

Disparities in Access to State Unemployment Insurance Programs

By

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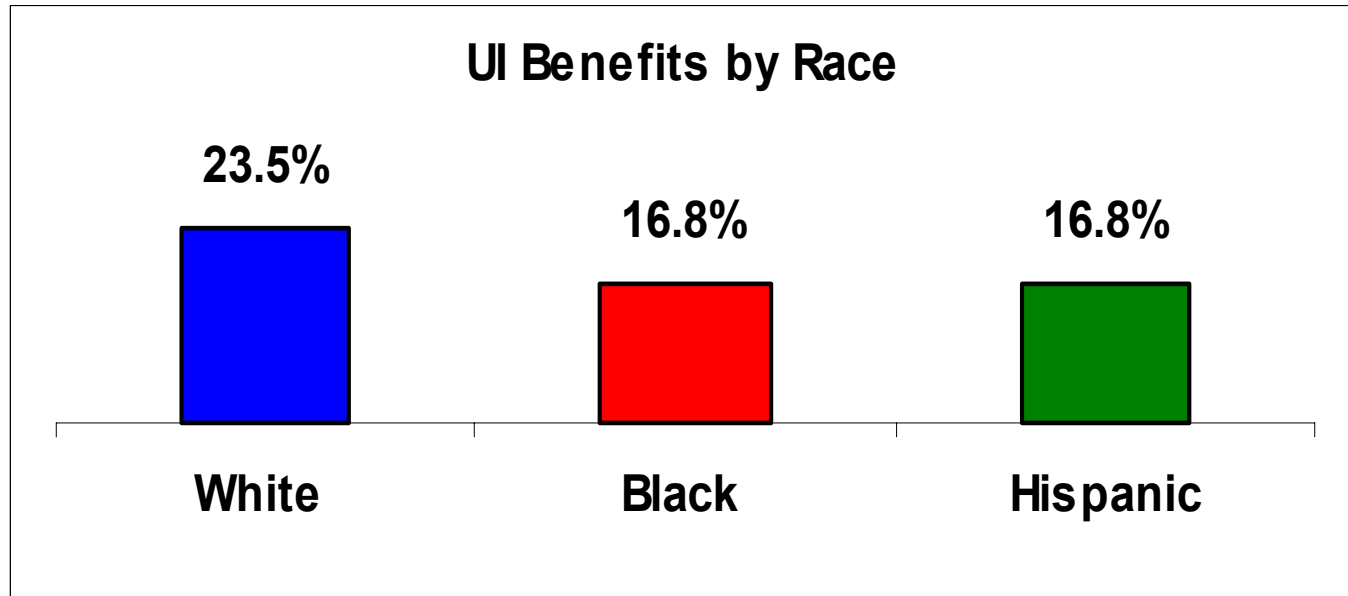
15th Annual NASI Conference

Unsettling Statistics

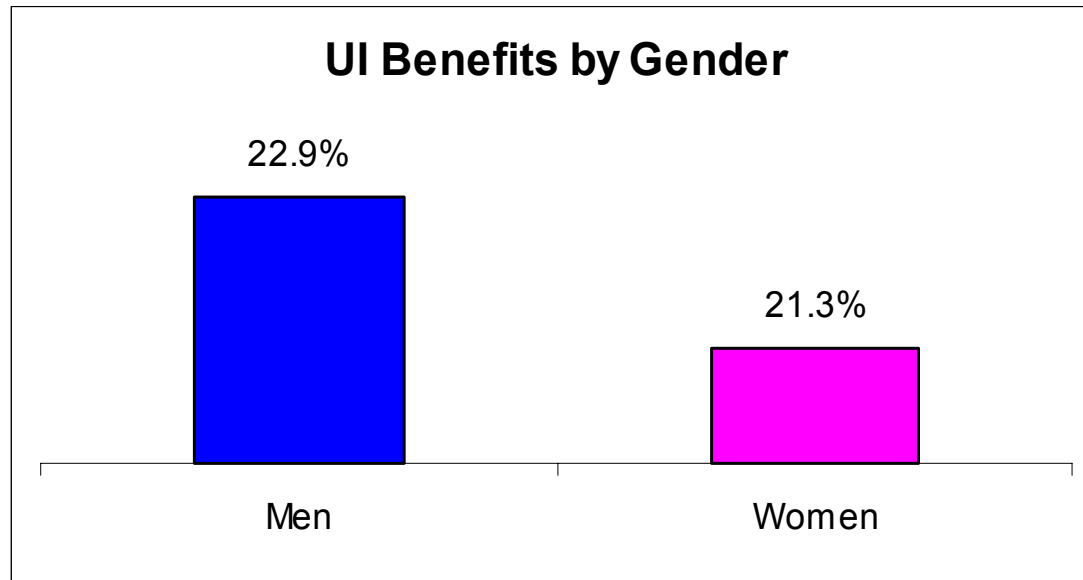
- African Americans, Latinos and women are 6.7 percent, 6.7 percent, and 1.6 percent, respectively, less likely to receive unemployment insurance (UI) than unemployed whites and men.

