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THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY

The National Commission for Employment Policy, authorized under the Job Training Partnership Act (Title IV, Part F), is an independent advisory body that reports to both the President and the Congress.

Under JTPA, the Commission is charged with the responsibility to "identify the employment goals and needs of the Nation, and assess the extent to which employment and training, vocational education, institutional training, vocational rehabilitation, economic opportunity programs, public assistance policies, employment-related tax policies, labor exchange policies, and other policies and programs under this Act and related Acts represent a consistent, integrated and coordinated approach to meeting such needs and achieving such goals." In addition, the Commission must "identify and assess the goals and needs of the Nation with respect to economic growth and work improvements, including conditions of employment, organizational effectiveness and efficiency, alternative working arrangements, and technological changes." The Commission must then "develop and make appropriate recommendations designed to meet the needs and goals described...."

Additional responsibilities include the need to "examine and evaluate the effectiveness of federally assisted employment and training programs...; advise the Secretary [of Labor] on the development of national [JTPA] performance standards...; evaluate the impact of tax policies on employment and training opportunities; evaluate the effectiveness of training provided with Federal funds in meeting emerging skill needs; and study and make recommendations on how, through policies and actions in the public and private sectors, the Nation can attain and maintain full employment, with special emphasis on the employment difficulties faced by the segments of the labor force that experience differentially high rates of unemployment."

In carrying out these responsibilities, the Commission conducts studies, sponsors hearings, and undertakes numerous research activities. The Commission's findings and recommendations are published in annual reports, research reports, and special reports.

The Commission consists of 15 members appointed by the President, who designates one member as Chair. Commission members represent business, labor, commerce, education, agriculture, veterans, current State and local elected officials, community-based organizations, assistance programs, and the public at large. Commissioners serve three-year terms.

Assisting the Commissioners in their work is a permanent 14-member staff of senior economists, labor lawyers, program experts, and support personnel, whose expertise can be supplemented as needed through personnel loan arrangements with universities and other governmental agencies at the Federal, State, and local levels.

Preface

Anthony P. Carnevale,
Chairman,
National Commission for Employment Policy

The U.S. social insurance system has always been unique by international standards. It's always been a bit less generous than other systems and always a bit more complicated. To the extent that federalism plays a role in the structure of a social insurance program, the complication and the limitations of coverage have gone hand in hand. Where states play a role in setting standards for social insurance, the argument for improving "business climate" by reducing social insurance coverage is bound to carry the day in at least a few states, and when it does, all other states face pressure to match the reduced costs of the least generous programs. In some states, to be sure, the pressure to conform to the lowest common denominator will be resisted, but the result across states will be a national patchwork of competing eligibility rules, benefit levels, and penalties.

The impact of federalism on unemployment insurance (UI) is particularly apparent. This pastiche of programs, which barely warrants description as a UI "system" at all, produces a range of experiences for similarly situated unemployed workers who try to receive benefits. What passes for a legitimate reason for exiting employment in one state will be cause for exclusion from benefits in many others. The level of prior earnings to qualify in one state will not match those of another state, even if the state's average weekly wages are quite similar. Indeed, two workers with identical annual earnings histories may find that one is eligible in a given state and the other is ineligible in his or her state only because of the **timing** of their earnings during the year.

To situate these experiences in the context of a rapidly changing economic environment, the National Commission for Employment Policy has produced significant research on the changing situation in labor markets. A series of reports by Stephen Rose, for example, note the rising disparities in earnings and the role of variation in job tenure across occupations in promoting unequal living standards (NCEP 94-02, 95-04). Linking this research to the trends in unemployment insurance, research by Marc Baldwin has shown that displaced workers with less tenure or lower earnings are markedly less likely to receive UI benefits (NCEP 94-01).

The report that follows takes these findings on the changing labor market more deeply into the realm of social insurance policy. By measuring the effect of earnings requirements on UI eligibility among women and part-time workers, the following study suggests that the victims of labor market turbulence are less likely to have a safety net of unemployment insurance. Some specific findings include:

* After accounting for work in covered employment and for non-student status, prior earnings requirements exclude 34 percent of women in the base population versus only 15 percent of men.

* Twice as many women fail the high quarter earnings requirements alone as do men.

* Only nine percent of all unemployed and discouraged workers who worked part-time received benefits in 1988 compared to 36 percent of full-time workers.

These findings are an important contribution to our understanding of the role of monetary eligibility requirements in reducing benefit recipiency rates. But they should not be read to argue that non-monetary eligibility rules are a less important source of disparities

than are earnings requirements. The methodology used here applies monetary eligibility screens to individual unemployed workers based on their prior earnings history. Many of these individuals, however, could be excluded by separation issue determinations or other screens which they may face **before** the monetary eligibility screen when they enter the administrative process for determining eligibility in a given state. The database used here does not provide enough detail to know whether a misconduct discharge or similar disqualifying offense may have occurred. Suffice to say, a database that allowed for measuring both monetary and non-monetary eligibility issues would go even further toward explaining why only one-third of the unemployed receive benefits in the U.S.

The fact that so few of the unemployed receive benefits should be cause for alarm for several reasons. First, the counter-cyclical punch of this system will be quite frail in the next recession. Unless more of the unemployed receive benefits, the automatic stabilizing power of UI will be sorely missed when the economy finally takes a downturn. Second, the current disparities of treatment are so egregious that some remedies must be found or the legitimacy of the system is threatened, particularly with the growing contingent work force and increasing women's labor force participation. Finally, the growing interest in using the UI claims process as a gateway to reemployment policy calls into question the range of exclusionary practices underway in the states. It is bad enough that so few of the unemployed receive benefits. If UI is also a gateway to reemployment services, then we'd better make sure that this gateway doesn't systematically exclude those workers who are most likely to be vulnerable in the new labor market environment.

UNEMPLOYMENT INSURANCE:

BARRIERS TO ACCESS FOR WOMEN AND PART-TIME WORKERS

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Roberta Spalter-Roth,

Institute for Women's Policy Research

and

Marc Baldwin

National Commission for Employment Policy

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Unemployment Insurance (UI) is a social insurance program administered by 50 states, the District of Columbia, the Virgin Islands, Puerto Rico, and the Federal government.* The program is intended to provide temporary and partial wage replacement for workers in the event of involuntary job loss, to encourage employers to stabilize employment, and to boost the economy during periods of recession by maintaining the purchasing power of unemployed workers. Since 1935, and then the passage of the Federal Unemployment Tax Act (FUTA), the program is financed through a payroll tax paid by "covered" employers for each employee.[1] The FUTA generally determines what industries are covered by the program, while the states generally determine eligibility (individual qualification and disqualification requirements) and benefit adequacy (weekly benefit amounts and durations). Although the unemployment compensation system covers about 90 percent of all employed workers, only 31 percent of unemployed persons were receiving benefits in 1993 (Advisory Council on Unemployment Compensation, 1995: 218). Women and part-time workers have always been less likely to receive UI than male or full-time workers (Bassi and Chasanov, 1995).

This study is designed to identify the specific barriers faced by workers in qualifying for UI and to determine the numbers and proportion of women versus men and full-time versus part-time workers who become ineligible at different stages of the UI eligibility screening process. This study determines at which stage in this process the largest share of

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* The authors would like to thank Richard McHugh, Amy Chasanov, and Heidi Hartmann for helpful comments. This report was funded, in part, by the U.S. Department of Labor (ETA).

[1] For additional details on program financing and covered employers see U.S. House of Representatives, Committee on Ways and Means, 1994.

workers is eliminated. In addition, it investigates whether women's reasons for leaving or losing jobs are related to the kinds of jobs they perform (e.g. temporary, low-wage) and/or to their family responsibilities (including child-birth). The results of this analysis shed light on potential reforms to the UI system that can enable it to better meet the needs of a more diverse workforce. The report begins with historical background, examines current changes in workforce composition and job characteristics, discusses declining UI recipiency, reviews the eligibility process, lists hypotheses, describes the data and methods, presents findings, and concludes with a series of policy recommendations.

BACKGROUND: THE DUAL SYSTEM

UI was created as part of the Social Security Act of 1935, the Act which also created Old Age Insurance (OAI), Supplemental Security Insurance (SSI), and Aid to Families with Dependent Children (AFDC). Passed in the middle of the Great Depression, UI was designed to respond to high rates of unemployment. Pervasive joblessness undermined not only the market economy and the health and well-being of the population, but also the idealized patriarchal family system, in which a male breadwinner should earn enough to support a non-employed wife and children (Abramovitz, 1988: Pearce, 1985). Based on this idealized family type, the primary target population for the UI program was prime-age males who had strong labor force attachment, were discharged for "good cause," and were available to work full-time. UI and OAI benefit structures and eligibility criteria tended to better accomodate male life course and work patterns than female life course and work patterns.

