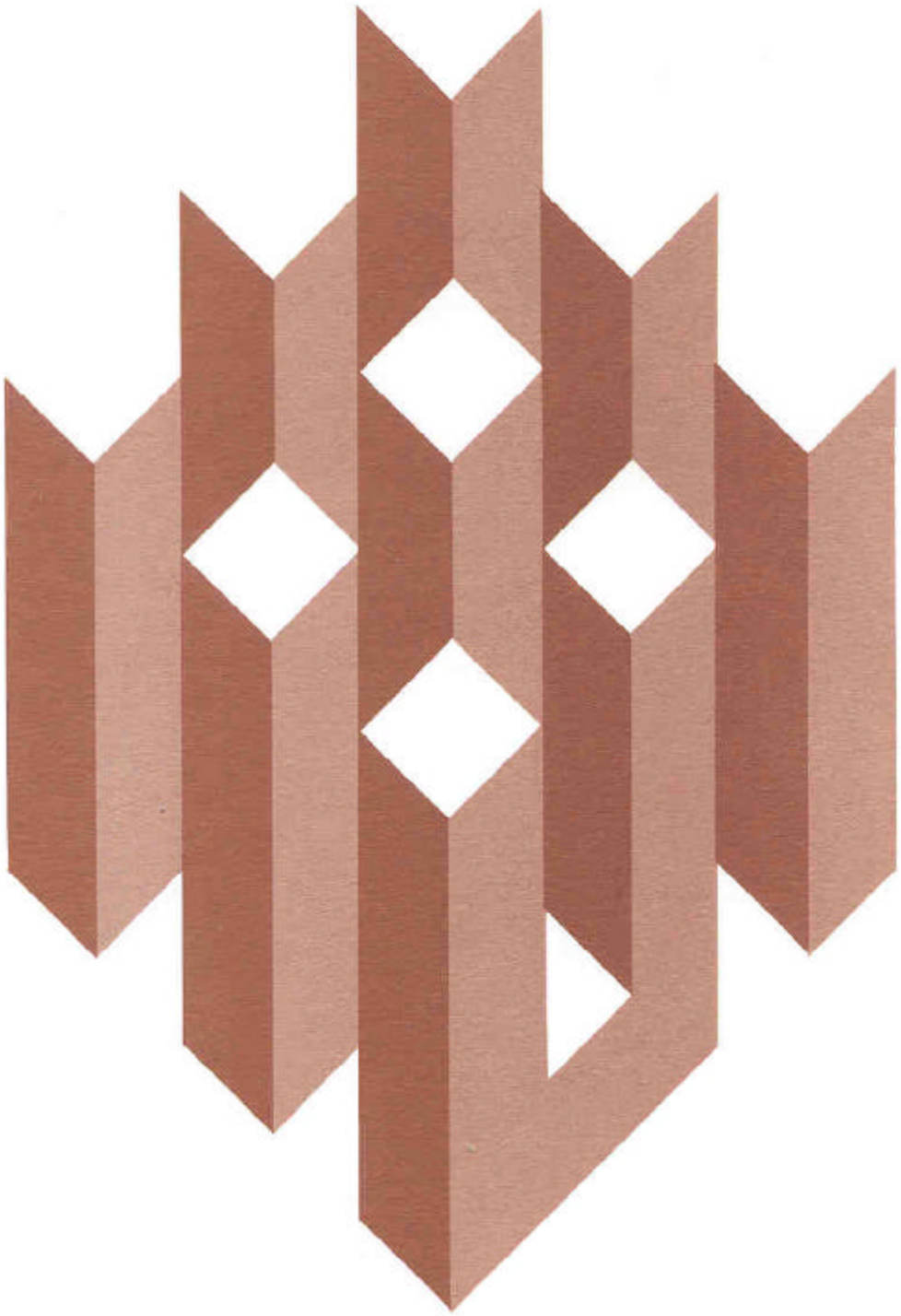
An Analysis of Some of the Effects of Increasing the Duration of Regular Unemployment Insurance Benefits

U.S. Department of Labor
Employment and Training Administration



An Analysis of Some of the Effects of Increasing the Duration of Regular Unemployment Insurance Benefits

U.S. Department of Labor
Ray Marshall, Secretary

Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training
Unemployment Insurance Service

1978

This report was prepared by Peter W. Kauffman, Margaret H. Kauffman, Michael P. Werner, and Christine A. Jennison under Contract No. 99-6-806-04-22 with the Unemployment Insurance Service, Employment and Training Administration, U.S. Department of Labor.

CONTENTS

CONTENTS (continued)

LIST OF FIGURES

LIST OF FIGURES (continued)

FIGURES

1.0 INTRODUCTION AND CONCLUSIONS

1.1 Purpose

During the past 20 years it has been found that the duration of benefits is not adequate during periods of "high" unemployment and in many small areas during periods of "normal" unemployment. In response to this problem, the Federal-State Extended Benefits (EB) Program was enacted. This program permits eligible individuals to receive benefits equal to one-half of their entitlement under the regular State unemployment insurance program up to a maximum of 39 "weeks" during periods of specified high unemployment. The "triggering" mechanism used by the EB Program to determine when a State is experiencing high unemployment has been criticized because it does not equitably define periods of high unemployment among States, within States, and among individuals. One alternative to a "triggering" mechanism is to permanently increase the duration of regular State unemployment insurance up to a maximum of 39 "weeks". The purpose of this study is to explore alternative formulas for providing additional duration under the regular benefit program.

The study, entitled "An Analysis of Some of the Effects of Increasing the Duration of Regular Unemployment Insurance Benefits" was conducted to aid in the assessment of such a program. Alternative formulas were applied to samples of actual claimant data from a group of four States. The analysis sought to determine the impact of each formula applied on program costs and on various segments of the claimant population.

The scope of the study was limited to the "weeks of work" States. These 14 States are those which include the requirement of a minimum number of weeks worked in the base period in determining eligibility for benefits. These States were specified for use on the basis of the availability of data on weeks of work in the base

period. Although they comprise a minority of the States in the nation, their use of a variety of duration and benefit formulas makes them more representative with respect to methods for determining entitlement than their small number would suggest.

The States used in the study are Ohio, Florida, New York, and Oregon. Ohio and Florida use a fraction of the weeks worked to determine entitlement to benefits, Oregon uses a fraction of base period wages, and New York provides uniform duration. Thus, these States represent many of the common types of entitlement provisions. They were selected (within the limits set by the practical considerations of cost and data availability) to represent the various means for setting benefit duration. Oregon is tested with a high quarter wage benefit formula rather than an annual wage formula since the high quarter wage formula is the predominant method used in the country.

It should not be expected, however, that the results of testing alternative formulas in these States could be "blown up" to produce reliable estimates of the program's impact on a national scale. Nor can results for one State be reliably compared with or imposed upon another State. There are too many factors uncontrolled by the study design, making interstate comparisons and national conclusions risky at best. This is not to minimize the importance of the results of the study; rather, it is a cautionary word regarding the conclusions which are reasonable to draw from such an analysis.

The results of the project will provide an indication of the effects of applying various formulas for increasing unemployment benefit duration beyond current maximums. The application of alternative formulas to real claimant data to determine potential and actual duration of benefits and the resultant costs will take the study of increasing benefit duration a substantial step forward. The type of analysis conducted in this project is a necessary step in considering increasing duration--including the desirability of such a program and the method chosen to carry it out.

1.2 Outline of the Final Report

This report is divided into seven chapters. This chapter provides a basic introduction to the project and summarizes the results of all phases of the analysis. Chapter 2 discusses the program experience which has brought about suggestions for raising the maximum duration under regular State programs. Chapter 3 outlines the various State entitlement provisions which must be considered in developing alternative formulas for increasing benefit duration to this level. The four chapters following (4 through 7) deal with the four States studied during the project. Each chapter presents the State's current provisions; the alternative additional benefits formulas designed for the State; and the results of applying the formulas (including the effect on costs, duration, and exhaustions and the impact on various population groups). Appendix A discusses statistical considerations and includes valuable information on the relative accuracy of estimates provided in this report. Finally, Appendix B contains a bibliography of the major source material utilized by the project.

1.3 Summary of Conclusions

We present in this section a summary of the results and conclusions which are presented in Chapters 4, 5, 6, and 7 of this report. While the reader is encouraged to take the time to review that material, the results which are of greatest significance are presented herein.

The analysis of the impact of increasing regular duration to 39 "weeks" of benefits was completed in the States of Ohio, Florida, New York, and Oregon. This analysis included the determination of both potential and actual costs of such a program and an analysis of the impact in terms of average duration (both potential and

actual), exhaustion rates, and changes in the makeup of the characteristics of selected claimant groups. The analysis was limited to claimants with benefit years beginning (BYB) in 1973, 1974, and 1975, with actual costs and exhaustions limited to just 1975.

The formula to be tested for increasing regular benefits was to require one and one-half times the base period employment needed for 26 "weeks" of benefits in order to receive 39 "weeks" of benefits. This formula could be applied to most States while allowing them to maintain their existing formula. There are, however, some instances where such a requirement would require a State to increase its existing fraction in order that claimants might be able to receive 39 "weeks" of benefits.

Of the States tested, two would require such a change. Florida, which uses weeks of work to determine duration and a fraction providing one week of benefits for two weeks of work (1/2), was tested using a 3/4 fraction and a 1/1 fraction. Oregon, which uses annual wages, was tested as a high quarter wage State since that is the predominant formula used in the country. The fractions tested for Oregon were chosen to be as close to the existing program as possible.

1.3.1 Potential and Actual Cost Estimates

The results of this analysis include estimates of the potential and actual costs to the State for the additional benefit duration program. The potential cost estimate represents an upper bound that a State could expect; however, it is the actual cost which are most likely to reflect the costs in a particular State.

In reviewing the results two factors should be kept in mind. First, the data represents results based upon claimants drawing benefits with BYB's in periods of varying economic conditions, and second, comparisons of these results against formal UI financial

reports must consider the fact that the formal reports are for benefits paid to claimants within a specified period, not for benefits of claimants with a specified BYB. The cost estimates for the formulas tested in the four States are shown in Figure 1.1.

In Figure 1.1, the current costs represent the cost estimate for the existing program as determined from the claimant sample. For those States requiring a change in the existing duration formula the alternative cost estimates are shown for both a 26-week program and a 39-week program. The percentage increase represents the change from the current program. Each of the formulas tested, both current and alternative, are summarized at the bottom of the chart.

1.3.2 Potential and Actual Duration Estimates

The average duration of benefits was also estimated, expressing duration in terms of total "weeks". The term "weeks" is in reality the average of total dollars paid to a claimant divided by the weekly benefit amount for each claimant sampled and, thus, does not represent the total number of weeks in which the claimant received benefits. These results are shown in Figure 1.2. The format and content of this chart are the same as Figure 1.1.

1.3.3 Exhaustion Estimates

Exhaustion rates are indicative of the ability of a program to provide adequate assistance to workers during periods of unemployment. Data collected in the study was utilized to determine the number of beneficiaries who would exhaust under the existing and the alternative benefit duration formulas. These results are presented in Figure 1.3. In reviewing the results the reader should be mindful of the specific economic conditions of that period as well as the specific alternative being tested. In all States except Oregon, significant reductions in the exhaustion rates can be seen. For Oregon, exhaustion rates increase; however,

Figure 1.1

Summary of Estimated Increases in Potential and Actual Costs

Millions of Dollars (Percentage Increase)

STATE	CURRENT	Alternative One (26 Week Maximum Duration)	Alternative Two (26 Week Maximum Duration)	Alternative One (39 Week Maximum Duration)	Alternative Two (39 Week Maximum Duration)
Ohio-Potential (1973)	281.4	N/A	N/A	391.5 (+39.1%)	N/A
Ohio-Potential (1974)	613.7	N/A	N/A	854.0 (+39.2%)	N/A
Ohio-Potential (1975)	1111.0	N/A	N/A	1558.9 (+40.3%)	N/A
Florida-Potential (1973)	248.1	299.4 (+20.6%)	319.5 (+28.7%)	372.5 (+50.1%)	431.8 (+74.0%)
Florida-Potential (1974)	402.8	471.8 (+17.1%)	495.0 (+22.9%)	604.6 (+50.1%)	686.2 (+70.4%)
Florida-Potential (1975)	425.8	499.5 (+17.3%)	527.1 (+23.8%)	636.8 (+49.6%)	725.1 (+70.3%)
New York-Potential (1973)	1578.0	N/A	N/A	2165.2 (+37.2%)	2291.5 (+45.2%)
New York-Potential (1974)	1678.7	N/A	N/A	2313.7 (+37.8%)	2402.7 (+43.1%)
New York-Potential (1975)	1685.4	N/A	N/A	2311.2 (+37.1%)	2427.0 (+44.0%)
Oregon-Potential (1973)	N/A	N/A	N/A	N/A	N/A
Oregon-Potential (1974)	174.8	199.5 (+14.1%)	180.0 (+3.0%)	239.9 (37.3%)	212.9 (+21.8%)
Oregon-Potential (1975)	249.3	299.5 (+20.1%)	261.5 (+4.9%)	321.7 (+29.1%)	279.4 (+ 7.2%)
Ohio-Actual (1975)	696.3	N/A	N/A	825.7 (+18.6%)	N/A
Florida-Actual (1975)	312.7	357.7 (+14.4%)	371.5 (+18.8%)	409.6 (+31.0%)	443.8 (+41.9%)
New York-Actual (1975)	1148.4	N/A	N/A	1370.1 (+19.3%)	1412.8 (+23.0%)
Oregon-Actual (1975)	110.6	143.9 (+30.1%)	122.7 (+10.9%)	150.0 (+35.6%)	127.6 (+15.3%)

NOTE:

Ohio Current - 20 x Wba + 1 x Wba for each credit week in excess of 20 to a maximum of 26 x Wba
Alternative One - 20 x Wba + 1 x Wba for each credit week in excess of 20 to a maximum of 39 x Wba
Florida Current - 1/2 weeks of work
Alternative One - 3/4 weeks of work
Alternative Two - 1/1 weeks of work
New York Current - uniform 26 weeks
Alternative One - uniform to 26 weeks, 1/1 weeks of work from 26 weeks
Alternative Two - 1.3/1 weeks of work
Oregon Current - annual wage, Wba - 1.25% annual wages, benefits - 1/3 base period wages
Alternative One - 1/2 BPW, 1/20 HQW
Alternative Two - 3/8 BPW, 1/26 HQW

Figure 1.2
Summary of Duration of Benefits

Weeks (Percentage Increase)

STATE	CURRENT	Alternative One (26 Week Maximum Duration)	Alternative Two (26 Week Maximum Duration)	Alternative One (39 Week Maximum Duration)	Alternative Two (39 Week Maximum Duration)
Ohio-Potential (1973)	25.7	N/A	N/A	35.5 (+38.1%)	N/A
Ohio-Potential (1974)	25.7	N/A	N/A	35.3 (+37.4%)	N/A
Ohio-Potential (1975)	25.7	N/A	N/A	35.7 (+38.9%)	N/A
Florida-Potential (1973)	19.2	23.7 (+23.4%)	25.4 (+32.3%)	28.9 (+50.1%)	33.9 (+76.6%)
Florida-Potential (1974)	20.4	24.4 (+19.6%)	25.6 (+25.5%)	30.7 (+50.4%)	35.1 (+72.1%)
Florida-Potential (1975)	20.4	24.1 (+18.1%)	25.5 (+25.0%)	30.5 (+49.5%)	34.8 (+70.6%)
New York-Potential (1973)	26.0	N/A	N/A	35.4 (+36.2%)	37.4 (+43.8%)
New York-Potential (1974)	26.0	N/A	N/A	35.6 (+36.9%)	37.4 (+43.8%)
New York-Potential (1975)	26.0	N/A	N/A	35.3 (+35.8%)	37.3 (+43.5%)
Oregon-Potential (1973)	N/A	N/A	N/A	N/A	N/A
Oregon-Potential (1974)	25.6	23.9 (- 6.6%)	23.7 (- 7.4%)	28.5 (+11.3%)	27.8 (+17.3%)
Oregon-Potential (1975)	25.8	23.2 (-10.1%)	22.8 (-11.6%)	25.0 (- 3.1%)	24.4 (- 5.4%)
Ohio-Actual (1975)	16.3	N/A	N/A	19.3 (+18.4%)	N/A
Florida-Actual (1975)	15.1	17.4 (+15.2%)	18.1 (+19.9%)	19.8 (+31.1%)	21.5 (+42.4%)
New York-Actual (1975)	17.7	N/A	N/A	21.1 (+19.2%)	21.8 (+23.2%)
Oregon-Actual (1975)	11.7	11.3 (- 3.4%)	11.3 (- 3.4%)	11.9 (+ 1.7%)	11.8 (+ 0.9%)

