	7.0	9.8	6.9	5.8
UI program and workforce system in February 2015				
UI claimants (number)	101,794	134,831	422,394	n.a.
Total benefits paid (dollars)	121,913,544	133,719,993	476,454,242	3,097,389,000
Exhausted claims (number)	11,207	11,840	40,868	203,385 ^a
Number of American Jobs Centers as of 2012	52	53	207	2,793

Sources: 2015 population and land area information was accessed from the U.S. Census QuickFacts database on April 29, 2016. 2014 race/ethnicity information is from the American Community Survey and contains the most recent estimates available. The counts of people in the labor force, counts of people with employment, and the unemployment rate are as of February 2015 and were obtained for California from the Employment Development Department of California (EDD), accessed at <http://www.labormarketinfo.edd.ca.gov/data/unemployment-and-labor-force.html>, and for the nation from the Current Population Survey on April 29, 2016. Employment by industry and occupation were obtained from EDD's county-level labor market information, accessed from <http://www.labormarketinfo.edd.ca.gov/geography/lmi-by-county.html> on April 29, 2016, and the Bureau of Labor Statistics. This table shows the most recent industry data available across all counties (December 2014), and the most recent occupation data available across all counties (May 2014). Data for military occupations were not available through EDD and are excluded from the table. UI program information on claimants, benefits paid, and exhaustees in California were also from EDD, accessed at http://www.edd.ca.gov/About_EDD/pdf/qsui-Claimants_by_County_All_Programs_2015.pdf, http://www.edd.ca.gov/About_EDD/pdf/qsui-Benefits_Paid_by_County_2015.pdf, and http://www.edd.ca.gov/About_EDD/pdf/qsui-Exhausted_by_County_All_Programs_2015.pdf on April 29, 2016. Benefits paid in the nation and the count of exhausted claims (approximated by the count of final payments) were accessed from the Employment and Training Administration at <http://www.oui.doleta.gov/unemploy/5159report.asp> on June 8, 2016. Counts of American Jobs Centers were accessed for California at http://nctat.org/cs/images/downloads/CA_OneStop_Career_Centers_122712.pdf on April 29, 2016, and for the nation in Wandner (2015).

Note: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California.

n.a. = not available; UI = Unemployment Insurance.

C. Study data

In this section, we describe the two types of data that we used for the study's analyses: administrative data and survey data.

1. Administrative data

As mentioned above, we used an initial administrative data extract from California for the study's sample frame. The extract included information on the demographic characteristics of recipients, pre-UI job characteristics, and UI benefit entitlements. It also included information that could be used to locate sample members to request their participation in the survey. At the end of the benefit year, we collected a final administrative data extract so we could learn about the total amount of benefits that recipients collected and whether they exhausted their benefits.

2. Survey data

The core data for the study come from two waves of the survey with UI recipients, timed to align with critical time periods in their benefit collection experiences.¹² Wave 1 was intended to align with the early portion of the benefit period. It was fielded from March 23, 2015, to May 29, 2015. We refer to this calendar time frame as Week 6 to Week 15 in the recipients' claim period, although this terminology is not meant to imply that study sample members collected UI benefits consecutively prior to or during this time period. (As explained above, "Week 1" is the first compensable week, which was the week ending February 21, 2015 for all sample members.) Wave 2 was timed to align with a period near or shortly after recipients who exhausted their benefits could have done so. It was fielded from August 16, 2015, to November 9, 2015, which corresponds to Week 27 to Week 39 in the claim period. By this time period, sample members

¹² Appendix A of the report includes supplemental information, and additional details are included in and survey methods are described in detail in Santos et al. (2016).

who collected their full weekly benefit amounts consecutively each week, and possibly others who collected benefits intermittently, would have exhausted all of the benefits to which they were entitled.¹³ Other sample members might have stopped collecting benefits by this time period even though they had some of their benefit entitlement remaining. Finally, it is possible that some sample members who had intermittent periods of benefit collection collected some benefits even after they completed Wave 2 of the survey.

Wave 1 of the survey included questions that provided background information about the characteristics of UI recipients and their households, as well as the most recent job that they had prior to the start of their UI claim. It also included questions about their job search activities, job offers, reemployment expectations, participation in reemployment services, employment outcomes, and financial well-being since the job separation. Furthermore, it included questions about recipients' satisfaction with their experience filing their UI initial claim. Wave 2 of the survey contained questions about many of the topics include in Wave 1, but it focused on experiences since the date of the Wave 1 interview rather than since the pre-UI job loss. Wherever possible, question paths were driven by responses from Wave 1 to increase efficiency in administration. For example, Wave 2 of the survey asked survey respondents about savings account withdrawals only if they indicated in Wave 1 that they had that type of account. The Wave 2 survey also included questions related to overall satisfaction with the UI program, rather than satisfaction with their UI initial claim filing process.

We used a wide range of strategies to foster cooperation by survey sample members in completing both waves and thus to reduce the risk of nonresponse bias in our analyses. Both waves of the survey could be completed by web or through computer-assisted telephone interviewing. Respondents could complete the interview in either English or Spanish, and a higher percentage of the Central Valley sample members did so in Spanish. In addition to encouraging survey responses through letters, postcards, emails, and telephone messages, we provided respondents an incentive payment of up to \$30 for the completion of each wave. An incentive of \$30 was provided to survey respondents who completed a wave through the Internet or after taking initiative to contact our survey operations center. A smaller incentive, \$20, was provided to respondents with whom we initiated contact instead. We also used an extensive array of efforts to locate sample members who had not yet completed an interview but for whom our contact information was determined to be invalid, as well as refusal conversion strategies for sample members who initially declined to participate.

The initial sample was 1,815 in each site (Table II.2). The response rate at Wave 1 was 61 percent in Los Angeles and 57 percent in the Central Valley. Only recipients who responded to Wave 1 were included in the fielding effort for Wave 2. The response rate for Wave 2 of the survey was 78 percent in Los Angeles and 74 percent in the Central Valley. Thus, final response rates—which are the percentage of recipients whom we tried to interview at Wave 1 and who completed both Waves 1 and 2—are 48 and 43 percent, respectively.

¹³ During the study period, no Federally-legislated additional benefits were available to long-term unemployed recipients in California, such as through the Extended Benefits or Emergency Unemployment Compensation Act of 2008 programs.

Table II.2. Survey sample sizes and response rates, by area (percentages except where indicated)

	Initial sample	Wave 1	Wave 2
Los Angeles			
UI recipients (number)	1,815	1,111	871
Response rate relative to the initial sample	n.a.	61.2	48.0
Response rate relative to the previous wave	n.a.	n.a.	78.4
Central Valley			
UI recipients (number)	1,815	1,041	774
Response rate relative to the initial sample	n.a.	57.4	42.6
Response rate relative to the previous wave	n.a.	n.a.	74.4

Source: Longitudinal Survey of UI Recipients data.

Note: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California.

n.a. = not applicable; UI = Unemployment Insurance.

Given these survey response rates, the study has potential for nonresponse bias, which occurs in surveys if respondents' characteristics and outcomes differ from those of nonrespondents. Santos et al. (2016) used administrative data to compare respondents and nonrespondents in Los Angeles and the Central Valley and found some differences in demographic and claim characteristics. However, our use of weights that adjust for the sample design and for nonresponse substantially reduces the differences in the estimates for respondents and nonrespondents. We conclude that the weights effectively minimize the potential for bias from nonresponse (See Appendices A and B for further details.) Thus, we use these weights for all of the study estimates in our analysis.

Our analysis focuses on recipients who responded to both waves, which included 871 recipients in Los Angeles and 774 in the Central Valley (Table II.2). We focus our analysis on recipients who responded to both survey waves to ensure that we have a uniform set of sample members for whom we observe changes over time in their behavior and outcomes.

The study data has several strengths and limitations. First, because we collected the data for this study shortly after the start of benefit receipt, we believe the survey yielded more accurate information than other recent studies of UI that relied on a single interview conducted two or more years after the start of benefit receipt. However, this survey still has a small potential for recall issues (also known as "recall bias"). For example, we asked respondents at Wave 1 if they had expected to be recalled to their former employer at the time they lost their job. Respondents' answers about their previous recall expectations might be influenced by their actual reemployment experiences at Wave 1.

Second, the survey collected different types of information about recipients' experiences over time from the two waves and richer information than other studies about the overall UI experience. Wave 1 focused on the time since job separation, and Wave 2 focused on the time between the two waves. In addition, because of the ability to target some questions in Wave 2 on the basis of sample members' responses to Wave 1, we were more efficient in Wave 2, freeing up time for us to ask questions that we would not otherwise have been able to include.

Nevertheless, given the survey's follow-up period, it is important to keep in mind that the analysis focuses on short-term changes rather than longer-term questions about earnings trajectories or long-term employment or unemployment.

Our study design uses administrative UI claims data and does not use other administrative data that could be used to cross-check or supplement self-reported information on employment and earnings (wage data) and some job search activities (Wagner-Peyser and/or WIASRD data). We made this decision because of limitations in the time and resources for the study, and because we determined that some of the advantages of these other administrative data files were not salient for the study's main research questions. For example, administrative measures of earnings are most valuable for studies with surveys that have long recall periods, where we might not expect respondents to accurately remember some job characteristics, including earnings. However, the short recall period and longitudinal nature of our survey enabled us to collect rich details about employment, such as the timing of reemployment and the availability of fringe benefits through the job. This type of information would not be available through administrative wage data because those data are available on a quarterly basis and contain relatively few data items. Furthermore, although administrative data about participation in Wagner-Peyser, WIA, or WIOA activities might have been useful to examine, the data would not contain information about all of the work search activities in which we were interested. Nevertheless, when interpreting our results, we reference findings from other research that has used administrative or other data sources when doing so contributes to an understanding of the findings from this study.

D. Analysis approach

As explained above, we focus on UI recipients who responded to both waves of the survey to enhance interpretation of estimates of changes in their activities and outcomes over time. We also use weights to adjust for sampling and survey nonresponse (see Appendices A and B and Santos et al. [2016] for further details). These weights make our respondent-based estimates of characteristics available through the administrative data similar to those for the full sample in the study areas (including nonrespondents), thus increasing our confidence that weighted estimates of other measures accurately reflect the behavior of the full samples.

Given the area-specific sample sizes of 871 for Los Angeles and 774 for the Central Valley, we are able to achieve a good level of statistical precision for our estimates, which primarily are tabulations of UI recipients' characteristics and outcomes. As shown in Table II.3, a binary outcome that has a prevalence of 50 percent (that is, each of its two possible values is true for 50 percent of the population) has a precision of plus or minus 3.3 percentage points in Los Angeles. The estimates are somewhat more precise as the prevalence of the outcome approaches 100 percent or zero percent (for example, a 25 or 75 percent prevalence). The estimates for the Central Valley are slightly less precise than those for Los Angeles due to the smaller sample size in the Central Valley. For example, a binary outcome that has a prevalence of 50 percent has a precision of plus or minus 3.5 percentage points in the Central Valley.

Table II.3. Sample sizes and precision estimates, by area (percentage points except where indicated)

	Sample size	Precision for an outcome measured as a percentage and with a mean of:		
		25 or 75 percent	33 or 67 percent	50 percent
Los Angeles				
UI recipients who responded to Waves 1 and 2	871	2.9	3.1	3.3
Subpopulation of 50 percent	436	4.1	4.4	4.7
Subpopulation of 25 percent	218	5.8	6.3	6.6
Central Valley				
UI recipients who responded to Waves 1 and 2	774	3.1	3.3	3.5
Subpopulation of 50 percent	387	4.3	4.7	5.0
Subpopulation of 25 percent	194	6.1	6.6	7.0

Source: Longitudinal Survey of UI Recipients data.

Note: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California.

UI = Unemployment Insurance.

We use a 5-percent threshold of significance for two-tailed statistical tests. For comparisons of the means of two groups, such as the recipients in each of the two study sites, we use two-tailed t-tests. For comparisons of the distributions of categorical variables for two groups, where the variable has at least three values, we use chi-squared tests.

For some analyses, we use regressions to hold other factors constant when we examine the associations between each characteristic and an outcome. The results suggest correlations between the covariates and the outcomes, but they cannot be interpreted as causal relationships. We use ordinary least squares regressions when the dependent variable is a continuous measure and logistic regressions when the dependent variable is a binary measure. Our regressions control for measures of benefit availability and generosity (potential duration, weekly benefit amount); pre-claim job characteristics (base period earnings, having a seasonal or temporary separating job¹⁴, being a union member, and tenure with the separating employer); demographic characteristics (age, gender, race/ethnicity, education, marital status, and household size); and other characteristics (participation in a public program providing income or in-kind support at the time of job separation, veteran status, and health status). These measures were included because, on a theoretical basis or as a result of other empirical research, they might be expected to have a significant influence on the outcomes of interest for the study (see, for example, Corson et al. 1999 and Needels et al. 2001). For the regression analysis of the ratio of the reservation wage at Wave 2 to weekly earnings from the separating job, we additionally controlled for whether respondents had exhausted benefits by Wave 2 and time between the first compensable week and the Wave 2 interview. As with the tabular analysis, we use a 5-percent threshold and

¹⁴ The survey asked recipients whether their pre-UI separating job was seasonal or temporary. It did not distinguish between seasonal and temporary jobs. Unlike some other states, California does not place many restrictions on access to Unemployment Insurance benefits specifically for seasonal workers. Seasonal workers can be eligible for benefits if they do not have an explicit agreement to be rehired, and seasonal employers pay Unemployment Insurance taxes.

two-tailed tests to indicate whether or not the estimated regression coefficients are statistically significantly different from zero.

The tabular analysis does not usually pool the sites because the sites represent themselves and, in combination, do not reflect a larger geographic area or group of recipients in any meaningful way. Rather, as explained earlier, the two sites represent two distinct groups of UI recipients who faced different labor market conditions and do not together represent the entire state of California. After assessing the sensitivity of the regression analyses to pooling, however, we decided to pool the sites in the regression analyses to improve the statistical precision of the estimated coefficients. To make this decision, we examined regressions estimated separately for the study areas for three key outcomes (benefit exhaustion, reemployment, and public program participation). We used Wald tests to test the null hypothesis that there were no differences in the coefficients across the area-specific regressions. We also compared the relative sizes of the coefficient estimates and their statistical significance from the pooled and area-specific regressions. Although the Wald tests were marginally significant for two outcomes (depending on the specific set of covariates that was used), the coefficient estimates in the area-specific and pooled regressions were generally stable. A big advantage of the pooled regressions was improvements in statistical precision. After considering these factors, we decided that the pooled regressions provided the most useful information. As a result, we control in the regressions for whether the recipient was part of the Los Angeles or Central Valley sample. In sensitivity checks not included here, we found that our conclusions were robust to controlling for individual counties in the Central Valley and Los Angeles instead of a single indicator for the study area.¹⁵

¹⁵ As the two areas were purposively chosen for the sampling frame, we did not examine regression results for geographic subgroups of recipients within each area.

III. CHARACTERISTICS OF UI RECIPIENTS AND THEIR HOUSEHOLDS

This chapter presents tabulations of the characteristics of the UI recipients in our samples, their pre-UI separating jobs, and their households. We highlight key features of each area and the distinctive background characteristics of the two groups of recipients at about the time when they entered the UI system. Although we focus largely on differences between recipients in these areas that are statistically significant, we also highlight similarities between the two groups and overall patterns of findings when they are unexpected or of substantive importance.

Key findings

- UI recipients from Los Angeles and the Central Valley differed in significant ways on demographic characteristics. The Central Valley sample was more likely to contain both younger and older workers than the Los Angeles sample, although the average age of the two groups was similar. The Central Valley sample also had a significantly higher concentration of Hispanics.
- Central Valley recipients were about three times less likely to have completed a high school diploma or GED as their highest educational attainment (15 percent versus 44 percent). They were only about one-fifth as likely (7 percent versus 35 percent) to have a bachelor's degree or higher level of educational attainment.
- UI recipients in Los Angeles and the Central Valley have significantly different types of pre-UI jobs. Those in the Central Valley were more likely to have jobs in industries including agricultural work and to have had lower-paying jobs prior to the start of UI benefit collection. In contrast, the pre-UI jobs for Los Angeles recipients were much more diverse in terms of industry and more often paid high wages.
- Before job separation, UI recipients' households in the Central Valley were also larger (with an average of 3.7 people compared to 3.0 people) and more likely to have incomes that fell under the poverty threshold (29 percent versus 13 percent).

A. UI recipients' demographic characteristics and pre-UI education levels

UI recipients from Los Angeles and the Central Valley were similar in age, on average, and gender, but the Central Valley had a significantly higher concentration of Hispanics (Table III.1). UI recipients in Los Angeles and the Central Valley reported similar average ages and distributions of gender and veteran status. At the time of the Wave 1, UI recipients in Los Angeles and the Central Valley were age 42 or 43 on average, and a majority (56 to 57 percent) were men.¹⁶ Differences between the sites in these measures were not statistically significant. However, Central Valley recipients had a wider spread of ages than did those in Los Angeles. Central Valley recipients were more likely to be younger than age 25 (13 percent versus 8 percent) or between ages 55 to 64 (18 percent versus 14 percent); they were less likely to be ages 25 to 34 (20 percent versus 25 percent). Nearly 4 in 10 UI recipients in Los Angeles (38 percent) and nearly two-thirds of UI recipients in the Central Valley (65 percent) identified as Hispanic. However, the administrative data contain relatively high percentages of UI recipients who did not report identifying with one of the listed race or ethnicity categories (18 percent in Los Angeles; 8 percent in the Central Valley; not shown in the table). In both areas, 4 percent were veterans. The two areas differed significantly in recipients' self-reported health status. UI recipients in Los Angeles were more likely than Central Valley recipients to report excellent or

¹⁶ Studies commonly find that UI recipients are more likely to be men. For example, using administrative data on UI recipients from 12 states, Hock et al. (2016) found that 58 percent of UI recipients were men.

good health (84 percent versus 69 percent) and less likely to report fair or poor health (16 percent versus 31 percent).

Table III.1. Characteristics of UI recipients, by area (percentages except where indicated)

	Los Angeles	Central Valley
Age ^a		+
Younger than 25 years	7.5	12.5*
25 to 34 years	24.5	20.1*
35 to 44 years	22.3	18.4
45 to 54 years	27.8	25.6
55 to 64 years	13.7	17.9*
65 years or older	4.2	5.5
Average age (years)	42	43
Sex		
Male	57.3	56.2
Female	42.7	43.8
Race/ethnicity ^b		+
Non-Hispanic white	33.0	21.1*
Non-Hispanic African American	9.7	3.8*
Hispanic	38.0	64.6*
Asian, American Indian, Alaska Native, or Other	19.3	10.6*
Veteran status		
Veteran	4.4	3.9
Nonveteran	95.6	95.9
Health status		+
Excellent	34.5	24.2*
Good	49.9	45.1
Fair	13.8	25.5*
Poor	1.8	5.2*
Highest degree completed		+
Less than high school	14.5	43.8*
High school diploma or equivalent	18.5	28.8*
Some college, no degree	21.6	13.8*
Associate's degree	11.0	6.7*
Bachelor's degree	25.3	6.1*
Graduate or professional degree	9.2	0.8*
Unweighted sample size	871	774

Sources: The measures of age, ethnicity, and race are from administrative data for the Longitudinal Survey of UI Recipients samples. The remaining measures are from Wave 1 of the survey.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

^aThe age variable was constructed to be continuous, but it is shown in categories to facilitate insights about how sample members' ages are distributed across the continuous measure.

^bThe administrative data contain relatively high percentages of UI recipients who did not identify with one of the listed race or ethnicity categories (18 percent in Los Angeles; 8 percent in the Central Valley). The percentages shown in the table are percentages among sample members whose records are not missing this information.

*Means for the two groups differ significantly at the .05 level, two-tailed test.

+Distributions of the two groups across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

UI recipients in the Central Valley tended to complete less education than those in Los Angeles (Table III.1). The distributions of educational attainment in the two sites were significantly different. Fifteen percent of UI recipients in Los Angeles, or about a third of the

proportion in the Central Valley (44 percent), did not have a high school diploma or equivalent. Seven percent of UI recipients in the Central Valley had a bachelor's degree or higher as the highest level of education, which is only about one fifth of the rate in Los Angeles (35 percent).

B. Characteristics of UI recipients' pre-UI jobs

More than 4 in 10 UI recipients in the Central Valley (44 percent) had separated from a job in an industry related to agriculture, natural resources, and mining, whereas the industries for the pre-UI jobs of Los Angeles recipients were more diverse (Table III.2). The second most common pre-UI industry in the Central Valley was business support services, which included 10 percent of UI recipients. Pre-UI occupations in the Central Valley were similarly concentrated; 35 percent of UI recipients reported an occupation in farming, fishing, and forestry, and 16 percent reported an occupation in the next most common category of transportation, material moving, and military.¹⁷ In Los Angeles, the two most common pre-UI industries (business support services; trade, transportation, and utilities) accounted for 15 percent and 14 percent of recipients, respectively. The two most common pre-UI occupations for Los Angeles recipients (office and administrative support; management, business and finance) accounted for 16 and 15 percent, respectively. There were three other industries and occupations in which at least 10 percent of Los Angeles recipients worked. The distributions of pre-UI industries and occupations were statistically significantly different across the two areas.

Table III.2. Industry and occupation prior to the UI claim, by area (percentage distributions except where indicated)

	Los Angeles	Central Valley
Industry		+
Agriculture, natural resources, and mining	1.5	44.3*
Construction	9.9	8.7
Manufacturing	12.6	8.1*
Trade, transportation, and utilities	13.5	8.9*
Information	8.8	1.8*
Financial activities	5.9	1.6*
Professional services and management	10.3	2.0*
Business support services	15.4	10.4*
Education and health services	10.9	7.2*
Leisure and hospitality	7.7	3.5*
Public administration	1.6	1.9
Other services	1.9	1.4
Occupation		+
Management, business and finance	14.8	3.7*
Computer, engineering, and science	5.5	1.7*
Community and social services	12.5	1.8*
Health care practitioners and technical	1.3	0.6
Service	12.3	10.7
Sales	7.3	3.6*
Office and administrative support	16.1	7.3*
Farming, fishing, and forestry	0.5	35.1*

¹⁷ Nationally, 2 percent of employment in 2014 was in industries related to agriculture, natural resources, and mining, and 0.3 percent of workers in May 2015 had occupations in farming, fishing, and forestry (Bureau of Labor Statistics [2014], available at http://www.bls.gov/emp/ep_table_201.htm; Bureau of Labor Statistics [2015], available at http://www.bls.gov/oes/current/oes_nat.htm). We combined the occupation categories of “transportation and material moving” and “military” to protect respondent confidentiality.

	Los Angeles	Central Valley
Construction and extraction	9.2	8.6
Installation, maintenance, and repair	2.8	2.8
Production	7.0	8.3
Transportation and material moving; military	10.7	15.8*
Unweighted sample size	871	774

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The transportation and material moving; and military occupation groups have been combined to protect respondent confidentiality. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

UI = Unemployment Insurance.

Average weekly earnings of the separating job were 36 percent lower in the Central Valley (\$676) than in Los Angeles (\$1,064) (Table III.3). In addition, UI recipients in the Central Valley worked more hours per week on average (43 hours versus 41 hours), and they were more likely to report working 41 or more hours (35 percent versus 29 percent). All of these differences are statistically significant. Because pre-UI earnings were higher in Los Angeles and more recipients in Los Angeles were eligible for the maximum weekly benefit amount, the ratio of the UI weekly benefit amount to weekly earnings, often referred to as the “wage replacement rate”, was higher in Los Angeles than in the Central Valley. The wage replacement rate has a median between 45 and 50 percent in the Central Valley and between 40 and 45 percent in Los Angeles (not shown).¹⁸

Table III.3. Characteristics of the separating job, by area (percentages except where indicated)

	Los Angeles	Central Valley
Weekly earnings		+
\$0 to \$249	9.7	8.7
\$250 to \$499	21.1	46.1*
\$500 to \$749	19.3	22.9
\$750 to \$999	12.6	9.8
\$1,000 or more	37.4	12.6*
Average weekly earnings (dollars)	1,064	676*
Usual hours worked per week		+
0 to 19	7.0	4.4*
20 to 29	7.3	4.9*
30 to 39	9.0	12.2*
40	48.1	44.1
41 or more	28.6	34.5*
Average hours worked per week	41	43*
Job tenure		+
0 to 3 months	14.7	16.3
4 to 6 months	11.7	10.9
7 to 9 months	7.1	5.9

¹⁸ The wage replacement rate is important to theories about the impacts of UI benefits on unemployment duration. As explained in Decker (1997), research almost uniformly shows that higher weekly benefit amounts are associated with longer unemployment spells although the estimated magnitude of this effect varies widely across the research studies. Decker concludes that every 10 percentage-point increase in the replacement rate is likely to be associated with a longer average unemployment spell in the range of 0.5 to 1.5 weeks. This study does not examine causal relationships.

	Los Angeles	Central Valley
10 to 12 months	6.0	4.7
13 to 24 months	16.4	13.0
25 to 35 months	8.1	6.4
36 to 60 months	11.3	11.5
61 to 120 months	13.4	13.3
More than 120 months	11.4	18.1*
Average job tenure (months)	48	62*
Type of job		
Seasonal or temporary	33.4	67.4*
Not seasonal or temporary	66.5	32.5*
Fringe benefits offered		
Health insurance	57.7	41.9*
Paid vacation, holidays, or sick leave	37.8	24.6*
Retirement or pension benefits	39.6	24.2*
Union membership		
Member	4.0	2.6
Nonmember	96.0	97.4
Unweighted sample size	871	774

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. Weekly earnings are measured before taxes and other deductions. Job tenure is measured as the time between when the recipient first started working for the separating employer and when the pre-UI job separation occurred. See Appendix A for details.

*Means for the two groups differ significantly at the .05 level, two-tailed test.

+Distributions of the two groups across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

One in three UI recipients in Los Angeles (33 percent) and two in three UI recipients in the Central Valley (67 percent) had a seasonal or temporary separating job (Table III.3).

The seasonal or temporary nature of the separating jobs, if they are more time-sensitive, might explain the higher average hours worked by recipients in the Central Valley. Average job tenure, measured as the time between when the recipient first started working for the employer and the job separation date, was about 1 year longer in the Central Valley than in Los Angeles.¹⁹

UI recipients in the Central Valley were less likely than UI recipients in Los Angeles to have had health insurance, paid leave (vacation, holidays or sick leave), or retirement or pension benefits available through their separating jobs (Table III.3). Fifty-eight percent of Los Angeles recipients and 42 percent of Central Valley recipients had health insurance available through their pre-UI jobs. Similarly, about 4 in 10 Los Angeles recipients (38 percent) had paid leave available through their pre-UI jobs, compared with one quarter (25 percent) of Central Valley recipients. The percentages with retirement or pension benefits available through their pre-UI jobs were 40 percent in Los Angeles and 24 percent in the Central Valley.

Union membership was low in our sample in both study areas (Table III.3). At 4 percent in Los Angeles and 3 percent in the Central Valley, the rates were not significantly different from each other. These rates are lower than in California as a whole, where about 16

¹⁹ Respondents who were regularly laid off by an employer were instructed in the survey to provide the date they first began working for that employer, not the last time they began working after the most recent layoff.

percent of all employed wage and salary workers and 9 percent of private workers were union members in 2015.²⁰ This suggests union members generally might have been less likely to lose a job and be eligible for UI benefits during our study period, although the specific jobs held by study sample members also is likely an important factor. Nationally, only 1 percent of employed wage and salary workers in agriculture and related industries were union members in 2015.²¹

C. UI recipients' household characteristics

UI recipients in the Central Valley were significantly more likely than those in Los Angeles to be married—51 percent compared to 40 percent (Table III.4). Thirty-eight percent of Central Valley recipients and 48 percent of Los Angeles recipients did not have a spouse or partner. Eleven percent of recipients in each area cohabited with an unmarried partner.

Despite their higher likelihood of being married, UI recipients in the Central Valley were significantly less likely than recipients in Los Angeles to have an employed spouse (26 percent versus 33 percent) (Table III.4). Among recipients with an employed spouse or partner, the spouses or partners in Los Angeles were about 2.5 times more likely than those in the Central Valley to have weekly earnings above \$1,000 (35 percent versus 14 percent).

UI recipients in the Central Valley had larger household sizes before job separation than did UI recipients in Los Angeles (Table III.4). The average household sizes in the Central Valley and Los Angeles were 3.7 and 3.0 people, respectively. More than half (54 percent) of Central Valley UI recipients lived in a household with 3 to 5 people, and 16 percent lived with 6 or more people. In contrast, slightly less than half (48 percent) of Los Angeles UI recipients lived in a household with 3 to 5 people, and 7 percent lived with 6 or more people. Both the average household sizes and the distributions across the household size categories shown in Table III.4 are significantly different for the two sites.

Table III.4. Relationship status, household size, and earnings of UI recipients prior to job separation, by area (percentages except where indicated)

	Los Angeles	Central Valley
Relationship status and weekly income of spouse or partner		
Relationship status		
No spouse or partner	48.2	37.8*
Unmarried but with a partner	11.3	11.1
Married	40.4	51.1*
Had spouse or partner with employment	32.8	25.5*
Weekly earnings of spouse or partner, among spouses and partners with employment		+
\$1 to \$249	11.3	10.8
\$250 to \$499	22.5	33.4*
\$500 to \$749	17.6	27.7*
\$750 to \$999	13.8	14.4
\$1,000 or more	34.9	13.6*
Unweighted sample size	870	771

²⁰ Bureau of Labor Statistics (2016), available at <http://www.bls.gov/news.release/union2.t05.htm>.

²¹ Bureau of Labor Statistics (2016), available at <http://www.bls.gov/news.release/union2.t03.htm>.

	Los Angeles	Central Valley
Household size and monthly income		
Household size (including UI recipient)		+
One person	20.9	10.4*
Two people	24.6	19.3*
Three to five people	47.5	54.1*
Six or more people	6.9	16.3*
Average household size	3.0	3.7*
Monthly household income		+
\$0 to \$999	6.1	11.0*
\$1,000 to \$1,999	12.2	23.3*
\$2,000 to \$2,999	13.9	19.0*
\$3,000 to \$3,999	11.7	16.8*
\$4,000 to \$4,999	9.3	8.1
\$5,000 to \$5,999	6.8	4.5*
\$6,000 or more	32.2	11.0*
Missing	7.7	6.4
Poverty status of household		+
Below poverty line	13.3	29.1*
100 percent to less than 150 percent of the poverty line	8.3	14.7*
150 percent to less than 200 percent of the poverty line	9.8	13.8*
200 percent to less than 250 percent of the poverty line	7.6	6.6
250 percent to less than 300 percent of the poverty line	6.6	4.9
300 percent of the poverty line or more	40.5	13.6*
Missing	13.8	17.2
Approximate portion of household income from earnings of pre-UI job		
Less than one quarter	3.8	3.2
One quarter to less than one half	13.3	10.8
One half to less than three quarters	15.8	15.9
Three quarters to less than full	19.3	16.0
Full or more	33.7	36.1
Missing	14.1	17.9*
Unweighted sample size	864	770

Source: Longitudinal Survey of UI Recipients data.

Notes: All measures are based on responses to Wave 1. Measures of relationship status and household size pertain to the time of the interview, and measures of earnings and income pertain to the time just before job separation. Estimates for poverty status are based on poverty guidelines published by the U.S. Department of Health and Human Services in the *Federal Register*. Weekly earnings are measured before taxes and other deductions. The portion of household income from earnings of the pre-UI job is calculated as the ratio of estimated monthly income from the pre-UI job to the recipient's reported household income prior to job separation, and it is not constrained to be less than or equal to 1. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for the two groups differ significantly at the .05 level, two-tailed test.

