Unemployment Insurance participation by education and by race and ethnicity

Among unemployed workers, the less educated and racial and ethnic minorities are less likely than the highly educated and White non-Hispanics to apply for and to receive unemployment insurance benefits; those who are less educated are also far more likely to perceive themselves as ineligible for benefits for monetary reasons

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The purpose of the Federal–State Unemployment Insurance (UI) Program is to provide partial wage replacement for individuals who lose a job through no fault of their own. The program also serves to stabilize the macroeconomy during economic downturns.[1] Receipt of UI, however, is far from universal, with consistently less than half of unemployed workers receiving benefits, outside of major economic downturns.[2] Which workers fall into the group of insured unemployed and which do not varies with several factors, such as the worker's reason for unemployment, earnings history, part-time or full-time work status, union coverage, and duration of unemployment. Little research, however, has been devoted to whether application for and receipt of benefits among applicants varies systematically with two key demographic characteristics: educational attainment, and race and ethnicity.

Recent research suggests that low-educated unemployed workers are less likely to access UI than high-educated unemployed workers and that minority unemployed workers are less likely to do so than White non-Hispanic unemployed workers.[3] At the same time, low-educated unemployed workers and minority unemployed workers may be more likely to need the monetary support provided by UI, because they are less likely to have assets that they can draw on to smooth consumption during periods of unemployment.[4] Although a number of studies have examined workers' educational attainment, as well as race and ethnicity, with an eye toward determining the overall likelihood that a worker will receive UI benefits,[5] to date no in-depth analysis has been conducted that examines the role of educational attainment or that of race and ethnicity in determining application rates, receipt of UI by applicants, and perceived ineligibility for benefits.

To better understand which workers apply for UI and which applicants receive it, this article analyzes the Current Population Survey (CPS) May 2005 UI Non-Filers Supplement. Stratifying the sample by educational attainment and by race and ethnicity, the analyses that follow examine whether unemployed workers apply for UI, whether applicants receive UI, and why nonapplicants fail to apply. Among the findings is that unemployed workers without a high

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school diploma are far less likely to apply for UI and, among those who do apply, far less likely to receive UI, than their college-educated counterparts. By contrast, differences in rates of UI application and receipt among applicants with a high school degree or higher are less pronounced. Still, the article finds statistically significant differences across education levels in the reasons cited by non-filers for their failure to apply.

Another finding, this time with regard to race and ethnicity, is that there is bivariate evidence that Hispanics are less likely both to apply for UI and to receive UI if they do apply, compared with White non-Hispanics. Hispanics are also less likely to know that UI benefits exist and less likely to know how to apply. Some, but not all, of this variation is accounted for by the higher percentage of noncitizens among Hispanic workers. Finally, there is bivariate evidence that Blacks are less likely to apply for UI than White non-Hispanics, and although there appears to be a difference in the rate of receipt between applicants in these two groups, it is not statistically significant. Differences in rates of application and in rates of receipt among applicants, by race and ethnicity, are less robust in multivariate models.

Background

The UI Program is administered through a federal–state partnership. Thus, eligibility requirements, the size of the benefit, and the duration of receipt of the benefit vary among states. During normal macroeconomic conditions, individuals typically are eligible to receive a percentage of their previous earnings for up to 26 weeks. To receive this benefit, individuals must (1) apply for UI; (2) satisfy "monetary eligibility"[6] criteria, which typically require that an individual have earnings above a minimum threshold (that varies by state) in a designated four-quarter period; and (3) satisfy "initial nonmonetary eligibility criteria," which typically require that an employment separation be involuntary and no-fault and that the worker be engaged in an ongoing search for reemployment. In some cases, individuals with a voluntary separation meet nonmonetary requirements if the separation is considered in "good cause," such as to avoid harassment or domestic violence or to relocate to another state because of a spouse's employment situation.[7]

The proportion of the unemployed receiving UI declined from around 50 percent in the 1950s to below 35 percent in a number of years during the 1980s and 1990s, and remained at 37 percent in 2007 on the eve of the Great Recession. In the past few years of high unemployment, UI recipiency, including benefits from both the regular program and federal extensions, jumped dramatically, peaking at 66 percent, as an annual percentage, in 2010. This outcome appears to be largely a result of multiple extensions to federal programs, coupled with unemployment spells of unprecedented duration, and it is likely that recipiency rates will resume falling as the economy improves.

Several articles in the literature have examined systematic variation in which individuals receive UI. Examining receipt based on gender, age, race, educational attainment, and previous employment status, these studies generally find that low-educated workers and racial and ethnic minority workers are less likely to receive UI, but the reasons for this finding are largely unknown: it could be a result of differences in application rates or eligibility rates.[8] Nonmonetary eligibility requirements present a greater barrier to accessing UI than monetary requirements, which a large majority of even low-wage workers meet. Still, even among unemployed workers who appear to be eligible, low-educated workers and low-wage workers are less likely than others to report receipt of UI benefits.[9] To date, no studies have examined whether there is systematic variation in UI application rates and in receipt among applicants by education level and by race and ethnicity of potential applicants.

Low-educated workers and minority workers are more likely to lose their jobs during economic downturns and have less of a financial cushion than their respective more educated and White non-Hispanic counterparts.[10] Thus, these workers could benefit greatly from the income-stabilizing function of UI. At the same time, unemployed individuals who are members of minority racial or ethnic groups or who have low levels of educational attainment could face unique barriers to receipt of benefits. These workers could lack knowledge about the existence of benefits or application procedures, have difficulty satisfying eligibility criteria, face discrimination when applying for benefits, or have difficulty completing the application proc-ess. Understanding whether individuals who fall into specific racial or ethnic or education-level categories have lower rates of UI application and receipt—and if so, why—is crucial to developing policies ensuring that the UI Program satisfies its intended function for all members of the labor force. This article provides evidence suggesting that low-educated workers and Hispanic workers apply for and, among those who do apply, receive UI at lower rates than more highly educated workers and White non-Hispanic workers. The article also provides some evidence as to why these differences exist and suggests future directions for research that would more conclusively determine the causes of the differences.