NOTE:

Ohio Current - 20 x Wba + 1 x Wba for each credit week in excess of 20 to a maximum of 26 x Wba
Alternative One - 20 x Wba + 1 x Wba for each credit week in excess of 20 to a maximum of 39 x Wba
Florida Current - 1/2 weeks of work
Alternative One - 3/4 weeks of work
Alternative Two - 1/1 weeks of work
New York Current - uniform 26 weeks
Alternative One - uniform to 26 weeks, 1/1 weeks of work from 26 weeks
Alternative Two - 1.3/1 weeks of work
Oregon Current - annual wage, Wba - 1.25% annual wages, benefits - 1/3 base period wages
Alternative One - 1/2 BPW, 1/20 HQW
Alternative Two - 3/8 BPW, 1/26 HQW

Figure 1.3
Summary of Exhaustions

Percentage of First Payments (Percentage Increase)

STATE	CURRENT	Alternative One 26 Week Maximum Duration	Alternative Two 26 Week Maximum Duration	Alternative One 39 Week Maximum Duration	Alternative Two 39 Week Maximum Duration
Ohio-Actual (1975)	39.2	N/A	N/A	29.3 (-25.3%)	N/A
Florida-Actual (1975)	57.2	49.5 (-13.5%)	45.5 (-20.5%)	42.9 (-25.0%)	34.6 (-39.5%)
New York-Actual (1975)	43.7	N/A	N/A	36.1 (-17.4%)	34.3 (-21.5%)
Oregon-Actual (1975)	13.1	15.0 (+14.5%)	15.2 (+16.0%)	14.4 (+ 9.9%)	14.7 (+12.2%)

NOTE:

Ohio Current - 20 x Wba + 1 x Wba for each credit week in excess of 20 to a maximum of 26 x Wba
Alternative One - 20 x Wba + 1 x Wba for each credit week in excess of 20 to a maximum of 39 x Wba
Florida Current - 1/2 weeks of work
Alternative One - 3/4 weeks of work
Alternative Two - 1/1 weeks of work
New York Current - uniform 26 weeks
Alternative One - uniform to 26 weeks, 1/1 weeks of work from 26 weeks
Alternative Two - 1.3/1 weeks of work
Oregon Current - annual wage, Wba - 1.25% annual wages, benefits - 1/3 base period wages
Alternative One - 1/2 BPW, 1/20 HQW
Alternative Two - 3/8 BPW, 1/26 HQW

this is due entirely to the change from an annual wage formula to a high quarter wage formula. When these results are compared to the corresponding 26-week alternative, a modest reduction can be seen.

1.3.4 Claimant Characteristic Analysis

Results are also broken down by claimant classification to analyze such characteristics as Sex, Ethnic Group, Number of Dependents, Age, Industry, Occupation, Education, Average Weekly Wage, Base Period Wages, and Number of Employers. Data was not available for each category for all States. These breakdowns are provided for average duration, population profiles, and exhaustion rates. Each type of analysis is discussed below.

Average Duration by Claimant Classification. The breakdowns for average duration by claimant classification give somewhat mixed results. This is a result of both the nature of the claimant population and the character of the State provisions affecting duration. For average duration, we see the following results:

In Ohio, the provisions for additional benefit duration generally favor the less firmly attached claimants. Relative gains in potential duration are seen for claimants in more stable industries, those in the middle age brackets, and those in the higher wage categories. For actual duration, however, relative gains are seen for females, for claimants in some traditionally high turnover and seasonal industries, for those in the higher age brackets, and for those in lower wage groups.

In Florida, little difference in potential duration is registered for any classification comparing the 3/4 fraction with the current 1/2 fraction. In comparison to these two fractions, the application of the 1/1 fraction appears to favor the less firmly attached claimant. Relative gains are seen in potential duration for females, nonwhites, claimants with more base period employers,

and for those in lower wage groups. Lower wage earners, females, and nonwhites all fare relatively better in terms of actual duration under both alternatives.

In New York, little difference is seen for potential or actual duration for the Sex, Ethnic Group, or Number of Dependents characteristics. Under the wage category relative gains were seen in potential duration for the higher wage groups. Relative gains are also seen for the extreme age groups. Both the lower wage groups and the older age groups gain in terms of actual duration. The better educated groups gain in both potential and actual duration.

In Oregon, the change from an annual wage formula to a high quarter formula is favorable to the more firmly attached claimant. This effect complicates the results of increasing the maximum duration to 39 "weeks". Where potential duration differences are relatively insignificant under the current program, they differ greatly under the tested alternatives for most claimant characteristics. Actual duration results favor higher wage earners and those with more weeks of work. Males and the extreme age groups fare relatively worse than their counterparts.

Population Profiles. The population profiles are provided to allow comparisons of the classifications of claimants receiving various levels of potential duration against the expected distribution of claimants among classifications for the entire sample. Differences for specific claimant characteristics are indicative of the impact of the formula being analyzed. Variations among States were seen as an indication of the differences in the claimant population and the effects of the one and one-half times requirement on the existing State provisions.

In Ohio, large differences are observed for the wage classifications, with the 39-week program less favorable to the lower wage groups. A similar effect is seen for claimants with more dependents, younger claimants, and those who are in the more seasonal industries.

In Florida, the lower wage groups fare poorly under both the 3/4 and the 1/1 alternatives. Females gain relatively less potential duration than males under the 3/4 alternative. Differences are more pronounced under the 3/4 formula for claimants grouped by the number of base period employers than under the 1/1 alternative. No significant differences are observed in the ethnic classification.

In New York, significant differences are seen for the wage characteristics, with the higher wage earners faring better than other claimants under both alternatives. Under the more personal characteristics--including Sex, Age, Education, and Ethnic Classifications--no consistent significant differences are observed.

In Oregon, significant differences are seen for both the wage and weeks of work characteristics, with the less firmly attached claimant faring poorly under both alternatives. Under personal characteristics, lower age claimants fare poorly under both alternatives. No significant differences are seen for the other characteristics.

Exhaustion Rates by Claimant Group. Comparisons of exhaustion rates between the current program and alternatives for increasing benefit duration were completed for each of the characteristics examined. Differences in exhaustion rates reflect both variations in entitlement (where they exist) and variations in the claimants' "need" for benefits in specific groups.

In Ohio, claimants in the lower wage groups gain relatively less than their higher wage group counterparts. Reductions in exhaustion rates are greater for males than for females and greater for claimants with dependents than for those without. Differences are mixed for the industry classifications.

In Florida, minor differences are observed in exhaustions for the personal characteristics, favoring males and whites. The number of employers does not exhibit much influence. High wage earners

gain moderately more than their lower wage group counterparts under both alternatives.

In New York, minor variations are observed in the exhaustion rates for personal characteristics, favoring males and whites slightly. Higher wage groups, on the other hand, experience substantial reductions in their exhaustion rates relative to those experienced by the lower wage groups. Results are mixed for the Education, Occupation, and Age characteristics.

In Oregon, exhaustion rates increase under both of the alternatives. This results from the change from an annual wage formula to a high quarter wage formula. While differences are not evident in the wage classifications, the claimants with more weeks of work in the base period fare significantly better than those with less. The lower age groups and females also fare relatively better than their counterparts, experiencing little change under the programs tested. Other classifications experience increases in their exhaustion rates.

Exhaustion Rates by Duration Level. Exhaustion tables displaying the percentage of claimants who exhaust benefits at various duration levels under each alternative were prepared for each characteristic examined. These results are presented to provide additional information on exhaustions to the interested reader.

1.3.5 Comparisons Against the Current Extended Benefits Program

Because the program for providing additional regular benefits is seen as one alternative to the existing "triggered" EB program, it is logical to compare that program against those tested by this study. While existing financial reports could be utilized, they represent benefits paid to all claimants in a specific year, not benefits paid to claimants whose benefit year started in a specific year. Consequently, cost data and duration data were calculated for the Extended Benefits program using the same BYB

1975 claimant data presented earlier. The comparative results are shown in Figures 1.4 through 1.7. In each of the figures, cost and duration estimates are provided for the current program in existence in the State, for the Extended Benefits program, and for the alternative 39-week programs being evaluated for this project. Percentage increases from the current program are shown for the EB program and for the alternatives for increasing regular duration. No consistent pattern can be seen in these results. Differences among the programs with respect to cost and duration are likely to be due to the underlying provisions and the characteristics of the claimant population itself.

Figure 1.4
Comparisons of Cost Estimates
Potential Benefits-1975
Millions of Dollars (% increase)

State	Current	Extended Benefits	Alternative One	Alternative Two
Ohio	1111.0	1666.5 (+50.0%)	1558.9 (+40.3%)	N/A
Florida	425.8	638.7 (+50.0%)	636.8 (+49.6%)	725.1 (+70.3%)
New York	1685.4	2528.1 (+50.0%)	2311.2 (+37.1%)	2427.0 (+44.0%)
Oregon	249.3	374.0 (+50.0%)	321.7 (+29.1%)	279.4 (+ 7.2%)

Figure 1.5
Comparisons of Cost Estimates
Actual Benefits-1975
Millions of Dollars (% increase)

State	Current	Extended Benefits	Alternative One	Alternative Two
Ohio	696.3	860.2 (+23.5%)	825.7 (+18.6%)	N/A
Florida	312.7	409.6 (+31.0%)	409.6 (+31.0%)	443.8 (+41.9%)
New York	1148.4	1461.1 (+27.2%)	1370.1 (+19.3%)	1412.8 (+23.0%)
Oregon	110.6	125.0 (+13.0%)	150.0 (+35.6%)	127.6 (+15.3%)

Figure 1.6
Comparison of Duration Estimates
Potential Duration-1975
"Weeks" (% increase)

State	Current	Extended Benefits	Alternative One	Alternative Two
Ohio	25.7	38.5 (+50.0%)	35.7 (+38.9%)	33.9 (+76.6%)
Florida	20.4	30.6 (+50.0%)	30.5 (+49.5%)	34.8 (+70.6%)
New York	26.0	39.0 (+50.0%)	35.3 (+35.8%)	37.3 (+43.5%)
Oregon	25.8	38.7 (+50.0%)	25.0 (- 3.1%)	24.4 (- 5.4%)

Figure 1.7
Comparison of Duration Estimates
Actual Duration-1975
"Weeks" (% increase)

State	Current	Extended Benefits	Alterantive One	Alternative Two
Ohio	16.3	20.3 (+24.5%)	19.3 (+18.8%)	N/A
Florida	15.1	19.8 (+31.1%)	19.8 (+31.1%)	21.5 (+42.4%)
New York	17.7	22.5 (+27.1%)	21.1 (+19.2%)	21.8 (+23.2%)
Oregon	11.7	13.0 (+11.1%)	11.9 (+ 1.7%)	11.8 (+ 0.9%)

2.0 BACKGROUND

This study has been conducted to test the effects of increasing the maximum benefit duration of benefits under regular State UI programs to 39 "weeks". Suggestions for such a change have grown out of dissatisfaction with the answer to long-duration unemployment provided by the current Federal-State Extended Benefits (EB) Program. Experience with EB has resulted in two major criticisms of the program of triggered benefits. The first concerns the speed of its response to cyclical changes in unemployment, while the second questions the program's responsiveness to long-term unemployment at the local or industry level.

One approach suggested to correct these shortcomings is the one tested here: the raising of State duration maximums to 39 "weeks" to make available at all times longer-duration benefits to individuals with strong demonstrated attachment to the labor force. In order to place this study in its proper perspective it is useful to review the relevant program history. Also of interest are some of the issues which are not directly addressed by this study but form the study's background.

2.1 Historical Perspective

When the Unemployment Insurance program began in the 1930's, duration maximums were limited due to actuarial considerations--it was feared that State funds could not handle more than short-term unemployment. Original maximums, therefore, generally did not exceed the 16-week level. Experience under the program showed that longer durations could be financed, and State maximums were raised as labor pressed for longer duration.[1] Twenty-six

[1] William Haber and Merrill G. Murray, Unemployment Insurance in the American Economy, An Historical Review and Analysis. (Homewood, Illinois: Richard D. Irwin, Inc., 1966), p.112. In spite of the eleven years which have passed since its publication, this book remains the most complete documentation of the history and objectives of the UI program and of the policy issues which surround them.

"weeks" gradually became the norm for regular duration maximums across the country.

Recurring recessions in the postwar years have led to measures to increase benefit duration beyond the 26-week "norm". Some States have increased their duration maximums, and a variety of programs have been enacted to provide longer-duration benefits in all States during periods of high unemployment.

Currently, most States provide a maximum of 26 "weeks" of benefits, and nine States have raised their maximums above this level. These include:

- Alaska, (28);
- D.C., (34);
- Iowa, (39);
- Louisiana, (38);
- Massachusetts, (30);
- New Mexico, (30);
- Pennsylvania, (30);
- Utah, (36);
- Washington, (30); and
- Wisconsin, (34).

Increased duration maximums represent one response to the problem of longer-term unemployment. Another has been seen in the series of ad hoc programs which were enacted to extend benefit duration during the recessions beginning with 1958, and culminating in the adoption in 1970 of the permanent Extended Benefits Program.

The Temporary Unemployment Compensation Act of 1958 was enacted in response to the recession of that same year. This act provided claimants who had exhausted regular benefits one additional week of extended benefits for each two weeks of regular benefits. The extended benefits were financed through no-interest loans from the Federal Government to participating States. The loans were to be repaid by the States through transfers from their accounts in the Unemployment Trust Fund or through reduced tax credits against the Federal Employment Tax charged to employers in participating States. Seventeen States took advantage of the program, while five others enacted their own extended benefits programs.

porary extended benefits program was enacted. The Temporary Extended Unemployment Compensation Act of 1961 (TEUC) was significantly different from the 1958 program in that the extended benefits were paid entirely from the Federal Unemployment Trust Fund. Under this act, claimants who had exhausted their regular benefits were entitled to additional benefits equal to 50 percent of their regular entitlement. A maximum was set at 13 "weeks" of extended benefits, with an overall total maximum of 39 "weeks" of regular and extended benefits.

At the time this program was enacted in 1961, six States had their own extended benefits programs in effect, and nine jurisdictions had regular benefit durations exceeding 26 "weeks". Under TEUC, any benefits paid by the States of over 26 "weeks"--under either the regular State program or a State extended benefits program--were reimbursed by Federal funds and counted as part of the extended benefits allowable under the Federal program.

One interesting feature of TEUC was its requirement that a study be conducted by the Secretary of Labor concerning the people claiming extended benefits. In 1965, Paul J. Mackin analyzed the characteristics data included by the Bureau of Employment Security in the survey on TEUC claimants. Mackin concluded that:

> (TEUC) was essentially successful as an emergency program in providing needed income for a large number of persons... However, there were others whose inclusion in an extended unemployment insurance program, even in recession time, seems hard to justify. It would seem that a real weakness of TEUC was that the amount of past employment needed to qualify did not create a presumption of continuing labor force attachment commensurate with inclusion under a program for the long-term unemployed.[2]

Mackin's conclusion brings into focus one of the major concerns in the consideration of longer-duration benefits--how to compensate

---

[2]Paul J. Mackin, Extended Unemployment Benefits. (Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 1965) p. 25.

employment a concrete attachment to the labor force.

During the sixties several proposals were made for the creation of a permanent program of extended benefits, but none was enacted until 1970, when the current program became law. One proposal would have provided Federal Unemployment Adjustment Benefits (FUAB) to long-term unemployed during periods of both high and low unemployment. Two other interesting features of the plan include its use of a long base period (156 weeks) for measuring labor force attachment and the integral role assigned to training in the program. [Entitlement to 13 weeks of FUAB required 104 (of the 156) weeks of employment in the base period. Satisfactory participation in a training program was necessary to avoid disqualification.] FUAB was proposed in 1963 and reflected a concern with technological unemployment and a desire to eliminate the need for emergency legislation such as that passed in the recessions of 1958 and 1961.