+Distributions of the two groups across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

UI recipients in the Central Valley had lower monthly household income before job separation than did UI recipients in Los Angeles (Table III.4). Central Valley recipients were more likely than Los Angeles recipients to live in a household with a reported monthly income under \$4,000 (78 percent versus 53 percent) and less likely to live in a household with a reported monthly income of \$6,000 or more (11 percent versus 32 percent). This lower income, in combination with the larger household sizes, suggests that Central Valley recipients had a lower potential for savings and asset accumulation. As a result, Central Valley recipients' households

might have had a greater strain on their financial resources after the recipient's pre-UI job loss. Chapter VII discusses the household financial conditions of recipients in greater detail.

The poverty rate among UI recipients' households in the Central Valley was more than double the rate in Los Angeles (29 percent versus 13 percent) (Table III.4). Forty-one percent of UI recipients' households in Los Angeles had incomes above 300 percent of the poverty guideline for their household size, compared to only 14 percent of households in the Central Valley, based on the nationwide poverty threshold.²² However, the nationwide poverty threshold does not take into account sub-state variation in the cost of living. Given that these two areas have higher costs of living than many other parts of the country, it is likely that, after taking into account area-specific costs, the rates of the two recipient groups experiencing financial hardship would be even higher than what we show in Table III.4—and this would be the case especially for the Los Angeles site.²³

²² Poverty guidelines are determined yearly by the U.S. Department of Health and Human Services. In 2015, the poverty guideline for a family of four in the contiguous states and the District of Columbia was \$24,250 (Annual Update of the HHS Poverty Guidelines [2015], available at <https://www.gpo.gov/fdsys/pkg/FR-2015-01-22/pdf/2015-01120.pdf>).

²³ Researchers use different methods to assess the cost of living in different areas. The Public Policy Institute of California (PPIC) used county-level information about housing costs from the American Community Survey to adjust the federal Supplemental Poverty Measure (Bohn et al. 2013). Among families of four that rent housing, the most recently available poverty thresholds based on this measure from PPIC were \$30,923 and \$33,769 for Los Angeles and Orange counties. The county-specific poverty thresholds for the Central Valley area were less than \$30,000, with the thresholds for the two largest counties, Fresno and Sacramento, at \$24,757 and \$27,534, respectively.

IV. UI PROGRAM EXPERIENCES

This chapter presents tabulations of UI recipients' benefit entitlements (Section A), benefit collection (Section B), and experiences with the UI program (Section C). It also documents the factors that are related to the likelihood that recipients exhaust their benefits. We measured benefit collection using administrative data provided by the state after the end of recipients' benefit years—the one-year period during which they can collect benefits before they lose their entitlement to them. As we did in Chapter III, we compare UI recipients in the Los Angeles and Central Valley study areas, focusing on comparisons and overall patterns that are statistically significant or substantively important. However, we also point out ways in which the two groups of recipients are similar when those findings are important from a policy perspective. These comparisons about the UI claim characteristics are designed to provide insights about the experiences of the recipients with the UI system and to facilitate the interpretation of study findings presented in other chapters, such as those about recipients' perceptions of the importance of UI benefits in their helping them meet their financial obligations. To bolster the contextual value of the information in this chapter, we supplement information about benefit entitlements of and benefit collection by our main study samples—individuals in the Los Angeles and Central Valley sites who responded to both waves of the survey—with similar information about the UI recipients for the entire state of California.

Key findings

- UI recipients in Los Angeles had larger UI entitlements than UI recipients in the Central Valley, on average (\$8,379 versus \$6,244). This was as a result of Los Angeles recipients having longer potential durations (24 versus 22 weeks) and higher weekly benefit amounts (\$335 versus \$273), on average.
- Recipients in Los Angeles were less likely than those in the Central Valley to have received UI benefits in the past 10 years (56 versus 71 percent).
- Compared to Central Valley UI recipients, Los Angeles UI recipients collected more UI benefits, on average (\$5,985 versus \$4,945). But, they had a lower rate of benefit exhaustion (51 percent versus 59 percent).
- Most UI recipients from each of the two study sites were satisfied with the process of filing their UI initial claims. About three-quarters of UI recipients in both areas (75 to 78 percent) filed their initial claims online, and most of the rest (12 to 15 percent) filed by telephone.
- Recipients in both sites also had high satisfaction levels with their overall experience with the UI program at the time of the second wave of the survey. Seventy-eight percent of recipients in Los Angeles and 88 percent of recipients in the Central Valley reported being “very satisfied” or “somewhat satisfied”.

A. UI recipients' benefit entitlements

Eighty-four percent of Los Angeles recipients were eligible for 26 weeks of benefits, compared to 54 percent of Central Valley recipients (Table IV.1). UI recipients in Los Angeles also had higher weekly benefit amounts, on average, by about \$62 per week (\$335 versus \$273). These statistically significant differences in potential durations and weekly benefit amounts are consistent with the higher pre-UI earnings of UI recipients in Los Angeles shown in Chapter III. Recipients in Los Angeles were nearly twice as likely as recipients in the Central Valley to have a weekly benefit amount of \$400 to \$450, the maximum amount available in California (49 versus 24 percent). Consequently, nearly half of UI recipients in Los Angeles (48 percent) were eligible to collect \$10,000 to \$11,700 (the maximum amount available in California), compared to 20 percent of UI recipients in the Central Valley. Before receiving

benefits from the claim sampled for this study, UI recipients in the Central Valley were 15 percentage points more likely than recipients in Los Angeles to have previously received UI benefits in the past 10 years (71 percent versus 56 percent). We expected a higher rate of previous UI receipt in the Central Valley than in Los Angeles because seasonal jobs are more prevalent in the Central Valley.

Table IV.1. UI entitlement of UI recipients, by area (percentages except where indicated)

	Los Angeles	Central Valley	California
Potential duration		+	
12 to less than 17 weeks	3.3	11.4*	13.3
17 to less than 20 weeks	2.7	11.7*	6.7
20 to less than 23 weeks	4.4	13.0*	7.3
23 to less than 26 weeks	5.3	10.1*	7.2
26 weeks	84.2	53.9*	65.5
Average potential duration (weeks)	24	22*	23
Weekly benefit amount		+	
\$40 to \$99	5.9	6.0	5.5
\$100 to \$149	7.1	10.6*	8.1
\$150 to \$199	6.9	18.8*	11.7
\$200 to \$299	16.6	24.6*	20.9
\$300 to \$399	14.2	15.8	14.2
\$400 to \$450	49.3	24.2*	39.7
Average weekly benefit amount (dollars)	335	273*	312
Maximum benefit amount		+	
\$560 to \$999	1.1	1.8	1.3
\$1,000 to \$1,999	4.7	5.9	5.1
\$2,000 to \$3,999	11.9	21.7*	15.4
\$4,000 to \$6,999	17.3	34.6*	25.0
\$7,000 to \$9,999	16.5	16.3	16.6
\$10,000 to \$11,700	48.4	19.7*	36.6
Average maximum benefit amount (dollars)	8,379	6,244*	7,532
Previous receipt of UI benefits in the past 10 years			
Received UI benefits in the past 10 years	55.9	71.1*	n.a.
Did not receive UI benefits in the past 10 years	44.1	28.9*	n.a.
Unweighted sample size	871	774	11,432

Sources: The measure of previous receipt of UI benefits in the past 10 years is from Longitudinal Survey of UI Recipients survey data. The remaining measures are from administrative data for survey respondents and for the whole state.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details. In 2015, the maximum potential benefit amount in California was \$11,700, and potential durations ranged from 12 to 26 weeks. Weekly benefit amounts ranged from \$40 to \$450.

*Means for the two study areas differ significantly at the .05 level, two-tailed test.

+Distributions of the two study areas across categories differ significantly at the .05 level, chi-squared test.

n.a. = not available; UI = Unemployment Insurance.

B. UI recipients' benefit collection patterns

Thirty-eight percent of UI recipients in Los Angeles collected 26 weeks of benefits, compared to 21 percent in the Central Valley (Table IV.2). Twenty-four percent of UI recipients in Los Angeles collected \$10,000 to \$11,700 in UI benefits, compared to only 10 percent of UI recipients in the Central Valley. These differences are statistically significant and

likely to arise, at least in part, from the findings shown in Table IV.1 that a higher percentage of UI recipients in Los Angeles were eligible for 26 weeks of benefits, and average potential durations were higher in Los Angeles than in the Central Valley.

Table IV.2. UI benefits collected by UI recipients during the benefit year, by area (percentages except where indicated)

	Los Angeles	Central Valley	California
Weeks of benefits collected		+	
One week or less	4.2	1.9*	4.6
More than one week to less than 8 weeks	15.6	8.7*	14.2
Between 8 and less than 14 weeks	16.2	17.6	16.5
Between 14 and less than 20 weeks	12.7	27.3*	18.3
Between 20 and less than 26 weeks	13.6	23.5*	17.7
26 weeks	37.8	20.9*	28.6
Average weeks of benefits collected	18	18	17
Total benefits collected		+	
\$559 or less	6.7	3.4*	6.8
\$560 to \$999	4.2	4.6	4.4
\$1,000 to \$1,999	11.3	10.5	10.8
\$2,000 to \$3,999	17.0	26.6*	20.8
\$4,000 to \$6,999	20.3	31.0*	25.0
\$7,000 to \$9,999	16.3	14.1	14.3
\$10,000 to \$11,700	24.1	9.8*	17.9
Average total benefits collected (dollars)	5,985	4,945*	5,414
Percentage of benefit entitlement collected		+	
Less than 10 percent	7.4	3.0*	6.5
Between 10 and less than 25 percent	9.7	3.8*	8.8
Between 25 and less than 50 percent	11.0	10.2	10.9
Between 50 and less than 75 percent	10.7	10.3	9.9
Between 75 and less than 90 percent	6.1	7.9	6.2
Between 90 and less than 100 percent	3.9	5.2	5.1
100 percent (exhaustion rate)	51.3	59.4*	52.6
Unweighted sample size	871	774	11,432

Source: Administrative data for the Longitudinal Survey of UI Recipients respondents and for the whole state.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The estimate of weeks of benefits collected assumes that the full weekly benefit amount is collected each week. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for the two study areas differ significantly at the .05 level, two-tailed test.

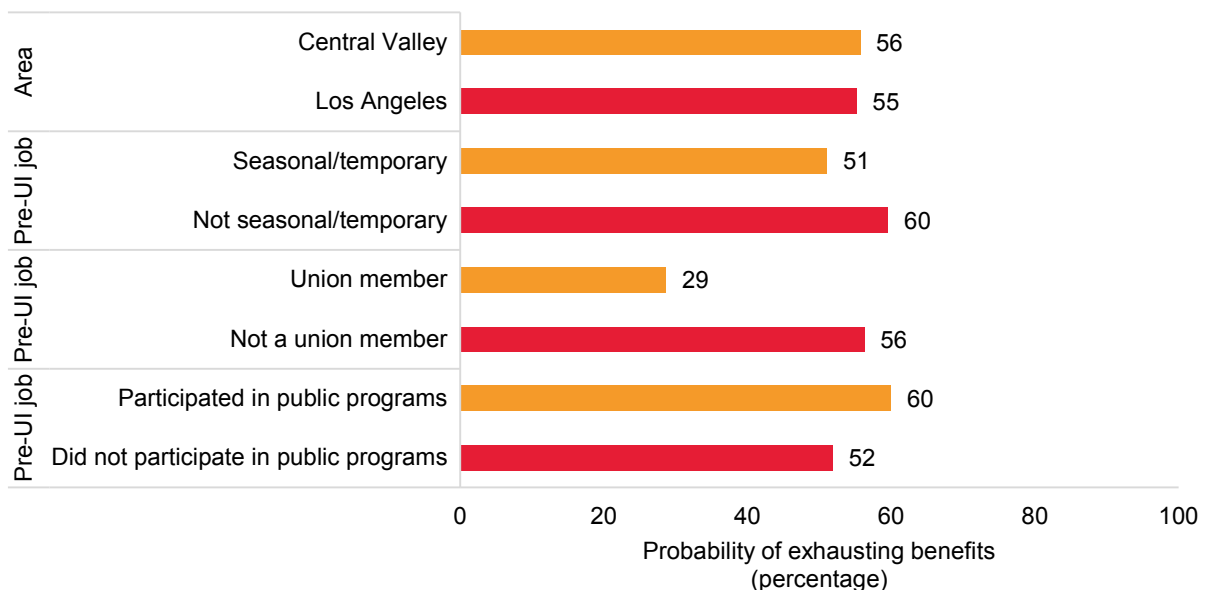
+Distributions of the two study areas across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

The exhaustion rate in the Central Valley was significantly higher than in Los Angeles (59 percent versus 51 percent) (Table IV.2). Using administrative data on recipients' last week compensated, we find that 38 percent of Central Valley recipients and 42 percent of Los Angeles recipients exhausted their benefits by the date of their Wave 2 interview (not shown). More generally, the distributions of the portion of benefit entitlements collected were significantly different across the two sites. About 17 percent of Los Angeles recipients and 7 percent of Central Valley recipients collected less than a quarter of their benefit entitlements. In contrast, 61 percent of Los Angeles recipients and 73 percent of Central Valley recipients collected three quarters or more of their entitlements.

After taking into account many other factors that may affect the likelihood of recipients' exhausting benefits, there is not a significant difference between the two sites in the predicted rate of benefit exhaustion (Figure IV.1).²⁴ That is, differences in pre-UI characteristics and UI claim characteristics are able to explain much of why Central Valley recipients are less likely to exhaust benefits than are Los Angeles recipients. Seasonal or temporary workers had lower exhaustion rates than did other workers (51 versus 60 percent), and union members had lower exhaustion rates than did other workers (29 percent versus 56 percent). UI recipients who participated in public programs of income or in-kind support²⁵ at the time of their job separations were more likely to exhaust benefits than were recipients who did not participate in such programs (60 percent versus 52 percent).

Figure IV.1. Predicted probabilities of exhausting benefits based on area and pre-UI characteristics (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,570. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Respondents were asked about their participation in programs that provide income or in-kind support at the time of job separation. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on having a seasonal or temporary pre-UI job, union membership, and participation in a public program at the time of job separation were statistically significant at the 0.05 level. The coefficient for area was not statistically significant at the 0.05 level. See Appendix C for details.

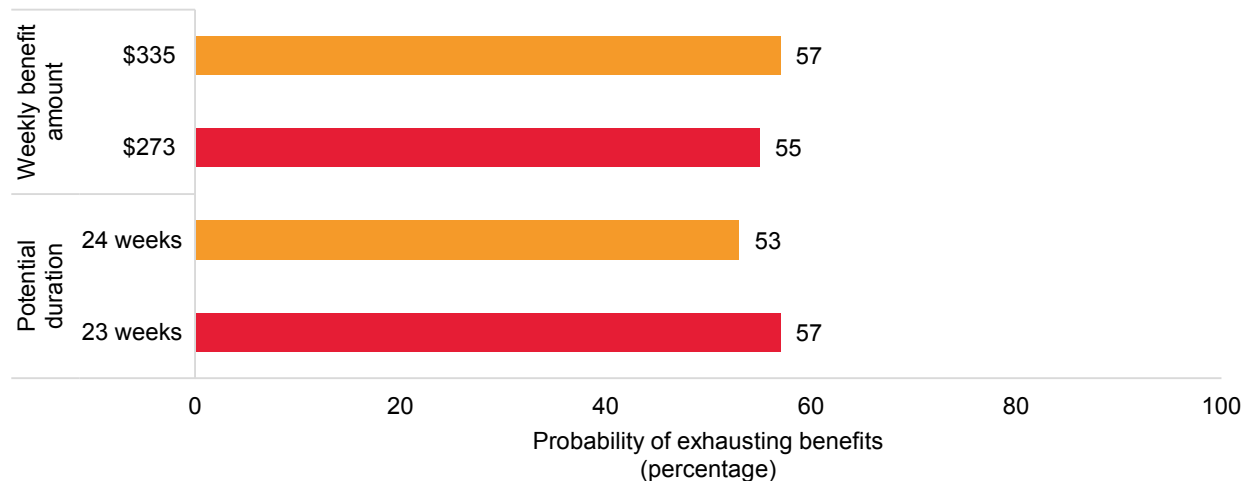
UI = Unemployment Insurance.

²⁴ Chapter II and Appendix C contain details about the regression analysis methods and variables.

²⁵ Recipients were asked about receipt of benefits through the Food Stamp or Supplemental Nutrition Assistance Program; welfare benefits such as California Work Opportunity and Responsibility to Kids (CalWORKs) or General Assistance; Social Security or pension benefits; Supplemental Security Income, Social Security Disability Insurance, or other disability benefits; and Medicaid or MediCal. CalWORKs is California's name for its Temporary Assistance to Needy Families (TANF) program, and MediCal is California's name for its Medicaid program.

Characteristics of workers' UI entitlements were associated with the likelihood of exhaustion (Figure IV.2). The multivariate analysis suggests that a week of additional potential duration of UI benefits relative to the mean reduced the likelihood of exhaustion by about 4 percentage points (from 57 to 53 percent). This reflects both the mechanical negative relationship between benefit availability and exhaustion, and behavioral change from increasing the potential duration. To quantify the increased likelihood of benefit exhaustion associated with a change in the weekly benefit amount, we compare the predicted exhaustion rates at the average weekly benefit amounts for the two study sites: \$273 in the Central Valley and \$335 in Los Angeles. An increase in the weekly benefit amount from \$273 to \$335 was associated with a small increase of about 2 percentage points in the likelihood of exhaustion, although this change should not be interpreted as indicative of a change in the exhaustion rate due to living in one site versus the other. These associations were statistically significant after controlling for other variables.

Figure IV.2. Predicted probabilities of exhausting benefits based on UI claim characteristics (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,570. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on weekly benefit amount and potential duration were statistically significant at a 0.05 level. See Appendix C for details.

UI = Unemployment Insurance.

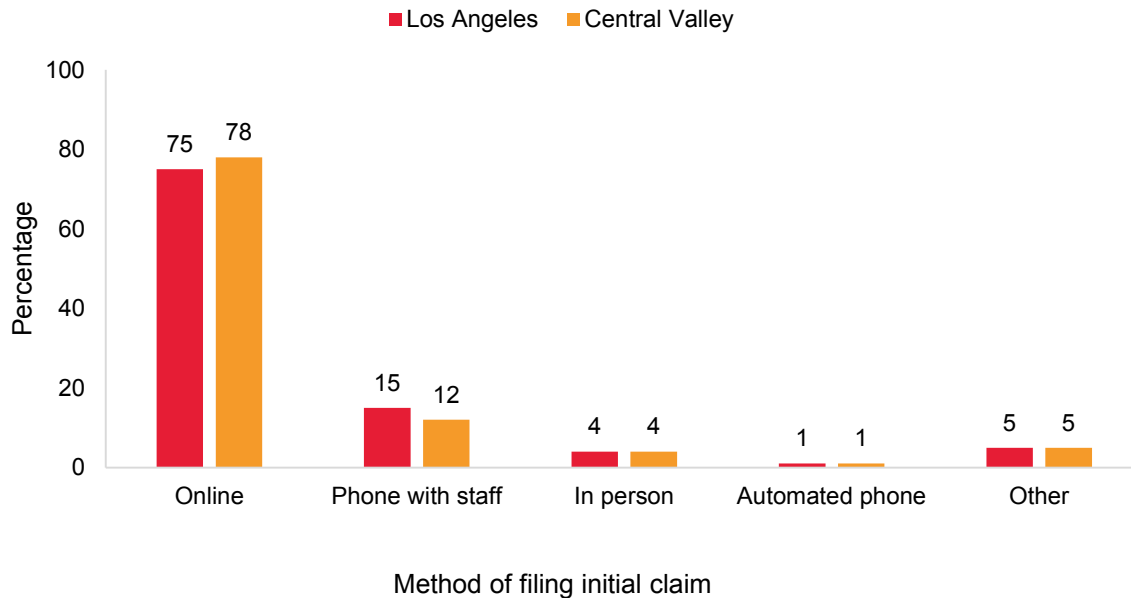
C. UI recipients' satisfaction with the UI system

To understand UI recipients' satisfaction with the UI system, we begin by presenting information about how they filed their initial claims and their satisfaction with different aspects of the initial claim-filing process. This information was collected at Wave 1. We then present information about recipients' overall satisfaction with the UI system, as collected at Wave 2.

About three-quarters of UI recipients in both areas (75 to 78 percent) filed their initial claims online (Figure IV.3). The similarity of these rates in Los Angeles and the Central Valley signals how Internet access has expanded in rural areas. The second most prevalent method was filing over the phone with staff, which was used by 15 percent of Los Angeles UI recipients and

12 percent of Central Valley recipients. There were no statistically significant differences across the sites in the use of specific methods for filing the initial claims.

Figure IV.3. Methods used to file UI initial claims, by area (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 871 in Los Angeles, N = 774 in the Central Valley. The “Other” category includes recipients who filed their most recent claim by mail, by fax, or by some other method. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Los Angeles and Central Valley recipients did not differ significantly at the .05 level in the methods used to file initial claims. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

UI = Unemployment Insurance.

More than 80 percent of UI recipients in both areas reported being very satisfied or somewhat satisfied with the overall experience of filing an initial claim (Table IV.4). Specifically, 85 percent of recipients in Los Angeles and 90 percent of recipients in the Central Valley reported one of these satisfaction levels. In addition to asking about customer satisfaction with the overall experience of filing the initial claim, we also asked recipients at Wave 1 about their satisfaction levels with the ease of understanding and filing instructions, the clarity of the explanation of rights and responsibilities, the explanation of benefits and services, the length of time it took to file the claim, and the timeliness of receipt of benefits. Across all of these items, UI recipients were most likely to report being very satisfied, followed by somewhat satisfied. For each item, 85 to 95 percent of Central Valley recipients and 79 to 91 percent of Los Angeles recipients reported being very satisfied or somewhat satisfied. Six or fewer percent of both Los Angeles and Central Valley recipients reported being very dissatisfied with the overall initial claims filing experience, the ease of filing, or the clarity of different types of information. However, rates of being very dissatisfied with the time it took to file and with the time it took to receive the benefits were slightly higher than for other dimensions of the filing process (about 8 to 10 percent in Los Angeles and about 5 to 7 percent in the Central Valley).

Table IV.3. Satisfaction of UI recipients with the process of filing an initial claim, by area (percentages)

	Los Angeles	Central Valley
Overall experience		+
Very satisfied	47.9	57.6*
Somewhat satisfied	36.9	31.9*
Somewhat dissatisfied	9.6	6.2*
Very dissatisfied	5.6	4.4
Ease of understanding and following the filing instructions		+
Very satisfied	54.3	61.6*
Somewhat satisfied	34.1	31.4
Somewhat dissatisfied	7.5	3.9*
Very dissatisfied	4.1	3.1
Clarity of information about benefit rights and responsibilities		+
Very satisfied	55.7	64.0*
Somewhat satisfied	35.0	30.8
Somewhat dissatisfied	6.9	2.7*
Very dissatisfied	2.4	2.5
Explanation of available benefits and services		+
Very satisfied	53.9	60.3*
Somewhat satisfied	34.0	30.9
Somewhat dissatisfied	8.8	4.5*
Very dissatisfied	3.4	4.2
Length of time to file claim		+
Very satisfied	48.5	58.4*
Somewhat satisfied	33.6	30.5
Somewhat dissatisfied	10.2	6.5*
Very dissatisfied	7.7	4.6*
Timeliness of receiving benefit checks or deposits		+
Very satisfied	47.3	61.3*
Somewhat satisfied	31.4	24.5*
Somewhat dissatisfied	11.5	7.5*
Very dissatisfied	9.8	6.6*
Unweighted sample size	870	773

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for the two groups differ significantly at the .05 level, two-tailed test.

+Distributions of the two groups across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

Satisfaction levels with the UI program remained high in both areas at Wave 2 (Table IV.4). Specifically, 78 percent of recipients in Los Angeles and 88 percent of recipients in the Central Valley reported being very satisfied or somewhat satisfied with their overall experience with the UI program. Comparable percentages were very or somewhat satisfied with the

timeliness of benefit receipt (86 and 90 percent in Los Angeles and the Central Valley, respectively).²⁶

Table IV.4. Satisfaction of UI recipients with the UI program at Wave 2, by area (percentages)

	Los Angeles	Central Valley
Overall experience		+
Very satisfied	38.9	56.1*
Somewhat satisfied	39.1	31.9*
Somewhat dissatisfied	15.0	7.6*
Very dissatisfied	6.9	4.5*
Timeliness of receiving benefit checks or deposits		+
Very satisfied	53.4	65.3*
Somewhat satisfied	32.1	24.9*
Somewhat dissatisfied	8.5	6.3
Very dissatisfied	6.1	3.4*
Unweighted sample size	871	774

Source: Longitudinal Survey of UI Recipients data.

Note: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for the two groups differ significantly at the .05 level, two-tailed test.

+Distributions of the two groups across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

²⁶ We examined regressions predicting whether recipients reported being very or somewhat satisfied with the claim filing process, relative to being very or somewhat unsatisfied. We did not find evidence of strong relationships of satisfaction with demographic variables, at either Wave 1 or 2.

V. WORK SEARCH

In this chapter, we describe features of work search that recipients reported over time in each study area.²⁷ Most of our analysis in this chapter focuses on the work search of the subset of recipients who were not employed at either survey wave, enabling us to identify changes over time after a job loss for a fixed subset of recipients in each site.²⁸ We also provide information on the work search of the subgroup of individuals at each wave who were not employed (but might be employed at the other wave). We caution that comparisons over time between these subgroups might be due to changes in who is not employed, rather than behavioral changes by a subgroup of sample members. We focus on differences in work search that are substantively important over time, highlighting key differences or similarities across the two study areas. For this and the next two chapters, it is important to keep in mind that the pre-UI job separation date, the date of the first wave, and the date of the second wave are not spaced equally. The median amount of time between the pre-UI job separation and the first wave is about 2.8 months, whereas the median amount of time between the first and second waves is about 4.8 months.

Our focus on work search might initially seem at odds with the state UI requirement that claimants “actively seek work” or have an exemption in order to receive benefits (mentioned in Chapter I). However, we emphasize that, throughout this report, we refer to our sample as UI recipients because of the study design and not because sample members are necessarily collecting benefits at either survey wave. We do not have administrative or survey data to identify whether sample members collected their full benefit amount during the week for which we asked about work search (usually the week before the survey). Thus, our study findings about the prevalence of work search do not provide evidence of improper UI payments at either wave.

Key findings

- Most recipients (69 percent in Los Angeles and 51 percent in the Central Valley) reported beginning to look for work immediately after job separation.
- The percentage of recipients without employment decreased from about 75 percent in each site at the first wave to 49 percent in Los Angeles and 36 percent in the Central Valley at the second wave.
- Recipients who were not employed at both waves were most likely to look for work by contacting friends, relatives, or professional associates (91 percent in Los Angeles, 86-89 percent in the Central Valley), using the Internet (88-92 percent in Los Angeles, 75-77 percent in the Central Valley), and applying directly to prospective employers (79 percent in Los Angeles, 78-79 percent in the Central Valley).
- In Los Angeles, recipients without employment who looked for work at both waves of the survey were more likely to report answering ads in newspapers or other publications in the week before the second wave than they were for the week before the first wave (42 percent at Wave 1; 50 percent at Wave 2).
- By Wave 2, 43 percent of Los Angeles recipients and 33 percent of Central Valley recipients received information from an American Job Center (AJC) on education or job training programs.

²⁷ Respondents were informed before completing the survey that their responses would not affect their eligibility for any public program. However, we cannot definitively rule out that respondents might have perceived a pressure to overstate their work search activity.

²⁸ Changes in behaviors over time for this subset of recipients does not provide evidence of the effectiveness of work search requirements, as all recipients were subject to California’s work search requirements throughout their benefit collection.

Key findings (continued)

- About 65 percent of Los Angeles recipients and 75 percent of Central Valley recipients who received reemployment services from AJCs found them to be very or somewhat useful.
- Los Angeles and Central Valley recipients who were seeking employment at both waves of the survey did not materially change the characteristics of the employment they sought over time. There were no statistically significant changes in the minimum weekly earnings sought, fringe benefits sought, or expectations that relocation would be necessary.
- Controlling for individual, household, and claim characteristics, the ratio of the minimum weekly earnings sought at Wave 2 to weekly earnings from the separating job was significantly lower for recipients who had higher base period earnings, were union members, had higher weekly benefit amounts, and had exhausted their UI claims by Wave 2. This pattern of results supports a view that recipients who had more job-specific skills had lower wage expectations for their new job relative to their separating job.

A. Timing and methods of work search

Most Los Angeles recipients and Central Valley recipients began looking for work shortly after the job separation (Figure V.1). In both sites, most recipients (69 percent in Los Angeles and 51 percent in the Central Valley) reported doing so immediately, and the bulk of the other recipients (17 percent in Los Angeles; 26 percent in the Central Valley) reported doing so within 1 to 2 weeks after their job separation.²⁹ In separate tabulations (not shown), we also examined the time between job separation and the first compensable week and found that many recipients began searching for work before the first compensable week. This was not surprising given that California requires UI recipients to serve a waiting week, in which they need to meet UI eligibility requirements for compensation but do not receive such compensation, before receiving benefits. The median amount of time from job separation to the first compensable week of their claim was 3 weeks, although about one-quarter of recipients had a gap of at least 12 weeks between their job separation and the first compensable week.

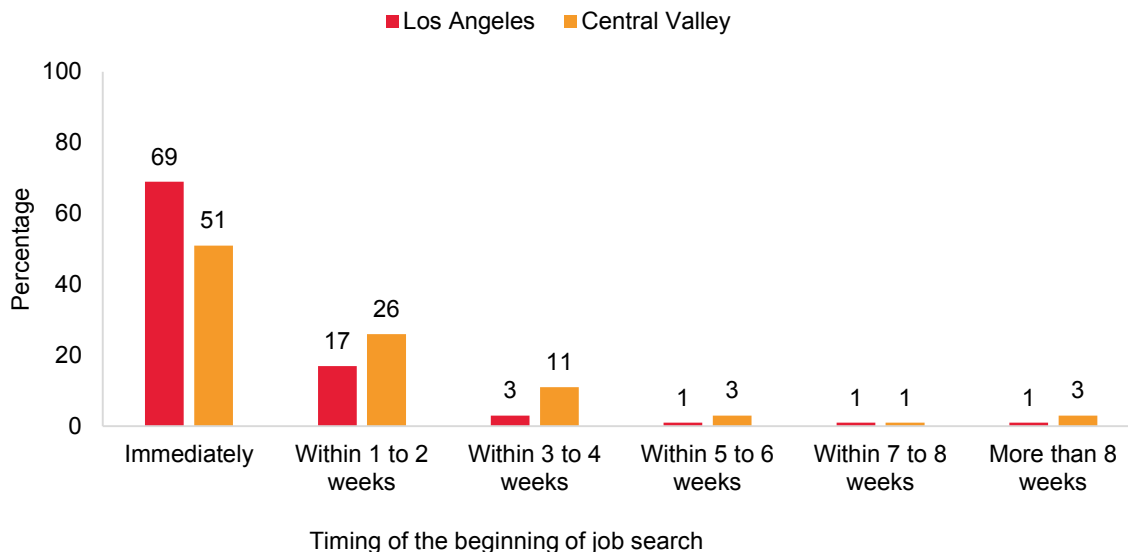
To explore factors contributing to the timing of the first compensable week, we compared the pre-UI characteristics of recipients who filed their claims relatively quickly or slowly after their job separation, as well as their reported satisfaction with the initial claim filing experience (not shown). We found no differences in filing speed for recipients who previously did or did not receive UI benefits in the past 10 years, and no difference in satisfaction levels for recipients who filed relatively quickly or slowly. Consequently, there is no evidence that filing speed is related to lack of information about the UI program or timeliness of the UI program.³⁰ However, workers who had seasonal or temporary jobs and workers with jobs related to agriculture had a greater gap on average between the recorded job separation date and the end of the first compensable week. Seasonal or temporary workers had an average gap of 82 days, compared to 46 days for other workers, and workers with jobs in the agriculture sector had an average gap of 100 days, compared to 52 for workers in other sectors. The longer gaps in filing may stem from a variety of causes. Because many of these workers return to their prior employers, uncertainty attached to recall dates may cause them to delay in filing for benefits. This would be consistent

²⁹ We do not have information on how recipients decided when to begin searching for work, but one possibility is that the small declines in the start of work search beyond 5 weeks after the job separation are due to discouragement.