Data and methods

The CPS is a monthly survey of 60,000 nationally representative U.S. households. Conducted by the Census Bureau on behalf of the Bureau of Labor Statistics, the CPS includes data on demographic characteristics and the work situations of respondents. Supplementary questions are added to the survey in given months in order to gain more detailed information on specific topics, including filing for UI. The CPS has conducted four supplementary surveys on applications for and (among applicants) receipt of UI: one in 1976, one in 1989, one in 1993, and, most recently, one in 2005. Beyond the demographic and labor force participation variables available in the core CPS surveys, the May 2005 UI Non-Filers Supplement provides recent data on whether unemployed workers have applied for UI, whether they received benefits if they applied, and, if they did not apply, the reasons they give for not applying. These kinds of information make the CPS UI Non-Filers Supplement the best available data source for a preliminary exploration of variation in UI application and in receipt among applicants. A search of the literature indicates that this supplement has not yet been analyzed on the basis of either educational attainment or race and ethnicity.

The analyses that follow use the 2005 CPS UI Non-Filers Supplement (1) to estimate the proportion of the unemployed that applies for UI, (2) to estimate the proportion, among those who do apply, that receives UI, and (3) to examine various reasons workers did not apply. The population is stratified by educational attainment and by race and ethnicity.

The estimates obtained are restricted to unemployed workers who were job losers (including those whose temporary job had ended) and unemployed workers who were job leavers. Job losers are more likely to be eligible for UI than job leavers, because they are more likely to meet the nonmonetary eligibility requirements, which generally call for the employment separation to be initiated by the employer; however, because several categories of job leavers are eligible (recall the earlier discussion), they are also included in the sample.[11] Excluded are individuals who were working, those who were not in the labor force, new entrants into the labor force, and reentrants. There is no consensus in the literature on how to handle reentrants: some studies assume that they are likely to have spent a short period outside of the labor force and to display characteristics similar to those of job losers and job leavers,[12] while others assume that reentrants have likely spent a long period outside of the labor force and thus group them together with new entrants.[13] Because there probably is considerable heterogeneity within this group, with some respondents being similar to new entrants and others being more similar to job losers and job leavers, they are excluded from the analyses.[14] Ninety-four respondents who did not answer the survey question "Did you apply for UI" were excluded from the analyses. Thus, the resulting sample is 1,816 respondents.

The number of years of education is used to place respondents into one of four categories: "less than a high school diploma" for individuals without a high school diploma or a General Educational Development (GED) certificate; "high school diploma," for individuals who have a high school diploma or a GED but who had not attended any college; "some college," for individuals who attended a postsecondary institution without receiving a bachelor's degree; and "bachelor's degree or higher" (self-explanatory). Respondents were also placed into four mutually exclusive race and ethnicity categories: White non-Hispanic, Black, Hispanic,[15] and "other race." Data on individuals in the "other race" category were excluded from some of the tables because of inadequate sample size.

Citizenship status can affect an individual's eligibility (or perceived eligibility) for government benefits[16] and is correlated with ethnicity. Slightly more than a third of Hispanic respondents in the sample were not citizens, compared with 4.1 percent of Black respondents and 1.6 percent of White non-Hispanic respondents. To examine the citizenship status of respondents in the sample, a detailed measure of citizenship status was collapsed into the dichotomous categories "citizen" and "noncitizen." In alternative analyses, the dichotomous categories "immigrant" and "nonimmigrant" were used, with substantively similar results.

Survey questions such as "Did you receive unemployment insurance?" and "Is this a reason that you did not apply for unemployment insurance" were recoded so that both "I don't know" and "no" responses were coded as "no."[17] "Yes" responses were the only responses coded as "yes," and refusals were coded as missing. Thirty-nine observations that were inconsistently coded were excluded from the analyses of reasons given by nonapplicants for failure to apply.

For consistency, in the estimates discussed White non-Hispanic respondents are used as the reference category for comparison with other race and ethnicity categories. Respondents with a bachelor's degree are used as the reference category for comparison with all other categories of educational attainment. Estimates are weighted with probability weights provided by the U.S. Census Bureau,

and standard errors are clustered at the state level to account for the CPS's stratified survey design.

Rates of application

The top half of table 1 shows the proportion of unemployed individuals who applied for UI, stratified by educational attainment (left-hand panel) and by race and ethnicity (right-hand panel). The full sample of unemployed workers is examined, as are job losers and job leavers separately. Among the three groups of respondents with a high school diploma or higher, the proportion of respondents applying for UI ranges from 44.6 percent of those with just a high school diploma to 50.9 percent of those with a bachelor's degree or higher, and the difference is significant at only the .10 level. By contrast, among respondents with less than a high school diploma, only 30.6 percent applied for UI. This percentage is a statistically significant 20.3 percentage points lower than the application rate among respondents with a bachelor's degree or higher. Thus, workers with less than a high school diploma are much less likely than more highly educated workers to apply for UI.

Moreover, this finding is consistent across both job losers and job leavers: While 57.2 percent of job losers with a bachelor's degree or higher applied for UI, the same was true of just over a third of job losers with less than a high school diploma. Even among job leavers, those with less than a high school diploma were less likely to apply: 7.6 percent, in comparison to 23.3 percent of those with a bachelor's degree or higher.

The top right-hand panel of the table shows that there are some statistically significant differences across racial and ethnic groups as well. Whereas 49.5 percent of White non-Hispanic respondents applied for UI, the same was true of only 38.4 percent of Black respondents. Interestingly, the difference, marginally significant at the .10 level, was entirely a result of Black job losers being less likely to apply than White job losers: application rates among job leavers were similar for the two groups.

Even less likely to apply were Hispanic respondents, with slightly more than a third of them doing so. Because different rates of citizenship may explain some of this disparity,[18] Hispanic citizens were compared with White non-Hispanic respondents.[19] The resulting gap between these groups was narrower than that between Hispanic and White non-Hispanic respondents: 8.9 percentage points versus 15.5 percentage points (significant at the .01 and .001 level, respectively). Thus, citizenship explains some of the differences in application rates for UI between Hispanic and White non-Hispanic workers, differences that were consistent across both job losers and job leavers. Restricting the analyses to Hispanic citizens narrows the gap among job losers, but not among job leavers.

Receipt among those who applied

Simply applying for UI does not guarantee that one will receive benefits: workers also must satisfy monetary and nonmonetary criteria to be eligible. The bottom half of table 1 shows levels of UI receipt among the 585 respondents in the sample who applied for benefits.

Among applicants for UI, the probability of UI receipt declines as educational level decreases. Applicants with a bachelor's degree or higher are approximately 9 percentage points more likely to receive benefits than are applicants with some college (significant at the .05 level) and applicants with a high school diploma only (statistically insignificant). Respondents with less than a high school diploma who applied for UI are 18.0 percentage points less likely to receive benefits than their counterparts with a bachelor's degree (significant at the .01 level). The disparity between college-educated respondents and those with less than a high school diploma remains large among both job losers and job leavers, although the difference is not statistically significant among the leavers.