CPS Data

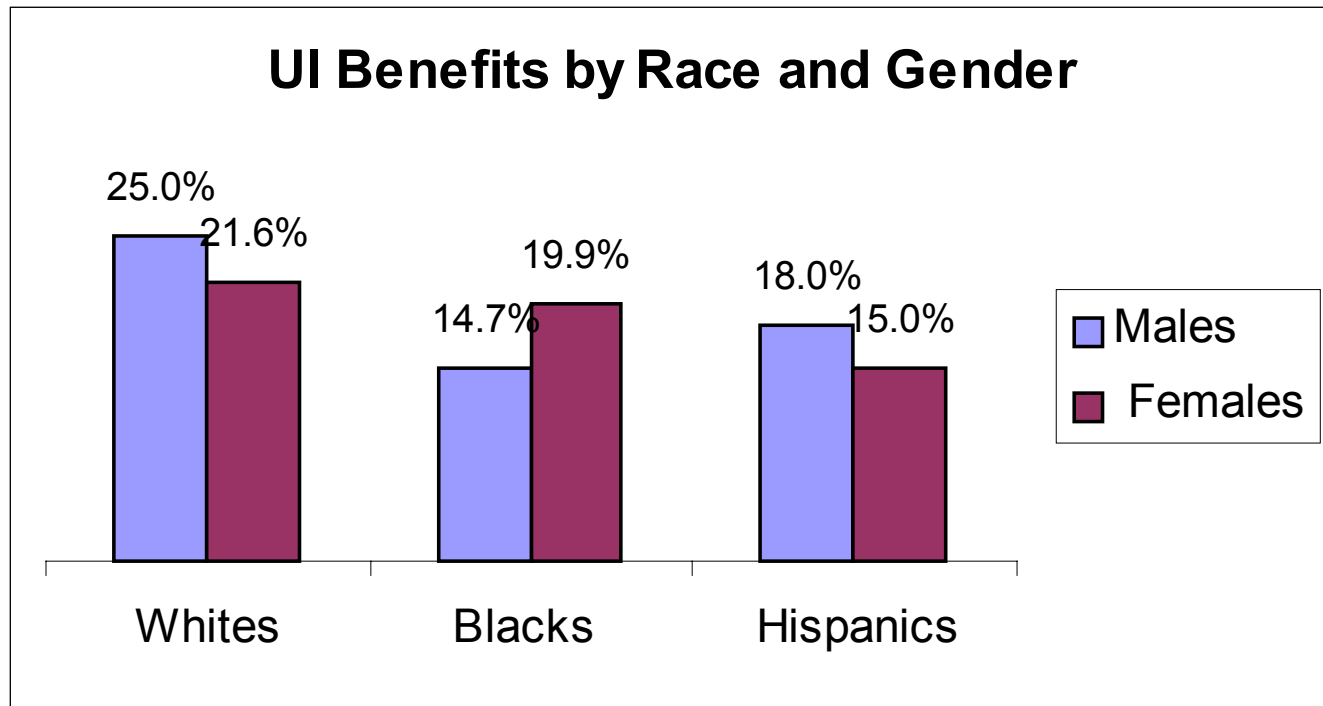
The data for this study are from the 2001 Current Population Survey (CPS) March Supplement, taken by the U.S. Census Bureau to examine income and poverty in 2000. There are approximately 5,400 individuals in the sample who were unemployed during some part of 2000. Only 22.2 percent of the unemployed people within the sample reported receiving unemployment insurance benefits.