³⁰ Given California's eligibility requirements, there would be no programmatic reason for UI claimants in the state to wait past the start of a new calendar quarter to file their initial claims for benefits.

with results from surveys of workers who do not file for benefits; these surveys have found that expectations of recall play an important role in choosing not to file for benefits (see Wandner and Stetner, 2000). The pattern in timing could also relate to the accuracy of the separating date information for seasonal or agricultural workers, who are also more likely to have informal work.

Figure V.1. Timing of the beginning of UI recipients' work search after the job separation, by area (percentages)



Source: Longitudinal Survey of UI Recipients data.

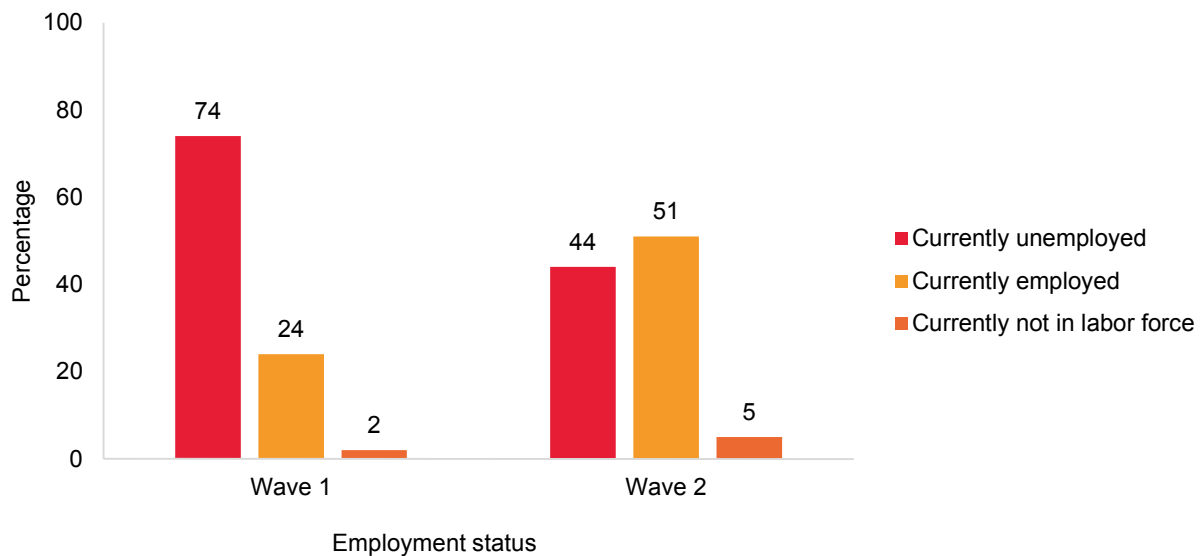
Notes: N = 868 in Los Angeles, N = 771 in the Central Valley. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. Los Angeles and Central Valley recipients differed significantly at the .05 level in the percentages that began their job search immediately, within 1 to 2 weeks, within 3 to 4 weeks, within 5 to 6 weeks, and more than 8 weeks. The difference in percentage that began their job search within 7 to 8 weeks was not statistically significant at the .05 level. See Appendix A for details.

UI = Unemployment Insurance.

At Wave 1, 76-78 percent of recipients in Los Angeles and the Central Valley were not employed. At Wave 2, this rate was 49 percent in Los Angeles and 36 percent in the Central Valley (Figures V.2, V.3). For ease of exposition, we refer to subgroups of recipients without employment on the basis of whether or not they were “currently unemployed” or “currently not in the labor force.” We identify recipients as being currently unemployed if they looked for work in the week before the survey wave or stated that the main reason for not looking for work that week was that they expected a new job to start, expected recall or pre-claim hours to be reinstated, or expected a union to provide a job. We identify recipients as being “currently not in the labor force” if they did not look for work in the week before the wave and they stated that the main reason was one of the following: believing that no work was available; taking a break; feeling discouraged; retirement; not wanting to look for employment; school or other training; health, pregnancy, or disability reasons; child care/family responsibilities; transportation problems; or an “other reason.” However, these terms do not align perfectly with official definitions of these terms as used by the Bureau of Labor Statistics based on the Current

Population Survey (CPS) because our survey instruments asked about work search in the week prior to the interview, while the Bureau of Labor Statistics examines whether recipients looked for work during the four weeks prior to the interview.³¹ When we examine the percentages of recipients in each area who were currently unemployed or currently not in the labor force, we find changes over time in employment status that are statistically significant. Later in the chapter, we present information on the small portion of recipients who did not look for work in the week prior to the interview, and describe how we used that information to calculate the rates of those currently not in labor force shown in Figures V.2 and V.3.

Figure V.2. Employment status of Los Angeles UI recipients at Waves 1 and 2 (percentages)



Source: Longitudinal Survey of UI Recipients data.

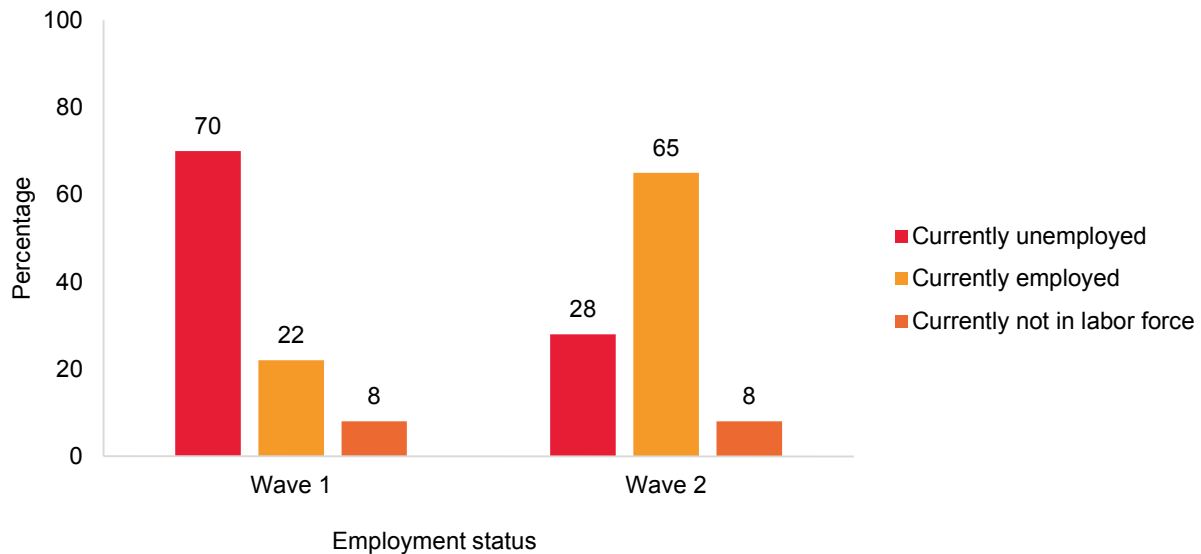
Notes: N = 871. Current employment was defined at the time of each interview. “Currently unemployed” was defined as looking for work in the week before the interview, or stating that the main reason for not looking for work was: expects a new job to start, expects recall or pre-claim hours to be re-instated, or expects a union to provide a job. This is similar to the definition of unemployment used by the Bureau of Labor Statistics, except that the Bureau of Labor Statistics examines work search in the four weeks before the interview. “Currently not in labor force” was defined as not looking for work in the week before the interview, and stating that the main reason for not looking for work was: believes no work available; took a break; is feeling discouraged; is retired; did not want to look for employment; was in school or other training; health, pregnancy, or disability reasons; child care/family responsibilities; transportation problems; and “other reason.” The Bureau of Labor Statistic considers individuals to be out of the labor force if they have not looked for work in the four weeks before the interview. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Estimates have been adjusted for survey nonresponse. Wave 1 and Wave 2 differed significantly at the .05 level for the percentages who

³¹ Given the difference in the time frames used by the Bureau of Labor Statistics and our study to determine who is not currently in the labor force, it is likely that our sample has a higher rate of not being in the labor force than what would be found through the official Bureau of Labor Statistics measure. We do not have evidence on how the LSUI respondents would answer the CPS questions, but we speculate that respondents might also respond differently based on their perceptions of the LSUI and the framing of questions. It is possible that respondents might give different answers to the CPS because the U.S. Census Bureau is more easily recognizable as an organization than Mathematica Policy Research, or because the LSUI survey mentions UI receipt in other questions while the basic CPS questionnaire does not.

were “Currently unemployed”, “Currently employed”, and “Currently not in labor force”. See Appendix A for details.

UI = Unemployment Insurance.

Figure V.3. Employment status of Central Valley UI recipients At Waves 1 and 2 (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 774. Current employment was defined at the time of each interview. “Currently employed” was defined as being employed at the time of the interview. “Currently unemployed” was defined as looking for work in the week before the interview, or stating that the main reason for not looking for work was: expects a new job to start, expects recall or pre-claim hours to be re-instated, and expects a union to provide a job. This is similar to the definition of unemployment used by the Bureau of Labor Statistics, except that the Bureau of Labor Statistics examines work search in the four weeks before the interview. “Currently not in labor force” was defined as not looking for work in the week before the interview and stating that the main reason for not looking for work was: believes no work available; took a break; is feeling discouraged; is retired; did not want to look for employment; was in school or other training; health, pregnancy, or disability reasons; child care/family responsibilities; transportation problems; and “other reason.” The Bureau of Labor Statistic considers individuals to be out of the labor force if they have not looked for work in the four weeks before the interview. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. Wave 1 and Wave 2 differed significantly at the .05 level for the percentages who were “Currently unemployed” and “Currently employed”. The difference in percentage “Currently not in labor force” was not statistically significant at the .05 level. See Appendix A for details.

UI = Unemployment Insurance.

Because work search is most urgent for recipients without employment, the rest of this section focuses on this subsample to examine whether and how they searched for work. The survey did not ask detailed questions about work search and search methods for recipients who were reemployed at the time of the interview. We reiterate that our discussion of work search does not relate to improper UI payments, which could only be identified by comparing an individual’s receipt of benefits for a week against whether he or she met the work requirement that week (including whether the state issued an exemption). This study did not collect weekly data on either benefit payments or fulfillment of work search requirements.

Among recipients who were not employed at both the first and second waves, 95 percent in Los Angeles looked for work in the week prior to Wave 1 and 88 percent did so

in the week prior to Wave 2. In the Central Valley, the rates were 89 percent at Wave 1 and 74 percent at Wave 2 (Table V.1). The decreases in both areas are statistically significant. Also in both areas, the rates of work search were similar for the broader group of recipients who were not employed at the time of a wave and the smaller subset who were not employed at either wave. This suggests that, among recipients who were not employed at Wave 1, those who were not reemployed by Wave 2 searched for work at similar rates as those who had become reemployed. For this table and through the remainder of the report, we note that recipients who were not employed at either wave could have had brief employment between the two waves.

Table V.1. Search for employment by UI recipients who were not employed, by area (percentages except where indicated)

	Recipients who were not employed at:		Recipients who were not employed at both waves	
	Wave 1	Wave 2	Wave 1	Wave 2
Los Angeles				
Did not look for a job in the week before the interview	4.0	12.6*	4.9	12.1*
Looked for a job in the week before the interview	96.0	87.4*	95.1	87.9*
Unweighted sample size	664	436	412	412
Central Valley				
Did not look for a job in the week before the interview	12.2	26.3*	10.8	26.1*
Looked for a job in the week before the interview	87.8	73.7*	89.2	73.9*
Unweighted sample size	597	282	255	255

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

UI = Unemployment Insurance.

Recipients in Los Angeles who did not have jobs and looked for work at both waves spent more time looking for work, on average, than their counterparts in the Central Valley (Table V.2). In Los Angeles, these recipients spent an average of 16 hours looking in the week prior to each wave, while in the Central Valley, the comparable sample of recipients spent an average of 12 hours looking for work in the week before the first wave and 14 hours in the week before the second wave (Table V.2). Although there is no material change in Los Angeles over time, the difference over time for the Central Valley sample is statistically significant.³²

More than three-quarters of Los Angeles and Central Valley recipients in each wave applied directly to prospective employers and contacted friends, relatives, or professional associates (Table V.2). About 9 in 10 Los Angeles recipients who were not employed and looked for work at Wave 2 reported using the Internet to look for work (89 percent). The comparable rate in the Central Valley was 68 percent, perhaps due to lower familiarity with online job search. It was less common for recipients in both study areas to use AJC services,

³² We found no evidence that potential durations and weekly benefit amounts were related to hours spent looking for a job in the week prior to the Wave 1 interview (results not shown), after controlling for the covariates listed in Appendix Table A.1.

contact a private employment or placement agency, contact a former employer, or answer ads in newspapers or other publications.

In Los Angeles, recipients who were not employed and looked for work at both waves of the survey were more likely to report answering ads in newspapers or other publications in the week before the second wave than they were for the week before the first wave (42 percent at the first wave; 50 percent at the second wave) (Table V.2). This change over time is statistically significant. Recipients in Los Angeles were also less likely over time to report using services from an AJC or using the Internet (33 versus 24 percent; 92 versus 88 percent). We cannot identify how intensively recipients used each of these methods, but one possible explanation for why they might begin using different methods is that recipients learned more about their job markets over time. In comparison, there are no statistically significant changes over time in the methods used to search for employment in the Central Valley. This could reflect the much higher percentage of recipients in the Central Valley who have experience looking for seasonal work and did not have to learn as much about their job markets. Alternatively, it could reflect the smaller sample size and lower precision of the estimates for the Central Valley.

We now turn to reasons why some recipients without employment did not look for a job in the week before each wave. As mentioned previously, we use “recipients” to refer to sample members and not because they are receiving benefits at the time of the interview. Because we do not know whether recipients filed for benefits in the week prior to the interview, our findings do not indicate the presence of improper UI payments. We also note that, in the survey, respondents were informed that their answers would be kept private and would not affect their eligibility for public programs. But, it is possible that some respondents did not answer the questions about work search accurately because they were concerned their personal information would be shared with program agencies.

In Los Angeles, few recipients who did not look for a job in the week before each wave said their main reason was that they believed no work was available, they took a break, they were feeling discouraged, they did not want to look for employment, or they were retired (Table V.3). However, the tabulations of the reasons why Los Angeles recipients did not look for a job are based on the small subset of recipients who did not look for work—just 24 individuals at the first wave and 54 individuals at the second wave. About one-third of recipients who did not look for a job in the week before the first wave (30 percent) said that the main reason was that they expected a new job to start, expected to be recalled, or expected to have their pre-claim hours reinstated. Another third of recipients (32 percent) said their main reason for not looking for work was health, pregnancy, or disability reasons, or child care/family responsibilities.

In the Central Valley, about 16 to 20 percent of recipients without employment who did not look for work in the week before the first or second wave said their main reason was that they believed no work was available, they took a break, they were feeling discouraged, they did not want to look for employment, or they were retired (Table V.3). The sample sizes for the tabulations in the Central Valley are higher than in Los Angeles (74 at Wave 1 and 78 at Wave 2), but we still caution that they are quite small. Similar percentages of recipients (18 to 24 percent) said their main reason was that they expected a new job to start, expected to be recalled, or expected to have their pre-claim hours to be reinstated. About 43 to

44 percent of Central Valley recipients without employment stated that their main reason for not looking for work was health, pregnancy, or disability reasons, or child care/family responsibilities.

Table V.2. Time spent and methods used to search for employment by UI recipients who were not employed and looked for a job, by area (percentages except where indicated)

	Recipients who were not employed and looked for a job in the prior week		Recipients who were not employed and looked for a job in the prior week at both waves	
	Wave 1	Wave 2	Wave 1	Wave 2
Los Angeles				
Hours spent looking for a job in the week before the interview				
One to 5 hours	19.1	20.8	16.4	19.0
6 to 10 hours	26.4	25.2	29.1	25.7
11 to 20 hours	32.6	29.4	32.9	30.7
21 to 30 hours	13.8	17.8	13.3	17.7
More than 30 hours	8.0	6.9	8.2	6.9
Average hours spent looking for a job in the week before the interview	16	16	16	16
Methods used to look for a job in the week before the interview				
Contacted private employment or placement agency	52.6	54.1	53.3	55.5
Used services from American Jobs Center	29.1	24.1*	33.2	23.9*
Contacted former employer	35.3	32.9	30.4	33.4
Contacted friends, relatives, or professional associates	88.4	89.6	91.0	91.0
Used Internet	89.3	88.5	91.8	88.4*
Answered ads in newspapers or other publications	41.5	46.8	41.5	49.7*
Applied directly to prospective employers	78.0	79.2	79.2	79.1
Unweighted sample size	638	379	352	352
Central Valley				
Hours spent looking for a job in the week before the interview				
		+		
One to 5 hours	38.2	31.2	31.1	25.6
6 to 10 hours	30.4	29.0	33.5	29.7
11 to 20 hours	21.8	22.6	22.5	25.0
21 to 30 hours	6.2	9.8	7.6	11.5
More than 30 hours	3.4	7.4*	5.3	8.1
Average hours spent looking for a job in the week before the interview	10	13*	12	14*
Methods used to look for a job in the week before the interview				
Contacted private employment or placement agency	37.1	46.4*	45.6	51.2
Used services from American Jobs Center	21.0	22.9	23.9	25.0
Contacted former employer	51.0	44.0	40.5	44.0
Contacted friends, relatives, or professional associates	84.4	84.3	89.2	85.9
Used Internet	59.0	68.0*	76.6	74.5

	Recipients who were not employed and looked for a job in the prior week		Recipients who were not employed and looked for a job in the prior week at both waves	
	Wave 1	Wave 2	Wave 1	Wave 2
Answered ads in newspapers or other publications	33.2	46.0*	49.5	50.0
Applied directly to prospective employers	77.1	77.4	79.2	78.4
Unweighted sample size	520	203	173	173

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

+Distributions for Wave 1 and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

Table V.3. Main reason given for not looking for employment by UI recipients who did not look for employment in the previous week, by area (percentages)

	Wave 1	Wave 2
Los Angeles		
Expects new job to start, expects to be recalled, or expects pre-claim hours to be reinstated	29.6	20.2
Believes no work available, took a break, is feeling discouraged, is retired, or did not want or look for employment	n.a. ^a	8.8
Health, pregnancy, or disability reasons	18.3	31.8
Child care/family responsibilities	20.7	13.5
Other reason	31.4 ^a	25.6
Unweighted sample size	24	54
Central Valley		
Expects new job to start, expects to be recalled, or expects pre-claim hours to be reinstated	23.7	17.7
Believes no work available, took a break, is feeling discouraged, is retired, or did not want or look for employment	20.3	16.0
Health, pregnancy, or disability reasons	26.1	37.8
Child care/family responsibilities	18.4	6.4*
Other reason	11.5	22.1
Unweighted sample size	74	78

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. "Other reason" as shown in this table includes the following reasons stated by recipients: being in school or other training, transportation problems, and "other reason." Estimates have been adjusted for survey nonresponse. See Appendix A for details.

^aThe cell marked "n.a." for Los Angeles recipients at Wave 1 has been masked to protect respondent confidentiality. Respondents in this category are instead showed as part of the "Other reason" group for Los Angeles at Wave 1.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

UI = Unemployment Insurance.

Based on work search behavior in the week prior to the interview, 2 to 5 percent of Los Angeles recipients and 8 percentage of Central Valley recipients were currently not in the labor force at the time of either wave (Figures V.2, V.3). The reasons given by recipients that

we classified as indicating they were not currently in the labor force could represent temporary barriers to looking for work, so we do not consider them to have exited the labor force. We therefore include these individuals in our other analyses of work search and reemployment more broadly. While it would be interesting to learn about the longer-term process through which recipients permanently exit the labor force, our study is designed to focus on short- and medium-term outcomes, and the study period is likely too short to draw conclusions about this process.

B. Use of reemployment services

In this section, we examine the rates of service receipt and the reported usefulness of the services over time. All respondents were provided a list of AJC services and asked whether they had received or used each of them at an AJC in person, online, or by telephone.

In both areas, the percentage of recipients who ever used reemployment services from an AJC increased by 8 to 10 percentage points from Wave 1 to Wave 2 (from 72 to 80 percent in Los Angeles and from 59 to 69 percent in the Central Valley) (Table V.4). This indicates that AJC service usage continued past the initial time period shortly after recipients' UI benefit receipt began. We cannot identify the recipients who were and were not required to receive AJC services as part of their UI benefit receipt (or other program participation), but recipients who used AJC services later are probably less likely to have been required to go to the AJC given that a goal of some programs such as the WPRS system and the REA system is the receipt of reemployment services early in UI recipients' unemployment spells.

More than a third of recipients in both areas received information from an AJC on education or job training programs (Table V.4). Furthermore, over half of recipients in both areas (60 percent in Los Angeles and 51 percent in the Central Valley) reported registering with the Employment Service or job bank by the second wave.³³ These typically were the most common services recipients reported receiving from AJCs. Other types of reemployment services available at AJCs, such as workshops, assessments, or labor market information, were less commonly used, with rates ranging from 9 to 37 percent.

Table V.4. Use of reemployment services at an American Job Center since the job separation month, by area (percentages)

	By Wave 1	By Wave 2
Los Angeles		
Used a resource room	24.4	32.9*
Attended workshop(s)	25.3	33.8*
Took tests or assessments	12.3	21.0*
Attended meetings for job clubs or job groups	20.5	28.5*
Received career counseling or one-on-one assistance	22.3	31.6*
Received labor market information	26.0	37.0*

³³ In California, registration is required within 21 days of filing a new claim, and the requirement is met by entering or updating a resume into the CalJOBS system (http://www.edd.ca.gov/UIBDG/Miscellaneous_MI_100.htm). Because this is a time-sensitive requirement, the survey question did not mention resumes or the CalJOBS system by name, and the survey question focused on service receipt at AJCs, it seems likely that our estimate is a lower bound on the true portion of respondents who registered with the Employment Service. However, we also cannot confirm that recipients who reported using services truly did so or responded incorrectly based on perceived pressure to do so.

	By Wave 1	By Wave 2
Received information on education or job training	32.4	43.0*
Registered with the Employment Service or job bank	51.0	60.0*
Used any reemployment services	71.7	79.5*
Unweighted sample size	870	871
Central Valley		
Used a resource room	22.3	31.0*
Attended workshop(s)	11.4	16.1*
Took tests or assessments	8.6	16.7*
Attended meetings for job clubs or job groups	11.3	18.6*
Received career counseling or one-on-one assistance	14.6	22.8*
Received labor market information	20.7	30.1*
Received information on education or job training	22.1	32.9*
Registered with the Employment Service or job bank	41.5	50.7*
Used any reemployment services	58.5	68.7*
Unweighted sample size	773	771

Source: Longitudinal Survey of UI Recipients data.

Notes: Recipients were asked about services received or used at an American Job Center in person, online, or by telephone. Recipients could select multiple reemployment services, so the percentages in each column of the table, for each site, can add up to more than 100 percent. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

UI = Unemployment Insurance.

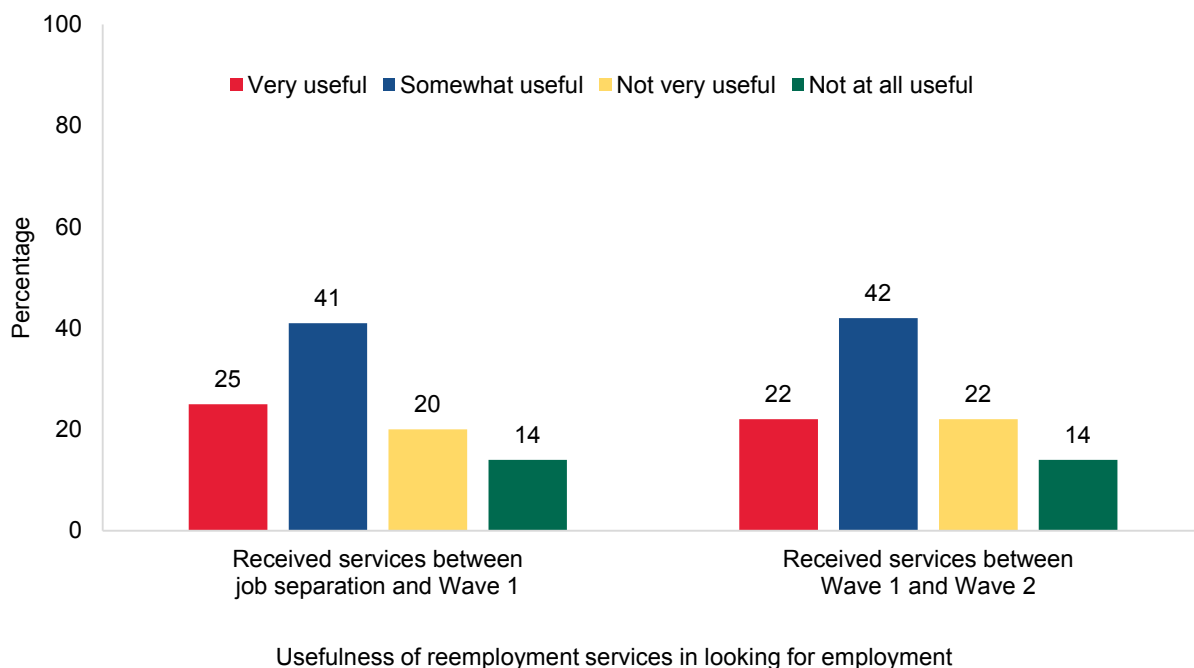
Comparing the use of reemployment services by area, we find that recipients in Los Angeles were more likely to use each type of service than were recipients in the Central Valley. This pattern might be due to both a higher demand for and a higher supply of reemployment services in Los Angeles versus the Central Valley. One factor influencing demand is the distribution of WPRS scores, which are state-estimated probabilities that UI recipients will exhaust their benefits. WPRS scores aim to help states target reemployment services to UI recipients who are at risk of long-term unemployment.³⁴ In California, UI recipients with WPRS scores of 0.36 or higher can be mandated to meet with workforce services staff to discuss labor market information and reemployment services available at AJCs. Workers expecting recall and active union members are not referred to WPRS services in California (Sullivan et al., 2007). About a third of Los Angeles recipients had a WPRS score of 0.36 or higher, compared to 16 percent of Central Valley recipients, so we speculate that a higher proportion of Los Angeles recipients learned about reemployment services at AJCs through WPRS referrals, and demand for reemployment services could be higher in Los Angeles. One measure of supply is the prevalence of AJCs. As shown in Table II.1, Los Angeles and the Central Valley areas have similar numbers of AJCs, but the Central Valley area is nearly 10 times as large geographically as the Los Angeles area. It is likely that, relative to Los Angeles recipients, a higher portion of recipients in the Central Valley would have to travel a considerable distance to reach an AJC; this might

³⁴ States use a combination of screening methods and statistical models to estimate WPRS scores. California applies both screening practices and statistical modeling. UI recipients expecting recall and UI recipients who are union members are screened out of the statistical model. California's statistical model controls for job tenure, education, industry, occupation, and county and/or workforce area. See Sullivan et al. (2007) for a description of states' WPRS models.

influence both their knowledge about AJCs and the services they offer and their willingness to visit an AJC. Dunham et al. (2005) provides additional information on transportation barriers (both distance to AJCs and lack of transportation options) and other challenges faced by UI recipients in rural areas, such as lower rates of access to high-speed Internet.

Large majorities of recipients in both areas reported high levels of satisfaction with AJC services, and this was consistent for recipients who received services before and after Wave 1 (Figures V.4, V.5). Sixty-six percent of Los Angeles recipients who received AJC services before the first wave, and 64 percent who did so between the first and second waves, perceived that the services were very useful or somewhat useful to them. In the Central Valley, 76 percent of recipients who received AJC services before the first wave, and 73 percent who did so between the first and second waves, reported the services were very useful or somewhat useful. The only statistically significant difference over time occurred for the percentage of Central Valley recipients reporting the services were somewhat useful, which declined from 49 to 41 percent.³⁵

Figure V.4. UI recipients' perceptions of the usefulness of reemployment services in Los Angeles, by timing of service receipt (percentages)



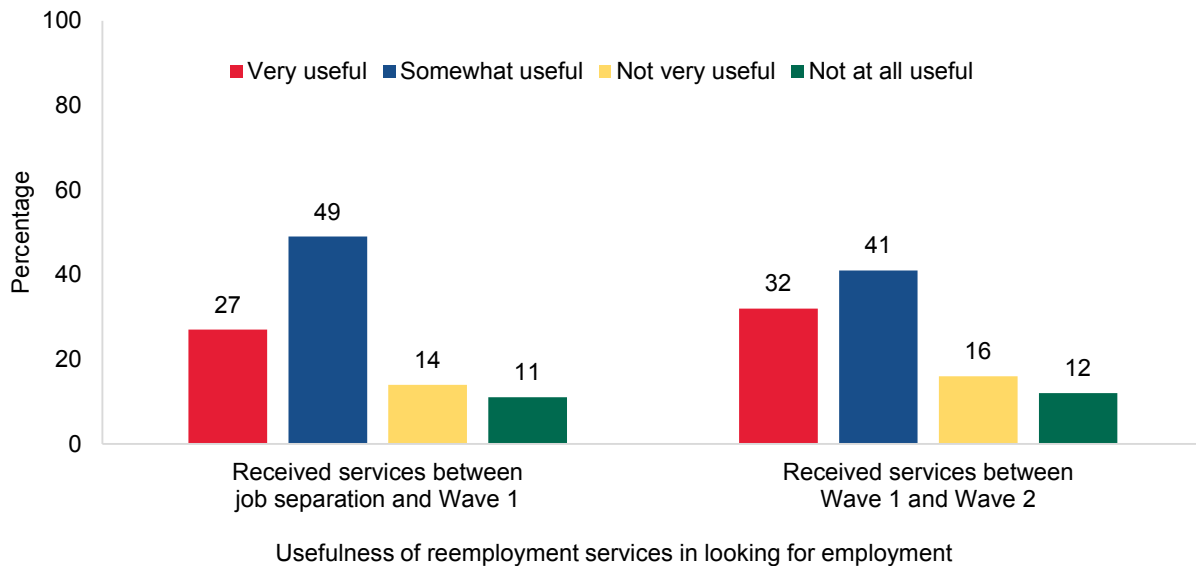
Source: Longitudinal Survey of UI Recipients data.

³⁵ In separate tabulations not shown here, we found that both Los Angeles and Central Valley recipients who used any reemployment services collected an average of 18 weeks of benefits. Among recipients who used any reemployment services, those who reported the services to be very or somewhat useful collected an average of 20 weeks of benefits in Los Angeles and 19 weeks of benefits in the Central Valley, and their reemployment rates by Wave 2 were 53 percent in Los Angeles and 74 percent in the Central Valley. These tabulations are descriptive in nature and do not imply causality of reemployment services that were reported by recipients to be useful and reemployment.