With regard to rates of receipt stratified by race and ethnicity, Hispanic applicants are considerably less likely to receive UI than their White non-Hispanic counterparts are, even when the sample is restricted to Hispanic citizens. This finding suggests that citizenship status cannot completely account for the differences in rates of receipt among UI applicants in these two groups. Black applicants are 7 percentage points less likely to receive benefits than non-Hispanic Whites; however, this difference is not significant.

Multivariate models

Tables 2 and 3 report on a series of linear probability models that further test the bivariate relationships described in the previous two sections. Table 2 reports on models in which the outcome is the probability of applying for UI, while table 3 reports on models in which the outcome is the probability of UI receipt among applicants. All of the models include controls for age of respondent (in dummies for younger than 25, 25–34, 35–44, 45–54, and 55–64), gender, and marital status. Results are given for five models. The first four models examine, respectively, education level, citizenship, race and ethnicity, and the reason for the employment separation. The final model

Table 1. Proportion of workers applying for unemployment insurance and proportion of applicants receiving unemployment insurance, 2005

[In percent]

Category of worker	Educational attainment				Race, ethnicity, and citizenship			
	Bachelor's degree or higher	Some college	High school diploma	Less than a high school diploma	White non-Hispanic	Hispanic	Hispanic citizens	Black
Proportion of workers applying for unemployment insurance								
Unemployed	50.9 (3.3)	51.5 (3.4)	[1]44.6 (2.8)	[2]30.6 (3.7)	49.5 (2.6)	[2]34.0 (3.6)	[3]40.6 (3.7)	[1]38.4 (5.3)
Job Losers	57.2 (3.7)	59.4 (3.6)	[1]49.8 (3.1)	[2]34.7 (4.3)	56.3 (2.3)	[2]38.2 (3.4)	[1]48.4 (4.5)	[4]41.8 (5.7)
Job Leavers	23.3 (4.9)	24.2 (5.4)	17.5 (3.4)	[4]7.6 (3.8)	20.4 (3.8)	[4]6.4 (4.5)	[4]6.4 (5.0)	23.0 (6.1)
Proportion of applicants receiving unemployment insurance								
Unemployed	76.3 (3.9)	[4]67.1 (4.2)	67.5 (3.1)	[3]58.3 (3.4)	70.9 (1.9)	[3]56.8 (3.6)	[4]60.1 (4.0)	63.9 (5.7)
Job losers	76.7 (4.4)	70.8 (4.1)	69.3 (3.3)	[3]58.7 (3.4)	72.9 (2.0)	[3]58.1 (3.9)	[4]61.9 (4.7)	64.4 (6.5)
Job leavers	72.7 (11.9)	[4]36.4 (14.9)	[1]40.5 (12.9)	46.9 (23.4)	46.6 (7.9)	[3]8.3 (9.6)	– –	59.1 (17.4)

[1] Significantly different from the reference group at $p < .1$.
[2] Significantly different from the reference group at $p < .001$.
[3] Significantly different from the reference group at $p < .01$.
[4] Significantly different from the reference group at $p < .05$.

NOTE: Standard errors are in parentheses below values. Dash indicates no applicants received unemployment insurance.

SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

adds in state fixed effects.

The probability of those with less than a high school diploma applying for UI ranges from 10.5 percentage points to 14.9 percentage points lower than the probability of those with a bachelor's degree or higher applying. For all racial and ethnic groups, citizenship is associated with a substantial increase in the probability of applying, while being a job leaver is associated with a substantial decrease in this probability. Differences in application rates by race and ethnicity are less robust to model specification. Hispanic origin is negatively associated with the probability of applying, but with statistical significance at the .05 level in only two of four models. The point estimates associated with being Black are negative and between 7 percentage points and 8 percentage points across three models, but are not statistically significant in any of them. When state fixed effects are introduced in model 5, the point estimate associated with being Black approaches zero, rising to a statistically insignificant –1.9 percentage points.

Table 3 shows that the probability of those with less than a high school diploma receiving UI benefits is much lower than the probability of those with a bachelor's degree or higher receiving benefits. Once again, the point estimates associated with being Black are negative, but not statistically significant. Across all models,[20] Hispanic applicants are 8.7 percentage points to 12.1 percentage points less likely to receive benefits than White non-Hispanic applicants. Interestingly, citizenship is not statistically significantly related to receipt among applicants. By contrast, being a job leaver is highly associated with a lower probability of receiving benefits.

The bivariate and multivariate analyses yield statistically significant evidence that unemployed individuals with less than a high school diploma are much less likely to apply for UI, and less likely to receive it if they do apply, than college-educated unemployed workers. Further, the bivariate estimates suggest that both Black unemployed workers and Hispanic unemployed workers are less likely to apply for UI, and less likely to receive benefits, compared with college-educated and non-Hispanic White unemployed workers, respectively. In the multivariate estimates, however, the disparities by race and ethnicity are sensitive to the inclusion of other characteristics. The only consistent association identified is the probability of receipt of benefits among Hispanic UI applicants—an association that ceases

Table 2. Linear probability model of probability of application for UI among unemployed workers, 2005

Category	Model 1	Model 2	Model 3	Model 4	Model 5
Less than a high school diploma	[1]–0.149 (.049)	–	[2]–0.106 (.045)	[1]–0.120 (.044)	[2]–0.105 (.046)
High school diploma	–.008 (.037)	–	.002 (.033)	–.015 (.032)	–-.018 (.033)
Some college	.047 (.036)	–	.050 (.036)	.051 (.034)	.049 (.033)
Other race	–	–.004 (.053)	–.003 (.054)	.003 (.052)	.005 (.049)
Black	–	–.085 (.062)	–.074 (.058)	–.074 (.058)	–.019 (.047)
Hispanic	–	[2]–.086 (.038)	–.057 (.037)	[2]–.062 (.028)	[3]–.044 (.026)
Citizen	–	[1].156 (.045)	[2].122 (.046)	[1].155 (.047)	[1].169 (.047)
Job Leaver	–	–	–	[4]–.291 (.038)	[4]–.266 (.041)
State fixed effects	No	No	No	No	Yes
Constant	[1].304 (.059)	[1].150 (.049)	[1].192 (.064)	[1].251 (.062)	–.038 (.056)
N	1,816	1,816	1,816	1,816	1,816
R squared	.085	.084	.094	.142	.190

[1] Significantly different from the reference group at $p < 0.01$.
[2] Significantly different from the reference group at $p < 0.05$.
[3] Significantly different from the reference group at $p < 0.1$.
[4] Significantly different from the reference group at $p < 0.001$.