The 1935 law exempted farm workers, domestic servants, government employees, and employees of non-profit organizations from covered employment. Only 16 percent of jobless workers received benefits in 1939 (Larson and Murray, 1955) as a result of this exclusion of entire industries from coverage, stringent state eligibility requirements geared to workers with strong labor force attachment, and employer challenges to claimants' rights to benefits. The proportion of the unemployed receiving benefits rose after World War II, peaked at 49 percent under state programs in 1975, and declined during the 1980s.[2]

[2] The 49 percent figure is based on the ratios of UI claimants under state programs to the total number of unemployed (Vroman, 1990).

Despite high rates of female unemployment, women had less access to the program because of the mismatch between their labor force patterns and UI requirements and because of their over-representation in "uncovered" industries such as private household labor and non-profit organizations (Abramovitz, 1988). AFDC was the only one of the Social Security programs specifically designed for women and their children. AFDC provided a minimal stipend so that impoverished women, without access to an income from a male breadwinner (primarily in cases of widowhood or desertion), could stay at home and care for their children. AFDC payments were historically lower than UI payments. Unlike UI, AFDC payments were means-tested, requiring an exhaustion of savings and the monitoring of recipients' behavior. Numbers of authors refer to this gendered system as the "dual welfare system" (Abramovitz, 1988; Gordon, 1990; Nelson, 1990; and Pearce, 1985).

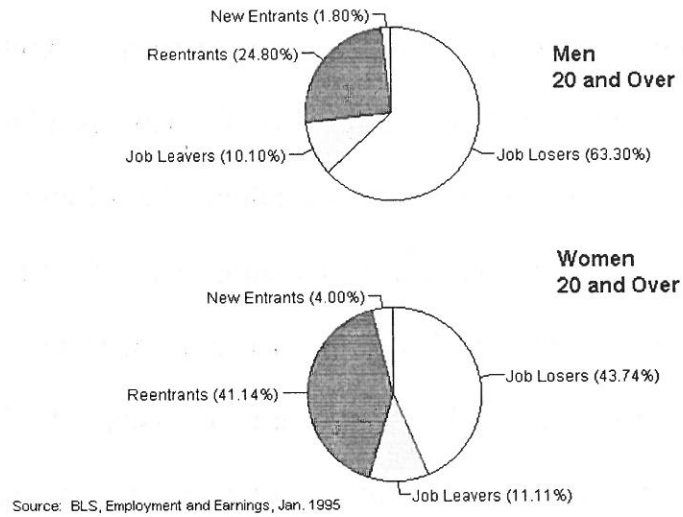
THE CHANGING COMPOSITION OF THE WORKFORCE AND JOBS

The demographic composition of the workforce is far more diverse than it was six decades ago and the characteristics of the job market have changed dramatically since the adoption of the UI program. As women's labor force participation rates increased over the years (from 33 percent in 1948 to 59 percent in 1994 -- an increase of 1.8 times), the female share of the unemployed population increased accordingly (from 27 percent in 1947 to 46 percent in 1994 -- an increase of 1.7 times).

Although women's labor force participation rates have grown dramatically and increasingly resemble men's, Figure One shows that women's reasons for unemployment still differ substantially from men's.

Figure One

Unemployed Persons by Reason for Unemployment and Gender, 1994



Source: BLS, Employment and Earnings, Jan. 1995

The primary difference between the genders in the graphs is that women are almost twice as likely as men (41 percent versus 25 percent) to be re-entrants into the labor force. Women are still primarily responsible for performing the unpaid work of child and family care (despite their increased responsibility for their family's financial well-being). Although the majority of working women return to the labor force within a year after childbirth, they are more likely than men to drop out of the labor force for child rearing and other family-related reasons and re-enter thereafter (Yoon and Waite, 1994; U.S. Bureau of the Census, 1990). While family responsibilities differentially affect women's labor force patterns and their reasons for employment, the primary reasons for women's unemployment are *job-related*. We will return to this point later.

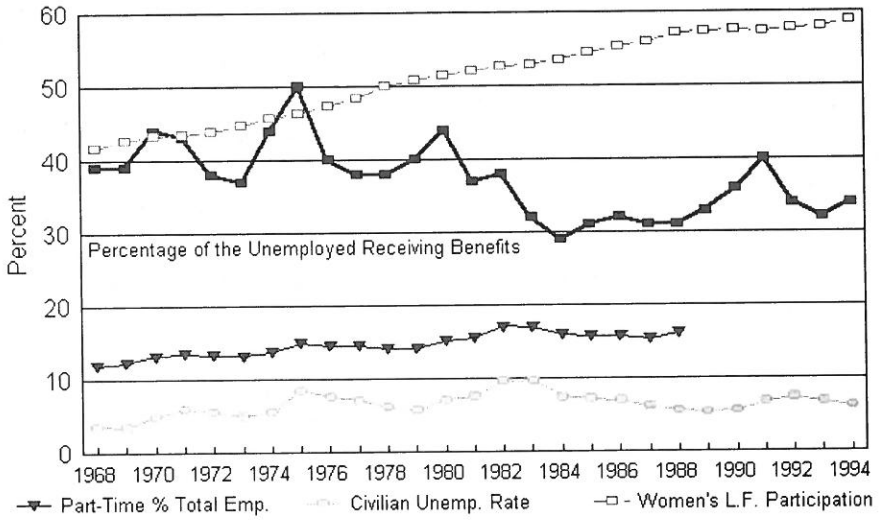
The percentage of non-agricultural workers with jobs in manufacturing -- the sector that has traditionally accounted for a significant share of UI claims (Corson and Nicholson,

1988) -- has decreased from 35 percent of the workforce in 1947 to 16 percent in 1994. In contrast, the percentage of workers in the service sector has increased from 58 percent in 1947 to 79 percent in 1994.

In contrast to employment in the manufacturing sector, employment in the growing service sector is more likely to be characterized by part-time and temporary work. In 1989, six percent of workers in the manufacturing sector were part-time workers, while 22 percent of workers in the service sector were part-time (based on calculations from Table 3 in Tilly, 1991: 14). Since the proportion of part-time workers has increased, the proportion of the unemployed who worked on a part-time basis prior to unemployment has also increased. In 1994, the percent of employed workers who were part-timers in non-agricultural industries rose to 19 percent, up from 15 percent in 1968. Some of these trends, and the percentage of the unemployed receiving benefits under state UI programs, are shown in Figure Two.[3]

[3] Researchers have many options when they choose a measure of the percentage of the unemployed receiving benefits (Corson and Nicholson, 1988). The measure used in the graph is more optimistic than others because it includes all claims, not all payments.

Figure Two
UI Benefit Recipiency Rates, Selected Unemployment Rates, and Women's Labor Force Participation Rates



Sources: Economic Report of the President, 1995; Blank, 1990; UI data from US DoL/ETA.
Percentage receiving benefits is weeks claimed/total unemployment. Part-Time employment is for age 20 and older.

Taken together, the decline of manufacturing, the growth of part-time work, and the expansion of women's participation in the labor market add up to a dramatic transformation toward industries with lower hourly wages and fewer weekly hours of work. Women are over-represented among part-time workers and more likely to seek part-time work when they are unemployed (an employment seeking strategy that may run afoul of state laws regarding "refusal of suitable work" and continued UI eligibility). Moreover, underemployment is a significant problem, despite the long recovery, with over 20 percent of all part-time work being part-time work among employees who couldn't find full-time jobs.

TABLE ONE

Labor Market Factors Relating to UI

MANUFACTURING	
Change in Employment, 1989 to 1994	-1,328,000
Average Hourly Wage, 1994	$12.06
Average Weekly Hours, 1994	42.0
SERVICES	
Change in Employment, 1989 to 1994	4,897,000
Average Hourly Wage, 1994	$11.07
Average Weekly Hours, 1994	32.5
GENDER AND LABOR MARKETS*	
Women in Service Employment as % of Women in Private Employment	43.6%
Men in Service Employment as % of Men in Private Employment	38.8%
Women Part-Time as a Percentage of All Part-Time Employment	68.2%
Women Unemployed Seeking Part-Time Work as % of All Unemployed Seeking Part-Time Work (Total is 1.5 million)	56.7%
Women Unemployed Seeking Part-Time Work as % of All Unemployed Women	25.7%
Men Unemployed Seeking Part-Time Work as % of All Unemployed Men	16.6%
REGIONAL SHIFTS IN UNEMPLOYMENT	
Change in Percentage of Total Unemployment in **Northeast** (% for 1993 - % for 1982)**	2%
Change in Percentage of Total Unemployment in **Midwest**	-8%
Change in Percentage of Total Unemployment in **South**	2%
Change in Percentage of Total Unemployment in **West**	4%
UNDEREMPLOYMENT*	
Percentage of Part-Time Work that is Because Couldn't Find Full-Time Work	20.7%

Source: NCEP calculations from BLS, "Employment and Earnings", March 1995.
* Data from BLS, "Employment and Earnings", January 1995.
** Data from BLS, "Geographic Profile of Employment and Unemployment", Table 5. 1982 is first year these data are available.