Notes: N = 619 for receipt of services between job separation and Wave 1, N = 501 for receipt of services between Wave 1 and Wave 2. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Estimates have been adjusted for survey nonresponse. Los Angeles recipients who received services between job separation and Wave 1 and between Wave 1 and Wave 2 did not differ significantly at the .05 level in their perceptions of the usefulness of reemployment services. See Appendix A for details.

UI = Unemployment Insurance.

Figure V.5. UI recipients' perceptions of the usefulness of reemployment services in the Central Valley, by timing of service receipt (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 443 for receipt of services between job separation and Wave 1, N = 366 for receipt of services between Wave 1 and Wave 2. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. Central Valley recipients who received services between job separation and Wave 1 and between Wave 1 and Wave 2 differed significantly at the .05 level in the percentage who perceived that reemployment services were "Somewhat useful". No other differences in recipients' perceptions across the timing of service receipt were statistically significant at the .05 level. See Appendix A for details.

UI = Unemployment Insurance.

C. Expectations of reemployment

Among recipients who, at both waves of the survey, were not employed or expecting to be recalled, and wanted employment, Los Angeles recipients expected that finding employment would take an average of 12 to 13 weeks from each wave, and Central Valley recipients expected it would take an average of 9 weeks (Table V.5). These expectations regarding timing of reemployment did not significantly change from Wave 1 to Wave 2, so it does not seem that many recipients who remained without work became discouraged about their chances of finding reemployment. We refer to the group of recipients who were not employed, not expecting to be recalled, and reported wanting employment as "seeking employment."

Table V.5. Expected time to reemployment from the interview date by UI recipients who were seeking employment, by area (percentages except where indicated)

	Recipients seeking employment at:		Recipients seeking employment at both waves	
	Wave 1	Wave 2	Wave 1	Wave 2
Los Angeles				
Expected time to reemployment from the interview date				+
Zero to two weeks	15.2	16.5	11.7	16.5*
More than two weeks, up to one month	12.0	12.8	10.5	12.8
More than one month, up to two months	20.7	21.9	18.8	20.7
More than two months, up to three months	31.1	24.8*	34.2	25.0*
More than three months, up to six months	15.4	18.3	17.3	19.2
More than six months	5.6	5.8	7.5	5.9
Average expected weeks to reemployment from the interview date	11	12	13	12
Unweighted sample size	646	403	392	392
Central Valley				
Expected time to reemployment from the interview date		+		
Zero to two weeks	17.4	19.1	13.4	19.3
More than two weeks, up to one month	18.5	12.9*	15.3	13.4
More than one month, up to two months	25.5	23.7	18.5	23.5
More than two months, up to three months	31.8	28.0	39.8	28.9*
More than three months, up to six months	4.9	11.8*	9.2	10.1
More than six months	1.9	4.4	3.9	4.9
Average expected weeks to reemployment from the interview date	7	9*	9	9
Unweighted sample size	583	240	240	240

Source: Longitudinal Survey of UI Recipients data.

Notes: Recipients were defined as “seeking employment” at an interview if they were not employed, were not expecting to be recalled, and did not indicate that they did not want employment. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

+Distributions for Wave 1 and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

Recipients who were seeking employment at both waves of the survey did not materially change the characteristics of the employment they sought over time (Tables V.6, V.7). With one exception, there were generally no statistically significant differences in the minimum weekly earnings sought, fringe benefits sought, or the expectations that relocation would be necessary. For example, the small decreases in the minimum weekly earnings sought over time in both areas were not statistically significant. At the second wave, the Los Angeles recipients who were seeking employment at both waves sought an average of \$875 per week, compared to an average of \$537 per week sought by Central Valley recipients in this sample. For these subsamples in Los Angeles and the Central Valley, the average ratios of minimum weekly earnings sought to the weekly earnings from the separating job was 0.95 and 0.93 percent, respectively (not shown).

Los Angeles recipients seeking employment at both waves were about 5 percentage points more likely to apply to jobs requiring relocation between the job separation and the first wave than they were between the first and second waves (25 percent versus 20 percent, respectively). This decrease in application rates for jobs requiring relocation was statistically significant. We did not find a statistically significant change over time in the percentage of recipients seeking paid sick days, despite the study period coinciding with a new paid-leave law implemented in California in July 2015. This law required paid sick leave for most employees who work at least 30 days for the same employer within a year, including seasonal and temporary workers.³⁶

Table V.6. Characteristics of employment sought by UI recipients in Los Angeles who were seeking employment (percentages except where indicated)

	Recipients seeking employment at:		Recipients seeking employment at both waves	
	Wave 1	Wave 2	Wave 1	Wave 2
Minimum weekly earnings sought				
Less than \$250	3.7	3.1	4.0	3.3
\$250 to \$499	30.3	28.6	33.0	28.8
\$500 to \$749	22.6	26.6	22.5	25.9
\$750 to \$999	12.1	13.6	11.5	13.9
\$1,000 or more	31.3	28.0	29.0	28.1
Average minimum weekly earnings sought (dollars)	903	866	884	875
Fringe benefits sought				
Health insurance benefits	74.7	75.1	74.9	74.8
Paid sick days	63.2	66.9	65.2	66.6
Retirement savings or pension plan	60.6	60.1	60.2	59.5
Expectation that relocation will be necessary to find reemployment that meets requirements				
Very likely	9.6	7.8	7.3	7.2
Somewhat likely	25.0	20.2	26.2	20.2*
Somewhat unlikely	22.5	23.4	22.0	23.3
Very unlikely	42.9	48.5	44.5	49.2
Applied to jobs since the job separation/last interview that would require relocation	25.8	20.6*	24.9	20.2*
Unweighted sample size	614	402	381	381

Source: Longitudinal Survey of UI Recipients data.

Notes: Recipients were defined as “seeking employment” at an interview if they were not employed, were not expecting to be recalled, and did not indicate that they did not want employment. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

+Distributions for Wave 1 and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

³⁶ More information about this law is available at http://www.dir.ca.gov/dlse/paid_sick_leave.htm, accessed on June 13, 2016.

Table V.7. Characteristics of employment sought by UI recipients in the Central Valley who were seeking employment (percentages except where indicated)

	Recipients seeking employment at:		Recipients seeking employment at both waves	
	Wave 1	Wave 2	Wave 1	Wave 2
Minimum weekly earnings sought				
Less than \$250	3.5	4.1	5.0	3.6
\$250 to \$499	57.9	57.0	54.9	56.2
\$500 to \$749	24.1	27.0	23.1	27.4
\$750 to \$999	7.4	5.3	8.2	5.8
\$1,000 or more	7.1	6.5	8.8	7.1
Average minimum weekly earnings sought (dollars)	538	528	560	537
Fringe benefits sought				
Health insurance benefits	70.7	71.6	72.0	71.1
Paid sick days	60.0	67.8*	61.6	66.2
Retirement savings or pension plan	61.3	59.7	59.6	59.8
Expectation that relocation will be necessary to find reemployment that meets requirements				
Very likely	19.3	15.0	14.5	15.1
Somewhat likely	26.5	22.8	27.7	21.7
Somewhat unlikely	20.9	25.7	20.8	26.5
Very unlikely	33.3	36.5	37.1	36.7
Applied to jobs since the job separation/last interview that would require relocation	26.1	19.7*	22.3	20.7
Unweighted sample size	557	236	236	236

Source: Longitudinal Survey of UI Recipients data.

Notes: Recipients were defined as “seeking employment” at an interview if they were not employed, were not expecting to be recalled, and did not indicate that they did not want employment. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

*Means for Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

+Distributions for Wave 1 and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

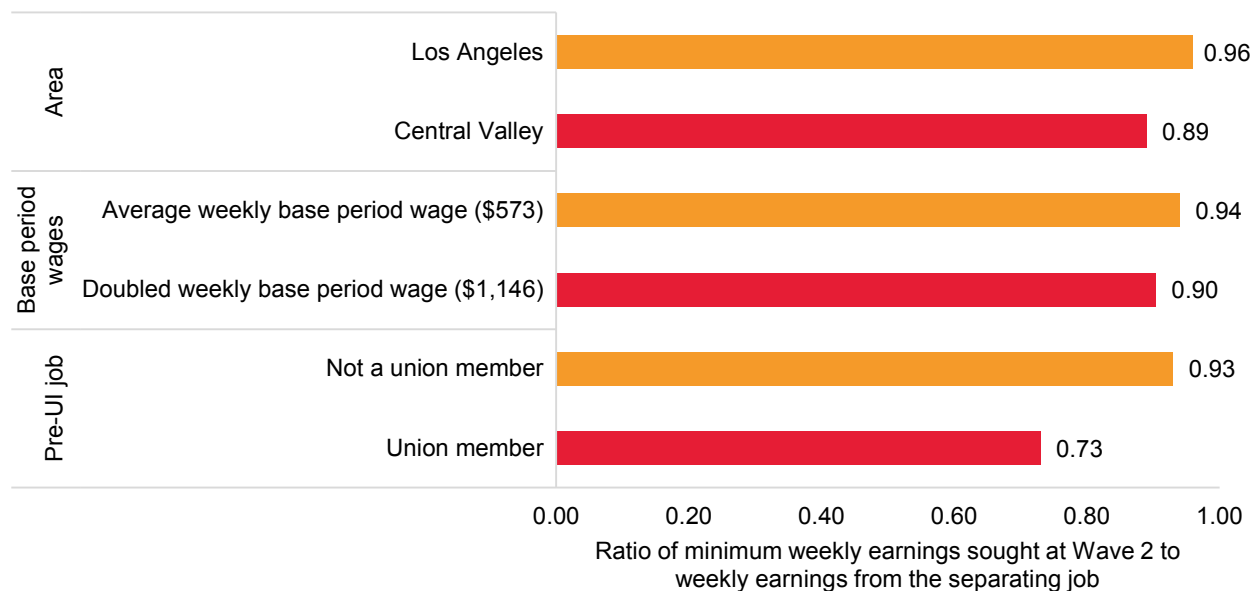
UI = Unemployment Insurance.

We use multivariate linear regression to explore predictors of the ratio of the minimum weekly earnings sought at Wave 2 to weekly earnings from the separating job. To remove the influence of weekly earnings reported for part-time work, we follow the approach of Krueger and Mueller (2014) and focus on the subset of recipients who worked at least 35 hours per week at their pre-UI separating job and had ratios of 3 or less. Relative to the regressions used in other chapters, this regression additionally controls for two variables that are commonly viewed as influencing the reservation wage: (1) whether recipients had exhausted their UI benefits and (2) the amount of time since the end of the recipients’ first compensable week.³⁷ Both of these covariates were measured for the same point in time as the reservation wage—the Wave 2 interview date.

³⁷ See Krueger and Mueller (2014) for a discussion of the theory underlying the relationships between reservation wages, duration of unemployment, and unemployment benefits.

Controlling for individual, household, and claim characteristics, the ratio of minimum weekly earnings sought at Wave 2 to weekly earnings from the separating job was significantly lower for recipients who had higher base period earnings and were union members (Figure V.6). The correlation was small for base period earnings; the average predicted ratio for recipients with an average weekly base period wage of \$573 was 0.94, which was only 0.04 higher than the average for recipients with a weekly base period earnings amount twice as high. Union members had an average predicted ratio that was 0.20 lower than the average predicted ratio for union members (0.73 versus 0.93).

Figure V.6. Predicted ratios of the minimum weekly wage sought at Wave 2 to the pre-UI weekly wage based on area, base period earnings, and union membership



Source: Longitudinal Survey of UI Recipients data.

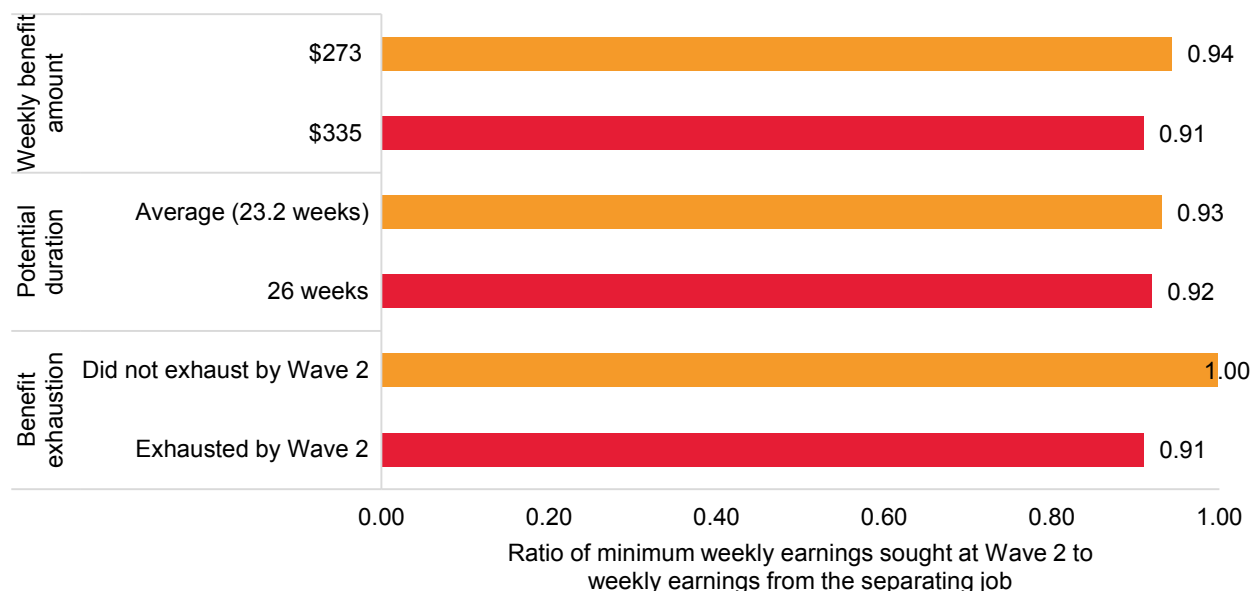
Notes: N = 401. Predicted ratios were estimated using a linear regression that pooled recipients in the Los Angeles and Central Valley areas. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on base period earnings and union membership were statistically significant at the 0.05 level. The coefficient for area was not statistically significant at the 0.05 level. See Appendix C for details.

UI = Unemployment Insurance.

The ratio of the minimum weekly earnings sought at Wave 2 to weekly earnings from the separating job was also negatively and significantly correlated with weekly benefit amounts and benefit exhaustion by Wave 2 (Figure V.7). Recipients with an average weekly benefit amount of \$273 (the average in the Central Valley) had an average predicted ratio that was 0.03 higher than the average prediction for recipients with an average weekly benefit amount of \$335 (the average in Los Angeles). Recipients who exhausted their UI benefits by Wave 2 had an average predicted ratio that was 0.09 lower than recipients who had not exhausted their UI benefits by Wave 2. There was no significant correlation with potential duration. The direction of significant results across base period earnings, weekly benefit

amounts, benefit exhaustion, and union membership supports a view that recipients who had more job-specific skills and experience had lower wage expectations for their new job relative to their separating job.

Figure V.7. Predicted ratios of the minimum weekly wage sought at Wave 2 to the pre-UI weekly wage based on weekly benefit amount, potential duration, and benefit exhaustion by Wave 2



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 401. Predicted ratios were estimated using a linear regression that pooled recipients in the Los Angeles and Central Valley areas. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on weekly benefit amount and benefit exhaustion by Wave 2 were statistically significant at the 0.05 level. The coefficient for potential duration was not statistically significant at the 0.05 level. See Appendix C for details.

UI = Unemployment Insurance.

We did not find a statistically significant relationship between the ratio of the reservation wage to the pre-UI wage and the time between the end of the first week compensated and the Wave 2 interview date (Appendix Table C.2). Theoretically, we expected that reservation wages would decrease over time because jobseekers might reduce their expectations about the level of earnings that they could realistically expect based on their inability over time to attain a job offer paying at least that amount. One potential explanation for the inconsistency between our theoretical expectation and the empirical finding is that we do not have enough variation in this measure. There are only 9 weeks between the 5th and 95th percentiles of this measure: 177 days (or 25 weeks) on the one hand and 239 days (or 34 weeks), on the other hand, respectively. A bigger range of time might be needed to detect a statistically significant decline in the ratio of the reservation wage to the pre-UI wage.

Between the job separation date and Wave 1, 21 percent of Los Angeles recipients and 15 percent of Central Valley recipients received and accepted a job offer. Between Wave 1

and Wave 2, 44 percent of Los Angeles recipients and 52 percent of Central Valley recipients received and accepted a job offer (Table V.8). A potential explanation for the lower initial rate and higher increase in the Central Valley is the seasonality of jobs for some recipients in the survey sample. Only very small portions of recipients at either wave reported receiving an offer and either declining it or not yet deciding whether to accept it.

Table V.8. Acceptance of job offers UI recipients received, by area (percentages except where indicated)

	Job offers received between		
	Job separation and Wave 1	Waves 1 and 2	Job separation and Wave 2
Los Angeles			
Have not received an offer	75.4	52.5*	45.4
Received an offer	24.6	47.5*	54.6
Received and accepted an offer	21.1	43.5*	49.9
Received and decided not to accept an offer, or have not decided whether to accept an offer	3.5	3.9	6.6
Unweighted sample size	867	870	866
Central Valley			
Have not received an offer	83.3	45.4*	39.6
Received an offer	16.7	54.6*	60.4
Received and accepted an offer	14.9	51.7*	57.3
Received and decided not to accept an offer, or have not decided whether to accept an offer	1.8	2.9	4.7
Unweighted sample size	773	771	770

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

*Means for job offers received between job separation and Wave 1 and between Waves 1 and 2 differ significantly at the .05 level, two-tailed test.

UI = Unemployment Insurance.

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VI. REEMPLOYMENT

This chapter describes reemployment in each study area. Our analysis focuses on comparing the jobs recipients found after their initial UI claim with the individuals' pre-UI jobs. We sometimes refer to these jobs as “post-UI” jobs because they occur after the beginning of recipients' sampled UI claims, but it does not necessarily mean that the jobs occurred after recipients finished collecting UI. For our analysis of recipients' first post-UI jobs, we distinguish between the job characteristics of recipients who were reemployed by a different employer than they had at their pre-UI job and those who were reemployed by the same employer. We also examine the characteristics of jobs that individuals held at each wave. As in previous chapters, we focus primarily on differences in outcomes that are statistically significant or substantively important over time, and we highlight key differences or similarities in patterns across the two study areas.

Key findings

- Most recipients (63 percent in Los Angeles and 77 percent in the Central Valley) found a job by Wave 2 of the survey, which was conducted about 6 to 9 months after their first compensable week.
- About a third of reemployed Los Angeles recipients and about 60 percent of reemployed Central Valley recipients returned to the same employer they had for their pre-UI job.
- Average hours worked per week declined by 17 to 18 percent for Los Angeles and 5 percent for the Central Valley regardless of whether recipients were reemployed by the same employer they had at their pre-UI job or a different one.
- Among recipients who were reemployed by a different employer than the one at their pre-UI job, average weekly earnings declined by 14 to 15 percent in both areas. Average weekly earnings among recipients who were reemployed by the same employer they had at their pre-UI job declined by 7 percent in Los Angeles and 2 percent in the Central Valley, but these declines are not statistically significant.
- Central Valley recipients who were reemployed by a different employer were more likely to be offered paid sick days, a retirement savings or pension plan, and health insurance through their first post-UI job than their pre-UI job. The first post-UI job for these recipients was less likely to be in the agriculture sector and more likely to be in the manufacturing or trade, transportation, and utilities sectors.
- Reemployed Los Angeles recipients who switched employers are not significantly more likely to have paid sick days, health insurance benefits, or retirement savings available to them through their new jobs. Their first post-UI job was less likely than the pre-UI job to be in the business support services industry and more likely to be in the leisure and hospitality industry.

A. Time to first job

We examine the timing of reemployment by wave and the length of time between the separation date from the pre-UI job and the start date of the first post-UI job. We then use logistic regression to explore predictors of finding reemployment by the second wave.

About two-thirds of recipients in Los Angeles (63 percent) and three-quarters of recipients in the Central Valley (77 percent) were reemployed by the second wave (Table VI.1). These estimates are based on the recipient holding any jobs after the pre-UI job, regardless of whether they were still employed at the time of the second wave. Consequently, these rates are higher than the current employment rates at the time of the second wave—51 and 65 percent for Los Angeles and the Central Valley, respectively (Figures V.1, V.2). We can compare this to recent estimates from Hock et al. (2016), using administrative data. That study found that the

employment rate for UI recipients who began collecting benefits in 2008 or 2009 in 12 states was 73 percent over a four-quarter period after the start of their UI claim.³⁸ There are a few reasons why we do not expect the reemployment rates to align exactly. First, the LSUI study has a shorter follow-up period, which we would expect to result in a lower reemployment rate than the estimate from Hock et al. (2016). Second, the LSUI study focuses on California, which has a high unemployment rate relative to other states, so we would also expect a lower reemployment rate for LSUI. However, the LSUI sample faces a stronger economy overall in 2015 than the sample in Hock et al. (2016) faced in 2010, a circumstance that should lead to an increase in reemployment rates.

Among those reemployed by the second wave, Central Valley recipients had more time, on average, than Los Angeles recipients between their pre-UI job separation date and the start of their first post-UI job (Table VI.1). Central Valley recipients began their first post-UI job an average of 24 weeks after their pre-UI job separation date, compared to 16 weeks for Los Angeles recipients. The averages and distributions of how long it took recipients at each site to find a job were significantly different from each other. About 15 percent of Los Angeles recipients who became reemployed got their first job within a month of their pre-UI job loss, and another 30 percent took between one and three months. In contrast, about 8 percent of reemployed Central Valley recipients got their first job within one month and another 15 percent did so within one and three months.

The higher prevalence of seasonal employment in the Central Valley likely contributes to the longer durations of unemployment for Central Valley recipients who were reemployed. Recipients in Los Angeles received benefits for a longer average period than the time they were without work, while recipients in the Central Valley received benefits for a shorter average period than the period they were without work (18 weeks of benefit collection in both areas; Table IV.2). This finding is consistent with Los Angeles recipients being more likely to have intermittent employment during their UI benefit collection and Central Valley recipients having relatively longer periods without work before they began collecting benefits. Alternatively, our information regarding pre-UI job separation for Central Valley recipients might be less accurate than that of Los Angeles recipients' because of the higher prevalence of seasonal or temporary work in the Central Valley.

After controlling for individual, household, and UI claim characteristics, rates of reemployment by the second wave were significantly higher in the Central Valley than in Los Angeles (74 percent versus 67 percent; Figure VI.1). Workers in seasonal jobs were more likely to be reemployed than were other workers (82 percent versus 60 percent), as were union members (95 percent versus 70 percent). Workers who reported good health were more likely to be reemployed than workers who reported poor health (72 percent versus 57 percent).

³⁸ See Table D.12 of Hock et al. (2016). The study used administrative wage data, which were available on a quarterly basis.

Table VI.1. Reemployment of UI recipients, by area (percentages except where indicated)

	Los Angeles	Central Valley
Reemployment of recipients		
Ever reemployed after pre-UI job separation	63.4	77.1*
Never reemployed after pre-UI job separation	36.6	22.9*
Unweighted sample size	870	773
Timing of reemployment for recipients who were ever reemployed		
Weeks from pre-UI job separation to start of first job		+
Zero to two weeks	6.2	3.5*
More than two weeks, up to one month	8.7	4.2*
More than one month, up to two months	19.3	6.3*
More than two months, up to three months	10.7	8.3
More than three months, up to six months	28.8	30.6
More than six months, up to nine months	12.9	27.3*
More than nine months, up to one year	3.3	7.9*
More than one year	2.1	1.9
Unknown	8.0	10.1
Average weeks from pre-UI job separation to first job (weeks)	16	24*
Unweighted sample size	546	587

Source: Longitudinal Survey of UI Recipients data.

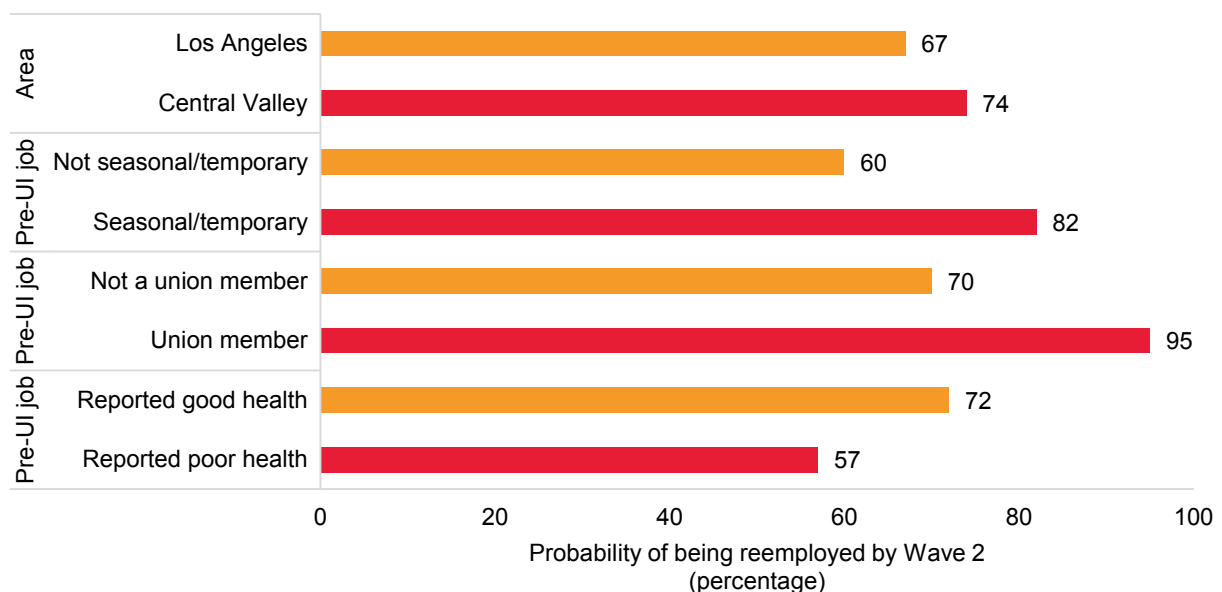
Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

*Means for the two groups differ significantly at the .05 level, two-tailed test.

+Distributions of the two groups across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

Figure VI.1. Predicted probabilities of being reemployed by the second wave based on area, pre-UI characteristics, and health status (percentages)



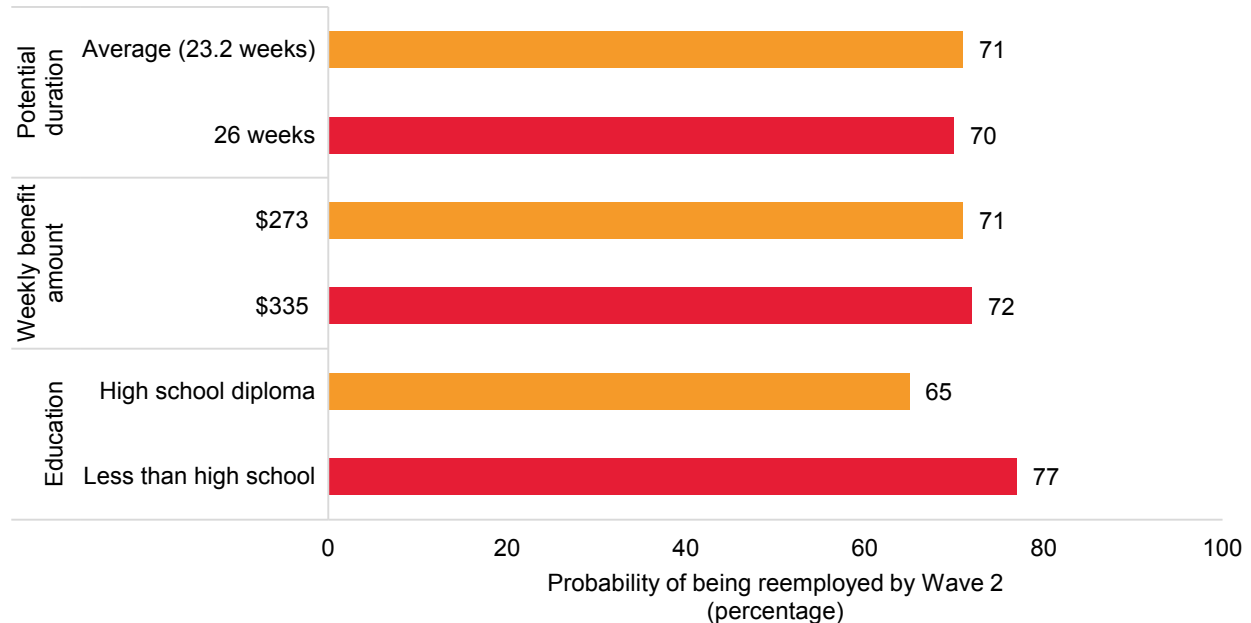
Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,568. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked to report their general health status at the first interview. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on area, having a seasonal or temporary pre-UI separating job, being a union member prior to the job separation, and reporting poor health (relative to reporting good health) are statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

The multivariate logistic analysis of reemployment yields a few unexpected conclusions, including the finding that some workers with less education were more likely to be reemployed and that higher weekly benefit amounts were associated with higher rates of reemployment by Wave 2 (Figure VI.2). For example, workers with less than a high school diploma were more likely to be reemployed than workers who had a high school diploma (77 percent versus 65 percent). This occurrence could be related to the higher prevalence of seasonal or temporary work among workers with less than a high school diploma in the Central Valley. Increasing the weekly benefit amount from \$273 to \$335, the respective averages for Central Valley and Los Angeles recipients, was associated with a small increase in the predicted likelihood of reemployment, from 71 to 72 percent. This increase is statistically significant. There is no significant correlation between reemployment and potential duration.

Figure VI.2. Predicted probabilities of being reemployed by the second wave based on weekly benefit amount, potential duration, and education level (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,568. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. The education level refers to the highest level of education completed at the time of job separation. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on weekly benefit amount and having less than a high school diploma

(relative to having a high school diploma) are statistically significant at the .05 level. The coefficient on potential duration is not statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

B. Characteristics of first job

In this section, we compare the first post-UI job to the pre-UI separating job. We focus on within-area comparisons, beginning with Los Angeles. Because substantial portions of reemployed recipients returned to their pre-UI employer (32 percent in Los Angeles and 60 percent in the Central Valley, not shown), we present our findings on job characteristics separately for reemployed recipients who switched and did not switch employers.

In Los Angeles, reemployed recipients worked 17 to 18 percent fewer hours per week on average at their new job than at their pre-UI job. This decrease occurred regardless of whether they returned to their pre-UI employer—33 to 34 hours at the first post-UI job versus 39 to 41 hours at the pre-UI separating job (Table VI.2). Workers also earned less on average at their new job. The decrease was more pronounced among workers who switched employers, their average weekly earnings decreasing by 15 percent relative to the separating job (\$1,216 versus \$1,038). The smaller (7 percent) decrease in weekly earnings among workers who were reemployed by the same employer they had at the separating job is not statistically significant (\$871 versus \$808). For both groups of recipients, the greatest changes in hours and earnings were near the bottom of the distributions, and these changes were of similar size. The percentage of recipients working less than 20 hours per week increased by 13 to 14 percentage points, and the percentage of recipients earning less than \$250 per week increased by 10 to 13 percentage points.³⁹ Among Los Angeles recipients, 63 percent who switched employers and 71 percent who did not switch employers still had their first job since job separation at the time of the second wave.

