

ASSESSMENT OF LOW BENEFIT RECIPIENCY RATES IN STATE UNEMPLOYMENT INSURANCE PROGRAMS

U.S. Department of Labor, Employment and Training Administration

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Project Summary: The fraction of workers who receive benefits from state UI programs in the United States varies widely from state to state. For example, in 1998, the UI reciprocity rate -- traditionally measured in terms of the ratio of insured unemployed to the total unemployed -- was 36 percent, with states ranging from a low of 17 percent to a high of 67 percent. Past studies sponsored by the U.S. Department of Labor (DOL) identified a number of potential explanations for observed variation in reciprocity rates across states, including restrictiveness of eligibility requirements, strictness of penalties for disqualifications, differences in labor force composition, and variation in methods for making initial and continuing claims. This study was intended to examine variations in UI reciprocity rates and provide potential explanations for cross-state variations based on a combination of (1) quantitative analyses of existing UI reciprocity data and (2) qualitative assessments based on documents, interviews, and additional data collected during site visits to eight states. CRC project staff was involved in site visits to four of the eight states visited as part of this study and drafted site visit summaries. The final report included analysis of potential explanations for cross-state variation in reciprocity rates, as well as provided policy and program options for effecting UI reciprocity levels.

Report:

W. Vroman, *Low Benefit Reciprocity in State Unemployment Insurance Programs*, The Urban Institute, prepared for the Employment and Training Administration, Department of Labor, 2001.