State opposition to FUAB prompted the Interstate Conference of Employment Security Agencies (ICESA) to propose a program in late 1963. The one they proposed would have required a Federal-State (50/50) financing of benefits paid in excess of 26 weeks--whether through a state regular UI program or State extended benefits program. This program was to be an optional program in which States could participate, similar to the extended benefit program legislated in 1958. Federal shared financing would occur only during times of State "recession periods". Payment of benefits during these periods was to be based on the concept of a State trigger. No provision was included in this program for a national trigger to apply to high levels of national unemployment. The Federal portion of the benefits paid was to be financed through an increase in the Federal Unemployment Tax. At the time this bill was being considered, eight States had extended benefits programs and nine other jurisdictions were paying regular benefits for more than a 26-week period.

both reconsidered in 1965, but again no legislation was enacted. In May 1966, a new bill was introduced on extended benefits. This program included both national and State triggers. All States were to be obligated to participate in the program for tax credit purposes. Extended benefits were to be equal to one-half a claimant's regular entitlement, up to a maximum of 13 "weeks" of extended benefits and a maximum total of 39 "weeks" of regular and extended benefits. Financing for these benefits would be gained through an increase in the Federal Unemployment Tax. This bill was not enacted into law.

In July 1969, another permanent extended benefits program was introduced into Congress. This bill became the Extended Unemployment Compensation Act of 1970. Behind this program can be seen the basic philosophy which had formed concerning extended benefits--they were seen as a means of supporting claimants who exhausted regular benefits during periods of high unemployment. Extended benefits are set at one-half of regular entitlement, up to 13 "weeks", with a overall maximum of 39 "weeks" of benefits. State and national "triggers" were used to determine when benefits were paid under the program. It is the operation of these triggers which has caused the major dissatisfaction with the EB program. The difficulties with the use of triggers to determine the timing of long-term UI benefits are discussed in Section 2.2.

Another ad hoc program was legislated in the recession of 1970-1971, when it was found that the EB program did not meet the needs of a significant proportion of claimants. The Emergency Unemployment Compensation Act of 1971 provided for up to an additional 13 "weeks" of extended benefits, raising the overall duration maximum to 52 "weeks" of benefits. This program was also based on a set of national and State triggers. Like TEUC before it, the legislation provided for the collection of characteristics data on recipients under the program. In order to determine whether recipients of "temporary compensation" (TC) were similar or dissimilar to those of regular benefits, Murray

the same type of people as those of regular benefits. Furthermore, he concluded that:

> Their high weekly benefit amounts and potential duration indicate that TC claimants generally were not marginal workers. Since higher unemployment than the national average is a distinguishing feature of the TC States, the long-term unemployment of TC claimants derived more from unfavorable economic conditions in the TC States than from low employability.[3]

Murray's and Mackin's conclusions answer one major concern in providing long-term duration benefits. That concern is that long-duration benefits be limited to those who have a proven firm attachment to the labor force. (This factor was tested in four States for the program being considered by this study.)

The Emergency Unemployment Compensation Act of 1974 was enacted to provide up to 13 additional "weeks" of benefits to exhaustees (UI, UCX, and UCFE) during periods of high unemployment. Triggered on the basis of State and national unemployment rates, Federal Supplemental Benefits (FSB) raised the overall maximum duration to 52 "weeks". The program provided 50 percent of a claimant's maximum entitlement up to the maximum. Effective in March 1975, the maximum was increase to 26 "weeks", raising the overall maximum duration from all programs to 65 "weeks". Effective in 1976, the triggering mechanism was revised to substitute reliance on only State triggers. New provisions also included the assessment of claimants' skills by State personnel and the requirement of training for claimants in need of skill upgrading.

Figure 2.1 depicts the benefit duration provided under the current UI programs discussed. Also shown are Special Unemployment Assistance (SUA) benefits created by the Emergency Jobs and Unemployment Assistance Act of 1974. These are provided during

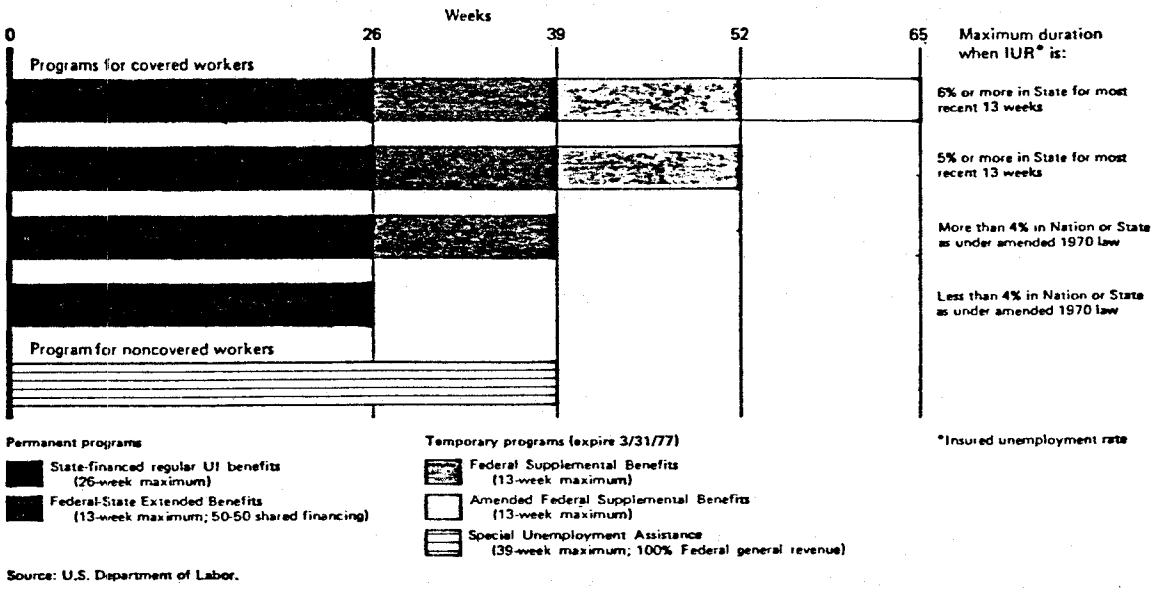
---

[3]Merrill G. Murray, The Duration of Unemployment Benefits. (Kalamazoo, Michigan: W.E. Upjohn Institute for Employment Research, 1974), p. 39.

periods of high unemployment to workers who were not eligible under other unemployment compensation programs.

Figure 2.1

State and Federal UI Programs[4]



2.2 Problems of the Existing EB Program

The various programs providing long-duration benefits to UI claimants present a rather complicated picture. The triggers included in these programs--designed to ensure that benefits begin with the recessionary need for them and cut off when this need disappears--have not been satisfactory in operation. The periodic revisions made to triggers for existing programs indicate dissatisfaction with them.

---

[4] Employment and Training Report of the President, 1976, Chart 8, p. 39.

Some criticism of the existing triggers is directed at the timing of the response to State and national needs during periods of unemployment. This discussion centers around the appropriateness of the particular level of the insured unemployment rate (IUR) used to trigger benefits on and off and the ill effects of the 120 percent factor (employed by EB) during periods of prolonged high unemployment. Under this latter provision States with a sustained (but not rising) high rate of unemployment were ineligible to pay benefits unless the national trigger was "on". This factor contributed to the need for additional programs in recessions following the adoption of the EB program. On seven occasions Congress has suspended the 120 percent provision. P.S. 94-566 permits States to adopt a different triggering mechanism.

It may be that such criticisms can be answered by permanently eliminating the 120 percent factor and by fine-tuning the IUR used to provide a more timely response to cyclical unemployment change. Such revision of the existing Extended Benefits Program would not, however, answer the major criticism of the responsiveness of the EB program. However well designed, any program based upon State and national triggers cannot be responsive to the needs of the long-term unemployed individual. The individual, industry, or locality may suffer without long-duration benefits if the general unemployment rate--at the State and national levels--is insufficient to trigger extended benefits.

> The best of triggers is bound to operate arbitrarily and inequitably at times. Designed, as they are, to make extended benefits responsive to recessional unemployment, triggers do not operate to assist long-term unemployed workers in pockets of persistent unemployment, or to assist individual unemployed workers when they experience long-term unemployment regardless of general economic conditions.[5]

---

[5]Murray, op cit., p. 47. See Murray's analysis here for a detailed account of the rather strange results of the triggers in operation.

suggestions have been made to tailor the triggers to local areas; however, the problem lies in defining appropriate areas so that the truly affected workers receive benefits.

The Unemployment Insurance Committee of the Interstate Conference of Employment Security Agencies (ICESA) summarized some of the major problems with triggered benefits:

> The 'trigger' system of paying extended benefits... does not provide protection during non-triggered periods to local areas or individuals experiencing long-duration unemployment for various reasons unrelated to general recessions--loss of a major industry, for example, and natural disaster. ...The built-in uncertainties of the trigger mechanism result in uncertainty as to work-load and cost for the administrator, and uncertainty as to income for a specified period for the community, the employer, and the claimant, unless the claimant enters the program at the beginning of the extended compensation period. Unless he does, his extended benefits may be cut off after one week, or two, or five, or six because there has been an 'off' trigger. The claimant and the public generally are not readily satisfied by the technical explanation of the trigger content and why extended benefits have been cut off.[6]

The basic shortcomings of triggered programs have led to proposals that the current Extended Benefits Program be replaced by an increase in the maximum duration of regular benefits to 39 "weeks". Most such suggestions include the provision that benefits beyond the 26-week level be restricted to individuals who have demonstrated relatively more attachment to the labor force. Proponents of such a program feel that it would effectively respond to the problem of long-duration unemployment on an individual basis by providing the unemployed worker with the support he needs during both recessionary and non-recessionary periods. Paying long-duration benefits in this manner would, it is pointed out, correct the major deficiency of the current program by dealing with small

---

[6] Interstate Conference of Employment Security Agencies, Report of the Unemployment Insurance Committee, (August 21-23, 1974) pp. 26-28.

pockets of unemployment automatically and in a manner consistent with the principle of tying benefit duration to labor force attachment.

2.3 The Program Tested

The issue of providing long-duration unemployment benefits is a complex one. Many types of issues must be considered in designing the approach chosen to provide long-term benefits on a regular basis. Some of these are rather fundamental to the program: Where should UI leave off and other income support programs take over? At what point does the link between an employer and his employee's spell of unemployment become so tenuous as to make financing from employer taxes inappropriate? Should the base period used to measure labor force attachment be lengthened? Others concern the design of a long-duration benefits program: Should training or relocation counseling requirements be incorporated for the recipients of long-duration benefits? Should a method of income testing such as measuring family income be incorporated? Should costs be split between the Federal and State levels of government?

All of these considerations are of interest as background here but are held in abeyance for the analysis performed here. For purposes of this study, everything will be held constant except the duration maximum and the duration fraction. Changes in other provisions, such as qualification requirements and weekly benefit amounts other than those required to make possible a maximum duration of 39 "weeks" are not considered.

It is ackowledged that a 52-week period may not be sufficient to test the work history of the unemployed worker, particularly for purposes of providing long-duration benefits. The 52-week base period was specified for use in this study, however. The duration fractions applied here are, therefore, all of sufficient size to provide a minimum of 39 "weeks" of benefits for 52 weeks of work in the base period.

of benefits using a 52-week base period is the raising of the duration maximum. Ohio is among these States. In Ohio the duration formula meets and exceeds the requirement of sufficiency. In some States--like Florida--the State's current formula is not sufficient to provide 39 "weeks" of benefits. Here the State's current duration fraction had to be changed to increase the duration of regular benefits to 39 "weeks". The alternatives selected for these States were chosen to test one fraction which just meets the sufficiency requirement and one which exceeds this minimum.

The other parameters established for the study include the use of labor force attachment as a basis for determining the duration of benefits. This meant establishing guidelines for the base period employment--as measured by weeks of work or wages--required to receive 39 "weeks" of benefits. The guideline established by the Unemployment Insurance Service for the study was that the base period employment required to receive 39 "weeks" of benefits should be 1.5 times that required to receive 26 "weeks" of benefits. The formulas tested for the four States were chosen to supply benefit duration in proportion to base period employment in accordance with the "1.5 times rule".

The program tested by this project represents a very simple approach to the provision of long-duration benefits; that is, to raise the maximum duration of regular benefits to 39 "weeks" and change the duration fraction (where necessary) to allow for 39 "weeks" of benefits. Formulas are designed to provide benefit durations in proportion to the claimants' labor force attachment using the general guideline provided by the "1.5 times rule". Using this approach, States' existing duration formulas become the basis for the long-duration program, with only the necessary changes being made to current entitlement provisions. The following chapter considers the provisions currently in use and their adaptability to a 39-week program of regular benefits.

The method for increasing benefit duration tested by this project makes use of current State provisions and imposes a standardized formula to increase the maximum duration of benefits to 39 "weeks". In order to design a program for testing alternatives which apply this approach, it was necessary to review the various methods used to determine the current level of benefits and to understand the relationship of the various provisions which determine entitlement. This chapter presents a general discussion of the key provisions of State UI laws which affect the duration of benefits and which must be considered in developing alternatives for testing. This discussion will center around, but will not be limited to, the "weeks of work" States specified for study.

In examining the duration provisions in the various State laws, it is clear that, in most States, the "duration formula" does not stand alone in determining the number of weeks in which a claimant draws benefits. Rather, there is a relationship among the duration fraction, the qualifying requirements, and the benefit formula (i.e., the formula used to calculate weekly benefit amount). The major provisions which determine entitlement are discussed in the paragraphs which follow.

3.1 Duration Formulas

The potential duration is set in all State laws under either a uniform duration formula or a variable duration formula. The latter may determine benefits on the basis of earnings in the base period or on the basis of the weeks of employment therein.

Uniform duration is the type most in keeping with the insurance principle of unemployment insurance. As Haber and Murray state:

> Those favoring variable duration of benefits argue that this method is inherent in the insurance 'principle.' In reality,

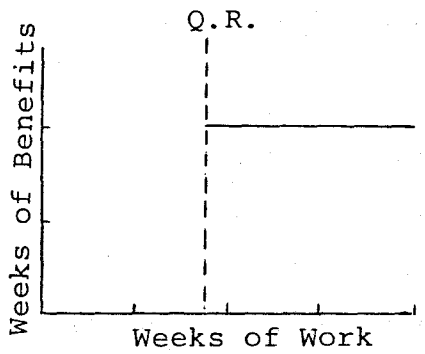
> types of insurance and variable duration is incompatible with the insurance 'principle.' In most types of insurance one is insured for the full amount from the first payment of premiums; the amount of insurance does not vary with the length of time that contributions are paid.[1]

The trend has been away from uniform duration, however, and only nine States now have uniform benefit duration. Under this type of formula, any claimant who meets the basic qualifying requirements is entitled to a fixed duration of benefits--usually 26 "weeks"--regardless of the amount of base period employment in excess of the minimum required.

Qualification requirements and benefit formulas can take any form and have no effect on the duration of benefits. Thus, regular benefit duration could be legislatively increased to 39 "weeks" in uniform duration States, with each State maintaining its specific qualification requirements and benefits. If a less costly alternative were chosen, however, the formula used would have to change from a uniform duration function to a variable duration formula of one form or another.

A chart depicting uniform duration is presented in Figure 3.1. Three "weeks of work" States have uniform duration of benefits: Hawaii, New York, and Vermont.

Figure 3.1
Uniform Duration



[1]Haber and Murray, ibid., pp. 203-204.

Variable duration determined on the basis of base period wages is quite popular among the States. Where the weekly benefit amount is based on high quarter wages (as it is in thirty-nine States), this method of duration is usually used. (Thirty of the thirty-nine high quarter wage formula States use this type of variable duration formula.) Here, there is a complex interaction among the duration fraction, the qualifying requirement, and the benefit formula. Three "weeks of work" States use a fraction of base period wages to determine duration: Oregon, Washington, and Wyoming. Of these, Washington and Wyoming are high quarter wage States. (Oregon uses a percentage of annual wages.)

In States using this combination of provisions, the duration fraction must be at least 3/8, and preferably higher, to permit 39 "weeks" of benefits for even a portion of claimants. The table in Figure 3.2 shows the duration of benefits possible under varying combinations of duration fractions of base period wages and benefit fractions of high quarter wages.