Among Los Angeles recipients who switched employers, 17 percent of pre-UI jobs were in the business support services industry and 7 to 8 percent were in the leisure and hospitality industry and the service occupation. Compared to the pre-UI job, the first post-UI job was 9 percent less likely to be in the business support services industry and 11 and 13 percent more likely to be in the leisure and hospitality industry and the service occupation, respectively (Table VI.2). Changes in the types of jobs recipients held might have contributed to the decreases in hours and earnings from the pre-UI job to the post-UI job in Los Angeles. To better understand how job characteristics vary by sector, we compared hours worked per week and weekly earnings at pre-UI jobs.⁴⁰ For example, recipients with pre-UI jobs in the business support services industry worked an average of 40 hours per week before their job separation and had weekly earnings of \$707, while recipients with pre-UI jobs in the leisure and hospitality industry worked an average of 35 hours before their job separation and had weekly earnings of \$828 (not shown). The wage differentials may reflect factors other than industry, however. For example, recipients with pre-UI jobs in the business support services

³⁹ We do not directly observe whether someone is paid on an hourly or salary basis; having this information would better allow us to separate reductions in hours from reductions in earnings.

⁴⁰ For this exercise, we examine characteristics of pre-UI jobs rather than post-UI jobs because we expect recipients in our sample to have held pre-UI jobs longer than post-UI jobs.

industry had a median job tenure between 13 and 24 months, compared to between 25 and 36 months for recipients with pre-UI jobs in the leisure and hospitality industry. Reemployed Los Angeles recipients were not significantly more likely to have paid sick days, health insurance benefits, or retirement savings available to them through their new jobs.

Table VI.2. Characteristics of the separating job and the first job since job separation for UI recipients in Los Angeles who were reemployed (percentages except where indicated)

	Recipients reemployed with a different employer as the separating job		Recipients reemployed with the same employer as the separating job	
	Separating job	First job since job separation	Separating job	First job since job separation
Same employer as the separating job	n.a.	0.0	n.a.	100.0
Hours worked per week				
0 to 19 hours	5.9	19.3*	10.4	23.9*
20 to 29 hours	6.0	12.4*	10.3	9.7
30 to 39 hours	5.7	8.2	10.6	12.5
40 hours	50.4	41.7*	45.1	42.0
41 or more hours	32.0	18.5*	23.5	11.8*
Average hours worked per week	41	34*	39	33*
Weekly earnings				
Less than \$250	6.7	19.5*	11.1	21.1*
\$250 to \$499	16.9	21.6*	27.7	27.4
\$500 to \$749	19.4	16.6	15.5	12.8
\$750 to \$999	12.5	10.6	11.8	10.3
\$1,000 or more	44.5	31.7*	33.9	28.4*
Average weekly earnings (dollars)	1,216	1,038*	871	808
Fringe benefits offered				
Health insurance benefits	60.2	54.2	44.3	43.8
Paid sick days	40.1	46.3	19.4	21.1
Retirement savings or pension plan	44.7	41.4	30.2	28.3
Industry				
Agriculture, natural resources, and mining	1.8	1.9	1.8	1.8
Construction	11.5	10.5	14.5	11.6
Manufacturing	10.8	10.4	12.5	12.6
Trade, transportation, and utilities	11.7	13.7	8.0	8.5
Information	9.5	10.4	8.0	7.1
Financial activities	6.2	9.3	2.9	3.4
Professional services and management	11.7	9.1	11.3	11.3
Business support services	16.8	8.5*	19.3	19.2
Education and health services	9.4	10.9	9.5	10.1
Leisure and hospitality	7.1	11.0*	9.0	10.6
Public administration and other services	3.7	4.3	3.1	3.9
Same industry as pre-UI job	n.a.	42.7	n.a.	90.9
Occupation				
Management, business and finance	17.0	13.3	7.7	6.2
Computer, engineering, and science	6.8	6.3	1.8	2.8
Community and social services	13.9	15.2	19.4	21.3
Service	8.3	13.1*	15.0	17.6*
Sales	6.3	8.9	5.3	4.7
Office and administrative support	16.7	13.2	7.3	6.1
Construction and extraction	10.7	10.3	15.2	12.2*
Health care practitioners and technical; installation, maintenance, and repair; and farming, fishing, and forestry	5.3	4.9	2.8	4.6
Production	6.2	6.2	12.5	11.4

	Recipients reemployed with a different employer as the separating job		Recipients reemployed with the same employer as the separating job	
	Separating job	First job since job separation	Separating job	First job since job separation
Transportation and material moving; military	8.9	8.7	12.9	13.0
Same occupation as pre-UI job	n.a.	60.1	n.a.	91.3
Still had job at Wave 2	n.a.	62.8	n.a.	71.2
Unweighted sample size	373	373	168	168

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. The public administration industry group and other services industry groups have been combined to protect respondent confidentiality. The health care practitioners and technical; installation, maintenance, and repair; and farming, fishing, and forestry occupation groups have also been combined to protect respondent confidentiality. "Same industry as pre-UI job" and "Same occupation as pre-UI job" were identified on the basis of the major industry and occupation classification groupings reported here, before combining groups to protect respondent confidentiality. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

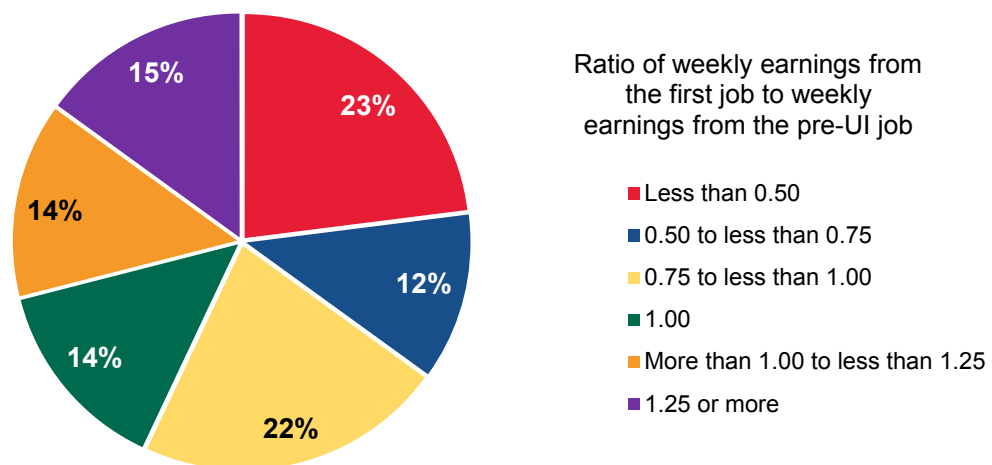
*Means for the two jobs differ significantly at the .05 level, two-tailed test.

+Distributions of the two jobs across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance; n.a. = not applicable.

Overall, in Los Angeles, nearly a quarter of reemployed recipients (23 percent) had weekly earnings from their new job that were less than half of their weekly earnings from their pre-UI job (Figure VI.3). Twenty-nine percent of reemployed recipients had higher weekly earnings in the post-UI job than in the pre-UI job. The median is between 0.75 and 1.0.

Figure VI.3. Ratio of weekly earnings from the first job since job separation to weekly earnings from the pre-UI job for UI recipients in Los Angeles



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 530. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. The pre-UI job is the job the recipient separated from prior to the sampled UI

claim. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

UI = Unemployment Insurance.

Reemployed Central Valley recipients worked 5 percent fewer hours per week on average than they did at their pre-UI job, whether or not they switched employers. Recipients who switched employers also had decreases in average weekly earnings (14 percent) (Table VI.3). Average hours worked per week declined by about two hours (from 42 to 40 hours) for recipients who switched employers and for those who did not. These declines are statistically significant. Despite similar magnitudes of changes in weekly hours, there were large differences in changes in weekly earnings, dependent on whether or not recipients switched employers. Average weekly earnings for recipients who did not change employers decreased by 2 percent (from \$565 to \$553), a finding that is not statistically significant. By contrast, average weekly earnings for reemployed recipients who switched employers declined by 14 percent (from \$614 to \$553). This finding suggests a decline in both hours worked and hourly wages for recipients who switched employers. The decline in average pay seems to be influenced by an increase in the percentage of recipients who had relatively low rates of weekly earnings (less than \$250), rather than by a significant decrease in the prevalence of high rates of weekly earnings. Sixty-two percent of Central Valley recipients who switched employers and 73 percent who did not held the same job at the first and second interviews. Despite the differences in the job characteristics across areas, these rates are similar to those observed in Los Angeles (63 and 71 percent, respectively).

Reemployed Central Valley recipients who switched employers were more likely to have fringe benefits available through their new job than through their separating job (Table VI.3). More than half (56 percent) of reemployed recipients who switched employers found jobs where health insurance was available, compared to 46 percent for whom health insurance was available at the separating job. Forty-seven percent and 34 percent of reemployed recipients found first jobs that offered paid sick days or a retirement savings or pension plan, respectively, compared to about 23 to 25 percent of recipients whose separating job offered each of these benefits. There were no significant changes in the fringe benefits available to Central Valley recipients who were reemployed by the same employer they had at their pre-UI job.

Some of the increase in fringe benefits could be related to recipients finding jobs in industries with more generous benefits than in agriculture. More than half of recipients who were reemployed by the same employer had jobs in the agriculture, natural resources, and mining industry group. For recipients who switched employers, the first post-UI job was 12 percentage points less likely than the separating job to be in the agriculture sector, 7 points more likely to be in manufacturing, and 9 points more likely to be in trade, transportation, and utilities. These changes are statistically significant. Policy changes such as California's new law for paid sick leave or the Affordable Care Act could also be responsible for a portion of the increase in prevalence of fringe benefits for recipients who switched employers. But we are not aware of any policy that would have increased the availability of retirement savings or pension plans through employers during the study timeframe.

Table VI.3. Characteristics of the separating job and the first job since job separation for UI recipients in the Central Valley who were reemployed (percentages except where indicated)

	Recipients reemployed with a different employer as the separating job		Recipients reemployed with the same employer as the separating job	
	Separating job	First job since job separation	Separating job	First job since job separation
Same employer as the separating job	n.a.	0.0	n.a.	100.0
Hours worked per week				
0 to 19 hours	5.9	7.5	3.5	10.4*
20 to 29 hours	3.6	8.4*	3.5	6.3
30 to 39 hours	13.1	10.3	11.1	8.9
40 hours	42.4	40.3	42.9	35.7*
41 or more	35.0	33.4	39.0	38.8
Average hours worked per week	42	40*	43	41*
Weekly earnings				
Less than \$250	7.9	15.7*	8.0	12.3*
Between \$250 and \$499	45.9	44.8	48.1	46.4
Between \$500 and \$749	24.4	22.5	24.4	20.8
Between \$750 and \$999	6.8	4.2	11.7	12.4
\$1,000 or more	15.0	12.9	7.8	8.1
Average weekly earnings (dollars)	614	553*	565	553
Fringe benefits offered				
Health insurance benefits	45.8	56.2*	35.8	36.0
Paid sick days	25.3	47.4*	17.4	17.8
Retirement savings or pension plan	23.2	33.9*	19.9	21.1
Industry				
Agriculture, natural resources, and mining	46.0	33.7*	52.4	51.7
Construction	7.8	4.9	9.5	8.8
Manufacturing	4.7	11.6*	11.1	11.9
Trade, transportation, and utilities	9.0	18.1*	6.6	7.8
Information; financial services; and professional services and management	4.5	4.5	2.4	2.0
Business support services	12.4	7.4	8.0	7.7
Education and health services	8.2	9.1	4.4	5.0
Leisure and hospitality	4.7	5.7	2.2	1.8
Public administration and other services	2.6	4.9	3.3	3.4
Same industry as pre-UI job	n.a.	55.6	n.a.	96.8
Occupation				
Management, business and finance	4.2	6.6	2.6	3.0
Computer, engineering, and science; health care practitioners and technical; and installation, maintenance, and repair	4.4	3.7	5.0	5.1
Community and social services	1.9	2.9	1.1	1.1
Service	12.1	12.9	6.2	6.4
Sales	4.1	7.8	1.5	1.3
Office and administrative support	8.1	10.0	4.5	4.1
Farming, fishing, and forestry	33.0	27.4	45.5	45.6
Construction and extraction	9.2	4.6*	8.2	7.8
Production	6.5	2.9*	8.6	8.3
Transportation and material moving; military	16.4	21.3	16.8	17.3
Same occupation as pre-UI job	n.a.	58.2	n.a.	98.1
Still had job at Wave 2	n.a.	61.5	n.a.	72.8
Unweighted sample size	240	240	338	338

Source: Longitudinal Survey of UI Recipients data.

Notes: Central Valley refers to a subset of counties in central California. The information, financial services, and professional services and management industry groups have been combined to protect respondent confidentiality. The computer, engineering, and science; health care practitioners and technical; and installation, maintenance, and repair occupation groups have also been combined to protect respondent confidentiality. “Same industry as pre-UI job” and “Same occupation as pre-UI job” were identified on the basis of the major industry and occupation classification groupings reported here, before combining groups to protect respondent confidentiality. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

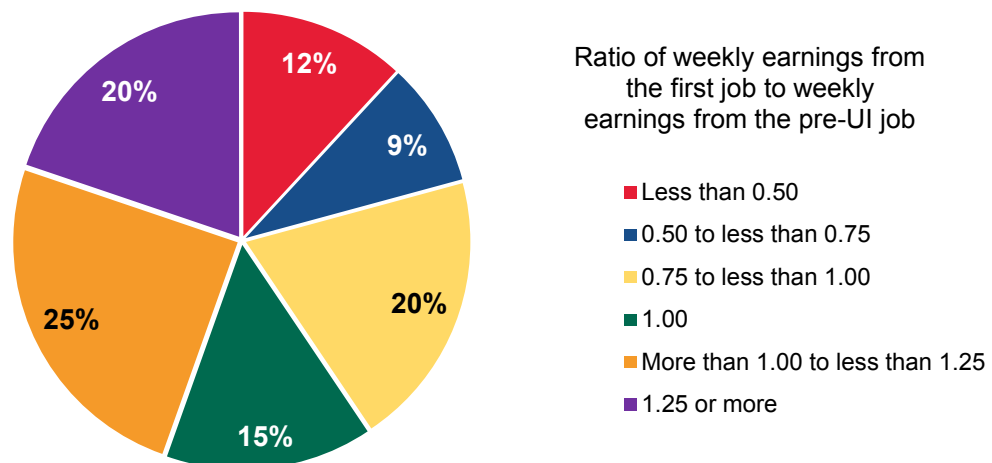
*Means for the two jobs differ significantly at the .05 level, two-tailed test.

+Distributions of the two jobs across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance; n.a. = not applicable.

Overall, only 12 percent of reemployed Central Valley recipients earned less than half as much on their new job as on their pre-UI job (Figure VI.4). In fact, nearly half of reemployed recipients (45 percent) had higher weekly earnings than at their pre-UI jobs. This fact, along with our earlier finding that weekly earnings decreased on average, indicates that some recipients had very low weekly earnings from their new job.

Figure VI.4. Ratio of weekly earnings from the first job since job separation to weekly earnings from the pre-UI job, for UI recipients in the Central Valley



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 564. Central Valley refers to a subset of counties in central California. The pre-UI job is the job from which the recipient separated prior to the sampled UI claim. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

UI = Unemployment Insurance.

C. Characteristics of jobs over time

This section describes snapshots of employment in our sample over time. As shown in Chapter V, a substantially larger portion of the sample in each of the two sites was employed at Wave 2 compared to Wave 1 (51 percent versus 24 percent in Los Angeles and 65 percent versus

22 percent in the Central Valley). In this section, estimates at each survey wave reflect changes in the composition of people who have employment and the types of jobs they have.

Comparing the employment of Los Angeles recipients at Waves 1 and 2, we did not find evidence of substantial differences in the distributions of hours worked per week or weekly earnings (Table VI.4). However, a substantially higher percentage of recipients employed at Wave 2 had paid sick days available compared to recipients employed at Wave 1 (38 percent versus 29 percent, respectively). The percentages of employed recipients who had access to health insurance benefits or retirement savings or pension plans also increased modestly from Wave 1 to Wave 2, but the increases are not statistically significant. About two-thirds of the employed recipients at each wave were in the same industry as their pre-UI job, and about three-quarters were in the same occupation. Overall, we find little evidence that Los Angeles recipients found significantly better jobs in the medium term.

Table VI.4. Characteristics of jobs over time for reemployed UI recipients in Los Angeles (percentages except where indicated)

	Wave 1	Wave 2
Hours worked per week		
0 to 19 hours	18.4	14.3
20 to 29 hours	12.6	8.5
30 to 39 hours	7.2	11.6
40 hours	43.8	46.9
41 or more hours	18.0	18.6
Average hours worked per week	35	36
Weekly earnings		
\$0 to \$249	21.0	14.5
\$250 to \$499	19.5	22.3
\$500 to \$749	13.4	15.8
\$750 to \$999	12.0	11.6
\$1,000 or more	34.1	35.7
Average weekly earnings (dollars)	1,110	1,241
Ratio of weekly earnings to weekly earnings from the pre-UI job		+
Less than 0.50	17.4	15.9
0.50 to less than 0.75	9.9	14.8
0.75 to less than 1.00	23.8	20.0
1.00 to less than 1.25	36.7	29.4
1.25 or more	12.2	19.9*
Fringe benefits offered		
Health insurance benefits	50.2	51.5
Paid sick days	28.8	37.9*
Retirement savings or pension plan	34.0	38.1
Same industry as pre-UI job	65.2	65.5
Same occupation as pre-UI job	79.4	75.2
Unweighted sample size	195	317

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. The pre-UI job is the job from which the recipient separated prior to the sampled UI claim. For recipients who held more than one job at a survey wave, this table presents the characteristics of the jobs with the highest weekly earnings at the wave. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

*Means at Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

+Distributions at Wave 1 and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

Central Valley recipients who were employed at Wave 2 worked an average of 43 hours per week, compared to 36 hours per week among those employed at the first wave (Table VI.5). Average weekly earnings for recipients employed at Wave 2 (\$618) were about 17 percent higher than average weekly earnings for recipients employed at Wave 1 (\$526), although the difference is not statistically significant. This difference in average weekly earnings, coupled with the difference in weekly hours worked (an increase of 19 percent, from 36 to 43 hours), suggests that the earnings difference was driven by longer work hours at Wave 2 rather than by higher wage rates. There were no statistically significant changes in the availability of fringe benefits from jobs at Wave 1 to jobs at Wave 2. This pattern of higher weekly earnings and hours, without other large changes in job characteristics, could be driven by the seasonality of the agricultural sector in the Central Valley. More than 80 percent of Central Valley recipients were in the same industry or occupation as their pre-UI job at each wave.

Table VI.5. Characteristics of jobs over time for reemployed UI recipients in the Central Valley (percentages except where indicated)

	Wave 1	Wave 2
Hours worked per week		+
0 to 19 hours	15.0	5.8*
20 to 29 hours	13.4	5.4*
30 to 39 hours	7.5	9.0
40 hours	34.2	38.7
41 or more hours	30.0	41.0*
Average hours worked per week	36	43*
Weekly earnings		+
\$0 to \$249	21.3	7.9*
\$250 to \$499	40.7	45.6
\$500 to \$749	23.0	23.8
\$750 to \$999	6.4	11.7
\$1,000 or more	8.6	11.0
Average weekly earnings (dollars)	526	618
Ratio of weekly earnings to weekly earnings from the pre-UI job		+
Less than 0.50	15.5	6.8*
0.50 to less than 0.75	13.1	8.7
0.75 to less than 1.00	14.1	19.7
1.00 to less than 1.25	48.9	35.8*
1.25 or more	8.3	29.0*
Fringe benefits offered		
Health insurance benefits	42.5	42.1
Paid sick days	22.7	28.1
Retirement savings or pension plan	27.2	25.1
Same industry as pre-UI job	80.3	87.8*
Same occupation as pre-UI job	83.3	87.8
Unweighted sample size	157	402

Source: Longitudinal Survey of UI Recipients data.

Notes: Central Valley refers to a subset of counties in central California. The pre-UI job is the job from which the recipient separated prior to the sampled UI claim. For recipients who held multiple jobs at a wave, this table presents the characteristics of the jobs with the highest weekly earnings at a wave. Estimates have been adjusted for survey nonresponse. See Appendix A for details. Weekly earnings are measured before taxes and other deductions.

*Means at Wave 1 and Wave 2 differ significantly at the .05 level, two-tailed test.

+Distributions at Wave 1 and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

VII. FINANCIAL EXPERIENCES

This chapter presents insights about the financial experiences of UI recipients and their households. To learn about such experiences, the survey asked about the status of recipients' finances, their engagement in certain types of financial activities, and whether they experienced specific events that were influenced by their financial condition. At each wave, we asked about financial status at a single point in time. This chapter presents information on recipients' amounts of savings and debt both at the time of the job separation and at the time they completed Wave 2. Comparisons of recipients' financial status at these two points provide insights about changes in status during a nine-month time span, on average.

This chapter also describes UI recipients' use of other income sources besides earnings from the recipient's job. These include withdrawals of money from savings and use of other assets, earnings from work by spouses and partners, and other income sources, such as public assistance programs.⁴¹ To learn about their engagement in certain financial activities, such as accessing cash from credit card accounts, we usually asked whether they had done the activity between two points in time. At Wave 1, we asked about the time period since they separated from their pre-UI job (or when their work hours reduced). At Wave 2, we asked about the time period since the month of Wave 1. Because intermingling of finances across members of a household is very common, most questions were asked about the recipient and other household members rather than the recipient only.

In addition to providing information about all recipients at each of the two study sites, we provide information about two subgroups of recipients based on whether they had any employment during the follow-up period. Through this subgroup analysis, we can learn separately about the financial experiences of recipients who did not work during the entire nine-month period and those who did. Finally, the chapter concludes with information about recipients' reports of the importance of UI benefits in aiding them to meet their financial obligations.

Key findings

- UI recipients' average debt increased by about \$2,700 from the time of job separation to Wave 2 in the Central Valley but remained stable in Los Angeles.
- Los Angeles recipients' amounts of savings remained stable from the time of the job separation to Wave 2. Central Valley recipients were more likely to report having any savings account over time.
- Recipients used a variety of financial management strategies, most commonly withdrawing money from savings, but this became less common over time as more recipients found reemployment.

⁴¹ Information on household size and whether recipients had spouses and partners was collected in Wave 1. The Wave 2 survey did not repeat the Wave 1 questions about household size or marital status. Wave 2 instead asked about the work effort for spouses and partners of recipients who reported having a spouse or partner at Wave 1, and recipients could respond that they did not have a spouse or partner in the household.

Key findings (continued)

- Reported food insecurity did not change significantly over time in Los Angeles and improved in the Central Valley. In the Central Valley, 33 percent reported having food insecurity from the time of job separation to Wave 1, and this decreased to 27 percent for the time period between Wave 1 and Wave 2.
- Spouses and unmarried partners of recipients increased the number of hours they worked each week from the time of job separation to Wave 2. In Los Angeles, spouses and unmarried partners worked an average of 29 hours a week, up from 25 at job separation. Central Valley spouses increased average work hours from 17 to 27 per week.
- Household rates of receipt of any of five types of public benefits (SNAP, welfare benefits, Social Security or pension benefits, Supplemental Security Income or disability benefits, and Medicaid) also increased by about 5 to 6 percentage points from the time of job separation to Wave 2. Rates of receipt increased from 34 to 40 percent in Los Angeles and 56 to 61 percent in the Central Valley.
- Ninety-seven percent of recipients reported in Wave 1 that UI payments were very important or somewhat important in helping them to meet their financial obligations and avoid financial losses.
- Recipients were more likely to report that UI payments were very important financially if they were non-Hispanic black or Hispanic, attained at most a high school diploma, were older in age, had lower base period earnings, or had higher weekly benefit amounts.

A. Savings and debt

We first examine savings and debt amounts, which are key outcomes of the financial decisions made by recipients and their households.

The distribution of savings among recipients from Los Angeles did not change significantly over time (Table VII.1). At each wave, we asked recipients about savings that they could easily access. We offered ranges in dollar amounts because we expected it would be difficult for respondents to provide precise savings amounts.⁴² We find little difference across the two waves in the answers of Los Angeles recipients. In each wave, just over a third (36 to 37 percent) of recipients indicated they had no savings, and about 4 in 10 (38 to 41 percent) indicated having \$1 to \$4,999. Less than 10 percent at each wave indicated having \$20,000 or more in savings. For both the subsample of Los Angeles recipients who became reemployed during the follow-up period and those who did not, we do not find qualitatively noteworthy patterns of changes over time, even though there are isolated instances of statistical significance.

Central Valley recipients were significantly more likely over time to report having savings (Table VII.1). Fifty-two percent of recipients reported that they had no savings at the time of job loss, but only 37 percent of recipients reported no savings at the second wave. From Wave 1 to Wave 2, the percentage of recipients who reported having \$1 to \$4,999 increased from 37 percent to 53 percent, and there was a small but statistically significant increase (from 2 to 3 percent) in those who reported having at least \$20,000 in savings. Recipients who became reemployed during the follow-up period had more pronounced improvements in savings than recipients who were never reemployed. Reemployed recipients were 18 percentage points more likely over time to have a savings account, compared to an increase of 6.3 percentage points over time for recipients who were never reemployed. A potential explanation for these findings is the

⁴² In the first wave, only those recipients who indicated they had a savings account were asked how much savings they had. In the second wave, all recipients were asked how much savings they had—to which they could have answered none. In both waves, recipients were instructed to exclude money in retirement savings accounts.

seasonality in the work of some Central Valley recipients—particularly those in agricultural employment. About 53 percent of the pre-UI job separations were in January or February 2015. However, the second wave was conducted in late summer and fall 2015. Recipients who anticipate recurring seasonal layoffs might be more likely to save as a way to protect against financial hardship from future layoffs. To explore this finding further, we examined two subsamples of Central Valley recipients based on whether they reported that their pre-UI job was in agriculture; we found that the increase in the portion of recipients with savings accounts was driven by recipients whose pre-UI job was in agriculture (not shown). Among Central Valley recipients with pre-UI jobs in agriculture, the increase from job separation to Wave 2 was 24 percentage points (59 percent had no savings at the time of job loss versus 35 percent at Wave 2). Among those with pre-UI jobs in other industries, the increase was 8 percentage points (46 percent with no savings at the time of job loss versus 38 percent at Wave 2).⁴³

Table VII.1. UI recipients' savings, by area (percentages except where indicated)

	Recipients		Ever reemployed		Never reemployed	
	Time of job separation	Wave 2	Time of job separation	Wave 2	Time of job separation	Wave 2
Los Angeles						
Savings that are easily accessible by recipients with savings accounts ^a				+		
No savings account	37.2	35.9	33.4	33.1	43.7	40.9
\$1 to \$4,999	38.4	40.7	43.1	43.5	30.6	35.9
\$5,000 to \$9,999	7.6	8.5	7.1	8.6	8.6	8.3
\$10,000 to \$14,999	3.8	3.7	3.6	3.9	4.3	3.3
\$15,000 to \$19,999	3.2	1.9	3.5	0.8*	2.5	3.9
\$20,000 or more	9.7	9.3	9.4	10.2	10.3	7.7
Average savings (dollars) ^b	4,994	4,766	5,016	4,898	4,970	4,537
Unweighted sample size	865	865	543	543	322	322
Central Valley						
Savings that are easily accessible by recipients with savings accounts ^a		+		+		
No savings account	52.2	37.0*	50.9	33.1*	56.3	50.0
\$1 to \$4,999	36.5	52.7*	38.0	55.9*	31.6	41.8*
\$5,000 to \$9,999	7.0	6.1	6.9	6.4	7.6	5.3
\$10,000 to \$14,999	1.6	0.9	n.a.	n.a.	n.a.	n.a.
\$15,000 to \$19,999	1.1	0.6	n.a.	n.a.	n.a.	n.a.
\$20,000 or more	1.6	2.7*	1.5	2.9*	1.7	2.2
Average savings (dollars) ^b	2,227	2,671*	2,242	2,834*	2,187	2,123
Unweighted sample size	770	770	584	584	186	186

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Respondents were offered categories of responses to reflect ranges in dollar amounts of savings. The average savings amounts shown in this table were computed by assigning each respondent the midpoint of each range, and assigning a value of \$20,000 to respondents who stated they had \$20,000 or more of savings. Estimates have been adjusted for survey nonresponse. Cells marked "n.a." in this table have been masked to protect respondent confidentiality. See Appendix A for details.

^a The survey questions from which this information is drawn instructed respondents not to include money in retirement savings accounts as part of their estimates of easily accessible savings.

⁴³ There is a strong relationship between pre-UI employment in agriculture and having a post-UI job in the follow-up period. Eighty-eight percent of the Central Valley recipients with pre-UI employment in agriculture had a post-UI job, whereas 70 percent with pre-UI employment in an industry other than agriculture had a post-UI job (not shown).

^b Respondents were offered categories of responses to reflect ranges in dollar amounts of savings. The average savings amounts shown in this table were computed by assigning each respondent the midpoint of each range, and assigning a value of \$20,000 to respondents who stated they had \$20,000 or more of savings.

* Means for the time of job separation and Wave 2 differ significantly at the .05 level, two-tailed test.

+ Distributions for the time of job separation and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance; n.a. = not available.

Recipients' average debts increased in both Los Angeles and the Central Valley (Table VII.2). As we did for savings, we asked recipients to provide information about the amount of their debts and loans (excluding mortgages) through categorical responses, although we also asked for a precise dollar amount in case the recipients were able to provide one. The average debt level at the time of job separation was \$22,959 in Los Angeles and \$10,219 in the Central Valley. Average debt increased over time in both sites, by less than \$400 (not statistically significant) in Los Angeles, and by about \$2,700 (statistically significant) in the Central Valley. Among the Central Valley sample, the average increase in debt was \$2,820 for those who became reemployed (significant) and \$2,060 for those who did not (not significant). From the literature, one possible explanation for this pattern in the Central Valley is that recipients delay purchases of durable assets (such as cars) until they are reemployed; once they have been reemployed, they can use their added income to ease credit constraints and make these delayed purchases.⁴⁴

Table VII.2. UI recipients' debt, by area (percentages except where indicated)

	Recipients		Ever reemployed		Never reemployed	
	Time of job separation	Wave 2	Time of job separation	Wave 2	Time of job separation	Wave 2
Los Angeles						
Total debt and loans of household, excluding mortgage		+				
\$0 to \$4,999	42.5	37.8*	40.9	37.1	45.2	39.0*
\$5,000 to \$9,999	7.9	9.5	8.0	9.7	7.8	9.1
\$10,000 to \$19,999	12.7	13.9	12.6	12.8	12.8	15.8
\$20,000 to \$29,999	8.6	12.2*	7.8	11.5*	10.1	13.4
\$30,000 to \$49,999	12.9	12.3	13.9	13.3	11.2	10.6
\$50,000 to \$99,999	10.0	9.0	11.3	10.2	7.9	7.1
\$100,000 or more	5.3	5.3	5.4	5.4	5.0	5.1
Average debt and loans of household, excluding mortgage (dollars)	22,959	23,321	24,222	24,186	20,772	21,819
Unweighted sample size	865	865	543	543	322	322
Central Valley						
Total debt and loans of household, excluding mortgage		+		+		
\$0 to \$4,999	64.8	55.0*	67.1	57.7*	56.9	46.0*
\$5,000 to \$9,999	8.1	10.2	8.1	10.3	8.0	9.9
\$10,000 to \$19,999	10.0	11.8	9.1	11.2	13.1	13.7
\$20,000 to \$29,999	6.4	8.2	6.2	7.8	7.1	9.7
\$30,000 to \$49,999	5.6	7.3	5.1	5.8	7.3	12.6
\$50,000 to \$99,999	3.8	6.1*	3.3	5.9*	5.3	6.7
\$100,000 or more	1.4	1.4	n.a.	n.a.	n.a.	n.a.