One would expect these trends to reduce UI recipiency rates. Lower wages and hours in the service sector, in particular, can be expected to reduce the percentage of the unemployed receiving benefits given that almost all states impose requirements on prior earnings for UI eligibility. Does the evidence support this conclusion? Do demographic, economic, and regional changes alone explain the decline in UI benefit recipiency in the 1980s? What role do state legal requirements play in the declining percentage of the unemployed receiving benefits and what legal changes can help reverse this trend?

EXPLAINING DECLINING UI BENEFIT RECIPIENCY IN THE 1980s

After the 1975 peak, the share of the unemployed population who received UI benefits fell despite relatively high rates of unemployment during the 1980's to a low of 31 percent in 1993 (Advisory Council on Unemployment Compensation, 1995). Clearly, changes in the characteristics of jobs and of the unemployed population have an impact on the proportion of workers who receive UI benefits. But these changes operate through the UI system on the basis of complex state and federal legal frameworks.

Broadly speaking, there have been two schools of thought in the literature on declining benefit recipiency rates. Some authors stress demographic and industrial shifts and some stress legal changes that reduce claimant access to benefits. In practice, there is considerable overlap, with those who advocate demographic explanations noting state legal changes and those who emphasis legal variables also accounting for demographic variables in their equations. The stakes in such a debate are high: if demographic and regional variables remain the key to analysis, then policy-makers have less capacity for intervention. They may be tempted to sit back and wait for the economic environment to improve. On the other hand, if there is a clear link between state legal changes and reduced benefit recipiency in a context of changing economic prospects, the federal government can play a key role in matching programmatic concerns to underlying economic changes.

The reasoning behind demographic and regional explanations for declining national recipiency rates is clear. As the unemployed population shifts from high benefit receipt states to low benefit receipt states, the national rates for unemployed workers receiving benefits will naturally fall. Estimates of the share of national decline that can be accounted

for through this regional shift in unemployment range from 50 percent (for 1977 to 1987 in Blank and Card, 1991) to 25 percent (Vroman, 1991), or as low as 16 percent (Corson and Nicholson, 1988). Although these studies shed some light on the national decline in benefit receipt, they beg the question of why benefit recipiency rates vary across states in the first place.

Similarly, some analysts have focused on the lower benefit recipiency rates of certain groups of workers and their growing portion of the unemployed. For example, since manufacturing workers are more likely than other unemployed workers to receive benefits, a decline in manufacturing unemployment as a portion of total unemployment will reduce benefit recipiency rates. Many analysts note changing industrial composition as a factor in declining benefit recipiency rates (Burtless and Saks, 1984; Corson and Nicholson, 1988; Vroman, 1990). As with regional explanations, however, the underlying reasons for higher recipiency rates among workers in particular industries must be probed more directly. What factors (wages, work hours, unionization, etc.), make manufacturing workers more likely than other workers to receive benefits when they are unemployed?[4]

To untangle the role of state and federal legal changes on benefit recipiency rates, researchers have built regression models, most often using state-level data (Blaustein and Kozlowski, 1978; Corson and Nicholson, 1988; Blank and Card, 1991; GAO, 1993; Baldwin and McHugh, 1992; Baldwin, 1993). Perhaps the most elaborate of these models was the General Accounting Office (1993) study which included a limited attempt to capture feedback

[4] Corson and Rangarajan (1993), Baldwin (1993) and Wunnava and Henley (1987) found negative correlations between manufacturing employment and the percentage receiving benefits when a range of legal factors were included. This suggests that industrial employment, per se, is not the relevant level of analysis. Industry variables are correlated with unmeasured variables in all these analyses.

effects among trust fund solvency, state UI law, and demographic characteristics of the unemployed. The GAO regressions confirmed what advocates for the unemployed had observed (National Employment Law Project, 1993). The GAO wrote:

> GAO found a complex relationship in which declining trust fund balances were associated with law changes that restricted program eligibility and lowered wage replacement rates. These changes, in turn, while helping to improve the financial condition of state trust funds, led to a smaller proportion of unemployed workers receiving UI benefits. (p. 3)

Recent recommendations by the Advisory Council on Unemployment Compensation (1995) especially target the high monetary eligibility requirements, the exclusion of seasonal workers, and the requirement that unemployed workers be available for full-time work to dampen the decline in eligibility.

Though informative, these regression models cannot hope to capture the full detail of the UI process. First, there may be a wide gap between statutory provisions and actual experience within states. Differences in administrative rules or practices may be a key factor in recipiency (Corson, Hershey, and Kerachsky, 1986), yet such factors are extremely difficult to quantify. Second, state level data is almost certainly too broad a level of analysis for this inquiry. UI eligibility is determined on an individual case-by-case basis and microdata is the best source for information, as pursued in this study. Finally, correlations among the supposedly-independent variables are rampant, limiting the capacity of a researcher to isolate independent effects of specific variables.

Although it is common in the UI literature for researchers to include gender of the unemployed as a variable, relatively few researchers have directly examined the differential experience of unemployed women workers (see Falk, 1990; Vroman, 1990; Corson and

Nicholson, 1988). Studies for the 1980 National Commission on Unemployment Compensation raised vital issues for women such as disqualifications for family reasons and the implications of the growth of part-time work (Dahm and Fineshriber, 1980a; Dahm and Fineshriber, 1980b; Dahm and Fineshriber, 1980c). Legal scholars have noted disparities in UI law that affect women (perhaps the best overview is McHugh and Kock, 1994). As noted above, others have developed theories of the "dual welfare system" that relate UI practice to a broader gender-based analysis of US social insurance policy (Abramovitz, 1988; Gordon, 1990; Nelson, 1990; Pearce, 1985). Despite this range of effort, there is, to the best of our knowledge, no econometric study that uses unemployed women's UI recipiency rates as a dependent variable in regressions. Examination of the relationship between patterns in women's UI recipiency and their changing labor market situation is rare.

Far more common, particularly in research on women but also for all unemployed, is an interest in lower application rates during the 1980s as an explanation for declining benefit recipiency. Of course, those who do not apply for benefits cannot receive them. Blank and Card (1991) made an important attempt to model the *potentially* eligible unemployed and focused on declining "take up rates" for benefits. Their attempt was pathbreaking, but their range of legal variables was too narrow to be conclusive. Anderson and Meyer (1994) use a more sophisticated model and better microdata, also concluding that benefit levels have a strong effect on application rates. Baldwin (1993) tested a range of legal and demographic variables to explain application rates and found wage replacement rates, waiting weeks, benefit taxation, and monetary earnings requirements were important along with numerous demographic variables. Yet, surveys of individual unemployed workers

have proven surprisingly inconclusive about application rates, and advocates for the unemployed consistently deny that taxation of benefits has reduced their clients' likelihood of filing for benefits (National Employment Law Project, 1993). A special supplement to the Current Population Survey asked respondents why they didn't apply for benefits and a distressing 20 percent answered either that they didn't know or chose "other" from the list of reasons for not applying (Vroman, 1991).

It is clearly relevant to ask why some groups, particularly women, don't apply for UI benefits. But it is also important to ask: if specific groups of workers do apply, will they be eligible for benefits given state laws and changing labor markets? The latter question is the heart of the issue, for if fewer and fewer workers will be eligible for benefits given state legal barriers, then increasing application rates will increase denials substantially and benefit recipiency rates only marginally. In an effort to measure some aspects of eligibility, regardless of application rates, the following study uses a screening model to measure the impact of state laws on unemployed workers. The procedure used below essentially mirrors key aspects of the experience of an unemployed worker who attempts to receive benefits in a given state. The database, generated from the U.S. Bureau of the Census' Survey of Income and Program Participation (SIPP), contains prior earnings histories which, when combined with a computer program that simulates state earnings requirements, allows us to estimate what would have occurred had each unemployed person in the database applied for benefits in their state of residence. The result is a direct test of the question of what would happen to men, women, full-time and part-time workers who become unemployed and encounter state eligibility requirements in pursuit of UI benefits.

HYPOTHESES

Gender and UI Recipiency

As discussed above, previous research has found that women are less likely to apply for UI benefits (Vroman, 1990) or receive benefits than are men (Falk, 1990; U.S. General Accounting Office, 1993; U.S. Department of Labor, 1988; and Vroman, 1990). In this study, ***we hypothesize that women are less likely to be eligible for UI, whether or not they apply, than are men for the following reasons***:

(1) A higher proportion of women than men are either new entrants or re-entrants to the work force;

(2) Women are more likely to work fewer hours or weeks and receive lower wages than men;

(3) Women are more likely to be part-time workers;

(4) Part-time workers earn less and have fewer hours and weeks of work so that they are also less likely to meet the weeks of employment requirements; and

(5) It is harder for female workers to meet base period earnings and weeks worked requirements.