The figures for the 3/8 base period wage fraction were calculated in a manner similar to that used in Figure 3.2.[2] The duration levels using this fraction are as follows:

With a duration fraction of 3/8 and a high quarter fraction of:	and a ratio of BPW/HQW (M) of: 1¼	1½	2	3	4
1/20	9.4	11.2	15.0	22.5	30.0
1/23	10.8	12.9	17.2	25.9	34.5
1/24	11.2	13.5	18.0	27.0	36.0
1/25	11.7	14.1	18.8	28.1	37.5
1/26	12.2	14.6	19.5	29.2	39.0

It can be seen from Figure 3.2 that base period wages provide the limiting factor for duration of benefits, but the formula for the weekly benefit amount is vital too. Given the same earnings record and duration fraction, a smaller fraction of high quarter

---

[2]Remember, benefit duration under this type of formula is the result of dividing the total entitlement by the weekly benefit amount. The duration is determined by the base period wage fraction, the high quarter fraction, and the ratio of base period to high quarter wages.

Figure 3.2. Variable Duration of Benefits--Number of Weeks Resulting from Specified Duration Fractions and Amounts of Base Period Wages (Expressed as Multiples of High Quarter Wages) Under Five High Quarter Formulas.

Duration fraction and high quarter fraction	Potential weeks of benefits for claimants with BPW equal to specified multiples of HQW				
	1¼	1½	2	3	4
	Col.A	Col.B	Col.C	Col.D	Col.E
Duration fraction of 1/4 and high quarter fraction of:					
1/20	6.3	7.5	10.0	15.0	20.0
1/23	7.2	8.6	11.5	17.3	23.0
1/24	7.5	9.0	12.0	18.0	24.0
1/25	7.8	9.4	12.5	18.8	25.0
1/26	8.1	9.8	13.0	19.5	26.0
Duration fraction of 1/3 and high quarter fraction of:					
1/20	8.3	10.0	13.3	20.0	26.7
1/23	9.6	11.5	15.3	23.0	30.7
1/24	10.0	12.0	16.0	24.0	32.0
1/25	10.4	12.5	16.7	25.0	33.3
1/26	10.8	13.0	17.3	26.0	34.7
Duration fraction of 2/5 and high quarter fraction of:					
1/20	10.0	12.0	16.0	24.0	32.0
1/23	11.5	13.8	18.4	27.6	36.8
1/24	12.0	14.4	19.2	28.8	38.4
1/25	12.5	15.0	20.0	30.0	*
1/26	13.0	15.6	20.8	31.2	*
Duration fraction of 1/2 and high quarter fraction of:					
1/20	12.5	15.0	20.0	30.0	*
1/23	14.4	17.3	23.0	34.5	*
1/24	15.0	18.0	24.0	36.0	*
1/25	15.6	18.8	25.0	37.5	*
1/26	16.3	19.5	26.0	39.0	*

Continued on next page.

Figure 3.2, Page 2. Variable Duration of Benefits

	1¼	1½	2	3	4
Duration fraction of 3/5 and high quarter fraction of:	Col.A	Col.B	Col.C	Col.D	Col.E
1/20	15.0	18.0	24.0	36.0	*
1/23	17.2	20.7	27.6	*	*
1/24	18.0	21.6	28.8	*	*
1/25	18.8	22.5	30.0	*	*
1/25	19.5	23.4	31.2	*	*
Duration fraction of 2/3 and high quarter fraction of:					
1/20	16.7	20.0	26.7	*	*
1/23	19.2	23.0	30.7	*	*
1/24	20.0	24.0	32.0	*	*
1/25	20.8	25.0	33.3	*	*
1/26	21.7	26.0	34.6	*	*
Duration fraction of 3/4 and high quarter fraction of:					
1/20	18.8	22.5	30.0	*	*
1/23	21.6	25.9	34.5	*	*
1/24	22.5	27.0	36.0	*	*
1/25	23.4	28.1	37.5	*	*
1/26	24.4	29.3	39.0	*	*
Duration fraction of 4/5 and high quarter fraction of:					
1/20	20.0	24.0	32.0	*	*
1/23	23.0	27.6	36.8	*	*
1/24	24.0	28.8	38.4	*	*
1/25	25.0	30.0	*	*	*
1/26	26.0	31.2	*	*	*

* More than 39 weeks.

Source: U.S. Department of Labor, Unemployment Insurance Legislative Policy - Recommendations for State Legislation, BES No. U-212, (Washington: U.S. Government Printing Office, 1962), Table 10, pp. A-23 through A-24.

wages used to determine benefit amount (e.g., 1/26 rather than 1/20) will result in longer duration of benefits (but a smaller weekly benefit amount).

Of course, claimants with even distribution of wages receive the maximum duration of benefits possible for claimants of equal high quarter wages, for their base period wages are four times their high quarter wages. (See Column E of Figure 3.2.) The smallest fraction for determining weekly benefit amount consistent with the desire to provide one-half of weekly full-time earnings is 1/26 of high quarter wages. Even under these circumstances conducive to longer benefit duration, a duration fraction of 1/3 of base period wages will provide a maximum of 34.7 "weeks" of benefits. (Washington uses this fraction of base period earnings to determine duration but combines this with a benefit formula of 1/25 of the high quarter wage. In this State, the maximum duration possible is 33.3 "weeks".)

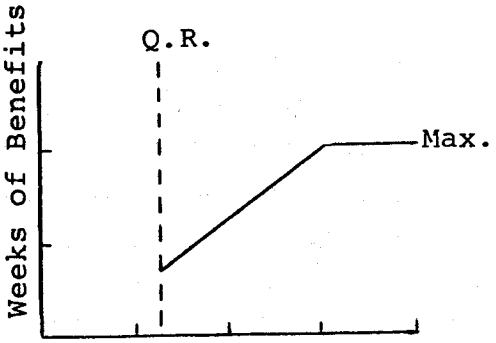
Claimants with a very high concentration of wages in the high quarter receive even shorter durations. (See Columns A - D of Figure 3.2.) For those in this category who barely qualify for benefits, base period wages are so low that their potential duration levels can be quite low indeed, and nowhere near the maximum provided by the law.

In States combining a duration fraction based on <u>base period wages</u> and a benefit formula based on <u>annual wages</u>, a similar relationship exists among the three major provisions determining benefits. With both the duration and benefit amount dependent on the level of base period earnings, the majority of claimants are eligible for the maximum benefit duration; however, low-wage claimants (those just meeting the qualifying wage requirement) can never qualify for the maximum duration of benefits--in spite of the fact that they may substantially exceed the weeks required by the State to qualify for benefits. Oregon has this combination of provisions.

A legislated minimum weekly benefit amount acts to shorten the duration of benefits in States using a fraction of base period wages to determine the total entitlement. This particularly affects the lowest-wage claimants eligible in a State using an annual wage formula for the weekly benefit amount. Figure 3.3 depicts the most common type of base period wage formula--that combined with a high quarter wage benefit formula.

Figure 3.3

Variable Duration - Base Period Wages



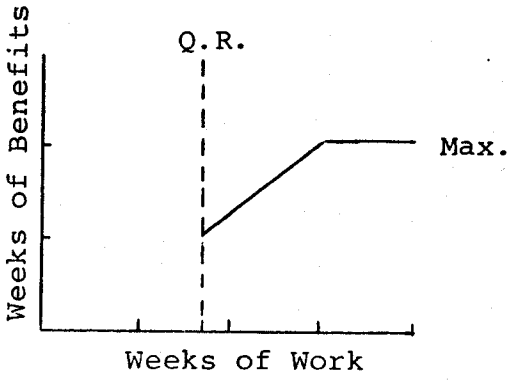
BPW = Specific Multiple of HQW

Variable duration determined on the basis of weeks of employment in the base period is based on a fraction of those weeks. With a 52-week base period, this fraction must be at least 3/4 in order for claimants to be entitled to a full 39 "weeks" of benefits. States with lower fractions (i.e., Florida, Rhode Island, and Minnesota) would have to change their duration fractions in order to participate in the additional benefits program.

Figure 3.4 shows a graphic representation of this function. The relationship between the duration fraction and the duration of benefits is not complicated here by interaction with the benefit formula as it is in those States basing duration on base period wages. The "weeks" of duration are simply a fraction of the weeks of work, with minimum duration determined by the minimum qualifying weeks and the fraction applied.

Figure 3.4

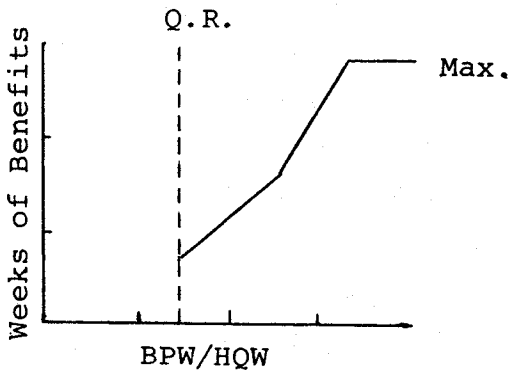
Variable Duration - Weeks of Work



A few high quarter wage States use a schedule to determine duration of benefits. In Utah this schedule is based on the ratio of base period wages to high quarter wages. Three States use this method, with Utah the only "weeks of work" State doing so. Again, there is interaction of the duration formula and the benefit formula. This type of duration formula is illustrated in Figure 3.5.

Figure 3.5

Variable Duration - BPW/HQW Schedule



The Utah schedule does not suffer from the drawback of some, under which those qualified for less than the maximum benefit amount must have nearly full employment throughout the base period in order to qualify for maximum weeks of benefits. In Utah's schedule the maximum duration of benefits is attainable at each benefit

level. A claimant's duration is determined by schedule for each category based on the size of this ratio. As the ratio increases (that is, as the amount of employment outside the high quarter increases), the duration increases.

Although other alternatives do exist, these five types represent those used in the vast majority of States (and all of the "weeks of work" States). This is shown in Figure 3.6.

Figure 3.6
Distribution of Duration Formulas

Types of Duration Formulas	No. of States	No. of W.O.W. States
Uniform Duration	9	3
Function of Weeks of Work	8	7
Function of Base Period Wages	30	3
Ratio of BPW/HQW	3	1
Other	2	0
	52	14

3.2 Qualifying Employment and Wage Requirements

The purpose of a qualifying requirement--whether it is expressed in terms of the length of employment or in terms of wages--is to test the claimant's "attachment" to the labor force and limit the payment of benefits to those who have substantial rather than casual attachment to the labor force. This method of restricting insured status is based on the assumption that attachment to the labor force is demonstrated by substantial past employment.

An adequate understanding of the various types of qualifying requirements is necessary, for qualifying requirements and their relation to benefit duration must be analyzed when considering alternative duration formulas. A change in the duration fraction should be made only after careful consideration of the qualifying requirements operative in the State.

A weeks of employment qualifying requirement provides the common thread among the "weeks of work" States. For States using an average weekly wage formula for determining weekly benefits--nine of the fourteen "weeks of work" States--a specified number of weeks of employment is the most appropriate type of qualifying requirement. This type of requirement is equitable in that workers at all wage levels must have the same length of employment to qualify for benefits.

Beyond the minimum number of weeks of work in the base period, a minimum level of employment in a week must be set. It is here that the State laws vary widely. Some States set hours as the secondary requirement, some wages, and some average wages--and among these, various methods exist for calculating the employment and earnings variables.

Several States with weekly benefit amounts determined as a function of wages use a weeks of employment qualifying requirement to reinforce a requirement of a minimum amount of qualifying wages. (This refers, of course, to the five "weeks of work" States using high quarter wage and annual wage benefit formulas.) This is done because a flat amount of qualifying wages is inequitable among income groups. Low-wage claimants must work a substantial number of weeks to earn a certain amount of wages, while high-wage claimants need work only a relatively short time.

Several States using an average weekly wage benefit formula provide an alternative to the minimum weeks of employment in the form of a flat qualifying wage. This is done to avoid disqualifying claimants with substantial earnings which are not spread over a prolonged period of employment. (New Jersey and Rhode Island have such provisions.)

A qualifying requirement expressed as a multiple of high quarter wages or of the weekly benefit amount is common among States with

a high quarter benefit formula. (Among "weeks of work" States, only Hawaii uses a multiple of WBA, and only combined with a weeks of work requirement. None of the fourteen "weeks of work" States uses a multiple of HQW to determine eligibility.) These two types of requirements are not at all unalike in their purpose. For example, a qualifying provision of base period wages equal to 1½ times the claimant's high quarter wages requires employment approximately equal to 1½ times the high quarter employment. A multiple of 30 times the weekly benefit amount combined with a high quarter fraction of 1/20 has the same result.

In considering alternatives for increasing the duration of unemployment benefits, the qualifying requirements used by the States cannot be ignored. Even if this provision is not directly involved in the revisions made to increase benefits, the qualifying requirements in force will have to be considered, along with the benefit formula and the duration formula, when making changes to increase duration of regular benefits.

3.3 Benefit Formulas

The provisions for weekly benefit amounts contained in early unemployment insurance laws were based largely on the full-time weekly wages. The attempt was made to provide claimants with a certain fraction of full-time weekly wages. Unfortunately, the use of weekly wages was a difficult method for computing benefits, requiring the use of weekly reports of wages and hours. Because of the administrative difficulties involved, several alternative methods were developed. The high quarter formula was developed based on the proposition that wages in the high quarter would adequately represent full-time employment wages. The annual wage formula is simple administratively; however, this alternative measure is less closely related to the actual wages in the weeks worked. An average weekly wage formula is generally used only by States on a wage request reporting basis, reducing the administrative difficulties

imposed by earlier requirements. Each of these techniques is discussed in detail below.

The high quarter wage formula is based on the calendar quarter to simplify reporting requirements. Basing benefits on the high quarter represents an attempt to use a period in which full or nearly full employment is reflected by using an average weekly wage equal to 1/13 and--for a State seeking to pay 1/2 of the average weekly wage--a fraction of 1/26 (1/2 of 1/13) of high quarter wages.

Since it is unlikely that employment is constant even in the high quarter, States commonly use fractions larger than 1/26, and some as large as 1/20. This fraction provides at least 1/2 of the average weekly wage to those employed for 10 or more weeks. This method of determining the benefit amount tends to favor those who have more than 10 weeks of employment, allowing them to obtain a higher benefit ratio. That is, their weekly benefits actually represent a higher percentage of their average weekly wage. This is shown in Figure 3.7. (The higher weekly benefit amount may, to some extent, serve to shorten duration where this is determined on the basis of wages.)

Figure 3.7

High Quarter Wage Formula for Benefit Amount

Claimant's Weeks of Employment in High Quarter	Benefit-Wage Ratio (WBA as a Percentage of AWW in the High Quarter) under High Quarter Fraction:			
	1/20	1/23	1/24	1/26
10	50	43	42	38
12	60	52	50	46
13	65	57	54	50

To counteract this effect, some States use a weighted schedule which specifies a different fraction of high quarter wages for each

level of earnings. This method has the effect of providing a larger benefit amount in relation to earnings for the low-wage claimant. States using a weighted formula generally recognize that more of a lower-wage claimant's wages go for non-deferable expenses than do those of higher-wage claimants. An annual wage benefit formula determines the weekly benefit amount solely on the basis of base period earnings. Assuming uniform earnings throughout the year, full employment, and a weekly benefit amount equal to 1/2 the average weekly wage, this type of formula would generate a benefit amount of 1/2 times 1/52 (or .0096) times base period wages. However, most workers do not have 52 weeks of work in a year, especially those claimants with low base period wages. Therefore, a percentage greater than .96 percent is used to determine the benefit amount. Oregon, for example, uses 1/2 of 1/40 or 1.25 percent, which assumes 40 weeks of work.

If the benefit formula and the duration formula both vary with the amount of annual earnings (as they do in Oregon), claimants just eligible for benefits can never qualify for the maximum duration. When it is combined with a fraction of the weeks of employment or a uniform duration formula (where duration is unaffected by the weekly benefit amount), this type of benefit formula does not have this effect. It is questionable whether the maximum duration of benefits should be reserved for those with very high base period wages, an effect which would be accentuated by increasing that maximum to 39 "weeks". It is, therefore, likely that States which use this combination of duration and benefit provisions will have to revise their entitlement provisions in order to provide an acceptable 39-week program.

The <u>average weekly wage formula</u> bases weekly benefits on the wages earned in the weeks worked in the base period. In many cases, such formulas eliminate weeks of inconsequential work and earnings so that the average weekly wage figure more closely approximates

the claimant's normal weekly wage. How closely the formula approximates the normal weekly wage depends upon the definition of weeks of work, the method of computing the average weekly wage, and (of course) the percentage of average weekly wages used to determine the weekly benefit amount. The accuracy of this approximation will, in turn, determine how accurately a State can provide the desired benefit-wage ratio.