NOTE: Robust standard errors are in parentheses below values.

Reference category for race and ethnicity dummies is White non-Hispanic, for educational attainment dummies is bachelor's degree or higher, for citizenship dummy is citizen, and for job separation dummy is job loser. Dash indicates variable not in model.

SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

to be statistically significant when state fixed effects are included in the models.

Taken together, these individual bivariate differences in both application rates and receipt among applicants result in a large disparity in overall rates of access to UI by White non-Hispanic workers compared with minority workers, as well as a large disparity in overall rates of access between highly educated workers and low-educated workers. Charts 1 and 2 illustrate these differences, breaking the full population of job losers and job leavers into three groups: nonapplicants, applicants who did not receive UI, and applicants who received UI. On both charts, looking at the percentages representing recipients, one can see that the lower rates of application, taken together with the lower rates of receipt among those who do apply, have appreciable consequences: a far lower percentage of the overall populations of unemployed minority workers and unemployed low-educated workers receive assistance from the UI Program than do unemployed White non-Hispanic workers and unemployed highly educated workers, respectively.

It is, however, possible that the lower rates of application reflect correct perceptions by minority workers and low-educated workers that they are ineligible for benefits. The next section examines reasons that individuals gave for failing to apply for UI; the aim of the discussion is to learn the extent to which differences in perceived ineligibility across groups are driving the demonstrated differences in rates of application.

Reasons for not applying for UI

Unemployed workers may choose not to apply for UI for a variety of reasons. The May 2005 UI Non-Filers Supplement allowed non-filers to select from a list of reasons

Table 3. Linear probability model of probability of UI receipt among applicants, 2005

Category	Model 1	Model 2	Model 3	Model 4	Model 5
Less than a high school diploma	[1]–0.174 (.048)	–	[2]–0.139 (.057)	[2]–0.149 (.060)	[1]–0.184 (.061)
High school diploma	–.064 (.047)	–	–.055 (.048)	–.062 (.047)	[3]–.084 (.045)
Some college	[2]–.079 (.038)	–	[3]–.074 (.039)	[3]–.070 (.040)	–.080 (.050)
Other race	–	–.007 (.043)	–.002 (.046)	–.008 (.046)	–.020 (.055)
Black	–	–.060 (.055)	–.048 (.057)	–.042 (.057)	–.030 (.051)
Hispanic	–	[1]–.121 (.042)	[3]–.088 (.044)	[2]–.097 (.043)	–.087 (.053)
Citizen		.071 (.060)	.063 (.061)	.078 (.060)	0.944 (.061)
Job leaver	–	–	–	[2]–.249 (.098)	[1]–.283 (.095)
State fixed effects	No	No	No	No	Yes
Constant	[1].553 (.109)	[1].425 (.121)	[4].497 (.117)	[4]501 (.118)	[1]–.389 (.117)
N	836	836	838	836	836
R squared	.047	.046	.053	.072	.147

[1] Significantly different from the reference group at $p < 0.01$.
[2] Significantly different from the reference group at $p < 0.05$.
[3] Significantly different from the reference group at $p < 0.1$.
[4] Significantly different from the reference group at $p < 0.001$.

Reference category for race and ethnicity dummies is White non-Hispanic, for educational attainment dummies is bachelor's degree or higher, for citizenship dummy is citizen, and for job separation dummy is job loser. Dash indicates variable not in model.

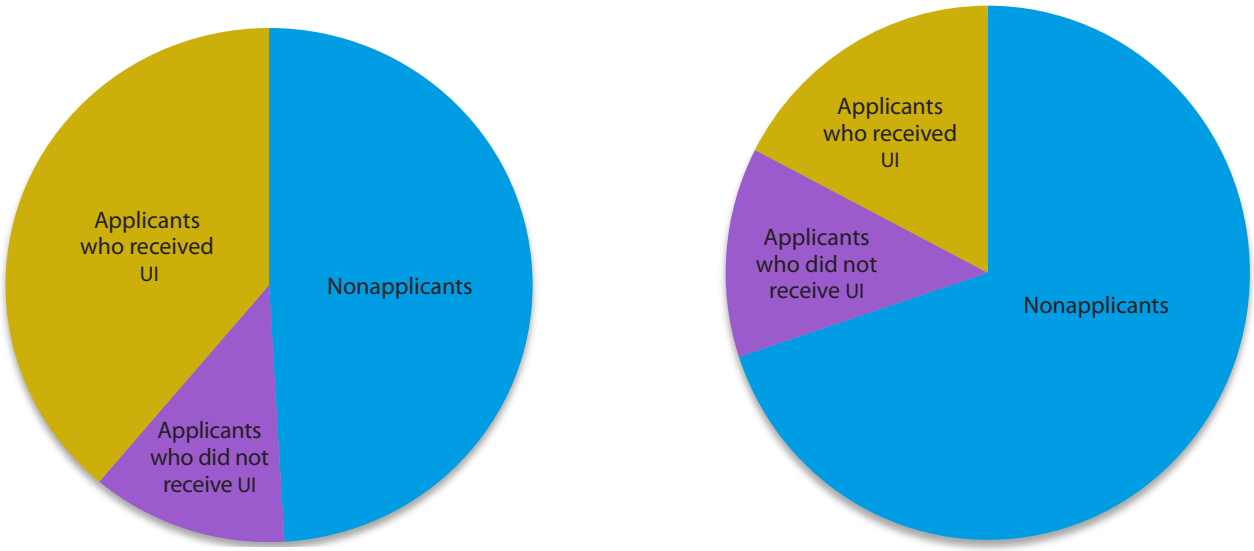
NOTE: Robust standard errors are in parentheses below values.

SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

for failure to file. The survey asked respondents to indicate all reasons that influenced their decision not to file and then asked them to select their main reason. Tables 4 and 5 display, for each reason for not filing, the percentages of respondents who indicated that reason. Because respondents were permitted to select more than one reason, percentages do not sum to 100. As found in previous research,[21] perceived ineligibility is the reason most cited for failure to file, followed by optimistic expectations for reemployment and the "other" category.