In addition to these factors, women face other labor market situations that will limit their UI recipiency, but which are not directly measured in the SIPP database developed for this study. Women are more likely to leave their jobs due to family or personal reasons (i.e., difficulties with child care arrangements, pregnancy, accompanying spouse's job relocation, or sexual harassment) than men are and these reasons are not usually considered as "good cause" for job separation (Bassi and Chasanov, 1995; McHugh and Kock, 1994). Women are also more likely to refuse to accept jobs when work schedules are at odds with family

responsibilities than men are. This often forces them to violate the "refusal of suitable work" requirements (Bassi and Chasanov, 1995; McHugh and Kock, 1994).

Part-Time and UI Recipiency

Typically, part-time workers are ineligible for UI because they earn less than full-time workers and work shorter hours and/or fewer weeks than full-time workers. Recent findings indicate that workers earning the minimum wage ($4.25 per hour) and working 20 hours per week, full-year, would meet the earnings requirements for UI benefits in 43 states. But, if this worker earned $8.00 per hour, he or she would meet the monetary eligibility requirements in all 50 states (Advisory Council on Unemployment Compensation, 1995). This finding suggests that earnings requirements disqualify many part-time workers. In some states, however, part-time workers are ineligible because of hours of work or because they are not available for full-time work. Students, who also work part-time disproportionately, are explicitly disqualified in some states. ***We hypothesize that those who were part-time workers prior to unemployment are less likely to receive UI benefits than are previously full-time workers.***

DATA SOURCES AND METHODS

In order to capture the movement of unemployed workers through the eligibility screening process, we needed a data set that allowed us to determine the unemployment status of workers at a point in time. Once we determined who was unemployed, we then

needed to determine their prior work history in the base period (including whether the work was in a covered occupation or industry, whether they met base period or high quarter earnings requirements, and whether they met hours and weeks of employment tests). We selected the 1988 panel of the SIPP[5] as the data set for this analysis. In what follows, we describe the steps taken to create the study data file.

First, we selected a sample of adults (between the ages of 18 and 64) who were interviewed in all six waves of the 1988 panel. Originally, we proposed to use the respondents who were unemployed between the fifth and eighth months (the second wave) of the panel, the months when job history and work separation questions were asked. The problem with using the second wave months was that we could not observe a long enough prior work history to determine if respondents met the eligibility criteria during the base period (a 12-month period beginning 15-17 months prior to the beginning of their unemployment spell). Instead, we decided to use the sixth and last wave of the panel (with respondents interviewed between October 1989 and January 1990). With this last wave, we could observe unemployment for four months prior to the interview (21st - 24th reference months starting from June 1989 and ending in December 1989, depending on the rotation group), as well as earnings and work behavior in the 12 months prior to the unemployment

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[5] SIPP is a multi-panel longitudinal sample survey of adults that measures their economic and demographic characteristics every four months over a period of two and a half years. The information from these interviews comprises a panel and the data examined in this study come from the 1988 SIPP panel. The 1988 panel has six interviews (or waves), conducted between February 1988 and January 1990. To facilitate field procedures, each sample panel is divided into four random sub-samples, "rotation groups"; each rotation group is interviewed during a separate month. Persons selected into the SIPP sample continue to be interviewed once every four months over the two and one half year life of the panel. At each interview, respondents are asked to provide information covering the four months since the previous interview. This four month span is the "reference period" for the interview. Since the 1988 panel has six waves, we were able to observe the sample for a total of 24 reference months.

period. By using this strategy, we could fully observe each individual's work history and characteristics (e.g., monthly earnings, number of hours per week worked, number of weeks worked, student or not, etc.) during the "base" period.

Unfortunately, by not using the second wave to determine unemployment status, we were unable to include those variables describing respondents' reasons for unemployment for the majority of the sample. This omission limited our ability to measure the impact of an important eligibility criteria, whether a worker left a job for an acceptable reason. We *were* able to examine a portion of the sample's reasons for unemployment, but we were not able to include reasons for leaving in our simulation of the screening process.

We started the analysis with a sample of 746 respondents who represented 6.6 million unemployed workers. We also started with a broad definition of unemployed workers that included those who looked for work prior to the sixth survey wave or who were considered discouraged workers. These respondents' last unemployment spell started between January 1989 and December 1989.

Once we determined the pool of unemployed workers, we began the process of matching them with the job they separated from. To do this, we first identified when the last unemployment spell began for these respondents. Then, we identified the jobs that they were separated from. This step was necessary because people can change their jobs even within relatively short periods of time and can hold multiple jobs. For those who had multiple jobs, we identified the primary job by comparing the number of hours worked per month for each job over a 12 to 15 month period and chose as the primary job whichever job a worker

worked most. We assumed that the primary job was the job from which the unemployed worker separated.

After we had these two pieces of information -- when the unemployment spell began and which job a worker separated from -- we then extracted the necessary data about the respondents' employment during the base period. For example, if a respondent started his/her unemployment spell in August 1989 and was unemployed until the end of the year, his/her base period began in April of 1988 and lasted until March of 1989. We then extracted the information on monthly earnings and number of weeks worked per month at the primary job during the base period. We were able to obtain complete information on jobs held during the base period for 91 percent of the sample.

If, however, a person had been unemployed for the entire period, or had been out of the labor force and then started to look for a job during the 21-24 month period, then we could not obtain information on job characteristics for the entire base period. We had 65 respondents (nine percent of the sample) who fell into this category. These include long-term unemployed workers who may have used up all their UI benefits, dislocated workers, or re-entrants to the labor force after a long break. They were kept in the sample in order to determine at which point in the eligibility process they would be excluded.

After we selected the sample and set up the data file, the final step was to conduct the eligibility screen analysis. In what follows we examine the impact of the eligibility screening process by comparing women to men and part-time to full-time workers.

REPLICATING THE ELIGIBILITY PROCESS

The UI screening process that we modeled to determine the differential access of male and female, part-time and full-time workers to UI is based on both federal and state eligibility criteria. We start with all those members of the labor force who do not have jobs regardless of whether they are experienced, have been actively looking for work, or were "discouraged"[6] workers. These workers are the potential pool of UI beneficiaries, for this study's purposes. Each of the eight eligibility screens that we apply eliminates additional workers.

To qualify for unemployment benefits an unemployed worker must satisfy the following sets of coverage and eligibility requirements (U.S. Department of Labor, 1989b):

- First, 13 states require that the unemployed person must not be enrolled in school as a full-time and/or part-time student (Screen 1).[7] Claimants in "approved" training programs are still eligible for benefits under federal law. State "able and available to work" requirements may exclude claimants for not searching for work while in some training programs. This is the **Non-Student** screen (Screen 1).

- Second, an individual must have been unemployed for a period of time greater than a minimum waiting period (usually a week) in most states. They must also be looking for work, i.e., still in the labor force. Unemployed workers who have given up

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[6] We have used two definitions of unemployment -- a narrow definition and a broad definition. The first identifies those who are without a job who did look for work and those who are with a job who spent time on lay off for either the entire or part of the month. The second includes those who are discouraged workers (i.e., without a job who did not look for work because they could not find work). Discouraged workers include: a) those who never worked more than two consecutive weeks or more at a job or business because they could not find work, and b) those who went six months or longer without working at a job or business because they could not find work.

[7] Since a few states disqualify claimants during school attendance and eight states extend the disqualification to vacation periods, students who are enrolled in school full-time or part-time for at least one month during the base period are excluded in those states. For those states which do not disqualify students if the individual is trying to adjust class hours to secure employment, only the full-time students are excluded.

looking for work are "discouraged" workers.[8] This is the **Looking for Work** screen (Screen 2).

- Third, an individual must have lost a job that is covered by the UI system -- including covered industries and occupations.[9] This is the **Covered Employment** screen (Screen 3).

- Fourth, nearly one quarter of the states require that an individual must have worked a specified number of weeks at a specified weekly wage. The minimum number of weeks requirements range from 14 weeks to 20 weeks.[10] This is the **Weeks Worked** screen (Screen 4).

- Fifth, 28 states have a high quarter earnings criterion that requires that individuals earn a specified minimum amount of earnings in one of the quarters of their base period. This is the **High Quarter** screen (Screen 5). This screen precedes the Base Period screen because the High Quarter screen requires a certain *level* of earnings whereas the base period screen adds a required *distribution* of earnings across additional quarters.

- Sixth, in all but Washington State, the individual must have earned a minimum level of earnings in the 12 month "base period" prior to the start of the spell of unemployment.[11] In all but six states, claimants must have earnings in at least two quarters though not all states specify earnings required in a high quarter. The base period earnings requirement is either a flat amount, a multiple of the weekly benefit amount, or an additional fraction of high quarter earnings. Seventeen states have an explicit additional requirement that the minimum earnings be earned in two quarters. This is the **Base Period** screen (Screen 6).