Among the methods used to compute the average weekly wage are the following: 1) the average weekly wage in the base period is calculated excluding those weeks in which wages paid were less than a specified amount; 2) the average weekly wage is based only on wages paid by the last employer; 3) the average weekly wage is based on wages paid in the last quarter; 4) a specific number of weeks in which wages were the highest is used; or 5) the average weekly wage with each employer is calculated and a "per-employer determination" is used in which the weekly benefit amount and duration are based on each base period employer.

Considering the many variations in the States' combinations of provisions, the complexity of increasing regular benefits to 39 "weeks" may be considerable. Again, the best approach appears to be the one which establishes minimum standards and promotes established program goals, while allowing the States the discretion of tailoring their specific programs according to their needs and objectives--so long as they meet the criteria established as minimums for the program.

Figures 3.8, 3.9, and 3.10 present three charts which illustrate the major provisions of the States. These charts, which were published in the Employment and Training Report of the President in 1976, may aid the reader in understanding the variety of provisions used to determine benefit entitlement under the U.I. program.

Figure 3.8

Maximum Benefit Duration

CHART 11

Under most State laws, the maximum duration of benefits is 26 weeks.

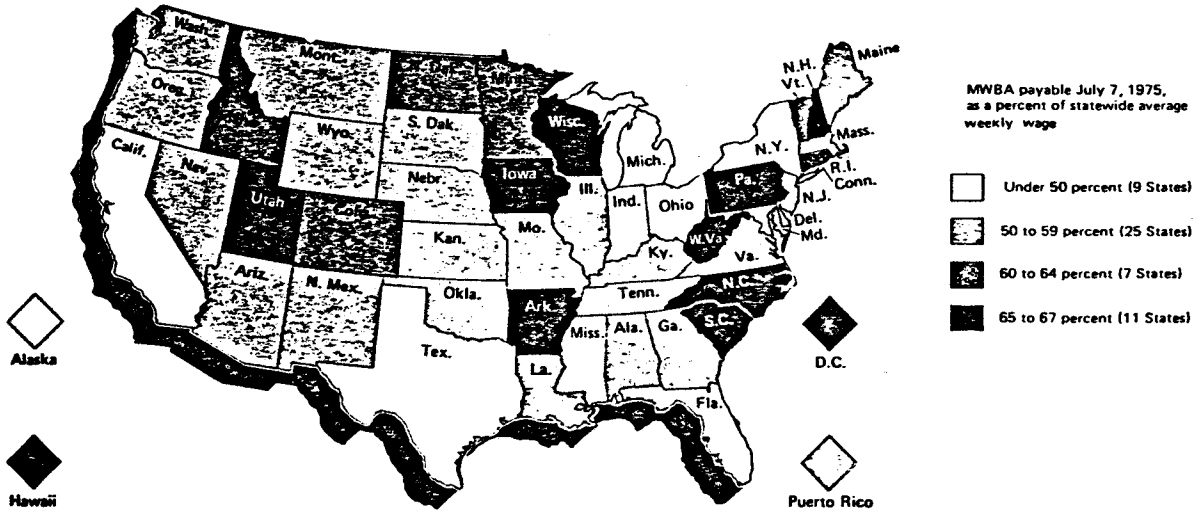
Source: U.S. Department of Labor.

Figure 3.9

Maximum Weekly Benefit Amounts

CHART 10

Maximum weekly benefit amounts (MWBA) vary from State to State.



[1] Limited to a sum equivalent to 50 percent of the average weekly wage by administrative order, despite a procedure calling for 60 percent.

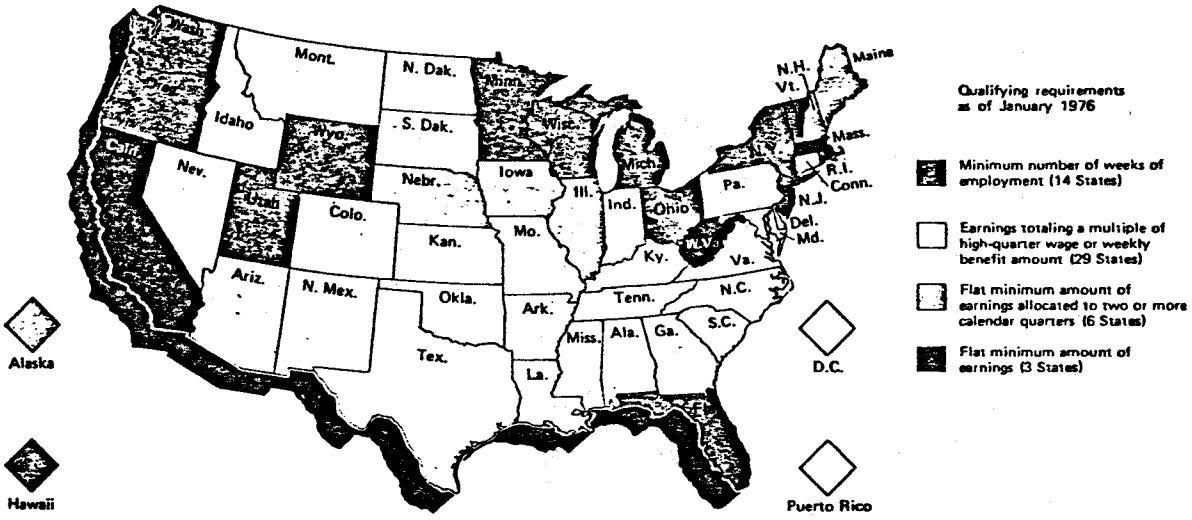
Source: U.S. Department of Labor.

Figure 3.10

Qualifying Requirements

CHART 9

States use a variety of employment and earnings requirements to determine eligibility for UI.



Source: U.S. Department of Labor.

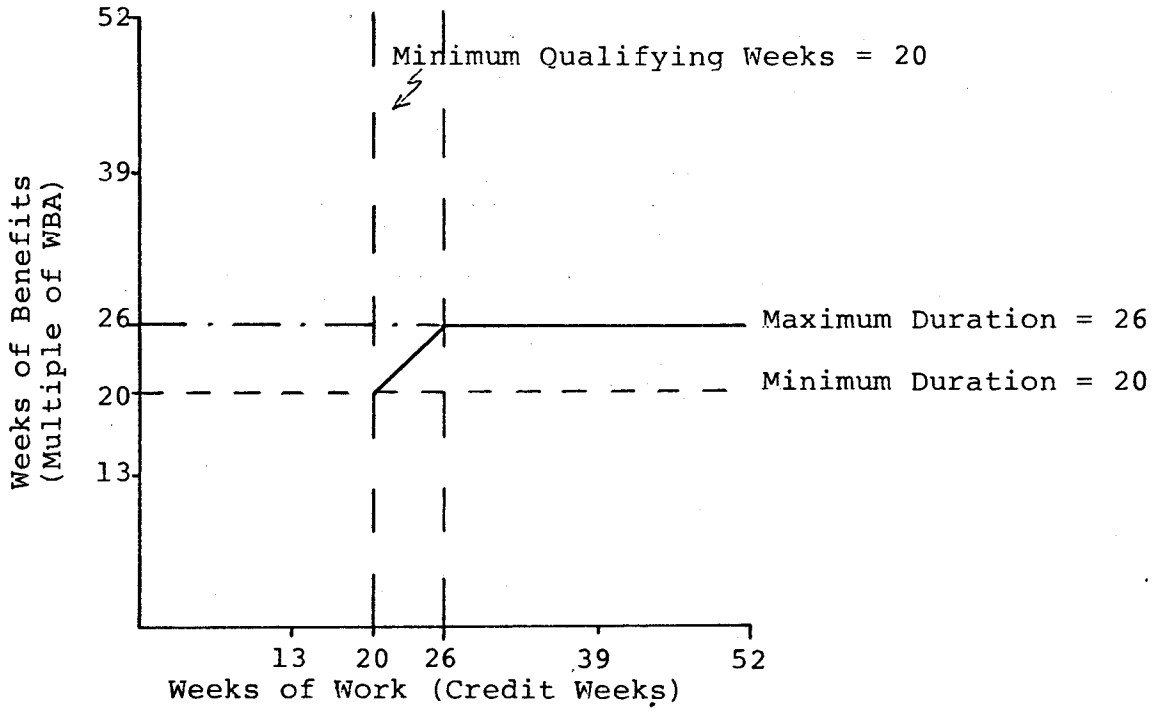
The specific provisions of the "weeks of work" States were considered in determining the alternative program approaches to be evaluated. These are discussed for each State evaluated in the Chapters which follow.

4.0 OHIO

4.1 Current Provisions

The State of Ohio uses a variable duration formula based upon the number of weeks of employment in the base year. A minimum of 20 times the weekly benefit amount is provided for claimants having the minimum 20 credit weeks of employment. A minimum of $20 in wages is required for each week. The duration fraction is equivalent to a 1/1 fraction, entitling the claimant to one times the weekly benefit amount for each credit week above 20, up to the maximum of 26 times the weekly benefit amount. For convenience and consistency among States, this will be referred to as a formula providing one "week" of benefits for one week of work, with duration ranging from 20 to 26 "weeks" of benefits. Ohio's current fraction is graphed in Figure 4.1.

Figure 4.1
Ohio - Current Provisions



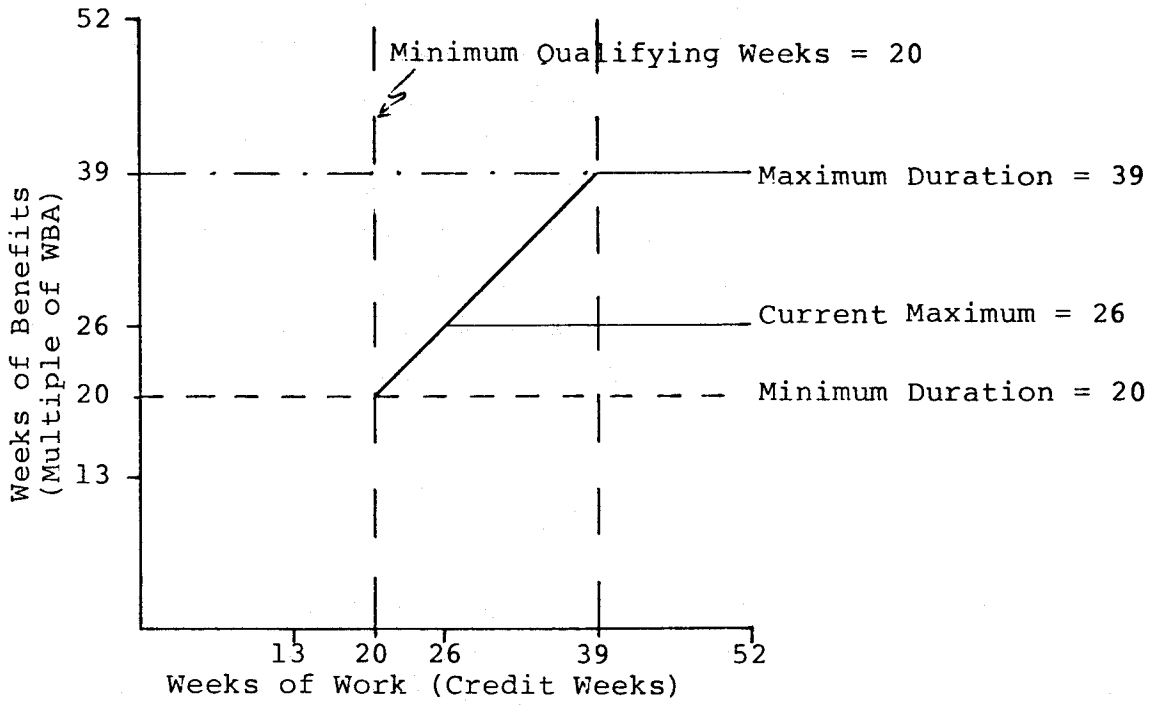
Benefits are set at 50 percent of the average weekly wage, with the average weekly wage calculated by dividing the total weeks paid in all weeks in which the claimant was paid at least $20 by the number of weeks in which he was paid at least $20. The minimum weekly benefit amount is, thus, $10. The maximum is set at $95. Ohio provides dependents' allowances of from $1 to $55 which are based upon the claimant's average weekly wage and dependency class. The minimum and maximum weekly benefit amounts with dependents' allowances are, therefore, $10-$16 and $95-$150, respectively. Generally, dependents' allowances are available only to those claimants eligible for more than the maximum weekly benefit amount.

Prior to 1974, Ohio used a formula equivalant to a 1/2 fraction for benefit duration, requiring 2 credit weeks for each addition of one times the weekly benefit amount to the minimum of 20 times the weekly benefit amount. In analyzing the 1973 and 1974 data, the 1/1 fraction was applied rather than the provisions in effect at the time. This was done in order to provide consistent data for analysis. The weekly benefit amounts used in calculating costs reflect the provisions current in the year under consideration. The potential cost figures for the three years are calculated using different dependents' allowances, however, this does not significantly affect the analysis since percentage cost increases are compared for the three years.

4.2 Additional Benefits Program

Ohio's duration fraction is sufficient to provide 39 "weeks" of benefits without raising the duration fraction. The additional regular benefits program tested in the State of Ohio would, therefore, involve a simple raising of the maximum entitlement to 39 times the weekly benefit amount--39 "weeks" of benefits. The current minimum qualifying weeks and the minimum duration would remain the same. The program would involve no change in the duration or benefit formulas. Figure 4.2 depicts the 39-week program and shows the current program for purposes of comparison.

Figure 4.2
Ohio - Additional Regular Benefits Program



The State's duration fraction is more than sufficient to provide 39 "weeks" of benefits for 52 weeks of work. Also, the employment requirement for 39 "weeks" of benefits is 1.5 times that for 26 "weeks" of benefits. In Ohio it is possible to satisfy these criteria without an adjustment in the duration formula; therefore, the program would not require any drastic changes in the State's benefit provisions if Ohio should choose to increase its maximum duration to 39 "weeks".

The expansion of the State's regular unemployment insurance program to 39 "weeks" will, naturally, increase program costs. The extent of the cost impact must be measured, along with the gains in duration experienced by claimants and the reduction in the rate of benefit exhaustions. By determining the additional cost of the program and the gains derived from it, some firm ground may be established for a determination of its worth.

In addition, the program must be tested to determine its impact on various claimant groups. This is accomplished by comparing the treatment of different classifications of claimants under the current 26-week program and under the program being tested. A determination must be made concerning the manner in which each program impacts a given group; that is, whether either treats one group differently from another and whether any group would gain or lose appreciably through adoption or nonadoption of the new program. The use of claimant group analysis is not intended to imply that the various groups must be treated precisely equally under the program; rather, it is intended to determine that they are not treated in a manner which is inconsistent with program objectives.

4.3 Testing the Additional Benefits Program

In order to analyze the program impact of the additional benefits alternative for the State of Ohio, we requested actual claimant data for benefit years beginning (BYB) in 1973, 1974, and 1975. We obtained a data tape which contained records for approximately 5,000 claimants for each year--approximately a 1 percent sample for 1975, a 1.5 percent sample for 1974, and a 3 percent sample for 1973. Due to cost limitations, we drew off a smaller sample for each year--2,445 for 1973; 2,444 for 1974; and 2,393 for 1974. The data was analyzed to determine the impact of the program on the total population and on the various groups represented within the sample. The effects of the program were analyzed with respect to cost, duration, and exhaustion rates. For the most part, the sample utilized was sufficient to provide results with adequate precision. For a further discussion of sample size and precision, see Appendix A.

The population characteristics and the classifications analyzed for Ohio include:

- Base Period Wages: $5000 or Less, $5001-$9999, $10000 or More
- Average Weekly Wages: $100 or Less, $101-$200, $201-$300, Over $300

- Sex: Male, Female
- Ethnic Group: White, Other
- Dependents: None, One or More
- Age: 24 and Under, 25-34, 35-44, 45-54, 55-64, 65 and Over
- Industry (SIC): Mining, Contract Construction, Manufacturing, Transportation, Communications and Utilities, Wholesale Trade, Retail Trade, Financial, Services, Other
- Education: No High School, Some High School, Complete High School, Some College, Complete College

The provisions of the current program and the alternative program were applied to each claimant in the sample in order to calculate the average potential and average actual duration, the potential and actual cost, and the exhaustion rate under the two programs. Crosstabulations were run in order to analyze the data from the standpoint of the various claimant groups. This analysis sought to determine the makeup (according to the eight population characteristics) of groups receiving certain levels of duration and of groups exhausting benefits at certain levels under each program.