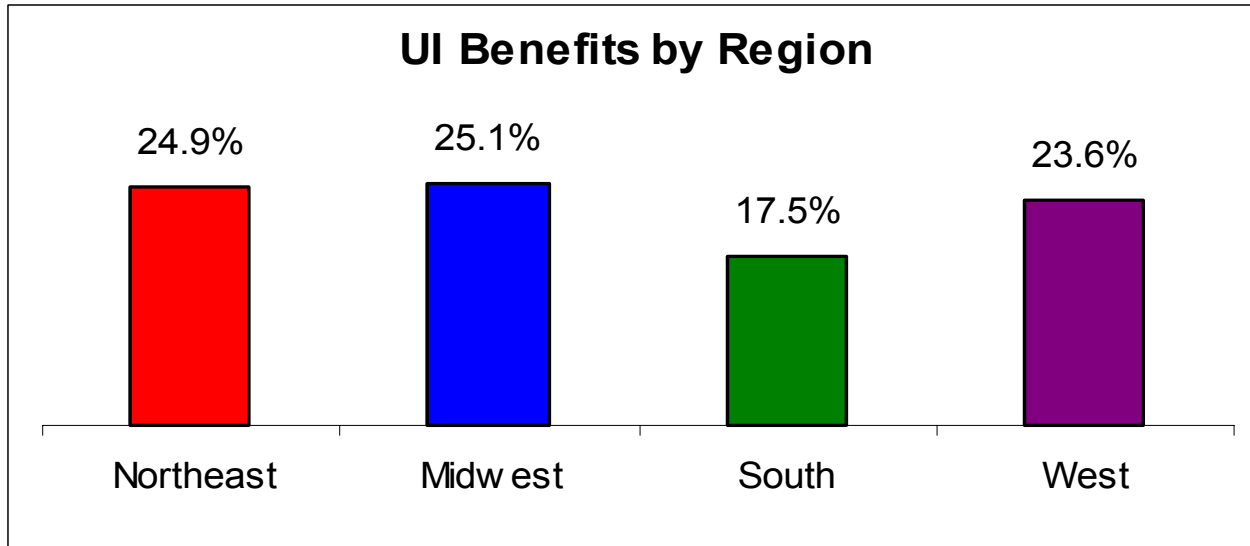
The above graph shows the disparity in the disbursement of unemployment insurance by race.



When only gender is considered, men receive unemployment insurance benefits more readily than women.