⁴⁴ We explored whether additional insights could be found from regression analysis, where the outcome was the level of debt at Wave 2 and covariates included all of the variables in Appendix Table C.1 and the level of debt at the time of job separation. We did not find any interesting relationships, and thus do not report those results here.

	Recipients		Ever reemployed		Never reemployed	
	Time of job separation	Wave 2	Time of job separation	Wave 2	Time of job separation	Wave 2
Average debt and loans of household, excluding mortgage (dollars)	10,219	12,883*	9,252	12,072*	13,550	15,610
Unweighted sample size	770	770	584	584	186	186

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Recipients were asked to provide total amounts of debt and loans, including automobile loans, student loans, balances on credit cards, medical bills, and personal loans owed to individuals. Reported debt amounts were censored at \$150,000. Cells marked "n.a." in this table have been masked to protect respondent confidentiality. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

* Means for the time of job separation and Wave 2 differ significantly at the .05 level, two-tailed test.

+ Distributions for the time of job separation and Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance; n.a. = not available.

B. Financial adjustments of UI recipients and households

To learn about financial adjustments of households, we asked recipients about withdrawal of funds from different accounts, whether households were late on bill payments, and whether they experienced food insecurity. We also gathered information about the employment of spouses and partners and participation in public programs.

In both Los Angeles and the Central Valley, recipients were more likely to report having withdrawn savings during the first few months since their pre-UI job separation than between then and the second wave (Table VII.3). Forty-five and 28 percent of Los Angeles and the Central Valley recipients, respectively, reported having withdrawn money from a savings account between the time of their job separation and the first wave. These rates declined to 37 and 22 percent, respectively, between the first and second waves.

Recipients used other types of financial adjustment strategies less commonly than withdrawal of savings, and their use did not change significantly over time (Table VII.3). We asked recipients whether they accessed cash from credit card accounts; a home equity line of credit or an investment account such as a certificate of deposit, money market account, or stocks or bonds; or a retirement account such as a 401(k), 403(b) or individual retirement account. Accessing cash from a credit card account was the most common of these strategies. Seventeen and 11 percent of Los Angeles and Central Valley recipients reported using this strategy between job separation and Wave 1. Smaller percentages of recipients in both Los Angeles and the Central Valley reported using the other financial strategies. However, in every instance, the percentage of recipients who used a strategy did not change over time. Generally, the patterns of using different types of financial strategies are similar for the subsample of recipients who became reemployed and the subsample who did not.

In both areas, the percentage of recipients who were 60 or more days late in paying their bills did not change over time (Table VII.3). Depending on the time period, between 19 and 25 percent of recipients in each area reported being at least 60 days late on their bills. Late payments also did not become more common between waves for any subgroup defined by area or reemployment status, but late payment rates were higher for those who were not reemployed. During the period between the Wave 1 and Wave 2 interviews, Central Valley recipients who did

not become reemployed were more than twice as likely than those who became reemployed to be at least 60 days late on their bills (34 versus 15 percent). Late payment rates were not as different between Los Angeles recipients based on reemployment status (27 versus 24 percent during the same period).

Food insecurity among recipients did not change significantly over time in Los Angeles and improved in the Central Valley (Table VII.4). We refer to recipients as facing food insecurity if they report that there is sometimes or often not enough to eat. In Los Angeles, about a quarter of recipients reported facing food insecurity from the time of job separation to Wave 1, and 22 percent of recipients reported facing insecurity between Wave 1 and Wave 2. In the Central Valley, a third of recipients reported facing insecurity from the time of job separation to Wave 1, and this decreased to 27 percent for the time period between Wave 1 and Wave 2. Reductions in food insecurity were most prominent in the Central Valley subsample with reemployment.

As with the finding above about the Central Valley recipients' increase in savings, it is possible that the decrease in food insecurity is related to the seasonal nature of the Central Valley economy and the types of jobs that the Central Valley sample members have held. Central Valley recipients with pre-UI jobs in agriculture tended to have slightly greater reductions in food insecurity than other Central Valley recipients, although the agricultural workers started at a noticeably higher rate of food insecurity (not shown). The percentages of Central Valley recipients with pre-UI jobs in agriculture who reported facing food insecurity decreased from 37 to 29 percent, compared to a decrease from 28 to 24 percent for other Central Valley recipients.

We next explored predictors of recipients reporting that their households faced food insecurity either from the time of the job separation to Wave 1 or from Wave 1 to Wave 2. This measure identifies recipients who were more likely to have substantial financial hardships. We highlight key findings in the next three figures, with results for all covariates presented in Appendix C.

Controlling for other factors, the likelihood of ever experiencing food insecurity from the time of the job separation to Wave 2 was significantly higher in Los Angeles than in the Central Valley (Figure VII.4). The difference in predicted probabilities for Los Angeles and the Central Valley was 5 percentage points (40 versus 35 percent), holding other factors constant. Households with female recipients were 11 percentage points more likely than households with male recipients to experience food insecurity (43 versus 32 percent), but women who were married or with a partner were less likely to experience food insecurity (27 percent), after controlling for other factors. Adjusting for other factors, households with a non-Hispanic white recipients were 8 to 12 percentage points less likely to experience food insecurity than households with a Hispanic or non-Hispanic black recipient.

Table VII.3. Financial adjustments of UI recipients and their households, by area (percentages)

	Recipients		Ever reemployed		Never reemployed	
	From time of job separation to Wave 1	From Wave 1 to Wave 2	From time of job separation to Wave 1	From Wave 1 to Wave 2	From time of job separation to Wave 1	From Wave 1 to Wave 2
Los Angeles						
Savings, credit, and investment accounts						
Withdrew money from savings accounts	45.2	37.4*	47.5	38.9*	41.2	34.8*
Accessed cash from credit card accounts	17.0	18.7	17.4	19.3	16.4	17.7
Accessed money from a home equity line of credit/investment accounts	3.8	3.2	3.4	2.7	4.5	3.9
Withdrew early from retirement savings investment account	7.4	7.9	7.3	7.0	7.4	9.4
Took early retirement to get benefits from a pension plan	0.5	0.7	n.a.	n.a.	n.a.	n.a.
Bill payments						
Was 60 or more days late in paying bills	23.5	25.1	23.4	23.4	23.8	28.0
Was not 60 or more days late in paying bills	76.5	74.9	76.6	76.6	76.2	72.0
Unweighted sample size	870	870	546	546	324	324
Central Valley						
Savings, credit, and investment accounts						
Withdrew money from savings accounts	27.8	21.8*	27.2	20.2*	29.9	27.6
Accessed cash from credit card accounts	10.5	8.6	10.6	8.0	10.0	10.9
Accessed money from a home equity line of credit/investment accounts	1.1	0.9	n.a.	n.a.	n.a.	n.a.
Withdrew early from retirement savings investment account	2.8	3.3	1.8	2.3	6.1	6.5
Took early retirement to get benefits from a pension plan	1.1	1.3	0.7	0.9	2.7	2.8
Bill payments						
Was 60 or more days late in paying bills	20.3	19.0	17.0	14.7	31.4	33.7
Was not 60 or more days late in paying bills	79.7	81.0	83.0	85.3	68.6	66.3
Unweighted sample size	772	772	586	586	186	186

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Recipients who did not withdraw from savings, credit, and investment accounts include recipients who did not have these accounts as well as recipients who have these accounts and did not withdraw funds. Cells marked "n.a." in this table have been masked to protect respondent confidentiality. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

* Means for the time of job separation to Wave 1 and from Wave 1 to Wave 2 differ significantly at the .05 level, two-tailed test.

UI = Unemployment Insurance; n.a. = not available.

Table VII.4. Food insecurity of UI recipients and their households, by area (percentages)

	Recipients		Ever reemployed		Never reemployed	
	From time of job separation to Wave 1	From Wave 1 to Wave 2	From time of job separation to Wave 1	From Wave 1 to Wave 2	From time of job separation to Wave 1	From Wave 1 to Wave 2
Los Angeles						
Food insecurity						
Had enough of the kinds of food that household wanted	33.1	32.5	33.6	34.7	32.1	28.8
Had enough food but not always the kinds that household wanted	41.7	44.8	40.9	42.7	43.2	48.3
Sometimes not enough to eat	17.9	16.6	17.8	17.0	18.1	16.0
Often not enough to eat	7.2	6.1	7.7	5.6	6.5	7.0
Unweighted sample size	870	870	546	546	324	324
Central Valley						
Food insecurity						
Had enough of the kinds of food that household wanted	24.6	+	24.5	+	25.1	28.5
Had enough food but not always the kinds that household wanted	42.7	31.7*	42.6	32.6*	42.8	40.7
Sometimes not enough to eat	23.1	41.0	24.4	41.0	19.0	22.9
Often not enough to eat	9.6	20.7	8.6	20.1*	13.1	7.9
Unweighted sample size	772	772	586	586	186	186

Source: Longitudinal Survey of UI Recipients data.

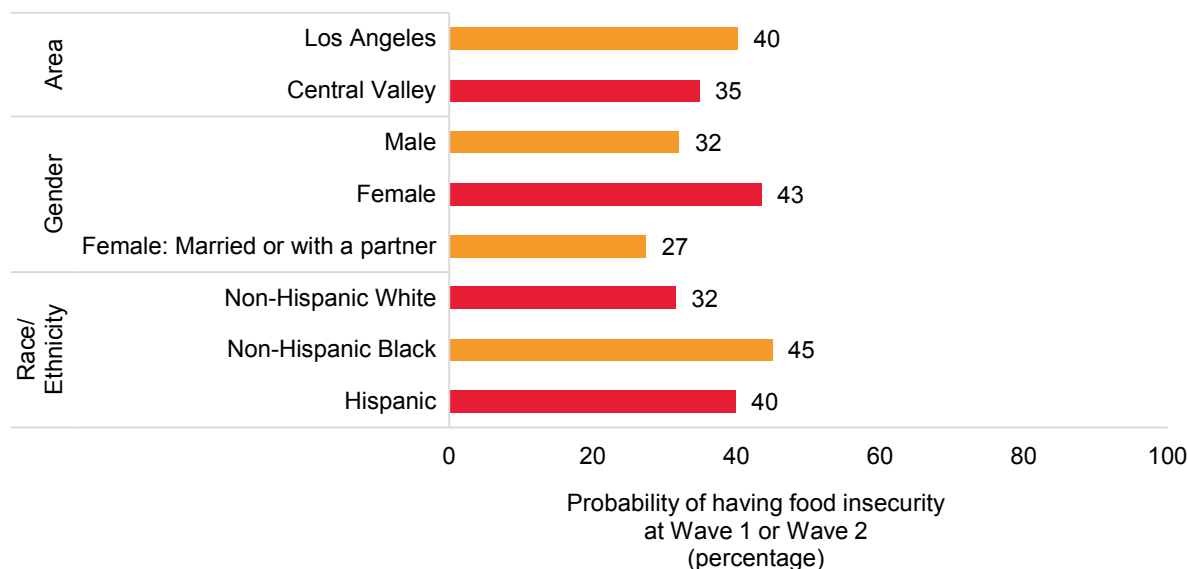
Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

* Means for the time of job separation to Wave 1 and from Wave 1 to Wave 2 differ significantly at the .05 level, two-tailed test.

+ Distributions for the time of job separation to Wave 1 and from Wave 1 to Wave 2 across categories differ significantly at the .05 level, chi-squared test.

UI = Unemployment Insurance.

Figure VII.1. Predicted probabilities of food insecurity from time of job separation to Wave 2, based on area, gender, and race/ethnicity (percentages)



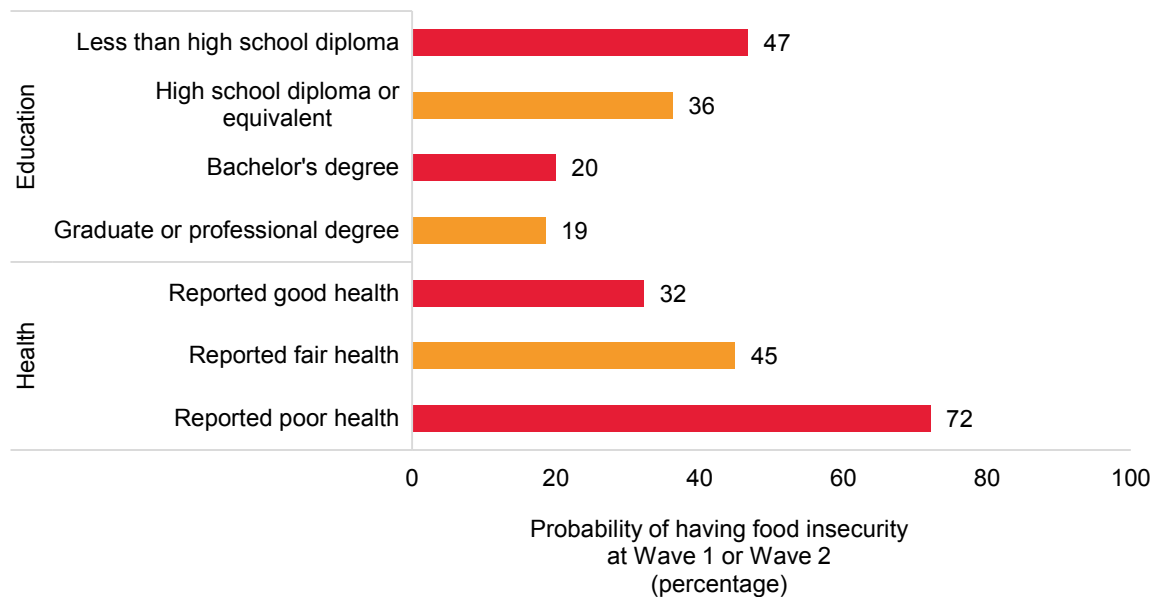
Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,559. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked whether they had enough of the kinds of food that the household wanted, enough food but not always the kinds that the household wanted, sometimes not enough to eat, and often not enough to eat. Recipients are identified as having food insecurity if they reported sometimes or often not having enough to eat. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on area, gender, and marital status interacted with gender were statistically significant at the .05 level. The coefficients on indicators for being non-Hispanic black or Hispanic (relative to being non-Hispanic white) were statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

Recipients whose highest level of education was a high school diploma or less were more likely to have food insecurity after their job separation than those with at least a bachelor's degree, controlling for other factors (Figure VII.2). Recipients who did not have a high school diploma were more than twice as likely as recipients with a bachelor's degree to experience food insecurity in their household (47 percent versus 20 percent). Self-reported health at the time of the first interview was also a major predictor of food insecurity. Recipients who reported their general health was "good" were 13 percentage points less likely to have food insecurity than recipients who reported their health was "fair" (32 versus 45 percent) and 40 percentage points less likely than recipients who reported their health was "poor" (32 versus 72 percent).

Figure VII.2. Predicted probabilities of food insecurity from time of job separation to Wave 2, based on education and health (percentages)



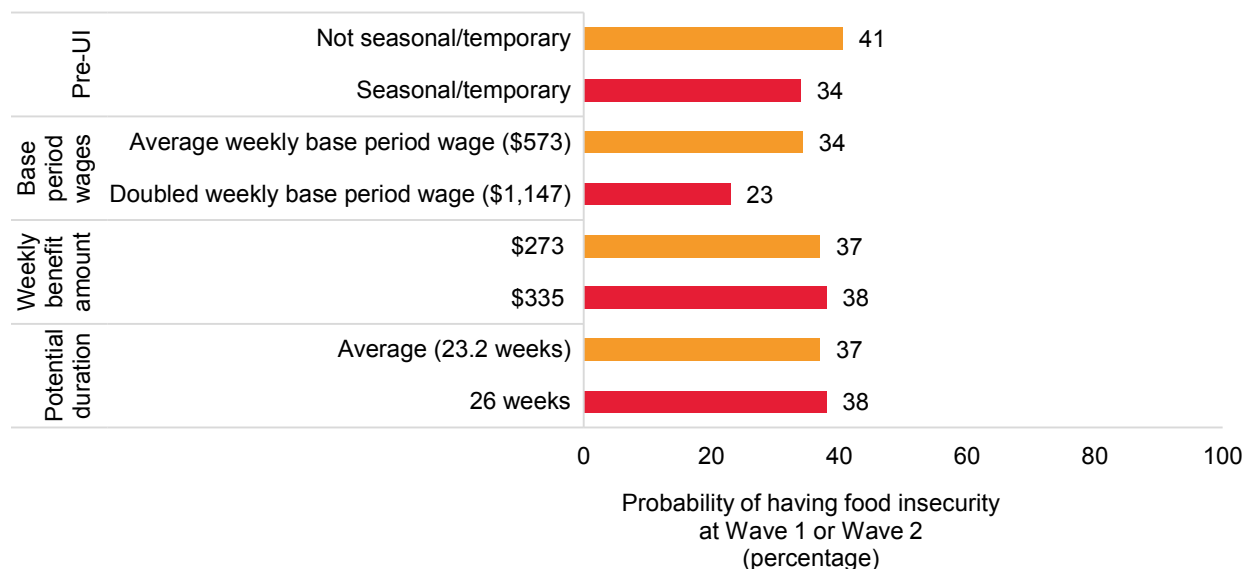
Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,559. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked whether they had enough of the kinds of food that the household wanted, enough food but not always the kinds that the household wanted, sometimes not enough to eat, and often not enough to eat. Recipients are identified as having food insecurity if they reported sometimes or often not having enough to eat. Education and health were measured at Wave 1. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on having less than a high school diploma, a bachelor's degree, or a graduate or professional degree relative to having a high school diploma or equivalent were statistically significant at the .05 level. The coefficients on reporting fair health and reporting poor health relative to reporting good health were statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

Recipients with seasonal or temporary separating jobs were 8 percentage points less likely than others to have food insecurity, after controlling for other factors (34 versus 41 percent) (Figure VII.3). Base period earnings were significantly negatively correlated with the probability of experiencing food insecurity, but the relationship is modest. Doubling the average weekly base period decreased the predicted probability of food insecurity by 11 percentage points (34 to 23 percent). There is no significant relationship between food insecurity and potential duration or weekly benefit amount, controlling for other variables.

Figure VII.3. Predicted probabilities of food insecurity from time of job separation to Wave 2, based on pre-UI and claim characteristics (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,559. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked whether they had enough of the kinds of food that the household wanted, enough food but not always the kinds that the household wanted, sometimes not enough to eat, and often not enough to eat. Recipients are identified as having food insecurity if they reported sometimes or often not having enough to eat. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on having a seasonal or temporary pre-UI separating job and base period earnings were statistically significant at the .05 level. The coefficients on weekly benefit amount and potential duration were not statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

Over time, the average hours worked by spouses or unmarried partners of recipients increased (Table VII.5). At Wave 1, 52 percent of Los Angeles recipients and 62 percent of the Central Valley recipients were married or had an unmarried partner. In both sites, the percentage of recipients who had a spouse or unmarried partner decreased by Wave 2 (from 52 to 51 percent in Los Angeles and from 62 to 59 percent in the Central Valley). At each wave, about 33 percent of Los Angeles recipients' spouses and 25 percent of Central Valley recipients' spouses had employment. However, among all spouses or partners (including those who worked zero hours), average hours worked increased—from 25 to 29 hours in Los Angeles and 17 to 27 hours in the Central Valley.

Los Angeles recipients' rates of receipt of any of five types of public benefits increased over time, as did rates of receipt for SNAP and Medicaid (Table VII.6). At the time of the pre-UI job separation, 34 percent of Los Angeles recipients were in households that received SNAP benefits, some type of welfare benefits, Social Security benefits, some type of disability-related benefits, and/or a public health insurance benefit, such as Medicaid. By Wave 2, 40

percent of recipients were in households that did so. Rates of participation in the Medicaid program increased the most, from 23 percent at the time of job separation to 32 percent at Wave 2. The rate of receipt of SNAP benefits also had a statistically significant increase, from 10 percent at the time of job separation to 13 percent at Wave 2.

Central Valley recipients' rates of receipt of any of five types of public benefits, as well as of Medicaid specifically, increased over time (Table VII.6). At the time of the pre-UI job separation, 56 percent of the Central Valley recipients were in households that received any of the five types of public benefits listed above, and this rate increased to 61 percent by Wave 2. As with Los Angeles recipients, rates of the Central Valley recipients' participation increased the most in the Medicaid program, from 47 to 53 percent. However, the rate of SNAP benefit receipt increased from 23 percent at the pre-UI job separation to 25 percent at Wave 1 and decreased to 22 percent at Wave 2. For the Central Valley recipients who became reemployed, the rate of SNAP receipt decreased from 23 to 19 percent from the time of job separation to the Wave 2 survey; it increased from 24 to 30 percent for those who did not become reemployed.

After controlling for other factors, rates of participation in public programs of income and in-kind support at the time of the second wave were similar in the Los Angeles and Central Valley sites—in both sites slightly more than half of recipients participated in such programs (Figure VII.4). By far the most important factor associated with such collection was whether the worker had collected benefits from public programs of income and in-kind support at the time of job separation.⁴⁵ Adjusting for other factors, 81 percent of those who did collect such benefits at job separation continued to do so at the date of the second wave. Of those who did not collect such benefits at job separation, 28 percent collected benefits at the date of the second wave. Among this group, the most commonly collected benefit by the second wave was Medicaid, followed by SNAP (not shown).

Higher weekly benefit amounts were associated with lower rates of participation in public programs of income or in-kind support (Figure VII.4). An increase in the weekly benefit amount from \$273 to \$335, which are the respective averages for Central Valley and Los Angeles recipients, was associated with a 2-percentage point reduction in the predicted likelihood of participating in such programs at the date of the second wave, after controlling for other factors. This correlation is statistically significant.

⁴⁵ The survey asked about previous benefit collection from such programs only at the time of job separation.

Table VII.5. Hours worked by UI recipients' spouses or partners, by area (percentages except where indicated)

	Recipients			Ever reemployed			Never reemployed		
	Time of job separation	Wave 1	Wave 2	Time of job separation	Wave 1	Wave 2	Time of job separation	Wave 1	Wave 2
Los Angeles									
Relationship status									
No spouse or partner	n.a.	48.2	49.4*	n.a.	47.3	48.0*	n.a.	49.7	51.7*
Had spouse or partner	n.a.	51.8	50.6*	n.a.	52.7	52.0*	n.a.	50.3	48.3*
Had spouse or partner with employment	32.8	32.8	32.2*	33.9	33.9	33.4	30.9	30.9	30.4
Hours worked by spouse or partner, among spouses and partners with employment									
1 to 19 hours	4.1	4.9	4.4	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
20 to 29 hours	10.1	9.0	7.9	12.4	11.7	9.0	5.7	3.9	5.6
30 to 39 hours	8.4	9.6	13.9*	9.1	10.8	15.3	6.8	7.2	10.8
40 hours	54.2	52.5	51.6	53.3	50.9	49.0	55.8	55.7	57.2
41 or more hours	23.3	24.0	22.1	19.4	21.0	21.9	30.8	29.7	22.6
Average hours worked per week by spouse or partner ^a	25.2	27.5	29.0*	24.6	27.5	29.3*	26.3	27.5	28.5
Unweighted sample size	870	870	870	546	546	546	324	324	324
Central Valley									
Relationship status									
No spouse or partner	n.a.	37.8	41.5*	n.a.	35.7	39.7*	n.a.	45.1	47.9*
Had spouse or partner	n.a.	62.2	58.5*	n.a.	64.3	60.3*	n.a.	54.9	52.1*
Had spouse or partner with employment	25.5	25.5	24.7*	25.4	25.4	24.4*	26.0	26.0	26.0
Hours worked by partner or spouse, among spouses and partners with employment									
1 to 19 hours	2.9	5.0	5.3	2.9	4.4	5.3	2.9	7.4	5.3
20 to 29 hours	3.5	5.2	4.2	3.3	4.9	4.3	4.1	6.2	3.4
30 to 39 hours	13.6	13.6	10.7	13.3	12.4	10.8	14.9	18.2	10.0
40 hours	48.8	42.9	40.5	47.7	44.1	39.0	52.5	39.1	47.2
41 or more hours	31.1	33.3	39.3	32.8	34.1	40.5	25.6	29.1	33.9
Average hours worked per week by spouse or partner ^a	17.2	21.0	27.3*	16.6	20.7	28.0*	20.0	21.9	25.0*
Unweighted sample size	772	772	772	584	584	584	186	186	186

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Cells marked "n.a." in this table have generally been masked to protect respondent confidentiality. Relationship status at the time of job separation has been marked "n.a." because the survey only asked about relationship status at the time of the waves. Our estimates of the spouse's or partner's employment assume no change in relationship status from the time of job separation to Wave 1. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

^aThis average is calculated for all recipients with spouses or partners; spouses and partners who were not employed are counted as having worked zero hours.

*Means for the time of job separation, Wave 1, and Wave 2 are not jointly equal to zero at the .05 level.

UI = Unemployment Insurance; n.a. = not available.

Table VII.6. Participation by UI recipients' households in public programs that provide income or in-kind support, by area (percentages except where indicated)

	Recipients			Ever reemployed			Never reemployed		
	Time of job separation	Wave 1	Wave 2	Time of job separation	Wave 1	Wave 2	Time of job separation	Wave 1	Wave 2
Los Angeles									
Program participation by household									
Food Stamp or SNAP	9.8	12.7	13.1*	9.2	12.0	10.8*	11.0	13.8	17.2*
Welfare benefits such as TANF or General Assistance ^a	2.9	3.7	3.0	3.1	3.2	2.0	2.6	4.5	4.6*
Social Security or pension benefits	9.4	9.7	9.1	7.5	8.3	6.4	12.6	12.3	13.8
SSI, SSDI, or other disability benefits	4.8	4.8	5.5	4.4	4.2	4.7	5.5	5.7	7.0
Medicaid ^b	22.9	28.1	31.5*	22.0	26.3	27.6*	24.5	31.1	38.5*
None of the above	66.4	62.9	59.8*	69.7	67.0	65.8*	60.5	55.7	49.4*
Any of the above	33.6	37.1	40.2*	30.3	33.0	34.2*	39.5	44.3	50.6*
Another member of household also received UI benefits ^c	3.0	5.5	3.0*	2.5	5.4	3.1*	4.0	5.7	2.7
Unweighted sample size	870	870	870	546	546	546	324	324	324
Central Valley									
Program participation by household									
Food Stamp or SNAP	23.1	25.2	21.7*	23.0	23.8	19.3*	23.5	29.6	29.7*
Welfare benefits such as TANF or General Assistance ^a	6.4	5.7	4.8	6.1	5.7	4.2	7.4	5.9	7.1
Social Security or pension benefits	12.5	12.6	12.7	13.2	13.0	12.6	10.4	11.2	13.2
SSI, SSDI, or other disability benefits	9.0	7.2	7.4	9.1	7.5	6.8	8.9	6.4	9.5*
Medicaid ^b	46.7	51.3	53.3*	48.2	53.1	53.7*	41.6	45.0	51.5*
None of the above	44.3	41.3	38.7*	42.1	39.4	38.9	52.0	47.8	38.3*
Any of the above	55.7	58.7	61.3*	57.9	60.6	61.1	48.0	52.2	61.7*
Another member of household also received UI benefits ^c	12.2	18.8	6.5*	14.0	20.4	7.3*	5.6	13.4	3.1*
Unweighted sample size	773	773	773	587	587	587	186	186	186

Source: Longitudinal Survey of UI Recipients data.

Notes: Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

^aThe survey asked about receiving benefits from “welfare benefits such as CalWORKS (California Work Opportunity and Responsibility to Kids) or General Assistance.” CalWORKS is California’s name for its Temporary Assistance to Needy Families (TANF) program.

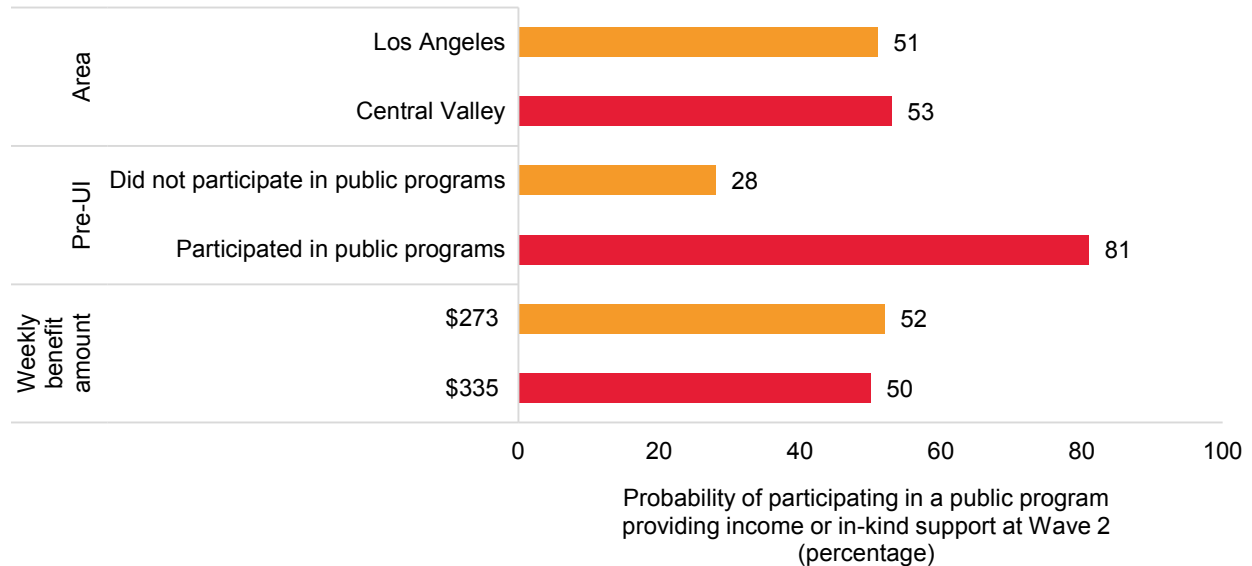
^bThe survey asked about receiving benefits from participation in “Medicaid or MediCal.” MediCal is California’s name for its Medicaid program.

^cThis percentage was calculated among recipients whose households included at least one other person who was age 18 or older.

*Means for the time of job separation, Wave 1, and Wave 2 are not jointly equal to zero at the .05 level.

UI = Unemployment Insurance; SNAP = Supplemental Nutrition Assistance Program; CalWORKs = California Work Opportunity and Responsibility to Kids; SSI = Supplemental Security Income; SSDI = Social Security Disability Insurance; TANF = Temporary Assistance to Needy Families.