Table 4 stratifies results by educational attainment. Respondents with a bachelor's degree or higher are less likely to think that they are ineligible than respondents in any of the other educational groups. By contrast, respondents with a bachelor's degree or higher are more likely to list "other" as a reason for failure to file. These differences are statistically significant. With each successive drafting of the May UI Non-Filers Supplement, attempts have been made to reduce the number of respondents selecting "other." The nonrandom variation in who does select "other" suggests that there may be a reason for failure to file that is more common among highly educated respondents but that is not included among the current options. Finally, unemployed workers with less than a bachelor's degree are less likely to indicate "not needing the money" as a reason for failure to file. Although this difference is only marginally statistically significant, it is consistent across categories of educational attainment: workers with less than a high school diploma, workers with a high school diploma, and workers with some college are all approximately 4 percentage points below the 6.0 percent of workers with a bachelor's degree or higher who said they did not file be-

Chart 1. **UI application and receipt, by educational attainment, 2005**



SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

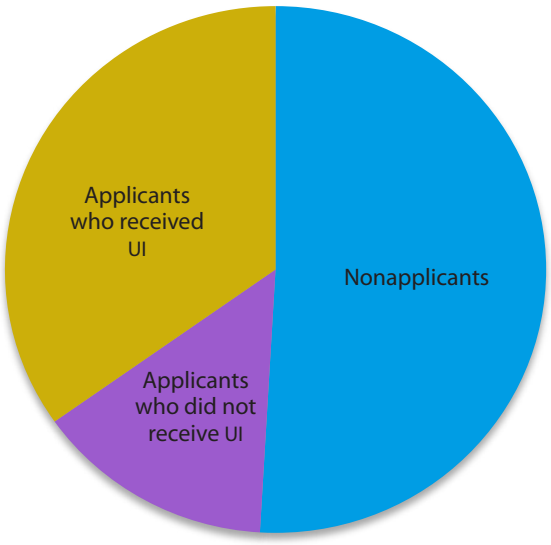
cause they did not need the money.

Table 5 indicates some systematic variation by race and ethnicity. Statistically significant differences between Hispanic respondents and White non-Hispanic respondents are evident: a greater proportion of Hispanic respondents (6.7 percent) than White non-Hispanic respondents (1.7 percent) indicates not knowing where or how to apply as a reason for failure to file. Similarly, a greater proportion of Hispanic respondents (6.1 percent) reports not knowing that benefits existed, in comparison to White non-Hispanic respondents (1.1 percent). This difference is statistically significant at the .01 level and cannot be completely accounted for by citizenship status: 5.9 percent of Hispanic citizens report not knowing that UI benefits exist, a percentage significantly different from that of White non-Hispanics at the .05 level. There is important variation by citizenship status on other measures, however: no Hispanic citizens indicate a language barrier as a reason for failing to file, while in the larger Hispanic group 5.1 percent of respondents list inability to speak English as a reason for not filing. This percentage is significantly different from the percentage of White non-Hispanic respondents at the .001 level.

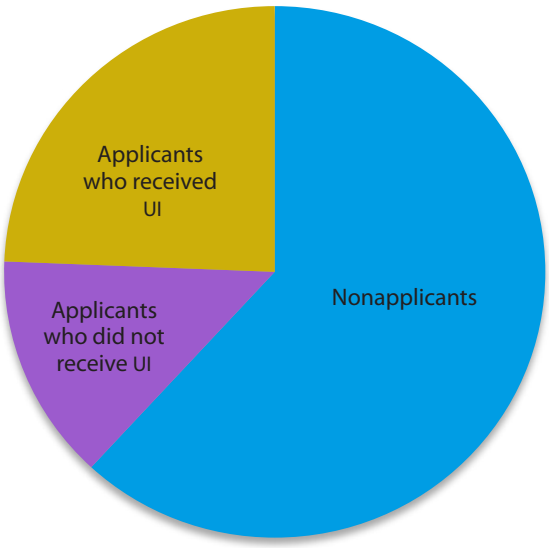
There are only marginally statistically significant differences between the reasons for failing to file given by Black respondents versus White non-Hispanic respondents. Also, although the difference is statistically insignificant, it may be worth noting that a greater proportion of Black respondents (57.9 percent) than White non-Hispanic respondents (52.6 percent) failed to file because they perceived themselves to be ineligible.

Consistent with previous findings, only a small proportion of individuals cites "too much hassle to apply" and "too much like charity or welfare" as reasons for failing to apply for UI.[22] This finding merits discussion because in the literature both reasons are common explanations for failure to take up benefits. In actuality, however, respondents indicate these two responses at low levels consistently across racial and ethnic groups and educational attainment groups, with the notable exception of Black respondents, 6.6 percent of whom cite "too much hassle" as a reason for not applying.

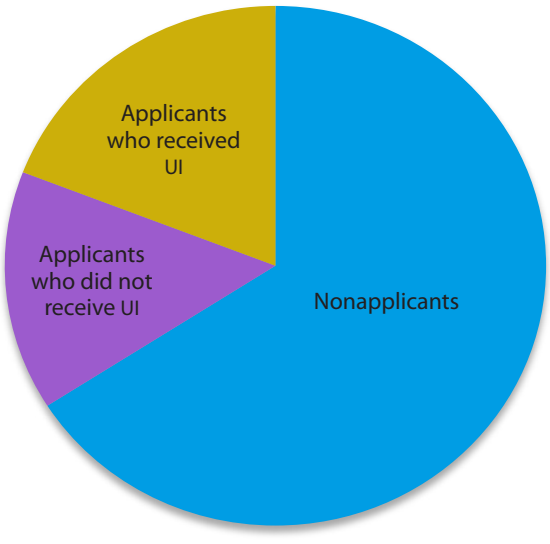
Chart 2 **UI application and receipt, by race and ethnicity, 2005**



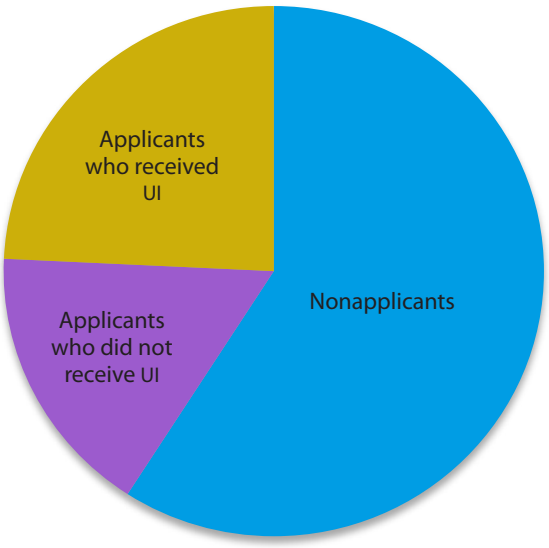
White non-Hispanic



Black



Hispanic



Hispanic citizens

SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

Table 4. Reasons cited by nonapplicants for failing to apply for UI, by educational attainment, 2005