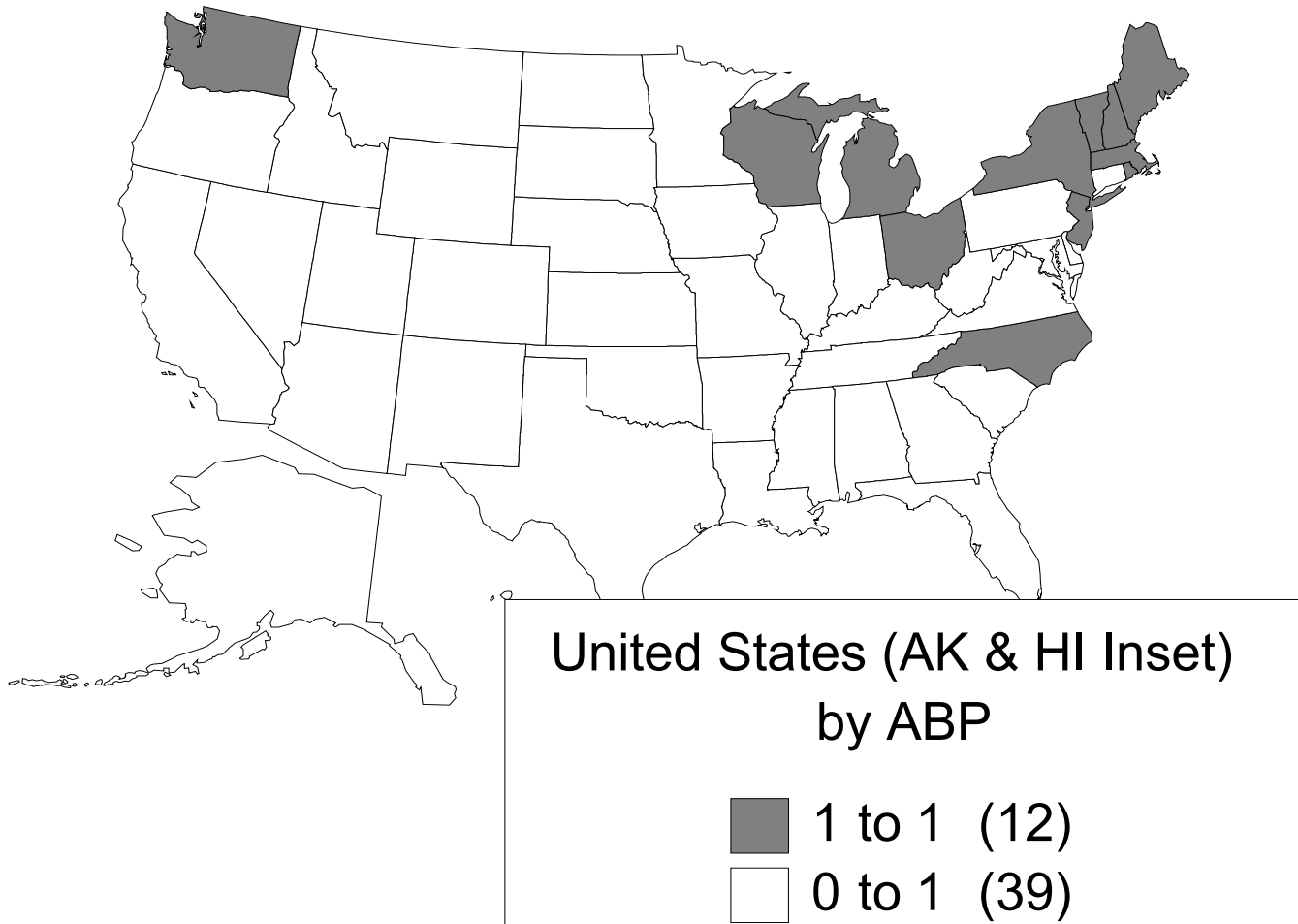


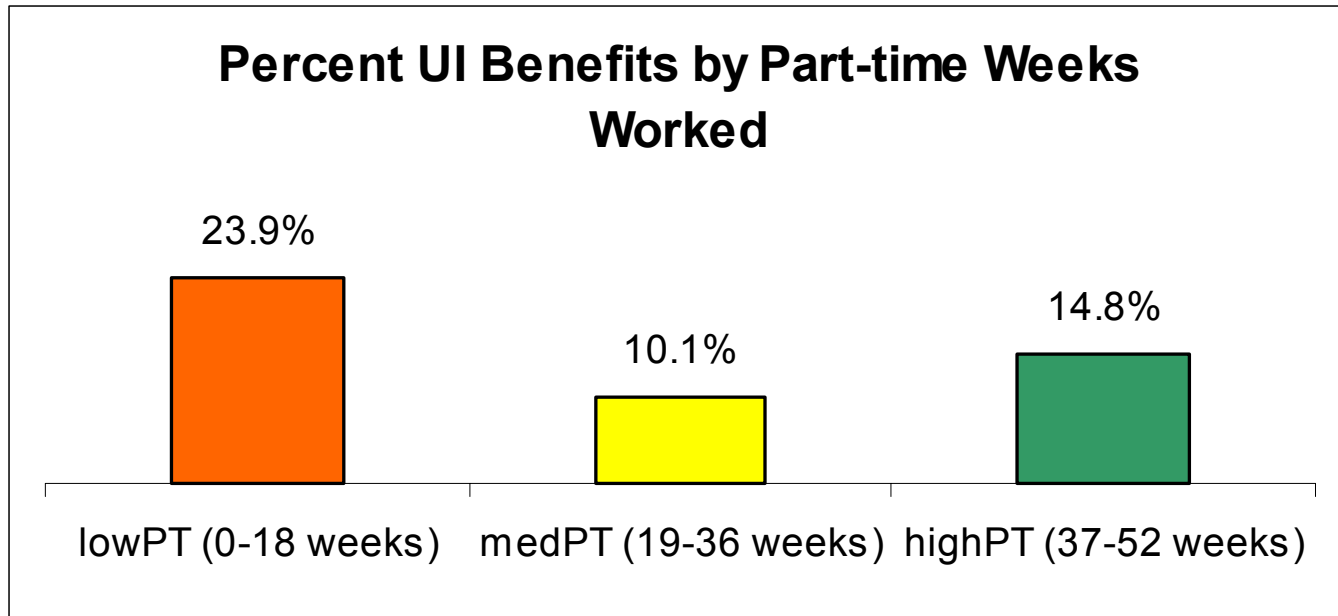
More white men and women received unemployment insurance compared to African American and Latino men and women. Essentially, black men are the least likely group to receive unemployment insurance benefits.