Figure VII.4. Predicted probabilities of participating in a public program providing income or in-kind support at Wave 2, based on area, pre-UI participation in public programs, and weekly benefit amount (percentages)



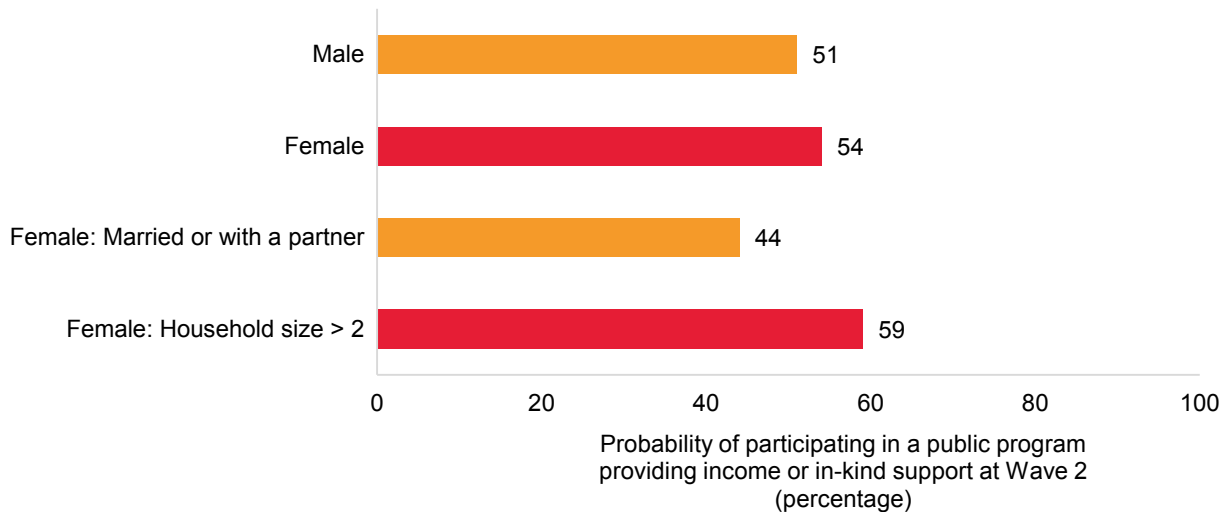
Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,559. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked about receipt of benefits through the Food Stamp or Supplemental Nutrition Assistance Program; welfare benefits such as CalWORKs or General Assistance; Social Security or pension benefits; Supplemental Security Income, Social Security Disability Insurance, or other disability benefits; and Medicaid or MediCal. CalWORKs is California's name for its Temporary Assistance to Needy Families program, and MediCal is California's name for its Medicaid program. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on pre-UI participation in public programs and weekly benefit amount were statistically significant at the .05 level. The coefficient on area was not statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance; CalWORKs = California Work Opportunity and Responsibility to Kids.

For women, the multivariate analysis shows important interactions between marital status, household size, and program participation (Figure VII.5). Controlling for other factors, female UI recipients were 3 percentage points more likely than male recipients to participate in public programs of income or in-kind support at the date of the second wave (54 versus 51 percent), but married women were less likely to do so (44 percent). On the other hand, women in households with more than two members (including children) were highly likely to collect such benefits (59 percent). This underscores the importance of household composition in determining financial well-being.

Figure VII.5. Predicted probabilities of participating in a public program providing income or in-kind support at Wave 2, based on gender, marital status, and household size (percentages)



Source: Longitudinal Survey of UI Recipients data.

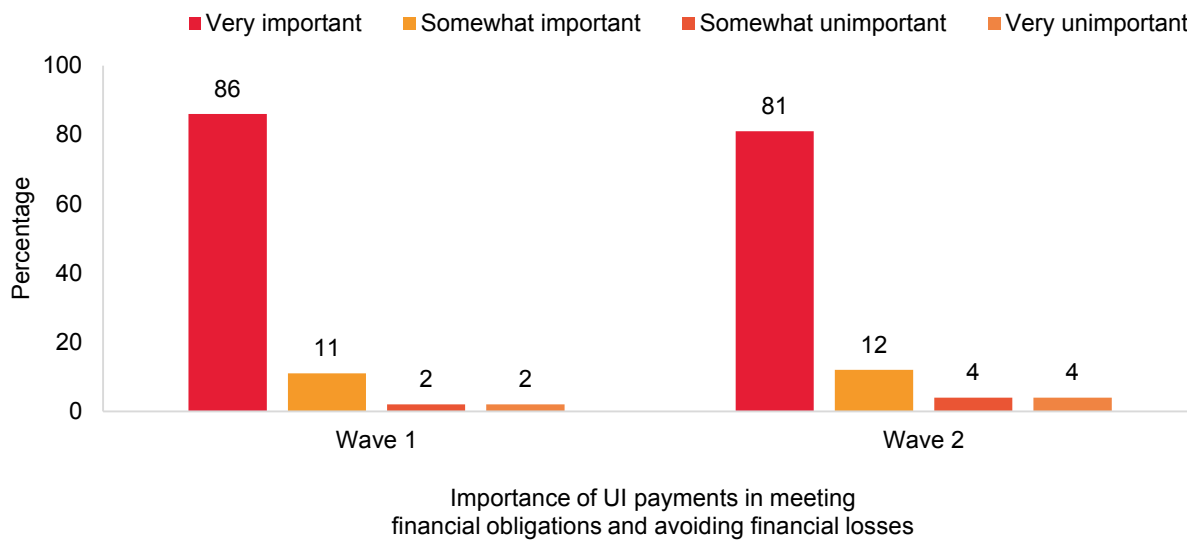
Notes: N = 1,559. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked about receipt of benefits through the Food Stamp or Supplemental Nutrition Assistance Program; welfare benefits such as CalWORKs or General Assistance; Social Security or pension benefits; Supplemental Security Income, Social Security Disability Insurance, or other disability benefits; and Medicaid or MediCal. CalWORKs is California's name for its Temporary Assistance to Needy Families program, and MediCal is California's name for its Medicaid program. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on gender, gender interacted with marital status, and gender interacted with an indicator for a household size greater than 2 were statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance; CalWORKs = California Work Opportunity and Responsibility to Kids.

C. Reported financial importance of UI

Ninety-seven percent of both Los Angeles and the Central Valley recipients reported in the first wave that UI payments were very important or somewhat important in helping them meet their financial obligations and avoid financial losses (Figures VII.6 and VII.7). Reporting that the payments were very important was much more common than reporting they were somewhat important. The rate at which recipients reported the UI payments were very important or somewhat important declined slightly in the Wave 2 survey (to 93 percent in Los Angeles and 95 percent in the Central Valley), but it was still very high.

Figure VII.6. Importance of UI payments in helping UI recipients in Los Angeles meet financial obligations and avoid financial losses (percentages)

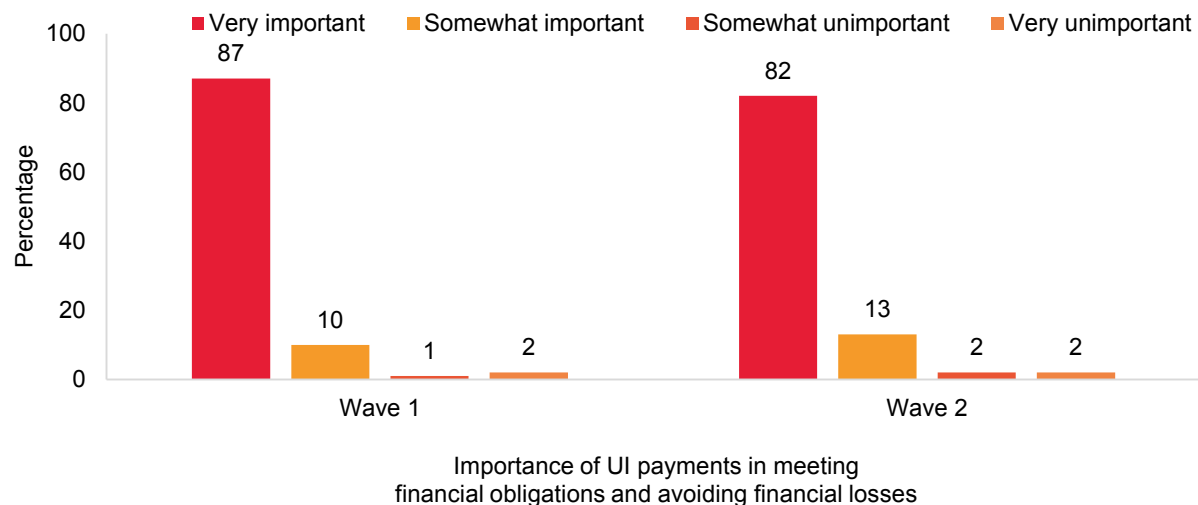


Source: Longitudinal Survey of UI Recipients data.

Notes: N = 860. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

UI = Unemployment Insurance.

Figure VII.7. Importance of UI payments in helping UI recipients in the Central Valley meet financial obligations and avoid financial losses (percentages)



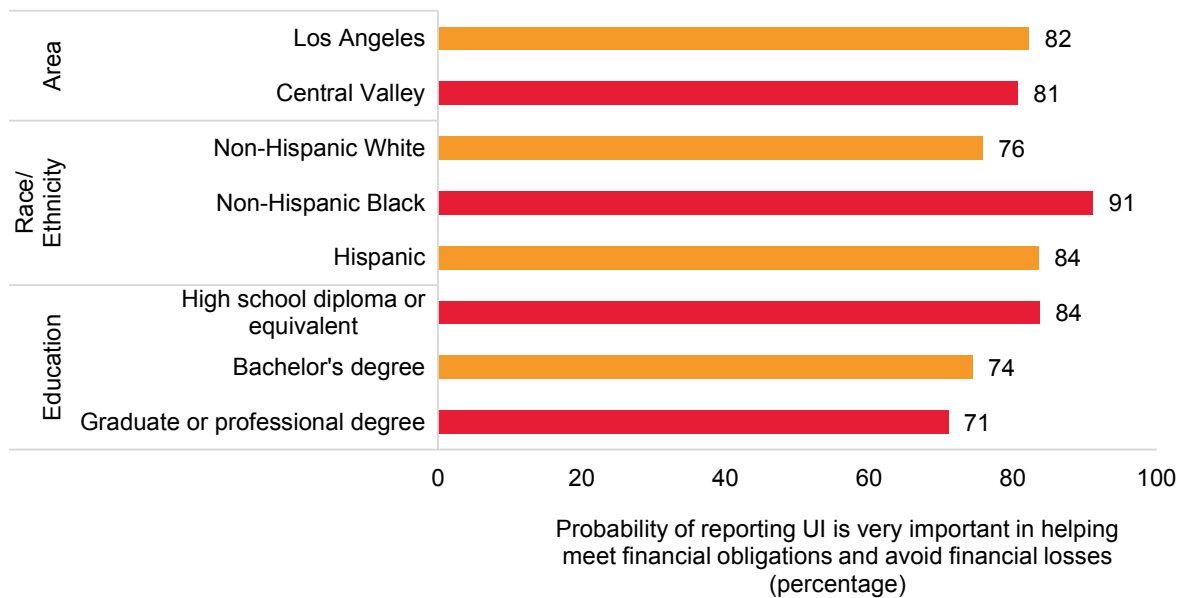
Source: Longitudinal Survey of UI Recipients data.

Notes: N = 761. Central Valley refers to a subset of counties in central California. Estimates have been adjusted for survey nonresponse. See Appendix A for details.

UI = Unemployment Insurance.

Controlling for other factors, recipients were significantly more likely to report that UI payments are very important financially if they were non-Hispanic black or Hispanic, or their highest degree was a high school diploma or equivalent (Figure VII.8). The predicted probability for non-Hispanic white recipients was 76 percent, compared to 91 percent of non-Hispanic black recipients and 84 percent of Hispanic recipients. Recipients with higher levels of education tended to have lower predicted probabilities of reporting that UI payments were very important financially. Recipients whose highest degree was a high school diploma or equivalent had a predicted probability of 84 percent, 13 percentage points higher than recipients who had a graduate or professional degree. There is no significant difference by area.

Figure VII.8. Predicted probabilities of UI recipients reporting that UI payments are very important in helping meet financial obligations and avoid financial losses, based on area, race/ethnicity, and education (percentages)



Source: Longitudinal Survey of UI Recipients data.

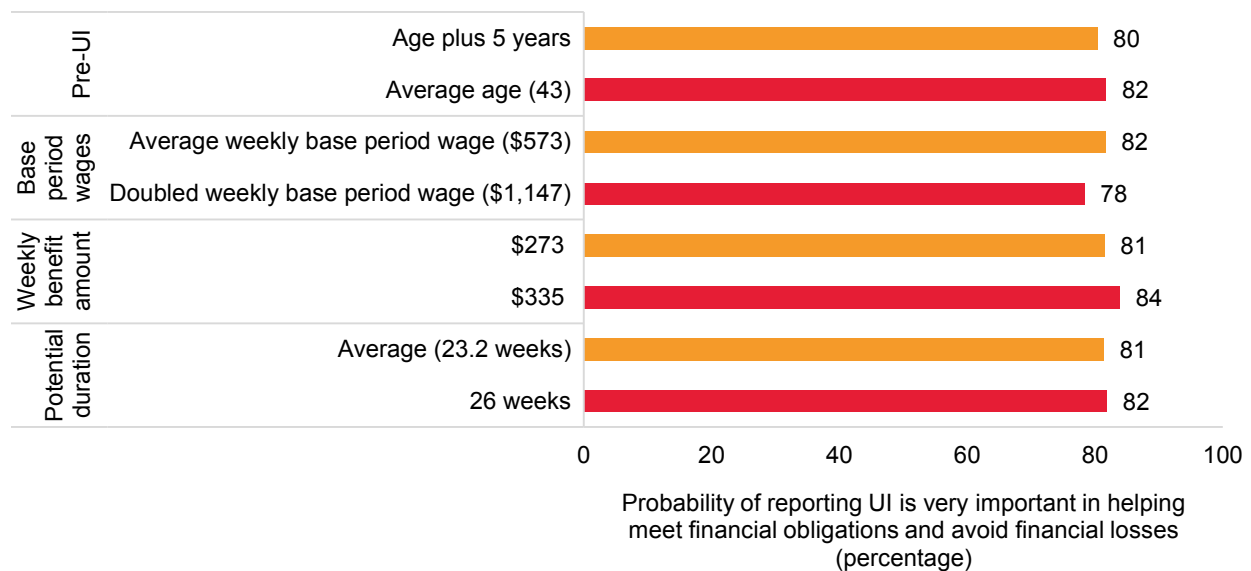
Notes: N = 1,505. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked whether UI payments were very important, somewhat important, somewhat unimportant, or very unimportant for helping meet financial obligations and avoid financial losses. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on indicators for being non-Hispanic black and Hispanic relative to being non-Hispanic white were statistically significant at the .05 level. The coefficients on having a bachelor's degree or graduate or professional degree relative to having a high school diploma or equivalent were statistically significant at the .05 level. The coefficient on area was not statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

Recipients were more likely to report that UI payments were very important financially if they were older in age, had lower base period earnings, and had higher weekly benefit amounts. These relationships were statistically significant after controlling for other factors but had modest influence on the predicted probability of reporting that UI payments

were very important financially. An increase of 5 years in age from the average of 43 years implied a 2 percentage point decrease in the predicted probability of UI payments being very important financially, and doubling the weekly base period wage from \$573 to \$1,147 led to a 4 percentage point decrease in the predicted probability. Increasing the weekly benefit amount from the average in the Central Valley (\$273) to the average in Los Angeles (\$335) increased the predicted probability by 3 percentage points. There is no statistically significant relationship with potential duration after controlling for other factors.

Figure VII.9. Predicted probabilities of UI recipients reporting that UI payments are very important in helping meet financial obligations and avoid financial losses, based on pre-UI and claim characteristics (percentages)



Source: Longitudinal Survey of UI Recipients data.

Notes: N = 1,505. Predicted probabilities were estimated using a logistic regression that pooled recipients in the Los Angeles and Central Valley areas. Recipients were asked whether UI payments were very important, somewhat important, somewhat unimportant, or very unimportant for helping meet financial obligations and avoid financial losses. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California. The coefficients on age, base period earnings, and weekly benefit amount were statistically significant at the .05 level. The coefficient on potential duration was not statistically significant at the .05 level. See Appendix C for details.

UI = Unemployment Insurance.

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VIII. CONCLUSIONS

Workers who lose their jobs must make a variety of changes in their activities over both shortly after job loss and in the ensuing months. In the short term, such as the first few weeks or months after their job loss, they must develop a strategy for finding a new job, including defining what kinds of jobs to seek as well as methods of job search to use; adopt methods for maintaining or minimizing decreases in consumption levels for themselves and their families, such as withdrawing money from savings; and possibly take steps to participate in public programs that provide income support, such as the UI program or SNAP. If their unemployment spell continues over the longer term, the unemployed workers might adapt their job search strategies in response to their experiences while trying to obtain a suitable job offer. They also might consider additional methods for maintaining their consumption levels, such as taking on added debt and having other family members increase their levels of employment, and they may further avail themselves of the income support offered by public programs. The extent to which they make any of these changes could be influenced by the collection of UI benefits and the administrative rules associated with those benefits (such as the requirement that recipients be available for work and engage in active job search).

The general goal of this project was to examine all of these adjustments in some detail for UI recipients in different labor markets, in the belief that a better understanding of the dynamics of workers' adjustments can provide insights that may help in developing more effective UI policies. We examined such adjustments by following a single cohort of UI recipients over the first six to nine months of their unemployment spells, in two areas. A key aspect of the study is its longitudinal nature. UI recipients were surveyed early in their unemployment spells and again after about six months—a period long enough so that those who collected UI benefits continuously would have had time to exhaust their entitlements. Availability of such longitudinal data allowed us to examine changes in behavior at the individual level. This may mitigate problems encountered in studies based on a single survey, in which changes over time must usually be inferred by comparing (possibly heterogeneous) individuals at different stages of their unemployment spells. Although our samples were drawn from only two areas in California (Los Angeles and the Central Valley), the study's focus on the dynamic adjustments that UI recipients make may provide more generalizable results than would a study that focused on only the static characteristics of these recipients.

A. Findings related to job search

Most UI recipients began to search for work very soon after their job loss—usually before they began collecting UI benefits. Large fractions of recipients in both sites filed for benefits using the internet, thereby mitigating, to some extent, concerns that low-wage workers (of whom there were many in our sample) do not have this filing method available to them and would instead have to file in person or over the phone.

The median time from job loss to the filing for UI benefits was only about three weeks, but significant numbers of recipients in our study had longer gaps. Precise reasons for such gaps are not known, but the fact that the vast majority of recipients expressed satisfaction with their experiences filing claims suggests that the gaps did not stem from administrative practices.

Similarly, recipients who had previous experience filing UI claims did not have shorter gaps, so these gaps did not seem to derive from an absence of information about the UI system. Rather, it seems likely that some recipients (particularly those laid off from agricultural jobs) chose to delay filing, perhaps in the belief that they would be recalled or find other employment quickly. Such workers may also have had short periods of temporary work before they filed for benefits. Because such gaps may involve costs to workers and because the gaps may limit the targeting of services to these workers when they would be most effective, further research on the reasons for them might be warranted.

Recipients used a variety of job search strategies in their initial efforts to find work. The majority registered with the Employment Service and many used other services offered by their local AJCs. Those who used AJC services generally reported that they found them useful in aiding their search activities. On average, recipients spent between 12 and 16 hours per week looking for work.

For those recipients without jobs at both the Wave 1 and Wave 2 interviews (approximately 47 percent of the sample in Los Angeles and 32 percent in the Central Valley), a few modest changes were apparent in their job search strategies. Although those who were actively looking for work at Wave 2 spent about the same amount of time looking as they did shortly before the Wave 1 survey, there was a modest increase in the fraction who did not search in the previous week. For those who did look for work, some changes in the methods used were apparent. Use of services offered by the AJCs declined (in the Los Angeles area), whereas use of such resources as the internet and newspaper ads increased. Although we do not have detailed information on the reasons for such changes in strategies, it seems likely that recipients who failed to find a job using one method experimented with others. This practice is consistent with Young (2012), who found a similar pattern of changes in job search strategies in a large administrative data set of UI claimants. These findings highlight the importance of understanding how workers' search strategies evolve over time and when policy interventions might be most helpful. For example, a recent study of required participation in services for workers who received extended benefits after exhausting their UI benefits speculated whether an earlier targeting of such mandatory services might be more effective (Needels et al. 2015). Our findings suggest that referring recipients to reemployment services later in their UI benefit collection but before UI exhaustion could also be helpful. These recipients have likely tried a range of job search methods that have not been successful to find work, so they might benefit from receiving additional information on labor markets or other reemployment services.

The examination of reservation wages—that is, the minimum wage at which an individual would accept work—has traditionally been an important topic in research on the unemployed. Not surprisingly, our data showed that reservation wages closely approximated what recipients earned at their former jobs. Among those unemployed at the Wave 2 interview, we found no clear evidence that recipients' reservation wages had declined significantly since Wave 1, although our ability to examine this question was constrained by a relatively narrow variation in our followup period. We did find three important correlates of reservation wages. First, it appears that workers whose former employment had significant job-specific skills or who were union members before job separation had lower reservation wages. This may reflect some realism on their parts about what alternative earnings might be available. Second, we found that that exhaustion of benefits tended to reduce reservation wages by about 9 percentage points

relative to their pre-UI earnings. This finding suggests that longer durations of benefits might allow workers to hold out longer for higher wages, as some of the literature on optimal UI benefits suggests. Finally, we found no evidence that reservation wages were positively correlated with the weekly benefit amount. This finding is consistent with a similar finding in a longitudinal study of UI recipients in New Jersey (Krueger and Mueller 2016), but differs from some of the international evidence (Addison et al. 2010).

A final topic we examined about recipients' job search was the extent to which they were willing to consider relocation to find work. We used whether a recipient had applied for a job requiring relocation as a proxy for willingness to move. Overall, about 20 percent of recipients indicated such willingness. Surprisingly, perhaps, this indicator of willingness to relocate declined over the period covered by the survey waves. This decline may indicate an acceptance of recipients' current geographic constraints or it may suggest a weakness in our proxy variable, because recipients might have become discouraged from unsuccessful applications for jobs requiring relocation.⁴⁶

B. Findings related to reemployment

Most of the UI recipients in our sample had found (perhaps temporary) work by the time of the Wave 2 interview. The fraction of recipients who ever had a job between the time they lost their jobs and their Wave 2 interviews was lower in Los Angeles (63 percent) than in the Central Valley (77 percent). An important reason for this difference is the prevalence of seasonal agricultural work in the Central Valley. Two in three UI recipients there (67 percent) had a seasonal or temporary separating job, and a large fraction separated from a job in an industry related to agriculture, natural resources, or mining (44 percent). Many Central Valley recipients returned to work for their former employer (60 percent of those who found reemployment). Our multivariate examination of the elements influencing reemployment confirmed that factors associated with recall (such as seasonal work or being a member of a union) played a significant role in reemployment success in our study sample. Because our sample likely has a much larger representation of agricultural workers than most other groups of UI recipients, caution should be exercised in generalizing to such other groups. Similarly, the seasonal patterns in our sample may not reflect seasonal patterns in other industries (such as construction) or even in agriculture in other areas, given the relative timing of the Wave 1 and Wave 2 interviews to harvest dates in the Central Valley.

Jobs found by the UI recipients in our sample offered shorter hours and lower earnings than did the jobs these workers lost. Although these shortfalls were most prominent for those workers who changed employers, average hours and earnings were lower even for those workers who returned to their former employer. Our follow-up period was not long enough to determine whether these shortfalls were sustained over time. However, Central Valley recipients who switched employers had more fringe benefits available to them at their new job. There were no

⁴⁶ It is also possible that some of those willing to relocate did so and thus were more difficult to locate at Wave 2, thereby biasing our sample of those who completed two interviews. However, extensive efforts were made to interview all sample members. Appendix A summarizes the methods used to contact sample members, and Appendix B presents nonresponse bias analyses conducted for this study. Detailed information is provided in Santos et al. (2016).

changes in the availability of fringe benefits for other Central Valley recipients or for Los Angeles recipients, regardless of whether they changed employers.

C. Financial and other adjustments

We found that UI recipients used a wide variety of strategies to maintain their consumption levels following job loss. Early in their jobless spells, many recipients reported using savings to help make ends meet. Over subsequent months, however, we observed few changes in overall levels of savings assets held. Hence, it appears that recipients' short term use of savings was quickly replaced by other means for sustaining consumption, such as increasing hours worked by spouses and participating in other programs offering income support. Our findings are consistent with the hypothesis that receipt of UI benefits is one important component of financial support that may mitigate the need for workers to make other, possibly more costly, adjustments. However, because our sample did not include individuals who did not collect UI benefits, our ability to measure the full extent of such mitigating effects was limited.

Data on the household debts (other than mortgages) of recipients tell a complex story. Overall levels of debt increased over our period of observation, but this pattern was relatively similar for both those recipients who had found work by the time of the Wave 2 interview and those who had not. In fact, the largest increase in average debt was exhibited by reemployed recipients in the Central Valley, perhaps indicating that having a job increased credit availability for this group. The relatively high levels of debt overall in our sample contrast with the earliest studies of UI benefit adequacy, in which debt was low and often consisted of borrowing from family members (Kingston and Burgess 1978). A possible explanation is the increasing importance of credit card debt in the decades since that study was conducted. The availability of such credit might have mitigated the need for some households in our sample to make other types of financial adjustments. This may be especially true for those on seasonal layoffs because of the optimism those workers might have had early in their unemployment spells about their reemployment prospects.

For recipients with a spouse or partner, one strategy the household members used to cope with the UI recipient's job loss was for the spouse or partner to increase his or her labor supply. Although we found little evidence of spouses or partners entering the labor market, we did find that spouses' hours worked increased from the time of the recipients' job loss to the Wave 2 interviews. This change was greatest in the Central Valley, where lower wages overall may have increased the need for such added earnings in the household.

Participation in public programs offering income support also increased from the job separation date to the date of the Wave 2 interview. Such increases were most prevalent for the Medicaid program. Increases in SNAP participation were found only for those who did not find employment by the Wave 2 interview. Among those who did find employment, participation in SNAP fell modestly. Our multivariate analysis showed that those with higher weekly UI benefit amounts were somewhat less likely to begin participating in such programs, at least over the short term. This is perhaps our clearest evidence of how UI benefits may mitigate the need to make other financial adjustments.

We focused on two direct measures of financial hardship: (1) the incidence of bills unpaid for 60 days or more and (2) the incidence of food insecurity. For both of these measures, we

found little evidence of significant increases in hardship during our study period. Levels of unpaid bills were basically unchanged over our two interview waves. The incidence of food insecurity decreased during our study period for those who ever found jobs, whereas it remained relatively constant for those who did not. Our multivariate analysis found that many factors were associated with food insecurity. Single women, non-Hispanic blacks, Hispanics, and recipients with lower levels of education were significantly more likely to experience such food insecurity. There was no significant relationship between food insecurity and the weekly benefit amount. Such findings should not be taken to imply that receipt of UI had no influence on cushioning such hardships, however. Our sample included only UI recipients, so we cannot observe the effect that overall UI eligibility has on food insecurity (evidence of such an effect is reported in Gruber 1997).

Overall, then, the UI recipients in our sample employed a number of strategies for coping with the reduction in their incomes from job loss. Studies that seek to examine only one of these strategies in isolation might miss important interactions among them. Individuals overwhelmingly reported that receipt of UI benefits had been very helpful in allowing them to meet financial obligations, and they generally were satisfied overall with the UI program. Non-Hispanic blacks and Hispanics found UI benefits to be especially important, as did recipients with lower base period earnings. Recipients with higher weekly benefit amounts also reported that UI benefits were important in allowing them to meet financial obligations.

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APPENDIX A

**SURVEY DATA COLLECTION METHODOLOGY
AND CONSTRUCTION OF WEIGHTS**

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This appendix describes how we collected the data and prepared the data files for the Longitudinal Survey of Unemployment Insurance (LSUI) study, supplementing the overview given in Chapter II. In Section A, we describe the process used to design the two waves of the survey and field the data collection effort. In Section B, we describe how the nonresponse weights were constructed for each study area. Additional technical details about the survey design, data collection, and weighting are provided in Santos et al. (2016).

A. Fielding the LSUI survey

The first wave of the LSUI survey was fielded to samples of 1,815 UI recipients in two geographic areas in California, which we refer to as “Los Angeles” and “Central Valley” for short. We chose these areas because we expected that they would (1) include enough UI recipients meeting our sample criteria in each area to support the study, and (2) allow us to present information on significantly different areas in terms of labor market characteristics such as unemployment rates and industrial makeup of employment. Only recipients who completed the first wave of the LSUI survey were asked to complete the second wave.

The Los Angeles area comprises two large counties in southern California, Los Angeles County and Orange County. These regions included 34 percent of the state’s population in 2015 (26 percent and 8 percent, respectively) and are largely urban – in 2010, 0.6 percent of Los Angeles County and 0.1 percent of Orange County resided in rural areas.⁴⁷ The Central Valley area contains 18 smaller counties (Butte, Colusa, Fresno, Glenn, Kern, Kings, Madera, Merced, Placer, Sacramento, San Joaquin, Shasta, Stanislaus, Sutter, Tehama, Tulare, Yolo, and Yuba counties), including coastal counties and mountain ranges in the west and several mountain ranges in the east. The Central Valley, which extends from Shasta County near Oregon to Kern County bordering Los Angeles County (Umbach, 1997),⁴⁸ is known for its agricultural production, partially due to rich sediment deposited by streams that originated in the surrounding mountain ranges. Together, these counties cover more than 40 percent of the land area of California and included 18 percent of the state’s population in 2015. A higher portion of the Central Valley’s population resides in rural areas, ranging from 2 percent in Sacramento County, which contains the state capital, to 52 percent in Tehama County.⁴⁹

The samples of UI recipients for this study were selected using a UI claims administrative data extract from California. This extract included recipients (1) who were eligible for UI benefits through a new initial claim; (2) whose first compensable week of benefits ended during the week of February 15 to 21, 2015 (which we refer to as “Week 1”) after a new initial claim; and (3) who were not recipients of short-time compensation.

⁴⁷Percentages are according to the 2010 Census Urban list by county, accessed online at https://www.census.gov/geo/reference/ua/ualists_layout.html.

⁴⁸El Dorado County, directly east of Sacramento County and bordering Nevada, is also included in some definitions of the Central Valley. It is the 47th largest county in California in terms of gross agricultural production. We rely on the definition of the Central Valley in Umbach (1997), and thus exclude El Dorado County from the Central Valley.

⁴⁹Excluding Sacramento County, Yolo County has the lowest percentage of the population residing in rural areas, at 7 percent.

The survey involved two waves of interviews timed to align closely with UI recipients' early collection and benefit exhaustion experiences. Wave 1 was fielded from March 23 to May 29, 2015, which corresponds to Week 6 to Week 15 in the claim period. Wave 2 was fielded from August 16 to November 9, 2015, corresponding to Week 27 to Week 39 in the claim period. Each wave of the survey was administered by web and computer-assisted telephone interviewing (CATI), in English and Spanish, and took approximately 25 minutes to complete. The first wave was completed by 1,111 recipients in the Los Angeles area and 1,041 in the Central Valley area, representing 61.2 and 57.4 percent of the samples of 1,815 recipients, respectively. The second wave was completed by 871 Los Angeles recipients and 774 Central Valley recipients, or 78.4 and 74.4 percent of the recipients who completed Wave 1, respectively. The cumulative response rate (over the two survey waves) was 48.0 percent in Los Angeles and 42.6 percent for the Central Valley area.

Next, we discuss the content of the survey, how the samples were drawn from the administrative extract, and methods used to reach potential respondents.