- Our final category is a residual that captures variations across states and individuals that cannot be measured using the SIPP. This residual includes other separation

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[8] The SIPP question about looking for work may not match state job search requirements. This screen relates to a claimant's unemployment status, not to their continuing eligibility for benefits.

[9] Agricultural workers are covered on farms with a quarterly payroll of at least $20,000 with 10 or more employees in 20 weeks of the year. Domestic employees in private households are subject to the Federal Unemployment Tax Act (FUTA) if their employer pays wages of $1,000 or more in a calendar quarter. Generally excluded from coverage are workers employed by their families and the self-employed.

[10] Washington State is the only state which set 680 hours of work as the sole requirement for qualifying for benefits. In all other states, to be eligible for UI, a person should have earned a minimum level of earnings.

[11] In most states, the base period is the first four of the previous five completed quarters prior to the quarter in which the unemployment spell occurs.

issues, continuing eligibility requirements, benefit exhaustees, non-applicants, and other factors that restrict receipt of benefits. All states, for example, disqualify workers who refuse work, though the nature and duration of the penalties vary widely. This "screen" is labelled **Remaining Eligibility Criteria** (Screen 7). As a residual, it simply reflects the difference between the percentage of unemployed workers passing through the six specified screens and the percentage actually receiving benefits, which is considerably lower.

A few words of caution are in order regarding this method. First, it is critical to note that not all states have laws that correspond to each of the screens and each screen is implemented differently in each state. For example, the screen for the requirement of earnings in two quarters applies to nearly all states, but the level of earnings required varies dramatically across these states. The screens are tested relative to unemployment in one time period and they may not be robust across business cycles or changes in the geography of unemployment.

Second, the screening method here is intended to be cumulative, with each successive screen intended to measure a more exclusionary practice. The problem of ordering screens is complicated by the diversity of state legal practices.[12] For example, the requirement of two quarters of earnings may be more easily met in some states than a single quarter requirement that is exceptionally high in another state. By placing high quarter requirements ahead of base period requirements, the study sheds some light on the exclusionary effects on women and part-time workers of the required distribution of earnings after they achieve a required level of earnings.

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[12] To test the accuracy of the ordering of the screens, we ran an alternative ordering. This test confirmed that our ordering did, in fact, run from least to most restrictive for the year under investigation.

■ PART ONE: ELIGIBILITY BY GENDER

We begin the screening process with all 6.6 million unemployed workers. These workers include the long-term as well as the short-term unemployed, those with and without prior work experience, those actively seeking work, and those who had given up seeking work. These men and women represent the unemployed population in the U.S, when it is broadly defined. They are the jobless population who would like to be working. This unemployed population is comprised of almost equal numbers of men and women (see Table Two). Women are slightly over-represented in the unemployed population since they represented 44.5 percent of the labor force in 1988, but 50 percent of the unemployed, when broadly defined.

TABLE TWO
Summary of Screen Analysis By Gender

Screen #	Population (in Thousands)	Total	Men		Women	
			Total	Percent of Base	Total	Percent of Base
Baseline	Unemployed and Discouraged Workers	6,561	3,276	100	3,285	100
Screen 1	Unemployed, Non-student	6,218	3,075	94	3,143	96
Screen 2	Screen 1 and Looking for Work	5,651	2,762	84	2,890	88
Screen 3	Above and Covered Employment	5,290	2,500	76	2,791	85
Screen 4	Above and Weeks Worked Requirements	4,337	2,219	68	2,118	65
Screen 5	Above and High Quarter Earnings	3,888	2,081	64	1,807	55
Screen 6	Above and Base Period Earnings	3,707	2,018	62	1,688	51
Remaining Eligibility Criteria	Apply for Benefits Acceptable reasons for separation Meet Job search requirement Participate in Profiling if Required Haven't exhausted benefits					
Final	Received Unemployment Insurance	1,527	861	26	666	20

Source: IWPR analysis of data from 1988 Survey of Income and Program Participation

SCREEN 1
(Unemployed and Non-Students)

Thirteen states disqualify unemployed workers if they are students. The first screen shows the effect of this disqualification. Table Two shows that five percent of the base of unemployed workers were screened out by this set of requirements. As a result of this screen, 6.2 million out of the original 6.6 million unemployed workers remain in the pool of workers eligible for UI. Unemployed men are slightly more likely to lose eligibility as a result of this screen than are unemployed women (six percent compared to four percent).

SCREEN 2
(Narrow Definition of Unemployment)

This screen excludes discouraged workers, so that we end up with a "narrow" definition of the unemployed (those who are actually looking for work). As a result of this screen, an additional 0.6 million workers or nine percent of the base are removed from unemployment eligibility. A higher proportion of men than women are excluded as a result of this screen (10 percent compared to eight percent), likely because more women drop out of the labor force and are not counted as discouraged.

SCREEN 3
(Work Performed in Covered Employers)

This screen determines whether the 5.6 million unemployed men and women who are not students and who are still in the labor force were employed by UI-covered employers during the base period. In this step we screen out the self-employed, unpaid family workers, and military personnel.[13] As a result, an additional 0.4 million workers -- about 5.5 percent of the base -- lose eligibility. Because of the higher percent who are self-employed or in the military, men are substantially more likely to be excluded at this step than are women (eight percent compared to three percent).

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[13] With the SIPP, those who work as self-employed, unpaid family workers, and military personnel are considered as not working for a UI-covered workplace. Certain domestic workers, agricultural workers, and workers in nonprofit organizations are not covered by UI. However, since the SIPP does not have information on employers we were not able to exclude such workers.

SCREEN 4
(Minimum Weeks Requirements)

This screen determines the proportion of the experienced jobless who did not work long enough during the base period to meet eligibility requirements. We also exclude those individuals who were without jobs during the entire base period (regardless of whether or not they seek jobs). As a result of this screen, the largest share of the base, 1.0 million unemployed workers or 15 percent lose access to UI benefits (See Table Two and Figure Three). ***More than twice as many women as men fail this screen (20 percent compared to eight percent).*** A significantly higher proportion of women than men are excluded as a result of the screen in part because women are less likely to work full-time year round than are men. According to the March 1991 Current Population Survey, 71 percent of men and 54 percent of women who are between the ages of 18 and 64 worked full-time, year round in 1990.

SCREEN 5
(High Quarter Earnings)

This screen determines whether workers meet the "high quarter" earnings requirement. Of those unemployed workers who have met the weeks of employment requirement (Screen 4, above), 400,000 do not fulfill the high quarter earnings requirement -- that an individual earn at least a specified amount during three months of the year-long base period. As a result, an additional seven percent of the total unemployed lose access to UI benefits. ***Again, twice as many women failed this screen as men (10 percent of women compared to four percent of men).***

SCREEN 6
(Earnings in Base Period)

This screen shows the proportions of the jobless who have been working for covered employers and met weeks of employment and high quarter earnings tests, but who did not make sufficient earnings in the base year to meet the state minimum earnings requirements. In states where base period earnings requirements are higher than high quarter requirements, workers will have to have earnings in more than one quarter to meet this screen. As a result of this screen, 200,000 workers (about three percent of the base) lose access to UI benefits. ***Once again, almost twice as many women as men lose eligibility as a result of this screen (four percent compared to two percent, respectively).***

The result of these six screens is a reduction in the unemployed population from 6.6 to 3.7 million who are potentially eligible for UI benefits. If we could continue to calculate the effects of additional criteria, such as qualifying reasons for job separation, benefit exhaustion, actual application for UI, meeting requirements, qualification for job search, and ability and availability to work full-time, we would likely succeed in identifying all the reasons the potential pool of unemployed is reduced to the 1.5 million workers who actually received UI benefits.

SCREEN 7
(Remaining Eligibility Criteria)

Although, because of lack of data in our sample, we were not able to include reasons for unemployment in our model of the screening process, we have provided these data for

women and men who were unemployed during an earlier time period in the 24-month survey (months five through eight). Table Three shows that the main reason for male unemployment is plant closings or layoffs (27 percent of men lose or leave their job for this reason), while the main reason for female unemployment is family or personal reasons (17 percent of women leave or lose their jobs for this reason and an additional eight percent leave or lose their jobs as a result of pregnancy or childbirth).