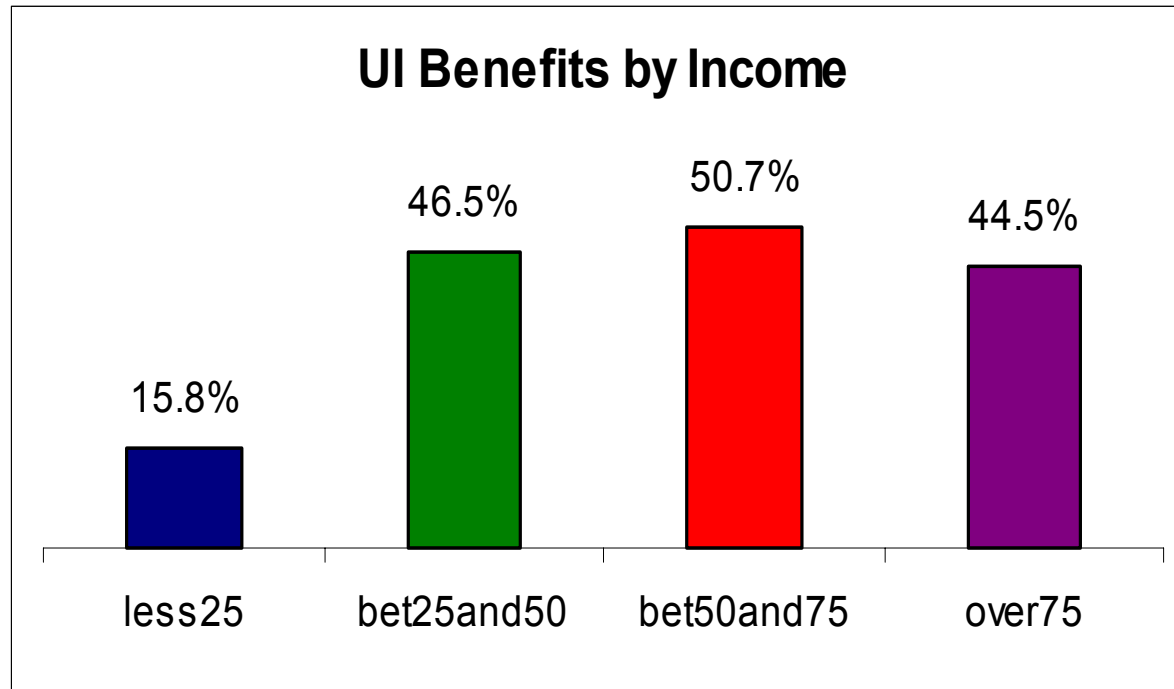
Regionally, the Midwest and the Northeast have the highest UI benefit recipiency rates, followed by the West. The South has the lowest rate for recipiency. The largest proportion of the black population from the CPS data is concentrated in the Southern region (30.1 percent) of the United States.

Example of a State Policy Map (Only 12 States had an Alternative Base Period)





A very small percentage of unemployed workers who worked part-time for 19 to 36 weeks of the year received UI benefits.



Interestingly, the group of unemployed workers with Incomes between \$50,000 and \$75,000 received UI benefits at the highest rate compared to the very low earners and the very high earners.

Percentage of UI Benefits Received based on Education Level

Education Level	Percent Received UI
No HS diploma	13.6%
HS graduate	26.1%
Some College or Assoc. Deg.	24.0%
Bachelor's Degree	24.4%
Grad. or Prof. Degree	24.6%

Clearly, those without a High School diploma are the least likely group to receive unemployment insurance benefits.

Percentage of UI Benefits Received based on Marital Status

Marital Status	Percent Received UI
Married or other	30.8%
Single	32.6%
Never Married	12.0%

Individuals who have never married are the least likely group to receive unemployment insurance, and much of the African American population falls into that marital status category.

Empirical Methods

- A logit model was estimated where the binary choice dependent variable is whether an individual receives UI benefits or not.
- The key demographic information for the unemployed consists of race, age, gender, marital status, educational attainment, and union membership status.

Empirical Methods cont'd

- Initially, only a simple model with race and gender was estimated.
- State policy variables were added to the model, to control for differences in state UI benefit eligibility requirements.

Key Results

- Based on the results, the gender, race and ethnic differences in getting UI benefits show evidence of problems with the administration of the benefits.
- The remaining gap for African Americans, after controlling for state policies, can be further explained by differences in the demographic makeup of blacks and whites.

Policy Recommendations

- Administrative problems, where unemployment officials can discriminate against African Americans when they apply for UI benefits, need to be resolved and eliminated.
- The unemployment insurance system should be designed to allow for an extension of benefits, especially since African Americans tend to be unemployed for longer periods of time compared to whites.