1. Survey content

The two survey waves were designed to yield information that was unavailable from administrative data and could be used to address research questions related to adequacy of UI benefits, reemployment expectations, job search, employment outcomes, and customer satisfaction. Overlap between survey questions and data items in the administrative data extract was minimal, except for a few questions about topics that facilitated survey administration—for example, questions to verify the respondent's identity and confirm information about job separation referenced in other questions. Over both waves, major content areas covered:

- **Demographic and socioeconomic characteristics**, including items such as union membership, veteran status, education, marital status, and household composition and size.
- **Employment before and after receipt of UI benefits began**, including details about the job held prior to the initial claim; start and stop dates of up to five post-claim jobs that started before each interview; and information for each job on earnings, hours, fringe benefits, industry, and occupation.
- **Other labor-market activities and expectations after the start of UI receipt**, including job search activities, expectations of time to reemployment, characteristics of employment sought, and job offers received in the post-claim period.
- **Economic well-being before and after the start of UI receipt**, including questions about household income, sources of federal and state income support, financial adjustments, savings, and debt. Both waves of the survey also asked about the importance of UI benefits for meeting financial obligations and avoiding financial losses.
- **Customer satisfaction**, including questions about different aspects of the process of filing for benefits, such as clarity of instructions and timeliness of benefit receipt.

2. Survey samples

As discussed in Chapter II, we selected the survey samples in both areas using an administrative claims extract of eligible claimants whose first compensable week of benefits

ended during a specific focal week. We selected the focal week (February 15-21, 2015) in advance with input from DOL based on the expected availability of data from California and the desire to avoid atypical weeks in the UI program (such as those around Christmas and the start of a new calendar year).

The administrative data extract contained UI program characteristics and demographic characteristics used to describe and draw the survey samples, as well as addresses and phone numbers used to locate UI recipients for the first round. The extract included reason for the pre-UI job separation, base period earnings, UI benefit entitlement, the first payment date, and the scheduled date for a Reemployment Eligibility Assessment (REA) (if an appointment had been scheduled). The file also included Worker Profiling and Reemployment Services (WPRS) scores for a subset of UI recipients, which indicate the likelihood that claimants would exhaust their benefits (as predicted by the UI state agency when the claimants entered the UI program).

The sampling design was based on stratified random samples of UI recipients in the administrative data extract who resided in the Los Angeles area and the Central Valley. The total number of UI recipients meeting the criteria for inclusion in the sample was 6,651; 3,844 in the Los Angeles area and 2,807 in the Central Valley.

To ensure that each area's sample reflected the distributional characteristics of its sampling frame on factors likely to correlate with key labor-market outcomes, we implicitly stratified each sample by UI characteristics in the administrative data.⁵⁰ This stratification used measures based on recipients' WPRS scores, potential duration of benefits, gender, race and ethnicity, age, whether a REA had been scheduled, base period earnings, and pre-UI job separation reason.

3. Methods used to reach potential respondents

To maximize the number of respondents we could reach during the relatively short field periods, we used a combination of methods to contact recipients:

- **Mailings before the first interview.** We mailed advance letters in English and Spanish on DOL letterhead, signed by DOL's Chief Evaluation Officer. For Wave 1, sample members received advance letters, a list of FAQs, and a flyer encouraging use of the web survey, one week before outbound calling began. Reminder postcards were sent to nonresponders at three times during the nine-week field period for Wave 1, and a reminder letter on DOL letterhead was sent during the fifth week of data collection.
- **Mailings before the second interview.** For Wave 2, we sent postcards six weeks before the advance letters, and advance letters three and a half weeks before outbound calling began. Reminder postcards were sent at four intervals. To encourage response in the Central Valley site, which had a lower rate than the Los Angeles area, we remailed advance letters to nonrespondents in USPS Priority Mail envelopes six weeks after the start of data collection. In both areas, a reminder letter on DOL letterhead was sent during the seventh week of data

⁵⁰Implicit stratification helps achieve nearly proportional allocation of the sample across the stratification factors without establishing explicit strata and fixing the sample sizes for each explicit strata. Explicit stratification can introduce unequal selection rates, which can result in increased variation in the sampling weights that can adversely affect the statistical precision of survey estimates. Implicit stratification is implemented by first sorting the sampling frame by the stratification factors and then using a sequential selection procedure for sample selection.

collection, and a reminder letter on Mathematica letterhead was mailed during the tenth week of data collection.

- **Emails.** For each wave of the survey, we sent invitation emails with study information (including links to the web survey) in English and Spanish during the first week of data collection. Reminder emails were sent to nonresponders at six different times during the 9-week field period for Wave 1, and eight different times during the 12-week fielding period for Wave 2.

Incentive payments helped increase the number of completed interviews. For Wave 1, we sent sample members a \$5 cash prepayment with their advance letter. In addition, we offered respondents a differential postpay incentive, depending on whether they completed the Wave 1 survey on a call from an interviewer, by using the web survey, or by calling an interviewer at Mathematica's Survey Operations Center (SOC). A respondent who completed Wave 1 on the web or by calling the SOC received a \$25 postpayment check in addition to the \$5 prepayment. A respondent who completed Wave 1 on a call from an interviewer received a \$15 postpayment check in addition to the \$5 prepayment. For Wave 2, sample members did not receive a cash prepayment but the differential incentive format was still used. A respondent who completed Wave 2 on the web or by calling the SOC received a \$30 postpayment check. A respondent who completed Wave 2 on a call from an interviewer received a \$20 postpayment check.

B. Construction of nonresponse weights

The main factors associated with response were somewhat different for each geographic area, as evidenced by the response rates tabulated by area and characteristic in Table A.1 (see Santos et al. [2016] for further details).⁵¹

Our main analyses use weights for the two geographic areas that adjust for survey nonresponse, based on information from the administrative extract. We used a statistical decision-tree algorithm in Los Angeles and the Central Valley to identify the subset of variables and interactions between them that could predict most significantly whether the sample member responded. We then estimated logistic propensity models to cull factors with the strongest associations to the likelihood of response. In the logistic propensity model for the Los Angeles area, the significant main effects were the potential duration of benefits and the reason for pre-UI separation. In the logistic propensity model for the Central Valley area, the significant main effects were gender, whether an appointment had been scheduled for a REA, and the reason for pre-UI separation.

⁵¹ An alternate way to examine response rates is to compute the ratio of the number of complete cases divided by the estimated total number of eligible sample members (see description of RR3 in AAPOR, 2015). These estimates are shown in Santos et al. (2016).

Table A.1. Response rates by area^a

	Los Angeles			Central Valley		
	Total	Number of Respondents ^b	Response Rate (Percent)	Total	Number of Respondents ^b	Response Rate (Percent)
Total	1,815	871	48.0	1,815	774	42.6
Age						
Under 35	618	281	45.5	614	244	39.7
35 to 49 years	611	289	47.3	563	232	41.2
50 years or more	586	301	51.4	638	298	46.7
Gender						
Male or unknown	1,038	478	46.1	1,042	391	37.5
Female	777	393	50.6	773	383	49.5
Race/ethnicity						
White, non-Hispanic	590	295	50.0	373	162	43.4
Hispanic	703	318	45.2	1,171	502	42.9
Other, non-Hispanic	522	258	49.4	271	110	40.6
Worker Profiling and Reemployment Services (WPRS) score ^d						
0.0	563	248	44.0	1,184	493	41.6
0.0001	419	225	53.7	261	124	47.5
0.1856 to 0.3600	240	115	47.9	78	27	34.6
0.3601 to 0.7121	593	283	47.7	292	130	44.5
Reason for the pre-UI job separation						
Layoff	1,516	710	46.8	1,660	698	42.0
Other	299	161	53.8	155	76	49.0
Base period earnings ^e						
1 = Lowest third	603	306	50.7	610	286	46.9
2 = Middle third	589	265	45.0	617	249	40.4
3 = Highest third	623	300	48.2	588	239	40.6
Potential duration of benefit						
12 to 19 weeks	196	95	48.5	500	206	41.2
20 to 25 weeks	184	99	53.8	438	195	44.5
26 weeks	1,435	677	47.2	877	373	42.5
Weekly benefit amount						
Less than or equal to \$250	556	275	49.5	868	404	46.5
Greater than \$250 to less than \$450	474	226	47.7	560	226	40.4
\$450 or more	785	370	47.1	387	144	37.2
Maximum benefit amount						
Less than or equal to \$5,000	421	213	50.6	762	355	46.6
Greater than \$5,000 to less than \$11,700	652	307	47.1	752	304	40.4
\$11,700 or more	742	351	47.3	301	115	38.2
Reemployment eligibility assessment						
Appointment scheduled	531	254	47.8	238	122	51.3
Missing	1,284	617	48.1	1,577	652	41.3

Source: Longitudinal Survey of UI Recipients data.

^aThe response rate is computed as the ratio of the count of completed interviews at Waves 1 and 2, divided by the total number of sample members.

^bThe number of respondents is the count of completed interviews at Waves 1 and 2.

^cGender is from the administrative data and was not available for four survey sample members.

^dHigher values of WPRS scores indicate that the state predicted higher probabilities of benefit exhaustion. It appears that the state assigned very low WPRS scores to some claimants so they would not be required to participate in WPRS services. This might occur, for example, for claimants with definite recall dates to employers. No claimants had WPRS scores between 0.0001 and 0.1856.

^eThirds of base period earnings were computed separately for each area and used for sampling.

UI = Unemployment Insurance; WPRS = Worker Profiling and Reemployment Scores.

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APPENDIX B

NONRESPONSE BIAS ANALYSIS

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This appendix describes the potential for nonresponse bias in weighted survey estimates by comparing the characteristics of respondents and nonrespondents using administrative data. However, because survey data are not available for nonrespondents, we cannot be certain if bias exists in the survey estimates. Administrative data (including demographic and employment history information available in the administrative records) are used because they are available for nearly all sample members. A more comprehensive discussion of this topic is presented in Santos et al. (2016).

We use two primary types of comparisons to assess the potential for nonresponse bias in the survey estimates:

1. The first comparison focuses on differences in mean characteristics between respondents and nonrespondents. This comparison weights respondents and nonrespondents by the rate at which sample members were selected from the administrative extract (base weight). The estimated bias from this comparison is equal to the difference in means times the nonresponse rate (also weighted using base weights). This comparison provides information on how respondents differ from nonrespondents without the nonresponse weights described in Appendix A.
2. The second comparison focuses on differences in mean characteristics between the full sample and the respondent sample mean once the nonresponse weights described in Appendix A and used in our main analyses have been applied. In this comparison, the full sample means are estimated using the base weights, and the bias is equal to the difference between the two means. This comparison provides information on how the use of nonresponse weights helps reduce nonresponse bias in the survey.

Based on these comparisons of characteristics, shown in Tables B.1 and B.2, our key findings are:

- The estimated populations of respondents and nonrespondents differed on factors such as reasons for pre-UI job separation and the WPRS scores for both areas.
- For the Central Valley area, the estimated populations of respondents and nonrespondents differed on age, gender, base period earnings, weekly and maximum benefit amounts, and whether an appointment for a REA had been scheduled by the date of the extract.
- After the nonresponse adjustments, none of the estimated bias comparisons (column 8 of Tables B.1 and B.2) was statistically significant.

We conclude that the weights used in the main analysis effectively reduced the potential for nonresponse bias in the study.

Table B.1. Nonresponse bias analysis for the Los Angeles area (percentages)

	Full Sample Mean ^a	Respondent Mean ^a	Non- respondent Mean ^a	Estimated Bias Comparing Cols. (2) and (3) ^c	Estimated Bias Statistically Significant ^d	Respondent Sample Mean ^b	Estimated Bias Comparing Cols. (1) and (6) ^e	Estimated Bias Statistically Significant ^d
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Age								
Under 35	34.0	32.7	35.3	-1.4	No	32.5	-1.6	No
35 to 49 years	33.7	32.9	34.4	-0.7	No	35.2	1.6	No
50 years or more	32.3	34.4	30.3	2.1	No	32.3	0.0	No
Gender ^f								
Male or unknown	57.2	55.2	59.1	-2.0	No	57.4	0.2	No
Female	42.8	44.8	40.9	2.0	No	42.6	-0.2	No
Race/ethnicity								
White, non-Hispanic	32.5	33.6	31.5	1.1	No	33.0	0.5	No
Hispanic	38.7	36.7	40.7	-2.1	No	38.7	0.0	No
Other, non-Hispanic	28.8	29.8	27.8	1.0	No	28.2	-0.5	No
Worker Profiling and Reemployment Services (WPRS) scores ^g								
0.0	31.0	28.7	33.2	-2.3	Yes	31.0	-0.0	No
0.0001	23.1	25.8	20.5	2.7	Yes	22.9	-0.1	No
0.1856 to 0.3600	13.2	13.0	13.4	-0.2	No	13.3	0.1	No
0.3600 to 0.7121	32.7	32.5	32.9	-0.2	No	32.8	0.1	No
Reason for the pre-UI job separation								
Layoff	83.5	81.7	85.3	-1.9	Yes	83.4	-0.1	No
Other	16.5	18.3	14.7	1.9	Yes	16.6	0.1	No
Base period earnings								
Lowest third	33.2	35.4	31.1	2.2	No	32.7	-0.5	No
Middle third	32.5	30.5	34.3	-1.9	No	32.0	-0.4	No
Highest third	34.3	34.0	34.6	-0.3	No	35.3	1.0	No
Potential duration of UI benefits								
12 to 19 weeks	10.8	10.9	10.7	0.1	No	10.8	-0.0	No
20 to 25 weeks	10.1	11.3	9.0	1.2	No	10.0	-0.1	No
26 weeks	79.1	77.8	80.2	-1.2	No	79.2	0.1	No

	Full Sample Mean ^a	Respondent Mean ^a	Non-respondent Mean ^a	Estimated Bias Comparing Cols. (2) and (3) ^c	Estimated Bias Statistically Significant ^d	Respondent Sample Mean ^b	Estimated Bias Comparing Cols. (1) and (6) ^e	Estimated Bias Statistically Significant ^d
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Weekly benefit amount of UI claim								
Less than or equal to \$250	30.6	32.1	29.2	1.5	No	30.0	-0.7	No
Greater than \$250 to less than \$450	26.1	25.8	26.4	-0.3	No	26.7	0.6	No
\$450 or more	43.3	42.1	44.4	-1.2	No	43.4	0.1	No
Maximum benefit amount of UI claim								
Less than or equal to \$5,000	23.2	24.9	21.6	1.7	No	22.8	-0.4	No
Greater than \$5,000 to less than \$11,700	35.9	35.2	36.6	-0.7	No	36.0	0.1	No
\$11,700 or more	40.9	39.9	41.8	-0.9	No	41.3	0.4	No
Reemployment eligibility assessment								
Appointment scheduled	29.3	29.3	29.2	0.0	No	29.4	0.1	No
Missing	70.7	70.7	70.8	-0.0	No	70.6	-0.1	No

Source: Longitudinal Survey of UI Recipients data.

^aEstimates were calculated with the base weights.

^bEstimates were calculated with respondent sample using the nonresponse weights.

^cEstimated bias is calculated as the weighted nonresponse rate times the difference in the weighted respondent and nonrespondent means.

^dA “yes” value identifies an estimated bias that is significantly different from zero at the 0.05 level. A value of “no” is assigned to bias estimates that are not statistically significant at that threshold level.

^eEstimated bias is calculated as the difference in the weighted overall mean before adjustment and the respondent sample mean calculated using the analytic weight.

^fGender information was not available for four members of the sampling frame.

^gHigher values of WPRS scores indicate that the state predicted higher probabilities of benefit exhaustion. It appears that the state assigned very low WPRS scores to some claimants so they would not be required to participate in WPRS services. This might occur, for example, for claimants with definite recall dates to employers. No claimants had WPRS scores between 0.0001 and 0.1856.

UI = Unemployment Insurance; WPRS = Worker Profiling and Reemployment Scores.

Table B.2. Nonresponse bias analysis for Central Valley geographic area (percentages)

	Full Sample Mean ^a	Respondent Mean ^a	Non-respondent Mean ^a	Estimated Bias Comparing Cols. (2) and (3) ^c	Estimated Bias Statistically Significant ^d	Respondent Sample Mean ^b	Estimated Bias Comparing Cols. (1) and (6) ^e	Estimated Bias Statistically Significant ^d
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Age								
Under 35	33.8	31.8	35.4	-2.0	No	32.7	-1.1	No
35 to 49 years	31.0	30.0	31.8	-1.0	No	31.7	0.7	No
50 years or more	35.2	38.2	32.8	3.0	Yes	35.5	0.4	No
Gender^f								
Male or unknown	57.4	51.1	62.3	-6.3	Yes	57.1	-0.3	No
Female	42.6	48.9	37.7	6.3	Yes	42.9	0.3	No
Race/ethnicity								
White, non-Hispanic	20.6	21.2	20.0	0.7	No	21.5	1.0	No
Hispanic	64.5	64.4	64.6	-0.1	No	64.3	-0.2	No
Other, non-Hispanic	14.9	14.3	15.4	-0.6	No	14.2	-0.8	No
Worker Profiling and Reemployment Services (WPRS) scores^g								
0.0	65.2	63.3	66.7	-1.9	No	64.6	-0.6	No
0.0001	14.4	16.5	12.8	2.1	Yes	15.8	1.4	No
0.1856 to 0.3600	4.3	3.4	5.0	-0.9	No	3.4	-0.9	No
0.3600 to 0.7121	16.1	16.8	15.5	0.7	No	16.3	0.2	No
Reason for the pre-UI job separation								
Layoff	91.5	89.9	92.6	-1.5	Yes	91.7	0.3	No
Other	8.5	10.1	7.4	1.5	Yes	8.3	-0.3	No
Base period earnings								
1 = Lowest third	33.6	37.1	30.9	3.5	Yes	34.6	1.0	No
2 = Middle third	34.0	31.8	35.7	-2.2	No	33.3	-0.7	No
3 = Highest third	32.4	31.2	33.4	-1.2	No	32.1	-0.3	No
Potential duration of UI benefits								
12 to 19 weeks	27.5	26.6	28.3	-0.9	No	25.5	-2.0	No
20 to 25 weeks	24.1	24.9	23.6	0.7	No	25.1	0.9	No
26 weeks	48.3	48.5	48.2	0.2	No	49.4	1.1	No

	Full Sample Mean ^a	Respondent Mean ^a	Non-respondent Mean ^a	Estimated Bias Comparing Cols. (2) and (3) ^c	Estimated Bias Statistically Significant ^d	Respondent Sample Mean ^b	Estimated Bias Comparing Cols. (1) and (6) ^e	Estimated Bias Statistically Significant ^d
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Weekly benefit amount of UI claim								
Less than or equal \$250	47.8	52.1	44.5	4.3	Yes	49.8	2.0	No
Greater than \$250 to less than \$450	30.9	29.3	32.1	-1.6	No	31.0	0.2	No
\$450 or more	21.3	18.6	23.5	-2.7	Yes	19.2	-2.1	No
Maximum benefit amount of UI claim								
Less than or equal \$5,000	42.0	45.7	39.1	3.7	Yes	43.0	1.0	No
Greater than \$5,000 to less than \$11,700	41.4	39.3	43.1	-2.1	No	41.7	0.3	No
\$11,700 or more	16.6	14.9	17.9	-1.6	No	15.3	-1.3	No
Reemployment eligibility assessment								
Appointment scheduled	13.1	16.1	10.8	3.0	Yes	13.0	-0.2	No
Missing	86.9	83.9	89.2	-3.0	Yes	87.0	0.2	No

Source: Longitudinal Survey of UI Recipients data.

^aEstimates were calculated with the base weights.

^bEstimates were calculated with respondent sample using the nonresponse weights.

^cEstimated bias is calculated as the weighted nonresponse rate times the difference in the weighted respondent and nonrespondent means.

^dA “yes” value identifies an estimated bias that is significantly different from zero at the 0.05 level. A value of “no” is assigned to bias estimates that are not statistically significant at that threshold level.

^eEstimated bias is calculated as the difference in the weighted overall mean before adjustment and the respondent sample mean calculated using the analytic weight.

^fGender information was not available for four members of the sampling frame.

^gHigher values of WPRS scores indicate that the state predicted higher probabilities of benefit exhaustion. It appears that the state assigned very low WPRS scores to some claimants so they would not be required to participate in WPRS services. This might occur, for example, for claimants with definite recall dates to employers. No claimants had WPRS scores between 0.0001 and 0.1856.

UI = Unemployment Insurance; WPRS = Worker Profiling and Reemployment Scores.

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APPENDIX C

TABLES CONTAINING DETAILED RESULTS FROM REGRESSION ANALYSES

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This appendix contains tables with detailed results from the regressions shown in Chapters IV through VII. As in the main chapters, the tables are based on respondents across both Los Angeles and the Central Valley who completed both waves of the survey.

For binary outcome measures, such as whether a respondent was ever re-employed in the study follow-up period, we use a logistic model specification of the form:

$$(1) P(\text{Re-Employed by Round 2}) = f(Z\beta),$$

where an indicator variable for ever being re-employed is regressed on a vector of variables (Z) that are correlated with the outcome, β is a vector of coefficients to be estimated, and F is the logistic distribution.

For continuous outcomes such as the ratio of the minimum weekly wage sought to the weekly wage from the pre-UI separating job, we estimate linear regression models of the form:

$$(2) Y = Z\beta + \varepsilon,$$

where the variable Y is regressed on a vector of covariates (Z), and ε is a random error term.

The covariates that we use in the regression models are listed in Table C.1 along with their unweighted means and standard deviations. Tables C.2 and C.3 present detailed output for the regressions described in the main report. The regressions from Chapters IV through VI are shown in Table C.2, and the regressions from Chapter VII are shown in Table C.3. For logistic regressions, these tables report the predicted differences in the probability of the outcome based on a specified change in the value of a covariate. For linear regressions, we report coefficient estimates.

Table C.1. Summary statistics for variables used in regression analyses (percentages except where indicated)

Variable	Mean	Standard Deviation
Outcome		
Exhausted UI benefits by Wave 2	55.9	49.7
Reemployed by Wave 2	69.0	46.3
Participated in a public program providing income or in-kind support at Wave 2	51.0	50.0
Ratio of minimum weekly earnings sought at Wave 2 to weekly wage from separating job ^a	0.94	0.35
Ever had food insecurity between job separation and Wave 2	37.7	48.5
UI was very important for meeting financial obligations	81.2	39.1
Area		
Los Angeles	52.9	49.9
Central Valley (ref. category)	47.1	49.9
Measures of benefit availability and generosity		
Potential duration	23.33	4.35
Weekly benefit amount ^b (dollars)	300.34	131.68
Exhausted benefits by Wave 2 ^c	41.3	49.2

Variable	Mean	Standard Deviation
Pre-claim job characteristics		
Base period earnings (average dollars per week)	611.77	844.06
Pre-UI separating job was seasonal or temporary	49.4	50.0
Union member	3.0	17.0
Tenure with pre-UI separating employer (months)	54.70	77.33
Demographic characteristics		
Age	42.96	13.47
Female	47.1	49.9
Race/ethnicity		
Non-Hispanic White (ref. category)	27.8	44.8
Non-Hispanic African American	7.1	25.7
Hispanic	49.8	50.0
Asian, American Indian, Alaska Native, or Other	15.3	36.0
Highest degree completed		
Less than high school	28.5	45.1
High school diploma or equivalent (ref. category)	22.8	42.0
Some college, no degree	18.1	38.5
Associate's degree	8.8	28.3
Bachelor's degree	16.4	37.1
Graduate or professional degree	5.4	22.6
Marital status		
Married or with a partner	56.0	49.6
Female and married or with a partner	24.8	43.2
Household size		
Household has more than 2 people	61.1	48.8
Female and household has more than 2 people	28.2	45.0
Other characteristics		
Days from the end of the first compensable week to the Wave 2 interview ^c	200.87	19.54
Participated in a public program at the time of job separation	44.7	49.7
Veteran	4.0	19.6
Reported health status		
Excellent	28.9	45.3
Good (ref. category)	47.8	50.0
Fair	19.7	39.8
Poor	3.6	18.6
Unweighted sample size	1,645	

Source: Longitudinal Survey of UI Recipients data.

Notes: Differences in predicted outcomes were estimated using linear regression for the ratio outcome and logistic regression for the binary outcomes, controlling for the variables listed in the table. Means and standard deviations are shown for all recipients who completed the first and second interviews, except for the ratio of minimum weekly earnings sought at Wave 2 to the weekly wage from the pre-UI separating job. The estimation sample for the ratio variable consists of respondents who were looking for work at Wave 2, typically worked 35 or more hours per week at the pre-UI separating job, and had a ratio less than 3. Respondents were identified as ever having food insecurity if they reported that they sometimes or often did not have enough to eat since the pre-UI job separation, at either Wave 1 or Wave 2. Respondents were asked at Wave 2 whether their UI payments were very important, somewhat important, somewhat unimportant, or very unimportant in helping meet financial obligations and avoid financial losses. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California.

^aThe mean and standard deviation for this outcome are based on the subset of respondents who were looking for work at Wave 2, typically worked 35 or more hours per week at the pre-UI separating job, and had a ratio less than 3.

^bThe regression controlled for the natural log of the weekly benefit amount.

^cOnly the regression for the ratio of the minimum weekly earnings sought at Wave 2 to the weekly wage from the pre-UI separating job controls for this covariate.

Table C.2. Predicted differences in the probability of exhaustion, the ratio of the minimum weekly wage sought at Wave 2 to the pre-UI weekly wage, and the probability of reemployment (percentages except where indicated)

	Probability of Exhausting Benefits	Ratio of Minimum Weekly Earnings Sought at Wave 2 to Weekly Wage from Separating Job	Probability of Being Reemployed by Wave 2
Los Angeles (ref. category: Central Valley)	-0.5	0.07	-7.3*
Measures of benefit availability and generosity			
Potential duration (one week)	-4.1*	-0.00	0.4
Weekly benefit amount (\$273 to \$335) ^a	1.5*	-0.03*	1.1*
Exhausted UI benefits by Wave 2	n.a.	-0.09*	n.a.
Pre-claim job characteristics			
Base period earnings (\$1,000)	0.0	0.00*	0.0
Pre-UI separating job was seasonal or temporary	-8.4*	-0.01	22.1*
Union member	-27.6*	-0.20*	24.9*
Tenure with pre-UI separating employer (five years)	0.2*	0.00	-0.1
Demographic characteristics			
Age (five years)	-0.6	-0.00	-0.6
Female	-0.4	0.10	5.9
Race/ethnicity (ref. category: Non-Hispanic White)			
Non-Hispanic African American	6.5	-0.10	-6.6
Hispanic	2.1	0.02	2.6
Asian, American Indian, Alaska Native, or Other	2.7	0.05	-3.3
Highest degree completed (ref. category: High school diploma or equivalent)			
Less than high school	2.9	-0.01	12.0*
Some college, no degree	3.7	0.01	4.1
Associate's degree	0.4	-0.05	4.3
Bachelor's degree	-2.0	0.01	7.9
Graduate or professional degree	-1.3	0.10	12.7*
Marital status			
Married or with a partner	-2.0	-0.04	4.5
Female and married or with a partner	5.5	-0.07	-6.8
Household size			
Household has more than 2 people	-4.9	-0.09	4.8
Female and household has more than 2 people	4.0	-0.03	-9.0
Other characteristics			
Days from the end of the first compensable week to the Wave 2 interview (120 days)	n.a.	-0.00	n.a.
Participated in a public program at the time of job separation	8.2*	0.04	-1.7
Veteran	-2.2	0.11	-2.6
Reported health status (ref. category: Good)			
Excellent	-6.5*	-0.01	0.5
Fair	0.7	-0.03	-1.9
Poor	-4.6	-0.08	-14.4*

	Probability of Exhausting Benefits	Ratio of Minimum Weekly Earnings Sought at Wave 2 to Weekly Wage from Separating Job	Probability of Being Reemployed by Wave 2
Pseudo R-squared^b	0.10	0.18	0.11
Unweighted sample size	1,570	401	1,568

Source: Longitudinal Survey of UI Recipients data.

Notes: Differences in predicted probabilities were estimated using linear regression for the ratio outcome and logistic regression for the binary outcomes, controlling for the variables listed in the table. The estimation sample for the ratio of minimum weekly earnings sought at Wave 2 to the weekly wage from the pre-UI separating job consists of recipients who were looking for work at Wave 2, typically worked 35 or more hours per week at the pre-UI separating job, and had a ratio less than 3. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California.

*Coefficient from the logistic regression was statistically significantly different from zero at the .05 level, two-tailed test.

^aThe regression controlled for the natural log of the weekly benefit amount.

^aWe report the pseudo R-squared for logistic regressions and the R-squared for the linear regression.

n.a. = not applicable.

Table C.3. Predicted differences in the probabilities of having food insecurity between the time of job separation and Wave 2, participating in public programs providing income or in-kind support, and reporting UI is very important for meeting financial obligations (percentages)

	Probability of Ever Having Food Insecurity Between Job Separation and Wave 2	Probability of Participating in a Public Program Providing Income or In-Kind Support at Wave 2	Probability of Reporting UI is Very Important for Meeting Financial Obligations
Los Angeles (ref. category: Central Valley)	5.4*	-2.2	1.6
Measures of benefit availability and generosity			
Potential duration (one week)	0.3	-0.3	0.2
Weekly benefit amount (\$273 to \$335) ^a	0.5	-2.0*	2.4*
Pre-claim job characteristics			
Base period earnings (\$1,000)	-0.0*	0.0	0.0*
Pre-UI separating job was seasonal or temporary	-6.6*	-2.6	-2.5
Union member	-2.9	-7.8	-4.9
Tenure with pre-UI separating employer (five years)	-0.2*	0.1	-0.1
Demographic characteristics			
Age (five years)	-0.5	0.1	-1.4*
Female	11.4*	2.7	-3.5
Race/ethnicity (ref. category: Non-Hispanic White)			
Non-Hispanic African American	13.4*	0.5	15.4*
Hispanic	8.3*	3.1	7.8*
Asian, American Indian, Alaska Native, or Other	-3.4	-2.0	4.2

	Probability of Ever Having Food Insecurity Between Job Separation and Wave 2	Probability of Participating in a Public Program Providing Income or In-Kind Support at Wave 2	Probability of Reporting UI is Very Important for Meeting Financial Obligations
Highest degree completed (ref. category: High school diploma or equivalent)			
Less than high school	10.5*	1.7	1.0
Some college, no degree	-3.1	-2.9	-2.4
Associate's degree	2.1	-1.0	-3.8
Bachelor's degree	-16.3*	-7.1	-9.3*
Graduate or professional degree	-17.7*	-0.7	-12.8*
Marital status			
Married or with a partner	2.3	2.2	-1.1
Female and married or with a partner	-12.6*	-9.8*	0.8
Household size			
Household has more than 2 people	0.8	-2.5	-3.2
Female and household has more than 2 people	-4.8	9.6*	5.7
Other characteristics			
Participated in a public program at the time of job separation	-0.9	52.3*	1.1
Veteran	10.5	3.3	-5.6
Reported health status (ref. category: Good)			
Excellent	0.8	-1.3	-1.0
Fair	12.5*	5.2	-2.4
Poor	39.6*	3.1	-7.7
Pseudo R-squared	0.14	0.33	0.08
Unweighted sample size	1,561	1,559	1,505

Source: Longitudinal Survey of UI Recipients data.

Notes: Differences in predicted outcomes were estimated using logistic regression, controlling for the variables listed in the table. Recipients were identified as ever having food insecurity if they reported that they sometimes or often did not have enough to eat since the pre-UI job separation, at either Wave 1 or Wave 2. Recipients were asked at Wave 2 whether their UI payments were very important, somewhat important, somewhat unimportant, or very unimportant in helping meet financial obligations and avoid financial losses. Los Angeles refers to the Los Angeles metropolitan statistical area, which consists of Los Angeles County and Orange County. Central Valley refers to a subset of counties in central California.

*Coefficient from the logistic regression was statistically significantly different from zero at the .05 level, two-tailed test.

^aThe regression controlled for the natural log of the weekly benefit amount.

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