[In percent]

Reason	Bachelor's degree or higher	Some college	High school diploma	Less than a high school diploma
Did not think eligible	36.11	[1]48.80	[2]58.25	[2]58.28
Expect a new job	8.01	[1]15.05	8.12	6.65
Expect to be recalled	5.51	6.72	6.83	7.96
Told ineligible by employer	4.68	5.17	5.98	5.07
Starting a new job	5.18	3.60	[3]1.54	2.35
Exhausted benefits	1.84	3.02	2.13	4.42
Does not need money	5.99	[1]1.44	[1]1.91	[1]1.29
Did not know where or how to apply	3.68	1.47	1.55	3.97
Self-employed or independent contractor	4.68	4.54	2.34	2.09
Plan to file soon	2.05	4.26	1.39	2.21
Too much hassle to apply	3.34	3.96	3.17	4.34
Did not know benefits existed	3.06	[1].41	3.11	3.97
Too much like charity or welfare	.89	1.04	.81	1.12
Language barrier	1.49	.00	.00	3.62
Worried might affect future jobs	.94	1.11	.45	1.39
Other	30.51	[3]18.75	[4]15.71	[4]10.96
N	157	207	334	210

[1] Significantly different from the proportion of nonapplicants with a bachelor's degree or higher at $p < .1$.
[2] Significantly different from the proportion of nonapplicants with a bachelor's degree or higher at $p < .01$.
[3] Significantly different from the proportion of nonapplicants with a bachelor's degree at $p < .05$.
[4] Significantly different from the proportion of nonapplicants with a bachelor's degree or higher at $p < .001$.
NOTE: Percentages do not sum to 100 because respondents were permitted to select more than one reason.
SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

Reasons for perceived ineligibility

As discussed earlier, perceived ineligibility is the most commonly cited reason for nonapplicants failing to apply for UI benefits. However, there is in turn a wide range of reasons that individuals may perceive themselves to be ineligible. This section explores whether the likelihood of citing a given reason for perceived ineligibility varies by level of education or by race or ethnicity. The May 2005 UI Non-Filers Supplement asked respondents who report perceived ineligibility as a reason for failure to file why they perceived that they were ineligible. Respondents were allowed to select one response only, and the proportions of individuals selecting each option are reported in table 6.

Table 6 shows systematic variation in the reasons for perceived ineligibility by educational attainment. Nonfilers with lower levels of education who perceived themselves to be ineligible for UI are more likely to attribute their ineligibility to inadequate work or earnings than are their counterparts with a bachelor's degree or higher. The latter are more likely to report a voluntary quit as the reason for perceived ineligibility than are respondents in each of the other categories of educational attainment.

The right-hand panel of the table gives a less clear pattern of variation by race and ethnicity. Among those who report that they perceive themselves to be ineligible because they voluntarily quit their last job, there is no statistically significant variation by race or ethnicity. There is also no statistically significant difference between Hispanics and White non-Hispanics as regards reporting not earning enough or not working enough as the reason for perceived ineligibility, and this absence of significance extends to Hispanic citizens as well. The percentage of Black respondents reporting that they did not work enough or earn enough as the reason for their perceived ineligibility is 12.6 percent higher than the percentage of White non-Hispanic respondents reporting this reason, although, again, the difference is only marginally statistically significant.

Significant at the .05 level are (1) the greater proportion of Hispanic respondents reporting "other," (2) the lower percentage of Black respondents reporting having been fired as a reason for their perceived ineligibility, (3) the lower

Table 5. Reasons cited by nonapplicants for failing to apply for UI, by race, ethnicity, and citizenship, 2005

[In percent]

Reason	White non-Hispanic	Hispanic	Hispanic citizens	Black
Did not think eligible	52.57	49.04	44.60	57.90
Expect a new job	9.44	7.65	10.47	10.37
Expect to be recalled	7.01	10.49	8.00	[1]3.46
Told ineligible by employer	6.15	3.42	[1]2.54	[1]3.19
Starting a new job	4.04	1.57	2.76	[1]1.62
Exhausted benefits	1.52	6.73	5.83	3.37
Does not need money	2.58	1.82	3.21	.95
Did not know where or how to apply	1.72	[2]6.74	[2]6.45	.68
Self-employed or independent contractor	4.66	[3].87	[4].00	1.99
Plan to file soon	2.37	3.50	4.48	2.04
Too much hassle to apply	2.70	3.00	3.24	[1]6.57
Did not know benefits existed	1.11	[3]6.14	[2]5.86	3.26
Too much like charity or welfare	1.16	[2].00	[2].00	1.38
Language barrier	.26	[4]5.09	.00	.00
Worried might affect future jobs	.49	2.07	2.03	.68
Other	18.66	15.34	18.63	16.00
N	554	135	78	156

[1] Significantly different from the proportion of White non-Hispanic nonapplicants at $p < .1$.
[2] Significantly different from the proportion of White non-Hispanic nonapplicants at $p < .05$.
[3] Significantly different from the proportion of White non-Hispanic nonapplicants at $p < .01$.
[4] Significantly different from tthe proportion of White non-Hispanic nonapplicants at $p < .001$.

NOTE: Percentages do not sum to 100 because respondents were permitted to select more than one reason.

SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

percentage of Hispanic and Hispanic citizen respondents stating that they held no recent job, and (4) the greater proportion of Black respondents reporting their status as self-employed or independent contractor. The interpretation of these findings is unclear. Thus, the most suggestive findings on reasons for perceived eligibility relate to educational level, rather than race or ethnicity: highly educated workers are more likely to perceive themselves to be ineligible because of a voluntarily quit, while less educated workers are more likely to perceive themselves to be ineligible because they did not work enough or earn enough. However, the absence of a measure of whether individuals perceive their eligibility status accurately results in ambiguity in the interpretation of reported rates of perceived ineligibility.