4.4 Results - All Claimants

This section presents the results of the analysis conducted on the total sample population. The impact of raising the duration maximum from 26 to 39 "weeks" was assessed in terms of cost, duration, and exhaustions. The paragraphs following discuss these effects.

4.4.1 Cost

For the cost analysis section of the study, program costs were calculated for the sample claimants using the 26-week maximum and using the 39-week maximum. Potential costs were measured for all three years, while actual costs were measured for BYB 1975 only. For comparison, costs were calculated with and without Federal sharing of costs in line with the current financing of the Extended Benefits program.

The costs "without Federal sharing" reflect the total potential or actual cost of the program, while those "with Federal sharing" indicate the cost to the State with a 50-50 sharing of costs for benefits beyond 26 "weeks" of duration.

The State estimated costs were derived from the sample figures by extrapolating from the costs obtained for the sample. The cost of the current program was derived from that for the sample using the ratio of first payments in Ohio in the year being studied to the number in the sample. (The number of first payments was obtained from Ohio's ES-213 report.) The cost of the additional benefits program was then estimated using the percentage cost increase obtained for the sample. In reviewing the actual cost figures, it must be remembered that they are based on a single year: BYB 1975. One year's data may be viewed as indicative of costs as they would occur in similar years, but not as a definitive measure of program cost. The high unemployment situation of that year must be considered in reviewing the actual cost results.

Figure 4.3 presents the potential cost data for the 26- and 39-week programs for the sample population. Potential costs are indicated for each of the three years, with and without Federal sharing of the additional cost of the 39-week program. Figure 4.4 shows the State estimated potential costs for the three years, derived from the sample data as indicated above. As shown in the two tables, the program with the 39-week maximum increases the potential cost about 39 or 40 percent over that of the current program. This is true for all three years.

Potential costs, it must be remembered, represent an upper limit which is not likely to be reached in practice. Actual costs were, therefore, calculated for Ohio using the sample data for BYB 1975. The figures were calculated and extrapolated to the State level using the ES-213 reported first payments for 1975 (in the same manner as that used for the potential costs). Figure 4.5 presents the summary of actual costs for the sample and for the State. The increase in actual costs estimated for Ohio would be 18.6 percent

Potential Cost Summary for Sample Population
Under Alternative Programs, Ohio: 1973, 1974, 1975

(In Dollars and Percentage of Cost of Current Program)

	Duration Fraction: 1/1	
	26-Week Program	39-Week Program
Potential Cost, 1973	$4,083,948	$5,681,820
Increase w/o Federal Sharing	-	$1,597,872 (39.1%)
Increase w/ 50-50 Federal Sharing	-	$ 798,936 (19.6%)
Potential Cost, 1974	$4,914,197	$6,838,211
Increase w/o Federal Sharing	-	$1,924,014 (39.2%)
Increase w/ 50-50 Federal Sharing	-	$ 962,007 (19.6%)
Potential Cost, 1975	$4,901,845	$6,878,255
Increase w/o Federal Sharing	-	$1,976,410 (40.3%)
Increase w/ 50-50 Federal Sharing	-	$ 988,205 (20.2%)

Figure 4.4

State Estimated Potential Cost Increase
for Additional Regular Benefits: 1973, 1974, 1975
(In Dollars and Percentage of Cost of Current Program)

	Duration Fraction: 1/1	
	26-Week Program	39-Week Program
Potential Cost, 1973:	$ 281,433,145	$ 391,545,747
Increase w/o Federal Sharing	-	$ 110,112,602 (39.1%)
Increase w/ 50-50 Federal Sharing	-	$ 55,056,301 (19.6%)
Potential Cost, 1974:	$ 613,743,578	$ 854,037,412
Increase w/o Federal Sharing	-	$ 240,293,834 (39.2%)
Increase w/ 50-50 Federal Sharing	-	$ 120,146,917 (19.6%)
Potential Cost, 1975:	$1,110,969,473	$1,558,909,213
Increase w/o Federal Sharing	-	$ 447,939,740 (40.3%)
Increase w/ 50-50 Federal Sharing	-	$ 223,969,870 (20.2%)

Figure 4.5

Summary of Increase in Actual Costs for the Sample Population and Estimated for the State under an Additional Regular Benefits Program, Ohio: 1975

(In Dollars and Percentage of Cost of Current Program)

	Sample		State	
	26-Week Program	39-Week Program	26-Week Program	39-Week Program
Total Actual Benefit Cost	$ 3,072,238	$ 3,643,191	$696,301,623	$825,704,1
Increase in Actual Cost without Federal Sharing	-	$ 570,953 (18.6%)	-	$129,402,5 (18.6%
Increase in Actual Cost with 50-50 Federal Sharing	-	$ 285,477 (9.3%)	-	$ 64,701,2 (9.3%

gram under which the Federal Government assumes 50 percent of the cost increase, Ohio's realized cost increase would be only 9.3 percent ($64,701,286 for BYB 1975).

Figure 4.6 shows the relationship between potential and actual costs for Ohio in 1975.

Figure 4.6

Actual Versus Potential Cost
Ohio: 1975

	26-Week Program	39-Week Program
Total Actual Benefit Cost	$ 696,301,623	$ 825,704,196
Total Potential Benefit Cost	$1,110,969,473	$1,558,909,213
Actual Cost as a Percentage of Potential Cost	62.7%	53.0%

It can be seen that the actual costs of the program are considerably less than the potential costs. For the current, 26-week program, actual cost is 62.7 percent of potential cost; for the 39-week program, the percentage is only 53.0 percent.

4.4.2 Average Duration

Figure 4.7 summarizes the average duration data for all claimants for 1975. Potential and actual duration figures are presented for the current 26-week program and for the extended alternative 39-week program.

Figure 4.7

Average Duration of Benefits
Under Regular and Additional Benefits Programs
Ohio: 1975

	26-Week Program	39-Week Program
Average Potential Duration	25.7	35.7
Percentage Increase Over Current	-	38.9%
Average Actual Duration	16.3	19.3
Percentage Increase Over Current	-	18.4%
Actual Duration as a Percentage of Potential Duration	63.4%	54.1%

According to the sample data, increasing the maximum duration from 26 to 39 "weeks" increases average potential duration by 38.9 percent. The increase in terms of actual duration is only 18.4 percent. Under the current program, average actual duration is 63.4 percent of potential duration, while under the alternative program, the percentage is only 54.1. The upper limit set by the potential figure is not nearly reached in either case.

Potential duration figures were calculated for 1973 and 1974 as well. Average potential duration for the current program is 25.7 "weeks" for both 1973 and 1974. The average potential duration calculated for the 39-week program is 35.5 "weeks" for 1973 and 35.3 "weeks" for 1974. The percentage increase in average potential duration resulting from raising the maximum duration to 39 "weeks" is, thus, 38.1 percent for 1973 and 37.4 percent for 1974. These results are similar to those obtained using the 1975 data.

4.4.3 Exhaustions

Raising the maximum duration from 26 to 39 "weeks" will certainly affect the exhaustion rate. Reducing the rate at which claimants exhaust benefits before becoming reemployed is one of the primary objectives of all proposals for increased benefit duration. Maintaining a fraction of workers' weekly wage loss in periods of

temporary involuntary unemployment is, after all, an important program goal. Exhaustion rates were compared for the 26- and 39-week programs using sample claimant data for BYB 1975. The exhaustion rate (i.e., exhaustions as a percentage of first payments) was 39.2 percent for the current program and 29.3 percent for the additional benefits program. This represents a 25.3 percent reduction in the exhaustion rate for the alternative benefits program.

Raising the maximum duration to 39 "weeks" will result in a substantial reduction in exhaustions. It would not, however, reduce them to the 15 to 20 percent level usually considered the program goal. (Again, it must be kept in mind that the 1975 data reflects the high unemployment conditions and the labor market of that year. Exhaustion rates would most likely to lower in periods of lower unemployment, bringing the 39-week program closer to the goal.)

4.5 Results - Claimant Groups

In addition to the overall effects of the program (discussed in the preceding section), the study examined the impact of the 39-week program on the various groups which make up the population of claimants in Ohio. Once again, the characteristics analyzed for this State include Sex, Ethnic Group, Dependents, Age, Industry, Average Weekly Wage, Base Period Wages, and Education.

In this portion of the analysis the study sought to determine if the program tested treats different claimant groups in a manner which is consistent with the principles of the UI program. The results of applying the two duration maximums to the sample data yielded no surprises. The additional regular benefits program tested supplied the groups which are generally regarded as firmly attached to the labor force with more "weeks" of potential duration than those groups less firmly attached.

duration and exhaustion of benefits. The results of the analysis conducted are discussed in the following paragraphs.

4.5.1 Average Duration

Figures 4.8.1 through 4.8.8 show the average duration of benefits for claimants of various classifications under the regular program and for the 39-week program. Average potential duration is shown for all three years, while average actual duration was obtained for BYB 1975 only. The tables are self-explanatory.

The basic result of the examination of average duration is not unexpected:

- Those claimants with the firmest attachment to the labor force receive the highest duration of benefits under both the 26-week and the 39-week program.

This is the expected result considering that duration is a function of weeks of work, and the basic program is not changed by the raising of the maximum duration level.

Among the characteristics examined, Sex and Ethnic Group appear to have the least impact on average duration. Females experience a slightly smaller percentage increase in average potential duration than do males in 1973 and 1975, but a marginally higher increase in 1974. Looking at average actual duration (in 1975), females actually have a larger percentage increase in their average actual duration as a result of the raising of the maximum (22 percent compared to the males' 17 percent); however, this difference reflects the males' tendency to become reemployed faster rather than the workings of the 39-week program.

The difference in the gains made by whites and those made by others with the 39-week maximum are even closer. Again, the group generally regarded as less attached to the labor force gains relatively more when actual duration figures are considered, reflecting the relative ease of reemployment of the more substantially

Program and Under Additional Benefits Program

Figure 4.8.1 OHIO: By Year

Claimant Characteristic: Wages Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
$5000 and under	25.0		31.3	
$5001 - 9999	25.9		36.9	
$10000 and over	26.0		38.4	
Total Sample	25.7		35.5	
1974:				
$5000 and under	24.7		30.3	
$5001 - 9999	25.8		36.7	
$10000 and over	26.0		38.4	
Total Sample	25.7		35.3	
1975:				
$5000 and under	25.1	16.8	31.6	19.1
$5001 - 9999	25.8	17.2	36.8	20.9
$10000 and over	26.0	14.7	38.4	17.6
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Figure 4.8.2 OHIO: By Year

Claimant Characteristic: Average Weekly Wage Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
$100 or less	25.4		33.3	
$101-200	25.7		35.9	
$201-300	25.8		36.0	
Over $300	25.8		36.3	
Total Sample	25.7		36.5	
1974:				
$100 or less	25.2		33.2	
$101-200	25.6		35.3	
$201-300	25.7		36.3	
Over $300	25.7		35.8	
Total Sample	25.7		35.3	
1975:				
$100 or less	25.4	16.2	33.8	19.1
$101-200	25.6	17.3	35.8	20.9
$201-300	25.7	15.4	36.6	18.4
Over $300	25.8	14.6	36.1	16.3
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Average Potential and Actual Duration Under Current Program and Under Additional Benefits Program

Figure 4.8.3 OHIO: By Year

Claimant Characteristic: Sex Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
Male	25.7		35.6	
Female	25.6		35.1	
Total Sample	25.7		35.5	
1974:				
Male	25.6		35.4	
Female	25.5		35.3	
Total Sample	25.6		35.3	
1973:				
Male	25.7	15.9	36.0	18.6
Female	25.6	17.2	35.1	21.0
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Figure 4.8.4 OHIO: By Year

Claimant Characteristic: Ethnic Group Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
White	25.7		35.8	
Other	25.4		33.8	
Total Sample	25.7		35.5	
1974:				
White	25.6		35.4	
Other	25.5		35.2	
Total Sample	25.7		35.3	
1975:				
White	25.7	16.2	35.7	19.2
Other	25.7	17.5	35.7	21.1
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Average Potential and Actual Duration Under Current Program and Under Additional Benefits Program

Figure 4.8.5 OHIO: By Year

Claimant Characteristic: Dependents Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
None	25.6		34.9	
1 or more	25.7		36.1	
Total Sample	25.7		35.5	
1974:				
None	25.5		34.9	
1 or more	25.6		35.8	
Total Sample	25.6		35.3	
1975:				
None	25.6	16.9	35.1	20.3
1 or more	25.8	15.6	36.4	18.3
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Figure 4.8.6 OHIO: By Year

Claimant Characteristic: Age Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
24 and under	25.6		35.0	
35 - 34	25.7		35.9	
35 - 44	25.6		35.6	
45 - 54	25.8		35.8	
55 - 64	25.6		34.9	
65 and over	25.4		35.3	
Total Sample	25.7		35.5	
1974:				
24 and under	25.5		34.7	
25 - 34	25.6		35.4	
35 - 44	25.5		35.5	
45 - 54	25.7		36.3	
55 - 64	25.5		35.4	
65 and over	26.0		35.9	
Total Sample	25.6		35.3	
1973:				
24 and under	25.5	16.6	35.0	19.3
25 - 34	25.7	16.1	35.9	19.1
35 - 44	25.7	16.0	36.1	19.3
45 - 54	25.7	16.1	36.3	19.3
55 - 64	25.7	16.6	35.9	20.2
65 and over	25.5	19.4	34.7	24.9
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Average Potential and Actual Duration Under Current Program and Under Additional Benefits Program

Figure 4.8.7 OHIO: 1973

Claimant Characteristic: Industry (SIC) Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Mining	25.8		36.8	
Contract Construct.	25.6		34.7	
Manufacturing	25.7		36.1	
Transportation	25.8		36.3	
Communications and Utilities	25.7		37.2	
Wholesale Trade	26.0		36.8	
Retail Trade	25.3		34.1	
Financial	25.6		35.4	
Services	25.2		33.6	
Other	25.6		34.9	
Total Sample	25.7		35.5	

* 1/1 fraction used in either program; 26-week maximum for current program.

Figure 4.8.7 OHIO: 1974

Claimant Characteristic: Industry (SIC) Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Mining	25.4		34.3	
Contract Constr.	25.5		34.5	
Manufacturing	25.7		36.0	
Transportation	25.7		36.3	
Communications & Utilities	26.0		36.4	
Wholesale Trade	25.5		35.0	
Retail Trade	25.6		35.4	
Financial	25.7		34.5	
Services	25.2		33.8	
Other	23.8		28.0	
Total Sample	25.6		35.3	

* 1/1 fraction used in either program; 26-week maximum for current program.

Average Potential and Actual Duration Under Current Program and Under Additional Benefits Program

Figure 4.8.7 OHIO: 1975

Claimant Characteristic: Industry (SIC) Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Mining	25.4	16.5	35.3	17.8
Contract Constr.	25.5	17.0	34.7	18.9
Manufacturing	25.7	15.5	36.1	18.5
Transportation	25.6	15.8	35.5	18.0
Communications & Utilities	25.8	18.3	36.2	21.3
Wholesale Trade	25.7	16.4	36.3	20.3
Retail Trade	25.6	17.3	35.5	21.0
Financial	25.9	17.7	36.6	21.5
Services	25.6	18.9	34.8	23.4
Other	25.5	15.3	35.1	18.4
Total Sample	25.7	16.3	35.7	19.4

* 1/1 fraction used in either program; 26-week maximum for current program.

Figure 4.8.8 OHIO: By Year

Claimant Characteristic: Education Classification:	CURRENT PROGRAM*		39-WEEK PROGRAM*	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:				
No High School	25.5		34.9	
Some High School	25.6		35.1	
Complete H.S.	25.7		36.0	
Some College	25.8		36.1	
Complete College	25.0		32.7	
Total Sample	25.7		35.5	
1974:				
No High School	25.5		34.9	
Some High School	25.5		35.1	
Complete H.S.	25.6		35.6	
Some College	25.5		35.3	
Complete College	25.9		35.1	
Total Sample	25.6		35.3	
1975:				
No High School	25.7	16.4	36.1	19.3
Some High School	25.5		35.0	
Complete H.S.	25.7	**	35.9	**
Some College	25.7		35.8	
Complete College	25.8		36.3	
Total Sample	25.7		35.7	

* 1/1 fraction used in either program; 26-week maximum for current program.
** Date Missing

group. This effect is repeated for Number of Dependents as well, with those having no dependents receiving less in potential duration, but more in terms of actual duration.