TABLE THREE
Reasons for Separation from Previous Job, By Gender

(Population in Thousands)

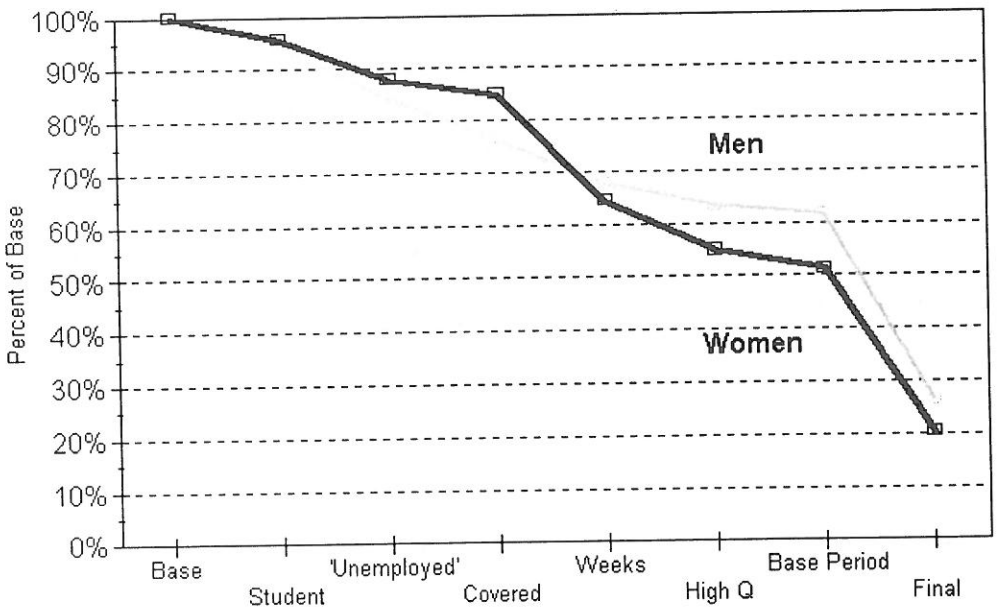
	Men		Women	
	N	Percent	N	Percent
Layoff, Plant Closing	526	26.5	327	15.0
Temporary Job Ended	272	13.7	263	12.0
Health Reasons	232	11.7	121	5.5
Did Not Like Working Conditions	213	10.7	203	9.3
Going to School	151	7.6	208	9.5
Dissatisfied with Earnings	134	6.8	114	5.2
Discharged	122	6.2	151	6.9
Other Family or Personal Reasons	65	3.3	371	17.0
Did Not Like Location	28	1.4	17	.8
Became Pregnant/ Had Child	0	0	164	7.5
Other	240	12.1	242	11.1
TOTAL	1,982	100.0	2,180	100.0

Source: IWPR analysis of data from Wave 2 of the 1988 Survey of Income and Program Participation.

Family and personal reasons are much less likely to be considered "good cause" reasons than are layoffs or plant closings. Yet, it is important to note that three-quarters of women did *not* become unemployed because of family reasons (including childbirth). Like men, they became unemployed primarily because of layoffs, dissatisfaction with poor working conditions or low earnings, or because of the temporary nature of their job.

The number of workers with additional reasons for failing to receive UI (including failure to apply for benefits, failure to look for work, lack of availability for full-time work, and exhaustion of benefits) are not available from the SIPP. We assume that the total of these workers is the difference between the numbers remaining after Screen 6 and the final number of recipients.

Figure Three
Portion of the Unemployed Excluded from UI Eligibility by Selected Screening Factors, by Gender, 1988



Source: MPR Calculations based on Survey of Income and Program Participation, 1988.

SUMMARY:
UI RECIPIENCY RATES BY GENDER

Our model of the UI screening process shows that 74 percent (or 2.4 million) of all unemployed male workers and 80 percent (or 2.6 million) of all unemployed female workers do not receive UI benefits. Men are six percentage points more likely to receive UI benefits than women. A substantially higher percentage of women than men are screened out. Women are more likely than men to remain eligible during the first three screens, but less likely to remain eligible during the next three screens. Women have fewer weeks of work and are less likely to meet the necessary high quarter and base period earnings requirements. The six screens directly measurable in this study result in 49 percent of unemployed women losing eligibility compared to 38 percent of men. All remaining eligibility criteria (including the necessity to apply for benefits) screen out more men than women. Even though it is likely that fewer women than men have "good cause" reasons for unemployment and fewer women are available for full-time work, proportionately more men are eliminated for other reasons, while proportionately fewer men than women are eliminated for monetary reasons because a higher proportion of men than women met the monetary eligibility screens.

Although this study addresses issues relating to initial claims for UI, the low percentage of the unemployed receiving benefits is also related to issues of continuing eligibility. One might expect to find that men are more likely than women to exhaust benefits due to the longer duration of unemployment among men, while women are more likely to exit unemployment by dropping out of the labor force. Indeed, men have longer durations of unemployment; in 1994, average weeks of unemployment for men was 18.5

weeks, while that of women was 16.7 weeks (U.S. Department of Labor, 1995: Table A-32). Yet the largest study of benefit exhaustees found that women were more likely than men to exhaust benefits (45 percent of all exhaustees were women and only 40 percent of all nonexhaustees were women) (Corson and Dynarski, 1990).

The higher benefit exhaustion rate among women may occur because of the way benefit durations are determined. It must always be remembered that UI monetary eligibility requirements simultaneously determine whether a claimant will receive UI *and* how long the benefits will last. In almost all states, prior earnings are used to calculate benefit durations and weekly benefit amounts.[14] Since prior earnings help determine benefit durations, women's lower prior earnings will result in reduced benefit durations and, all else being equal, increased benefit exhaustion rates. Table Four shows this effect using median weekly earnings for selected populations in 1994.

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[14] Eight states and Puerto Rico are "uniform duration" jurisdictions, providing 26 weeks of benefits for all eligible claimants.

TABLE FOUR
Effect of Prior Earnings on Eligibility for Maximum Benefit Levels and Benefit Durations

	Median Weekly Earnings, 1994	Median Weekly Earnings Times 52 Weeks	Jurisdictions In Which Eligible for Maximum Benefits and Maximum Duration *
Men, 16 and Over	$522	$27,144	50**
Women, 16 and Over	$399	$20,748	35
Women, Part-Time	$140	$7,280	0
Women, Service Occupations	$256	$13,312	15

NCEP calculations based on BLS, "Employment and Earnings", January 1995 and US Department of Labor, "Comparison of State Unemployment Insurance Laws", Revised August 1993.
* 51 jurisdictions cited. Excludes Puerto Rico and Virgin Islands, but includes District of Columbia.
** Washinton state requires $30,600.

The column labelled "median weekly earnings times 52" assumes that the worker is a full-year employee, an upper-bound assumption for calculating total earnings. The final column shows that in all 51 jurisdictions (except Washington state) an adult male working full year for the male median weekly wage will be eligible for the maximum UI benefits at maximum duration if he is not disqualified for nonmonetary reasons. In none of these jurisdictions would a woman working part-time, full-year at the median weekly wage for that demographic group be monetarily eligible for maximum duration and level of benefits. In only 15 of the 51 identified jurisdictions would a woman working full-year for the median weekly wage paid women in service occupations be eligible for maximum benefits at maximum duration. This finding suggests that lower monetary eligibility requirements are needed to promote increased gender equity in both benefit recipiency and duration.

■ PART TWO: ELIGIBILITY BY FULL- OR PART-TIME STATUS

As noted, the UI system was originally designed to benefit full-time workers with a strong attachment to the labor force facing temporary job loss. As we saw, workers who are not employed for the necessary hours or weeks, or do not earn the requisite amounts, or are unable to work full-time are likely to lose access to benefits. Many of these workers are employed part-time (fewer than 35 hours per week). About 70 percent of part-time workers between the ages of 18 and 64 are women (IWPR calculations based on the March 1991 Current Population Survey). In this next section, we compare the impact of the eligibility screening process on full-time versus part-time workers.

We begin this screening process with 5.4 million unemployed workers for whom we have information on hours of work during the base period. The long-term unemployed and those without prior work experience are excluded from the beginning of the process since no information about their usual hours of work is available. Almost one out of three (29 percent) of the remaining unemployed workers were employed part-time. Table Five and Figure Four show the results of the screening process differ when applied to full- and part-time workers.

SCREEN 1
(Unemployed and Non-Students)

About 13 states have special provisions limiting the benefit rights of students. About five percent of the base of unemployed workers is screened out by this set of regulations and

5.1 million remain. Unemployed part-time workers are significantly more likely to be excluded in this screen than are unemployed full-time workers -- 10 percent as compared to three percent (Table Five). This may be due to the higher proportion of students who work part-time rather than full-time.

TABLE FIVE
Summary of Screen Analysis by Work Time

Screen #	Population (in Thousands)	Total	Part-Time Worker		Full-Time Worker	
			Total	Percent of Base	Total	Percent of Base
Baseline	Unemployed and Discouraged Workers	5,382	1,565	100	3,817	100
Screen 1	Unemployed, Non-student	5,099	1,406	90	3,694	97
Screen 2	Screen 1 and Looking for Work	4,950	1,324	85	3,626	95
Screen 3	Above and Covered Employment	4,589	1,226	78	3,362	88
Screen 4	Above and Weeks Worked Requirements	4,219	1,018	65	3,201	84
Screen 5	Above and High Quarter Earnings	3,846	778	50	3,068	80
Screen 6	Above and Base Period Earnings	3,707	655	42	3,052	80
Remaining Eligibility Criteria	Apply for Benefits Acceptable reasons for separation Meet Job search requirement Participate in Profiling if Required Haven't exhausted benefits					
Final	Receiving Unemployment Insurance	1,517	155	10	1,362	36

Source: IWPR analysis of data from the 1988 Survey of Income and Program Participation.