Discussion

The analyses presented in this article show that unemployed workers from different racial and ethnic groups and with different levels of educational attainment have different experiences with the UI Program. Respondents with a bachelor's degree or higher are more likely to apply for UI and are more likely to receive it if they apply. This circumstance constitutes a double advantage for these members of the labor force. Chart 1 shows how this double advantage results in a far higher percentage of highly educated unemployed workers receiving UI than unemployed workers without a high school diploma. Further, highly educated respondents are more likely to attribute their perceived ineligibility to a voluntary quit. It is probable that a number of these voluntary job leavers are able to financially plan for the loss of employment income. In sum, it appears that the UI Program is best serving the needs of highly educated workers.

Importantly, compared with workers with higher levels of education, both unemployed workers with a high school education and unemployed workers with less than a high school diploma who do not apply for UI are the most likely to perceive themselves as ineligible because they did not work enough or earn enough. This perception is somewhat surprising, because monetary requirements are far easier to meet than nonmonetary requirements: recent studies find that a large majority of both low-wage workers (who are likely less educated) and high-wage workers (who are likely more educated) meet monetary requirements, but far fewer meet nonmonetary requirements.[23] We would thus expect that a large majority of both more educated workers and less educated workers would perceive themselves to be mon-

Table 6. Reasons cited by nonapplicants who failed to apply for UI because of perceived ineligibility, 2005[1]

[In percent]

Reason	Educational attainment				Race, ethnicity, and citizenship			
	Bachelor's degree or higher	Some college	High school diploma	Less than a high school diploma	White non-Hispanic	Hispanic	Hispanic citizens	Black
Did not earn or work enough	17.97	27.52	[2]45.17	[2]47.72	34.89	35.33	37.41	[3]47.51
Voluntarily quit last job	37.19	27.94	[3]24.35	[2]16.74	29.24	18.98	33.69	18.87
Was fired from last job	4.90	5.52	4.15	6.14	7.29	4.39	3.44	[4]1.88
Did not have a recent job	2.06	1.72	1.79	1.12	1.96	[4].00	[4].00	2.18
Self-employed or Independent contractor	3.11	4.16	7.70	3.42	5.37	4.04	[2].00	[4]6.40
Don't know why	3.13	3.17	2.29	4.52	2.58	2.63	1.69	5.19
Other	31.64	28.62	[4]14.54	20.34	18.65	[4]32.87	23.77	18.00
N	59	96	186	111	272	65	34	87

[1] Percentages are restricted to nonapplicants who listed perceived ineligiblity as the reason they did not apply for UI.
[2] Significantly different from the reference group at $p < .01$.
[3] Significantly different from the reference group at $p < .1$.
[4] Significantly different from the reference group at $p < .05$.
[5] Significantly different from the reference group at $p < .001$.

SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

etarily eligible. Nonetheless, formal layoffs are less common in industries in which low-wage workers are clustered, suggesting that these workers are more likely to fail to meet nonmonetary eligibility criteria.[24]

The finding that less educated workers are far more likely to perceive themselves as ineligible for monetary reasons and far less likely to perceive themselves as ineligible for nonmonetary reasons (e.g., quitting voluntarily) suggests that less educated workers may lack a sufficient understanding of UI eligibility criteria. Unfortunately, CPS survey questions do not explore either the accuracy of respondents' understandings of the UI Program and of their own eligibility or the accuracy of their self-perceived eligibility status. A future qualitative study could perhaps yield useful information on these two points if it were better able to explore the accuracy of respondents' basic understanding of UI Program eligibility rules, respondents' self-perceptions of eligibility, and factors that would influence their actual eligibility status, such as how they were separated from their job and what their base-period earnings were.

As regards variation by ethnicity, there is bivariate evidence that Black unemployed workers are less likely to apply for UI than White non-Hispanic workers, although the difference is significant only at the .10 level. Also, there is a 7-percentage-point gap among these groups in rates of receipt among applicants, but this difference is not statistically significant. In multivariate models, the point estimates associated with being Black are not statistically significant for either outcome. Further research is needed to determine whether it is the small sample size or the fact that Black workers and White non-Hispanics workers are similarly likely to apply for UI and to receive it if they do apply that results in the absence of significance.

Hispanics are particularly unlikely to either apply for UI or receive it if they do apply, compared with White non-Hispanics, and these differences are robust in some multivariate models. The differences even among Blacks and Hispanics—while statistically insignificant—suggest that future studies of UI application and receipt should examine these groups separately whenever possible. Further, the findings presented here suggest that, although the higher proportion of noncitizens can account for some of the difference in UI participation between Hispanics and White non-Hispanics, citizenship status cannot account entirely for these disparities. This metafinding provides further impetus to examine Hispanic workers separately from other underrepresented minorities, in order to understand what factors are driving the aforesaid differences.

Although the analyses show different patterns in UI application and receipt among applicants on the basis of educational attainment as well as race and ethnicity, they leave many questions unanswered. The ideal analysis would go beyond the current bivariate and simple multivariate comparisons of outcomes for workers in various

ethnic and educational attainment categories. A more sophisticated analysis would try to more robustly isolate the effects of membership within each category by controlling for other factors that might affect an individual's propensity to apply for UI, receive UI if he or she does apply, or give a specific reason for failing to apply. The small sample size of the March 2005 UI Non-Filers Supplement (including, e.g., just 68 Hispanic respondents who applied for UI) limits the researcher's ability to undertake such robust multivariate analyses. A similar survey with a larger sample would allow researchers to explore in greater detail whether membership in the categories studied is a causal factor in the relationships found.

However, even a larger survey would leave a crucial question unanswered: when individuals perceive themselves to be ineligible, how accurate is that perception? Without earnings data and information about the nature of work separations, analysts are unable to gauge the accuracy of unemployed workers' perceptions. A further limitation of this study is that survey data are subject to serious underreporting of receipt of public benefits.[25] Moreover, no evidence exists on underreporting of application rates, which may be subject to a similar bias. Possible explanations for failure to report receipt of benefits include the stigma perceived to be attached, failure to recall receiving benefits, and inability to identify the program responsible for the cash transfer (e.g., reporting "worker's compensation" when, in reality, one is receiving UI). These causes of underreporting could be correlated with educational attainment, as well as race or ethnicity, in which case the findings presented here could reflect differences in reporting behaviors rather than differences in outcomes.