The classifications under Industry (SIC) and Age show similar reactions to increasing regular benefits to 39 "weeks". The youngest and oldest claimants have lower gains in potential duration but the oldest group experiences a greater increase in terms of actual duration. This is understandable, since those 24 and under and those 65 and older are generally less attached claimants, due to temporary or part-time work and, in the case of the young, newly-started careers. In this case, the younger group has a lower than average increase in actual duration, probably resulting from the fact that they are willing and able to pick up at least part-time work. In the Industry classifications, those associated with seasonality or higher personnel turnover (e.g., contract construction, services, and retail trade) receive relatively less potential duration than other industries, but the differences are not consistently large for any group over the three years. Again, the results with respect to actual duration differ as the tendency to become reemployed or to pick up part-time work affects the duration figures. In all of these examples, the differences cited are less than dramatic.

The characteristics examined which are most directly related to weeks of work and attachment are the wage variables, Base Period Wages and Average Weekly Wages. These characteristics naturally have a greater impact on duration. For example, looking at average duration figures for the various Average Weekly Wage classifications, those claimants in the lowest wage classification receive 33.1 percent more in terms of potential duration, while those claimants earning over $300 per week receive 40.0 percent more under the additional benefits program. The gains in terms of actual duration are only 17.9 percent for the low wage group and 11.6 percent for the high wage group. These results are more

significant than those for the characteristics less directly related to weeks of work. In this case too the difference between the higher and lower group in average potential duration turns to a negative difference when average actual duration is considered. The lowest wage group actually has a higher actual duration under the current and under the additional benefits program, and the difference widens under the 39-week program (from 11.0 percent higher to 17.2 percent higher average actual duration for the low wage group under the additional program). This is due to the greater ease with which those more firmly attached to the labor force become reemployed, which becomes more obvious under the longer-duration program. (Again this effect is seen more strongly here than for the less meaningful characteristics.) The general findings resulting from an examination of the average duration figures can be stated at this point.

- Those characteristics with the strongest relationship to the weeks of work variable exhibit the strongest impact on benefit duration, with the more firmly attached groups receiving proportionately more "weeks" of potential duration.

- The actual duration results show the greater speed with which the more firmly attached groups return to work. This effect is also shown most vividly for those characteristics directly related to the claimants' weeks of work.

The current program in Ohio, with its minimum duration of 20 "weeks" will not show the great percentage increases in duration that a State with a lower minimum will experience from adding 13 "weeks" to the maximum duration. Similarly, the retention of the State's current duration fraction will result in a less noticeable increase in average potential duration than is seen in a State where the basic fraction must be increased. This must be remembered in examining the results for the various States.

4.5.2 Population Profile

Figures 4.9.1 through 4.9.8 show the percentage breakdown by population classification of recipients of different ranges of potential duration under the 39-week program. The first column indicates the breakdown of the total sample population. The first row for each year shows the raw numbers upon which the percentage figures are based, in order to indicate the number of people in question. By comparing the makeup of the sample population with that of the group of claimants receiving the maximum benefit duration (for example) the treatment of different classifications of claimants can be determined. For example, looking at the characteristic Base Period Wages, claimants earning $10,000 or more made up 30.5 percent of the sample population for 1975. They represented a disproportionately low percentage of those receiving the lowest range of potential duration, 26 or fewer "weeks", i.e., only 4.5 percent. They made up a disproportionately large segment of those eligible for the maximum 39 "weeks": 41.8 percent. (These findings are consistent for all three years examined.) Examining the various other characteristics reveals the effect of increasing duration to 39 "weeks" under a fraction of the weeks worked formula. (The results are mixed in some cases, particularly where small numbers of claimants are involved, but the major finding still holds.) In general it can be seen that:

- The extension of regular benefits to 39 "weeks" on the basis of the claimant's weeks of work favors those groups generally regarded as firmly attached to the labor force.

The characteristics most strongly associated with the concept of attachment show this relationship (i.e., the wage characteristics). The others--Ethnic Group, Sex, Industry, Number of Dependents, and Age--show less significant results. This is not a surprising result where duration of benefits is determined on the grounds of employment experience. It can also be seen, then, that:

- Increasing benefits to 39 "weeks" on the basis of base period employment does not favor or discriminate against a claimant on the basis of personal characteristics.

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 4.9.1 OHIO: By Year

Claimant Characteristic: Wages Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2445	299	614	1532
$2000 or less	4.0	23.4	0.0	0.0
$2001 - 4000	18.3	45.2	33.4	7.3
$4001 - 6000	19.4	19.4	22.5	18.2
$6001 - 8000	19.9	10.7	17.4	22.5
$8001 - 9999	15.8	0.0	12.4	19.9
$Over $10000	22.7	0.0	10.4	31.9
1974: All Claimants Sampled - No. (100% of Column)	2444	354	533	1557
$2000 or less	3.1	15.3	3.3	0.0
$2001 - 4000	16.7	50.8	28.9	4.7
$4001 - 6000	18.9	18.9	25.1	16.7
$6001 - 8000	19.2	9.6	18.2	21.8
$8001 - 9999	13.8	3.7	10.7	17.2
Over $10000	28.3	1.7	13.7	39.4
1975: All Claimants Sampled - No. (100% of Column)	2393	286	498	1609
$2000 or less	4.6	19.2	7.8	1.1
$2001 - 4000	16.2	40.6	34.9	6.0
$4001 - 6000	18.1	20.6	23.7	15.8
$6001 - 8000	17.0	11.9	17.7	17.7
$8001 - 9999	13.7	3.1	7.0	17.7
Over $10000	30.5	4.5	8.8	41.8

Figure 4.9.2 OHIO: By Year

Claimant Characteristic: Average Weekly Wage Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2402	292	602	1508
$100 or less	18.2	33.2	24.3	12.9
$101 - 200	47.9	42.5	40.9	51.8
$201 - 300	24.1	18.2	24.3	25.1
$301 - 400	8.2	5.5	8.0	8.9
Over $400	1.5	0.7	2.7	1.3
1974: All Claimants Sampled - No. (100% of Column)	2399	344	529	1526
$100 or less	13.6	22.1	18.9	9.9
$101 - 200	48.3	50.9	46.5	48.3
$201 - 300	26.0	17.4	21.0	29.7
$301 - 400	10.0	7.0	11.7	10.2
Over $400	2.0	2.6	1.9	1.9
1975: All Claimants Sampled - No. (100% of Column)	2344	277	487	1580
$100 or less	17.7	26.4	28.1	12.9
$101 - 200	43.2	40.1	43.9	43.5
$201 - 300	27.9	21.3	19.5	31.7
$301 - 400	8.7	7.9	5.7	9.7
Over $400	2.5	4.3	2.7	2.2

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 4.9.3 OHIO: By Year

Claimant Characteristic: Sex Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2445	299	614	1532
Male	78.1	72.6	79.0	78.9
Female	21.9	27.4	21.0	21.1
1974: All Claimants Sampled - No. (100% of Column)	2444	354	533	1447
Male	78.4	76.3	80.5	70.2
Female	21.6	23.7	10.5	21.8
1975: All Claimants Sampled - No. (100% of Column)	2393	286	498	1609
Male	69.2	65.7	63.1	71.7
Female	30.8	34.3	36.9	28.3

Figure 4.9.4 OHIO: By Year

Claimant Characteristic: Ethnic Group Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2445	299	614	1532
White	85.9	76.3	83.1	89.0
Other	14.1	23.7	16.9	11.0
1974: All Claimants Sampled - No. (100% of Column)	2444	354	533	1557
White	88.8	88.4	88.6	89.0
Other	11.2	11.6	11.4	11.0
1975: All Claimants Sampled - No. (100% of Column)	2393	286	498	1609
White	92.1	92.3	90.6	92.6
Other	7.9	7.7	9.4	7.4

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 4.9.5 OHIO: By Year

Claimant Characteristic: Age Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2445	299	614	1532
25 or less	27.9	32.4	29.0	26.6
26 - 35	25.1	21.7	23.8	26.3
36 - 45	20.1	18.4	20.8	20.2
46 - 55	16.7	13.0	18.2	16.8
56 - 65	9.5	13.4	8.0	9.3
Over 65	0.6	1.0	0.2	0.7
1974: All Claimants Sampled - No. (100% of Column)	2444	354	533	1557
25 or less	31.8	37.9	35.1	29.2
26 - 35	28.4	28.2	26.5	29.0
36 - 45	18.8	17.2	18.4	19.3
46 - 55	12.6	8.2	12.2	13.8
56 - 65	7.6	7.9	6.9	7.8
Over 65	0.9	0.6	0.9	0.9
1975: All Claimants Sampled - No. (100% of Column)	2393	286	498	1609
25 or less	29.5	35.0	36.1	26.4
26 - 35	29.2	29.4	24.5	30.6
36 - 45	18.0	13.3	20.3	18.1
46 - 55	14.1	12.9	10.2	15.5
56 - 65	8.5	8.0	8.2	8.6
Over 65	0.8	1.4	0.6	0.7

Figure 4.9.6 OHIO: By Year

Claimant Characteristic: Dependents Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2445	299	614	1532
None	49.2	60.2	53.4	45.3
1 or more	50.8	39.8	46.6	54.7
1974: All Claimants Sampled - No. (100% of Column)	2444	354	533	1557
None	50.7	58.5	55.2	47.4
1 or more	49.3	41.5	44.8	52.6
1975: All Claimants Sampled - No. (100% of Column)	2393	286	498	1609
None	54.5	63.6	62.9	50.3
1 or more	45.5	36.4	37.1	49.7

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 4.9.7 OHIO: 1973

Claimant Characteristic: Industry (SIC) Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2445	299	614	1532
Mining	1.7	0.7	1.8	1.9
Contract Constr.	30.3	35.1	39.7	25.7
Manufacturing	48.3	39.1	40.2	53.3
Transportation	4.3	3.0	4.6	4.4
Communications & Utilities	0.4	0.3	0.0	0.5
Wholesale Trade	3.3	1.3	3.1	3.7
Retail Trade	6.5	11.4	5.4	5.9
Financial	1.2	1.3	1.3	1.2
Services	3.5	6.7	3.4	2.9
Other	0.6	1.0	0.5	0.5

Figure 4.9.7 OHIO: 1974

Claimant Characteristic: Industry (SIC) Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2444	354	533	1557
Mining	1.5	1.7	2.1	1.3
Contract Constr.	25.8	31.9	31.9	22.4
Manufacturing	51.8	42.1	43.5	56.9
Transportation	5.9	3.4	6.2	6.3
Communications & Utilities	0.4	0.6	0.0	0.5
Wholesale Trade	3.4	4.0	3.4	3.3
Retail Trade	5.5	5.4	5.8	5.4
Financial	1.1	1.1	1.5	0.9
Services	3.3	5.1	4.1	2.6
Other	1.3	4.8	1.5	0.4

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 4.9.7 OHIO: 1975

Claimant Characteristic: Industry (SIC) Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2393	286	498	1609
Mining	0.6	0.7	0.4	0.7
Contract Constr.	11.3	15.7	14.3	9.6
Manufacturing	54.6	47.9	48.6	57.6
Transportation	3.5	3.8	4.2	3.2
Communications & Utilities	0.7	0.7	0.4	0.8
Wholesale Trade	5.1	4.2	4.0	5.5
Retail Trade	10.7	10.1	12.7	10.2
Financial	2.0	1.7	1.4	2.2
Services	9.0	11.9	11.4	7.8
Other	2.5	3.1	2.6	2.3

Figure 4.9.8 OHIO: By Year

Claimant Characteristic: Education Classification:	Percentage of Sample Population	39-Week Program - Percentage Makeup of Recipients of Potential Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2445	299	614	1532
No High School	15.7	17.9	17.5	14.4
Some High School	27.5	30.8	31.0	25.4
Complete H.S.	49.1	42.8	42.2	53.1
Some College	5.7	4.3	6.0	5.8
Complete College	0.8	1.7	1.0	0.6
1974: All Claimants Sampled - No. (100% of Column)	2444	354	533	1557
No High School	12.8	14.2	14.7	11.8
Some High School	25.9	28.5	25.5	25.4
Complete H.S.	51.8	45.5	50.8	53.5
Some College	7.2	8.2	6.3	7.3
Complete College	0.8	0.8	0.6	0.8
1975: All Claimants Sampled - No. (100% of Column)	2303	286	498	1609
No High School	9.3	7.3	10.0	9.5
Some High School	21.4	26.9	23.6	19.8
Complete H.S.	53.8	51.4	50.8	55.1
Some College	8.5	7.7	8.2	8.8
Complete College	4.3	4.2	3.4	4.7

4.5.3 Exhaustion Rates by Claimant Groups

The tables in Figures 4.10.1 through 4.10.8 display the exhaustion rates for each claimant classification under the current (26-week) program and the 39-week program. These tables give an insight into the impact of the two programs on the various groups which make up the claimant population.

The first column of figures shows the number of claimants in each classification and the total number in the sample. For comparative purposes, the last row shows the percentage of exhaustions under the two programs for the total sample. For example, 38.3 percent of sampled claimants exhausted under the 26-week program and 29.3 percent would have exhausted under the 39-week program.

Naturally, in all cases, exhaustion rates are lower under the additional benefits program than under the current program. The percentage reduction for each claimant group is not necessarily the same, however. For example, the exhaustion rate for males under the current program is 35.6 percent, while that under the test program is 25.6 percent, for a reduction of 28.1 percent. Females experience a reduction of only 15.8 percent, from a rate of 44.4 percent to one of 37.4 percent. It appears that males are affected more favorably than females by the 39-week program.

The Age characteristic shows an even more marked difference with respect to exhaustion rates. For claimants 65 and over there is no reduction in their exhaustion rates, and for those in the 55-64 group there is only a 14.9 percent reduction (from 42.9 percent to 36.5 percent). This is in contrast to the reductions for younger groups, which all exceed 20 percent. Although the number of claimants in the two older groups who were included in the sample is small (18 in the 65 and older group and 207 in the 55 to 64 classification), there does appear to be a distinct difference in the way in which older claimants are affected.

Percentage of Claimants Exhausting Benefits Under Current Program and Under an Additional Benefits Program

Figure 4.10.1 OHIO: 1975

Claimant Characteristic: Wages Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
$ 0 - 5000	715	42.1	37.9
$5001 - 9999	949	41.6	30.1
$10000 and over	729	30.3	19.6
Total Sample	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Figure 4.10.2 OHIO: 1975

Claimant Characteristic: Average Weekly Wage Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
$ 1 - 100	414	37.9	32.6
$ 101 - 200	1012	43.6	32.7
$ 201 - 300	655	36.2	27.6
$ 301 - 400	204	26.5	17.2
Over $400	59	18.6	11.9
Total Sample	2344	38.4	29.4

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Percentage of Claimants Exhausting Benefits Under Current Program and Under an Additional Benefits Program

Figure 4.10.3 OHIO: 1975

Claimant Characteristic: Sex Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
Male	1655	35.6	25.6
Female	738	44.4	37.4
Total Sample	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Figure 4.10.4 OHIO: 1975

Claimant Characteristic: Ethnic Group Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
White	2205	37.9	28.8
Other	188	43.6	34.6
Total Sample	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Percentage of Claimants Exhausting Benefits Under Current Program and Under an Additional Benefits Program

Figure 4.10.5 OHIO: 1975

Claimant Characteristic: Dependents Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
None	1305	41.1	33.6
1 or more	1088	34.9	24.1
Total Sample	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Figure 4.10.6 OHIO: 1975

Claimant Characteristic: Age Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
24 or less	705	36.9	27.2
25 - 34	699	37.8	29.3
35 - 44	431	38.1	29.0
45 - 54	337	38.9	27.6
55 - 64	203	42.9	36.5
65 and over	18	61.1	61.1
Total Sample	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Percentage of Claimants Exhausting Benefits Under Current Program and Under an Additional Benefits Program

Figure 4.10.7 OHIO: 1975

Claimant Characteristic: Industry (SIC) Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
Mining	15	33.3	20.0
Contract Construction	271	35.1	24.4
Manufacturing	1306	35.7	27.0
Transportation	84	33.3	21.4
Communications & Utilities	17	35.3	35.3
Wholesale Trade	121	43.8	33.9
Retail Trade	256	44.9	34.4
Financial	48	45.8	31.3
Services	216	49.1	43.1
Other	59	39.0	30.5
Total Sample	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.