SCREEN 2
(Narrow Definition of Unemployment)

This screen excludes discouraged workers, so that we end up with a "narrow" definition of unemployment. As a result of this screen, 149,400 workers or three percent of

the base lose eligibility. A higher proportion of part-time workers (five percent) than full-time workers (two percent) are excluded.

SCREEN 3
(Covered Employment)

This screen determines whether unemployed part- or full-time workers work for UI-covered employers during the base period. In this step we screen out self-employed, unpaid family workers, and military personnel. As a result, 400,000 workers, about seven percent of the base, lose eligibility. About an equal proportion of part-time and full-time workers are excluded as a result of this screen; this is because "coverage" is determined by class of worker or industry, not by number of hours worked.

SCREEN 4
(Minimum Weeks in Base Period)

This screen determines the proportion of the experienced jobless who did not work long enough during the base period to meet eligibility requirements. As a result of this screen, 400,000 unemployed workers or seven percent of the base lose eligibility. Because part-time workers also tend to work fewer weeks than full-time workers, a significantly higher proportion of part-time workers than full-time workers are excluded by base period requirements (13 percent compared to four percent). According to the 1991 March CPS, full-time employees work 10 more weeks per year than part-time employees, on the average (a mean of 46 weeks for full-time workers compared to 36 weeks for part-time workers).

SCREEN 5
(High Quarter Earnings)

This screen determines whether thus-far eligible workers meet the "high quarter" earnings requirement. We find 400,000 unemployed workers who met the weeks of employment requirement (Screen 4) do not meet the high quarter earnings requirement. ***Almost four times more part-time workers than full-time workers fail to meet this screen (15 percent of part-time workers compared to four percent of full-time workers).*** This finding suggests that part-time workers are more concentrated in the low-wage labor market than are full-time workers and have more intermittent work experience. The high quarter screen is the one that disqualifies the most part-time workers (240,000 workers or more than 15 percent of all part-time workers).

SCREEN 6
(Sufficient Earnings in Base Period)

This screen determines the percentage of the experienced jobless who were working for covered employers, who met weeks of employment and high quarter earnings requirements, but who did not earn enough during the base period to meet state minimum earnings requirements. As a result of this screen, 100,000 unemployed, or almost three percent of the base, lose eligibility. ***Part-time workers are twenty times more likely to fail this screen than full-time workers (eight percent of part-time workers but only 0.4 percent of full-time workers).***

SCREEN 7
(Remaining Eligibility Criteria)

Although we are unable to include reasons for unemployment in our model of the screening process because of the survey waves we used, we can provide these data for unemployed part-time employees compared to unemployed full-time employees in a separate analysis. Table Six shows that the main reason for unemployment among full-time workers is plant closing or layoffs (21 percent lose or leave jobs for this reason), while the main reason for unemployment among part-time employees is because of student status (21 percent lose or leave jobs for this reason).

TABLE SIX
Reasons for Separation from Previous Job, by Work Time Status

(Populations in Thousands)

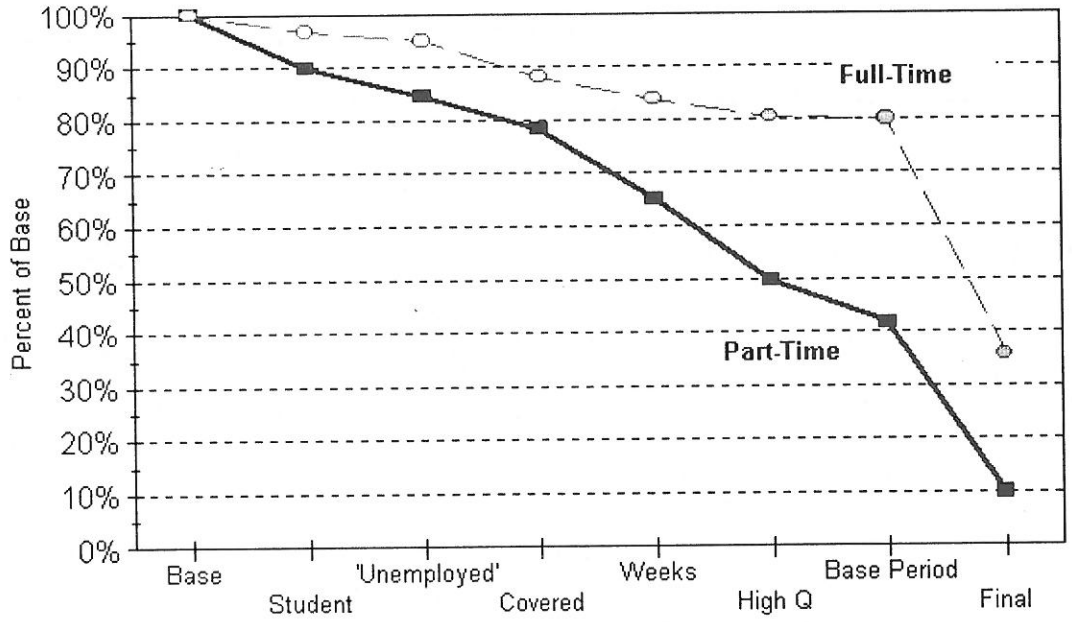
	Part-Time Workers		Full-Time Workers	
	N	%	N	%
Going to School	225.6	20.5	97.9	4.3
Job was temporary and ended	164.6	14.9	324.9	14.4
Other family or personal reasons	144.2	13.1	209.9	9.3
Layoff, Plant Closing	127.7	11.6	466.9	20.7
Did not like working conditions	88.9	8.1	273.3	12.1
Became pregnant/ had child	80.8	7.3	35.1	1.6
Discharged	77.8	7.1	125.4	5.6
Dissatisfied with earnings	52.1	4.7	180.1	8.0
Health reasons	37.9	3.4	212.1	9.4
Did not like location	7.9	.7	36.6	1.6
Other	93.9	8.5	295.8	13.1
TOTAL	1,101.4	100.0	2,258.0	100.0

Source: IWPR analysis of data from Wave 2 of the 1988 Survey of Income and Program Participation.

Because of state restrictions concerning students as well as the various earnings criteria, former workers who are enrolled in school are probably less likely to receive UI benefits than are those who experienced layoffs or plant closings. Yet, it is important to note that the majority of part-time workers do *not* become unemployed because they go to school. Like full-time workers, they become unemployed primarily because of layoff, the temporary nature of their job, or dissatisfaction with poor working conditions. Unlike many full-time workers, part-time workers fail to qualify for UI because of their low earnings and short work weeks.

As noted previously, the number of workers with additional reasons for failing to receive UI (including failure to apply for benefits, failure to look for work, lack of availability of full-time employment, and exhaustion of benefits) are not available from the SIPP. We assume that the total of these workers is the difference between the number is Screen 6 and the final number of recipients.

Figure Four
Portion of Unemployed Excluded from UI Eligibility by Selected Screening Factors, by Full-Time/Part-Time Status, 1988



Source: IWPR calculations based on Survey of Income and Program Participation, 1988.

SUMMARY:
UI RECIPIENCY RATES BY PART- OR FULL-TIME STATUS

The result of the six specific screens is a reduction in the eligible population from 5.4 to 3.7 million workers. At the end of these screens, which primarily measure the effect of monetary eligiblity requirements, fully 58 percent of part-time workers, compared to 20 percent of full-time workers, have been eliminated from UI eligibility. If we were able to continue screening for several additional factors (listed in the last row of Table Five), including those who fail to apply for UI, have unacceptable reasons for job separation, have exhausted benefits, or are disqualified for not seeking work, not being able to work or not

being available for "suitable" work, we would end up with the 1.4 million full-time workers and only 155,000 part-time workers who actually receive UI benefits. Thus, a higher proportion of all full-time unemployed workers than of all part-time workers failed to gain benefits as a result of the series of reasons listed in the residual screen (44 percent versus 32 percent, respectively), indicating that monetary eligibility requirements are a far more significant cause of reduced eligibility among part-time workers then are non-monetary determinations. ***When all screens are applied, unemployed workers who previously worked full-time are almost four times more likely (3.6:1) to receive UI benefits as are unemployed part-time employees.***

CONCLUSIONS AND POLICY RECOMMENDATIONS

Created in 1935, the UI system was designed to benefit workers with a strong attachment to the labor force facing temporary unemployment. The assumed target population was male breadwinners who held full-time jobs prior to unemployment. Because many women's employment patterns do not follow this male model, women historically have been less able to meet the program's stringent eligibility criteria. Despite dramatic changes in women's employment, labor force participation, and the growth of part-time work, UI eligibility criteria have not reflected the changes in the composition of the workforce and the characteristics of jobs.