The most obvious way to address these serious limitations is to link survey data from datasets such as the CPS Non-Filers Supplement to administrative UI records upon both application and receipt of benefits. By linking administrative data with survey data, researchers could determine, with greater certainty, whether respondents applied for and received UI. They also would be better able to determine whether individuals who believe that they are ineligible for benefits perceive their eligibility status correctly. Like survey data, however, available administrative records have limitations. Most importantly, these records do not include any data on workers' demographic characteristics, such as education, race, or ethnicity. Thus, a study such as the one presented in this article, but using administrative records only, is currently not possible. But a linked dataset could answer the questions posed here, as well as questions previously posed in the extant body of UI research, to a greater degree of certainty. Answering these questions with greater certainty is a necessary first step in ensuring that the UI Program is serving its intended purpose for all workers with reasonable attachment to the labor force. □

Notes

[1] See Stephen A. Wandner and Andrew Stettner, "Why are many jobless workers not applying for benefits?" *Monthly Labor Review*, June 2000, pp. 21–33, **http://www.bls.gov/opub/mlr/2000/06/art2full.pdf**; and Report to the Chairman, Subcommittee on Income Security and Family Support, Committee on Ways and Means, House of Representatives, *Unemployment Insurance: Low-Wage and Part-Time Workers Continue to Experience Low Rates of Receipt*, GAO 07–1147 (U.S. Government Accountability Office, September 2007).

[2] George Wentworth, "Unemployment Insurance at 75: Assessing Benefit Eligibility, Adequacy and Duration," PowerPoint presentation given at the NASWA UI Directors/Legal Affairs Conference, Washington, DC, Oct. 19, 2010.

[3] See Andrew Grant-Thomas, "Why Are African Americans and Latinos Underrepresented Among Recipients of Unemployment Insurance and What Should we Do About It?" *Poverty & Race*, May 1, 2011, pp. 8–11; and H. Luke Shaefer, "Identifying Key Barriers to Unemployment Insurance for Disadvantaged Workers in the United States," *Journal of Social Policy,* July 2010, pp. 439–460.

[4] Dalton Conley, *Being Black, Living in the Red: Race, Wealth and Social Policy in America* (Berkeley, CA, University of California Press, 2009).

[5] See Grant-Thomas, "Why Are African Americans and Latinos Underrepresented"; and Shaefer, "Identifying Key Barriers."

[6] Also called "earnings requirements."

[7] Monetary incentives included in the UI Modernization Act, which was part of the American Recovery and Reinvestment Act of 2009 (123 Stat. 115), led some states to relax their nonmonetary requirements, making eligible those who quit for "compelling family reasons," among which are to avoid domestic violence, to care for an immediate family member who is ill or disabled, and to relocate to another state because of a spouse's employment situation.

[8] See Shaefer, "Identifying Key Barriers"; Report to the Chairman, *Unemployment Insurance*; and Grant-Thomas, "Why Are African Americans and Latinos Underrepresented."

[9] See Report to the Chairman, Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives, *Unemployment Insurance: Factors Associated with Benefit Receipt*, GAO 06–341 (U.S. Government Accountability Office, March 2006); and Shaefer, "Identifying Key Barriers."

[10] See Benjamin Keys and Sheldon Danziger, "The Risk of Unemployment among Disadvantaged and Advantaged Male Workers, 1968–2003," in Katherine S. Newman, ed., *Laid Off, Laid Low: Political and Economic Consequences of Employment Insecurity* (New York, Columbia University Press, 2008), pp. 56–73; Robert W. Fairlie and Lori G. Kletzer, "Jobs Lost, Jobs Regained: An Analysis of Black/White

Differences in Job Displacement in the 1980s," *Industrial Relations,* October 1998, pp. 460–477; and Conley, *Being Black, Living in the Red*.

[11] There are 332 job leavers in the sample, constituting 18.3 percent of the total sample.

[12] See Wayne Vroman, "Unemployment insurance recipients and nonrecipients in the CPS," *Monthly Labor Review*, October 2009, pp. 44–53, **http://www.bls.gov/opub/mlr/2009/10/art4full.pdf**.

[13] See Rob Valetta and Katherine Kuang, "Extended Unemployment and UI Benefits," *FRBSF Economic Letter,* Apr. 19, 2010; and Alan B. Krueger and Andreas Mueller, "Job search and unemployment insurance: New evidence from time use data," *Journal of Public Economics*, pp. 298–307.

[14] There are 902 reentrants between the ages of 18 and 64 in the 2005 CPS UI Non-Filers Supplement, compared with a combined 1,910 job leavers and job losers, of which 1,816 had no missing information in response to the survey question "Did you apply for UI?" If included, reentrants would constitute one-third of the sample, and the heterogeneity in the group could seriously affect the results of the analysis.

[15] Respondents who indicated that they were of Hispanic ethnicity were coded as Hispanic rather than members of the racial group they indicated. In the sample, 7 Hispanic respondents indicated that they were Black, 200 indicated that they were White, and 16 indicated that they were of another race.

[16] *Immigrants' Eligibility for Unemployment Compensation* (New York, National Employment Law Project, April, 2002).

[17] In the case of UI receipt, it was assumed that individuals would indicate "yes" if they received the benefit and that those who did not know whether they were recipients likely were not. In the case of reasons for failure to file, it was assumed that if a respondent did not know whether a reason had affected his or her decision to file, the reason likely did not have a large impact on the decision.

[18] About 34 percent of respondents in the Hispanic sample are not U.S. citizens, a large proportion compared with the White non-Hispanic reference group, which is 1.6 percent noncitizen.

[19] Table 1 displays the significance levels for the comparisons between Hispanic citizens and all White non-Hispanic respondents. The analysis also compared White non-Hispanic citizens with Hispanic citizens, and there were no appreciable differences in the results, which are available upon request.

[20] But not significant in Model 5.

[21] See Vroman, "Unemployment insurance recipients and nonrecipients"; and Wandner and Stettner, "Why are many jobless workers not applying."

[22] Ibid.

[23] See Shaefer, "Identifying Key Barriers"; Report to the Chairman, *Unemployment Insurance*; and Grant-Thomas, "Why Are African Americans and Latinos Underrepresented."

[24] See Report to the Chairman, *Unemployment Insurance*.

[25] Bruce D. Meyer, Wallace K. C. Mok, and James X. Sullivan, *The Under-Reporting of Transfers in Household Surveys: Its Nature and Consequences*, NBER Working Paper 15181 (Cambridge, MA, National Bureau of Economic Research, July 2009), **www.nber.org/papers/w15181**.