The findings from this study show, as have others, that unemployed women are substantially less likely than unemployed men to receive UI benefits. Unemployed women are more likely to meet some eligibility requirements than are men, but they are substantially less likely to meet the weeks of employment requirements and high quarter and base period earnings requirements. Part-time workers (two-thirds of whom are women) are more likely than full-time workers to be disqualified at each stage of the eligibility screening process, though the highest proportions are also most likely to be disqualified for failing to meet weeks of employment, high quarter, and base period earnings requirements.

Although women are more likely than men to leave or lose their jobs because of family reasons, the vast majority, three-quarters, become unemployed for job-related reasons. Likewise, the majority of part-time workers also become unemployed for job-related reasons. These findings suggest that it is the length of employment and the monetary eligibility

criteria that most discriminate against women and part-time workers. The UI system was originally intended to provide income support to those who suffered unemployment through no fault of their own. The data on job separations suggest that women and part-time workers *are* exiting employment through no fault of their own, but current monetary eligibility requirements and separation disqualifications do not accurately reflect labor force attachment or workers' intentions around separations. Instead, even part-time workers and women who leave employment for acceptable job-related reasons are penalized under stingent monetary eligibility requirements that do not reflect current labor market conditions or work patterns.

The current inequities of the system will likely become more egregious in the future. The need for UI will grow as increasing numbers of workers hold part-time and contingent jobs (Hartmann and Callahan, 1991) and if AFDC becomes a time-limited, non-entitlement program. Because women are more likely to be in precarious labor market positions and to receive AFDC, more women will necessarily look to UI as a source of income security in the future. Recent research by IWPR suggests that more than four out of 10 single mothers who receive at least two months of AFDC during a two-year period, have substantial hours of paid employment (close to 1,000 hours per year). These women are employed at the lowest wage jobs (cashiers, nurses aides, domestic workers, and food and personal service) with average earnings of $4.29 per hour (in 1990 dollars). Their work patterns are sporadic and include many weeks of part-time work (Spalter-Roth, et al, 1995). Only 11 percent of these working AFDC recipients received UI, relying instead on AFDC as a "poor woman's" unemployment insurance (Spalter-Roth, et al, 1994).

Prior federal efforts at reforming the UI system have expanded the range of industries covered by the program and created temporary extensions of benefits to long-term unemployed workers rather than making the system more accessible to workers with low-earnings and more sporadic work patterns (U.S. House of Representatives, 1994: 301ff). The recent report by the Advisory Council on Unemployment Compensation (1995) advocates correcting this failure and develops recommendations to change eligibility rules that discriminate against low-wage workers. In addition to expanding coverage (by eliminating exemption of agricultural workers on small farms) and other changes, they recommend:

> **All states should use a moveable base period in cases in which its use would qualify an Unemployment Insurance claimant to meet the state's monetary eligibility requirements.** This recommendation would correct an accounting practice that excludes low-wage claimants with varying work patterns. Many states define a "base period" of four quarters for calculating a UI applicant's prior earnings. This base period may not include the most recent quarter of earnings, using the preceding four quarters instead. This unnecessarily penalizes claimants who may have had substantial earnings in the most recent quarter, but not enough in preceding quarters.
>
> **Each state should set its base period earnings requirement at or below 800 times the state's minimum hourly wage and its high quarter earnings requirement should not exceed one-quarter of that amount.** This change would mean that even workers who work less than half-time would qualify for benefits, and those with generally low earnings and few hours of work would not be excluded by high earnings requirements in one quarter.
>
> **States should eliminate seasonal exclusions.**
>
> **Workers who meet a state's monetary eligibility requirements should not be precluded from receiving UI benefits merely because they are seeking part-time , rather than full-time, work.** This would expand the definition of "suitable work" and allow a broader conception of what is "suitable" for a particular claimant.

These are important recommendations and all of these changes will benefit women and part-time workers disproportionately. However, the reliance of the recommendations on state action, rather than federal standards, may result in little policy change given that state discretion in these areas has caused the inequities that exist in the first place. The transformation of labor markets and work places that is occuring throughout the US economy creates a compelling *national* interest in an inclusive, responsive UI system. It is possible and desirable to design a system that both serves national priorities and acknowledges relevant differences across states.

In addition to the ACUC recommendations mentioned above, we would recommend additional reforms that would improve access for women, part-time, and low wage workers and increase the income-maintenance capacity of the system for these categories of workers. Although this study has focused primarily on monetary eligibility issues, due to the specificity of our database, it is crucial that reformers acknowledge other aspects of the system that are critical to women and low-income workers. As reformers set about improving the functioning of the system in the face of new labor market conditions, three modest reforms would be particularly relevant to women and the growing ranks of low-wage workers:

> **(1) The definition of "good cause" should be expanded to acknowledge the realities of women's labor force participation.** Similarly situated workers in different states face wide variation in what is considered "good cause" for leaving. In Arizona and Connecticut, a worker who faces transportation trouble has "good cause" for leaving a job and is eligible for UI. In Kansas, hazardous working conditions are "good cause". In Wisconsin, a worker who quits a part-time job is eligible for UI if loss of a full-time job made it uneconomical to keep the part-time job. In most states the "good cause" must

be related to the job or employer. In Mississippi "marital, filial, domestic reasons" are not considered good cause (U.S. Department of Labor, 1993). Leaving a job for family reasons or sexual harassment should not disqualify a claimant in any state.

(2) Increasing the amount of earnings that an unemployed worker can legally receive while on UI can improve living standards for unemployed workers, improve labor force attachment, and allow claimants to pursue training or a more intense job search. Every state allows some earnings in addition to UI benefits. But, again, the definition of underemployment and the benefits vary greatly. Because states use weekly benefit amounts in their calculation of earnings thresholds, low-wage workers with low weekly benefit amounts face low partial benefit earnings thresholds. In Alabama, a claimant can earn only $185 per week at part-time work before having their UI benefits reduced. They will have $15 disregarded when partial benefits are calculated. In New Jersey, an unemployed worker can earn $416 a week at a part-time job without being disqualified from UI and $69.40 will be disregarded in calculating benefits.

(3) "Work sharing" or "short time compensation" programs can increase employee tenure with an employer while promoting equity during downturns. Work sharing programs avert large scale layoffs by paying partial UI benefits to workers who accept reduced work hours. Sixteen states currently have work sharing provisions (Vroman, 1992). European experience suggests that work sharing can have a significant effect on employment stabilization (Abraham and Houseman, 1993). Effects of the programs include smaller earnings losses for employees facing reduced work instead of layoff offset by some earnings loss for those who would not have been laid off but who agree to reduced hours of work. The result is a more equitable distribution of earnings losses than results from layoffs. Workers who would have been laid off will continue to accrue seniority, enjoy fringe benefits in most states, and continue to benefit from their firm-specific skills which would not be as valuable to a new employer. These programs are particularly valuable to women because their more frequent "last hired, first fired" status makes them more vulnerable to layoffs.

Finally, a more radical change that would benefit women would be to provide benefits for new entrants and re-entrants into the labor force. Workers who lose their jobs shortly after entering or re-entering the labor force are not likely to meet required earnings thresholds and be eligible for UI benefits. If the U.S. were to adopt an unemployment

assistance (UA) program such as those prevalent in OECD countries (e.g., Austria, Finland, France, Germany, Greece, Ireland, Netherlands, Portugal, Spain, Sweden, United Kingdom, Australia, New Zealand), these workers could receive some form of compensation while they search for work. UA is noncontributory and subject to a means-test, meaning that workers are eligible for UA benefits regardless of employment history as long as they meet the income/asset tests (Atkinson and Micklewright, 1991). Young workers without prior job experience or lower income women who return to work after a long period of absence would especially benefit from this program.

These reforms could go a long way toward increasing access to UI benefits among women and other workers with low earnings, fewer hours of work, and more movement in and out of the labor market. In their absence, the future for unemployed workers could be extremely bleak. If current trends continue, the combined effects of increased shifts in labor markets and exclusionary UI practices among the states will result in a system that serves fewer and fewer workers, particularly if they are women or part-timers. If AFDC recipients lose their rights to welfare benefits and are expected to support their families on low-wage and temporary jobs, they will be unlikely to be able to rely on UI to fill in the gaps. The safety net would all but disappear: workers would face a UI system that hasn't adapted to a changing economy, that provides income support to one-third or less of the unemployed, and a welfare system that puts greater penalties on the most hard hit victims of economic dislocation. Only by acknowledging the new labor market realities facing women and, indeed, all workers and by expanding eligibility for benefits can the UI system fairly and effectively provide social insurance for all unemployed workers.

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