Figure 4.10.8 OHIO: 1975

Claimant Characteristic: Education Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction with 39-Week Maximum
No High School	223	37.7	28.7
Some High School	513	41.9	32.4
Complete High School	1287	37.5	28.2
Some College	204	41.2	31.9
Complete College	104	38.5	29.8
Total Sample**	2393	38.3	29.3

* Current Program: 1/1 weeks fraction with 26-week maximum duration.
** Includes Unknowns

Of course, the "treatment" of a claimant under a given program, measured in terms of a reduction in the exhaustion rate for claimants in his class, is really the result of two factors. (This was seen for the average actual duration results as well.) It was shown earlier that, except for those claimant characteristics strongly related to with weeks of work, there is very little difference in the impact of the additional benefits program on potential duration. Therefore, the differences shown by the exhaustion rates for various claimant groups indicates their varying "need" for benefits more than variations in their entitlements.

- When measured in terms of the reduction of exhaustion rates, the additional benefits program impacts most favorably those groups which are generally regarded as being substantially attached to the labor force.

- The small differences between population groups which were detected from the standpoint of potential duration are accentuated in the exhaustion rates by the greater relative employability of the more firmly attached groups. Their advantage is, then, not simply the result of the tested programs' treatment of various population groups.

4.5.4 Exhaustion Rates by Duration Level

Figures 4.11.1 through 4.11.8, prepared from 1975 data, are presented to show the levels at which claimants of each classification would exhaust benefits under an additional benefits program using the 1/1 fraction and a 39-week maximum. The tables present the number of claimants in each group and in the total sample so that the percentage figures may be kept in perspective.

The tables have two parts. The first half indicates the level at which exhaustees under the program exhaust benefits. For example, under the Base Period Wages characteristic, 1.4 percent of those exhaustees in the "$10,000 or more" classification exhaust benefits do so at a level of 26 "weeks" or less, 7.7 percent do so at a level of 27-38 "weeks", and 90.9 percent do so at the maximum 39 "weeks". In contrast, looking at the lowest wage group--those earning $5,000 or less, 42.1 percent of those

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Progra
(For Exhaustees Only and for the Total Sample Population)

Figure 4.11.1 OHIO: 1975

Claimant Characteristic: Wages Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
$5000 or less	271	42.1	31.0	26.9	715	16.0	11.7	10.2
$5001 - $9999	286	11.5	17.8	70.6	949	3.5	5.4	21.3
$10000 and over	143	1.4	7.7	90.9	729	0.3	1.5	17.8
Total Sample	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

Figure 4.11.2 OHIO: 1975

Claimant Characteristic: Average Weekly Wage Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
$300 or less	135	25.2	28.9	45.9	414	8.2	9.4	15.0
$101 - 200	331	19.9	20.2	59.8	1012	6.5	6.6	19.6
$201 - 300	181	19.3	16.6	64.1	655	5.3	4.6	17.7
Over $300	42	26.2	19.0	54.8	263	4.2	3.0	8.8
Total Sample	689	21.2	20.9	57.9	2344	6.2	6.1	17.0

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Program (For Exhaustees Only and for the Total Sample Population)

Figure 4.11.3 OHIO: 1975

Claimant Characteristic: Sex Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
Male	424	23.3	21.0	55.7	1655	6.0	5.4	14.3
Female	276	18.1	20.7	61.2	738	6.7	7.7	22.9
Total Sample	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

Figure 4.11.4 OHIO: 1975

Claimant Characteristic: Ethnic Group Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
White	635	21.9	20.0	58.1	2205	6.3	5.8	16.7
Other	65	15.4	29.2	55.4	188	5.3	10.1	19.2
Total Sample	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Progra
(For Exhaustees Only and for the Total Sample Population)

Figure 4.11.5 OHIO: 1975

Claimant Characteristic: Dependents Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
0	438	19.6	21.9	58.4	1305	6.6	7.4	19.6
1 or more	262	24.0	19.1	56.9	1088	4.8	4.6	13.7
Total Sample	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

Figure 4.11.6 OHIO: 1975

Claimant Characteristic: Age Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
24 and less	192	22.9	24.5	52.6	705	6.2	6.7	14.3
25 - 34	205	24.9	18.0	57.1	699	7.3	5.3	16.7
35 - 44	125	12.8	24.0	63.2	431	3.7	7.0	18.3
45 - 54	93	19.4	18.3	62.4	337	5.4	5.1	17.2
55 - 64	74	23.0	18.9	48.1	203	8.4	6.9	21.2
65 and over	11	27.3	9.1	63.6	18	16.7	5.6	38.9
Total Sample	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Program (For Exhaustees Only and for the Total Sample Population)

Figure 4.11.7 OHIO: 1975

Claimant Characteristic: Industry (SIC) Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
Mining	3	66.7	0.0	33.3	15	13.3	0.0	6.7
Contract Construction	66	39.4	31.8	28.8	271	9.6	7.7	7.0
Manufacturing	352	17.6	21.0	61.4	1306	4.7	5.7	16.5
Transportation	18	33.3	27.8	38.9	84	7.1	6.0	8.3
Communication & Utilities	6	33.3	16.7	50.0	17	11.8	5.9	17.6
Wholesale Trade	41	17.1	12.2	70.7	121	5.8	4.1	24.0
Retail Trade	88	20.5	20.5	59.1	256	7.0	7.0	20.3
Financial	15	13.3	20.0	66.7	48	4.2	6.2	20.8
Services	93	20.4	19.4	60.2	216	8.8	8.4	25.9
Other	18	27.8	5.6	66.7	59	8.5	1.7	20.3
Total Sample	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

Figure 4.11.8 OHIO: 1975

Claimant Characteristic: Education Classification:	AMONG EXHAUSTEES				AMONG ALL CLAIMANTS			
	Number Exh'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
No High School	64	21.9	26.6	51.5	223	6.3	7.6	14.8
Some High School	166	28.9	19.3	51.8	513	9.4	6.2	16.8
Complete High School	363	18.7	20.4	60.9	1287	5.3	5.8	17.2
Some College	65	20.0	15.4	64.6	204	6.4	4.9	20.6
Complete College	31	6.5	25.8	67.7	104	1.9	7.7	20.2
Total Sample*	700	21.3	20.9	57.9	2393	6.2	6.1	16.9

* Includes Unknowns

who exhaust benefits do so at 26 "weeks" or less, 31.0 percent do so from 27-38 "weeks", and only 26.9 percent do so at the 39-week level. These rates can be compared with those for the total sample, shown in the last row of the table. Of the total sample population, 21.3 percent of the claimants exhausting benefits did so at 26 "weeks" or less, 20.9 percent did so from 27-38 "weeks", and 57.9 percent exhausted at a duration of 39 "weeks".

The second half of the table shows the exhaustees under the additional benefits program at each duration range as a percentage of the total group sampled. For example, looking at the last row, 6.2 percent of the total claimants sampled would exhaust benefits and do so at 26 "weeks" of duration or less; 6.1 percent would exhaust at 27-38 "weeks"; and 16.9 would exhaust and do so at the maximum. Looking at the individual classifications, 16.0 of the 715 claimants sampled who earned $5,000 or less would exhaust benefits at 26 or fewer "weeks", 11.7 percent at 27-38 "weeks", and 10.2 percent at 39 "weeks". Among those 729 claimants earning $10,000 or more, 0.3 percent would exhaust at 26 or fewer "weeks" and 17.8 percent would do so at the 39-week maximum.

These exhaustion tables are offered for the reader's interest and to provide more descriptive information on benefit exhaustions.

4.6 Conclusions

In assessing any program or addition to an existing program, it is necessary to weigh the benefits of the new undertaking against the cost of pursuing it. In the present application, the benefits to be derived from increasing regular unemployment insurance duration in the State of Ohio may be measured in terms of increased benefit duration and reduced exhaustions. Of course, the increased cost of the program must be considered on the other side of the scale. Using the sample data from BYB 1975, some estimates can be made which will aid in

[illegible] program tested. Maintaining the current duration fraction and qualifying requirements in Ohio and raising the maximum duration to 39 "weeks" will have the following results:

- Potential duration would increase 38.9 percent--from 25.7 to 35.7 "weeks".
- Actual duration would increase 18.4 percent--from 16.3 to 19.3 "weeks".
- The exhaustion rate would fall 25.3 percent--from 39.2 percent of first payments to 29.3 percent.
- Ohio's estimated actual cost would be $825,704,196--an increase of $129,402,573 or 18.6 percent.
- Ohio's estimated cost (if the Federal Government assumes 50 percent of the cost of benefits above 26 "weeks") would be $761,002,909--an increase of $64,701,286 or 9.3 percent.

Of course, these figures represent one year only, and the high unemployment of this year must be kept in mind. It must also be remembered that the consideration of the "costs and benefits" of a program is not such a simple matter. In this case, there are many other factors which form the surroundings in which the program must be judged. Administrative costs and difficulties are one. The major factor is, of course, the current program for extended benefits which such an extension of regular benefits would replace. Correcting some of the imperfections of that program must be counted on the "benefits" side, while the costs and effort involved in a switch to a new program must not be ignored. These issues are offered as a reminder that the consideration of this type of program is not performed in a vacuum and that these highly simplified State studies are not either.

The analysis of the duration and exhaustion data with respect to the various population groups represented in the sample showed this result:

- Those claimant groups generally regarded as more firmly attached to the labor force would benefit most from the 39-week program--just as they do from the current 26-week program.

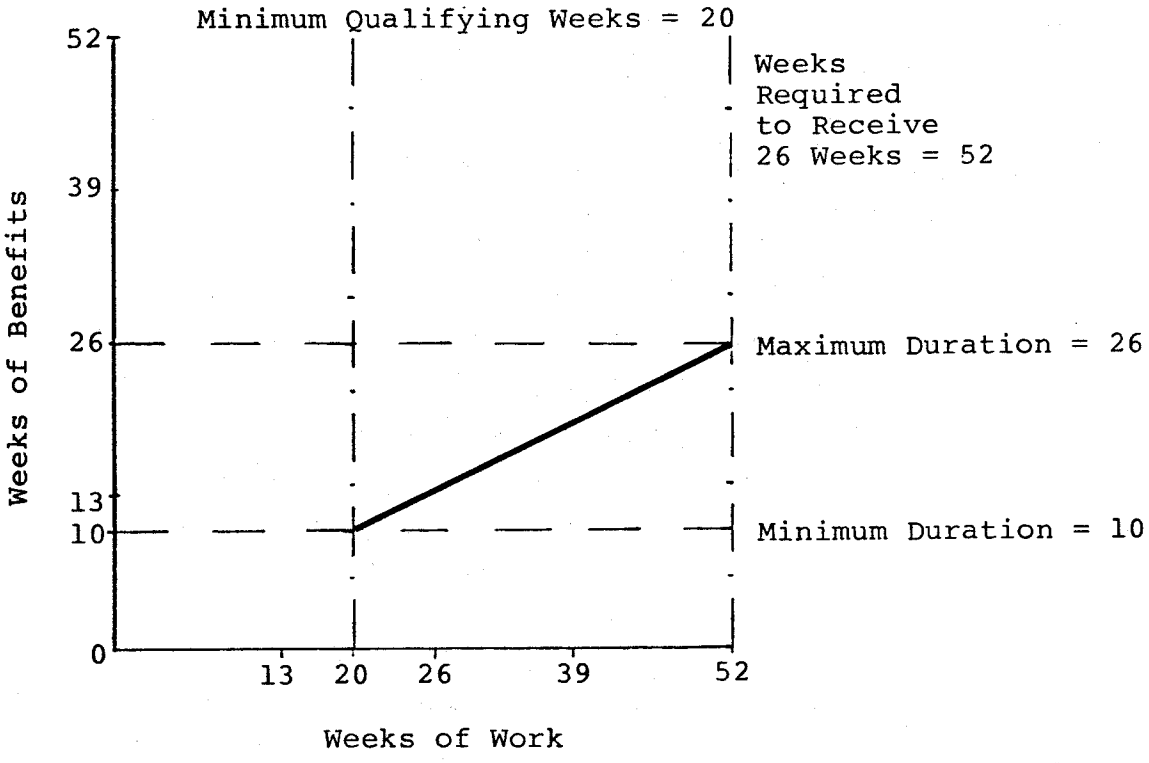
This is not unexpected, since the duration fraction based on weeks of work is maintained by the proposed program. The significance of a personal characteristic thus lies only in its connection to the claimant's weeks of work. Generally, it was found that the providing of additional benefits up to 39 "weeks" would not discriminate against any claimant group.

It would appear, then, that this additional benefits program would fulfill the needs of more claimants than the current 26-week program and it would do so within the guidelines established by the character and objectives of the UI program.

5.1 Current Provisions

The State of Florida presents a case in which current entitlement provisions make the provision of regular benefits beyond 26-weeks impossible. The combination of a one-half fraction of the weeks of base period employment with a 52-week base period sets a 26-week maximum for benefit duration. Unlike States in which the 26-week maximum can be raised to 39 "weeks" without changing the current duration fraction, Florida would have to change its basic duration fraction in order to participate in any program providing additional benefits based upon a fraction of base period employment. Florida's current duration fraction is graphed in Figure 5.1.

Figure 5.1
Florida - Current Provisions



The minimum and maximum "weeks" of duration are determined by the minimum qualifying weeks (20 weeks), the duration fraction (1/2), and the length of the base period (52 weeks). Minimum duration is thus set at 10 "weeks" and maximum duration at 26 "weeks".

Benefits are set at 50 percent of the claimant's average weekly wage, with the maximum set at $82 (1975). The minimum benefit amount is $10, determined by the benefit fraction and the minimum qualifying wage of $20 per week. The average weekly wage is calculated by dividing total base period wages by the number of weeks in which the claimant was paid for insured work.

5.2 Alternative Additional Benefits Formulas

The "additional weeks" fractions for Florida were designed to test two alternatives which would meet the general requirements of the project, that is:

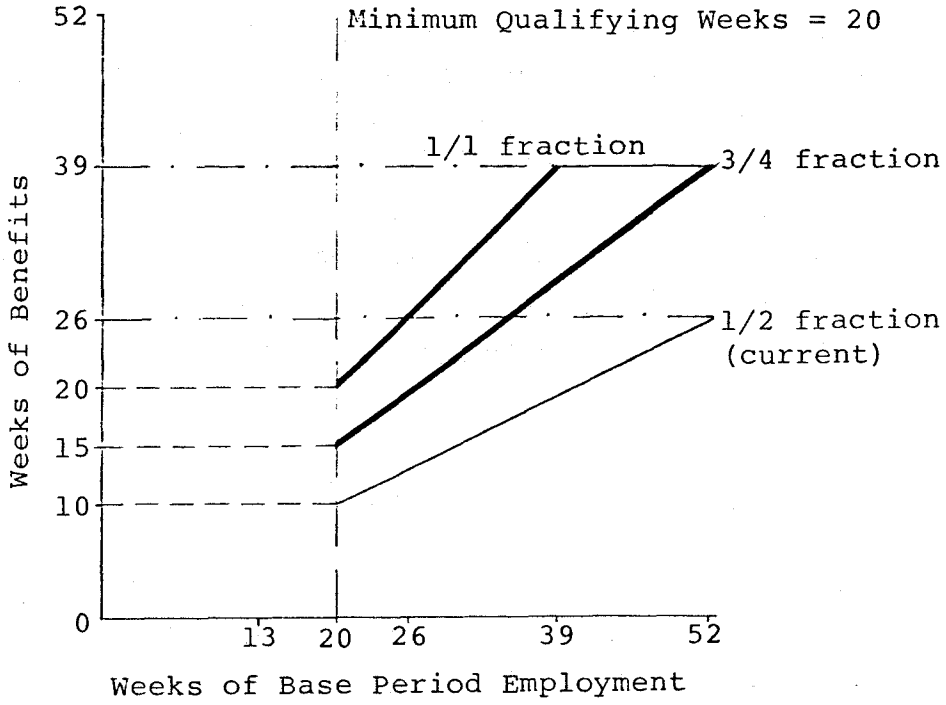
- The additional benefits formulas chosen should be sufficient to provide a minimum of 39 "weeks" of benefits for 52 weeks of base period employment.
- Benefit duration should be proportional to the claimant's degree of attachment to the labor force.
- The base period employment required to receive 39 "weeks" of benefits shall be 1.5 times that required to receive 26 "weeks" of benefits.

The fraction of base period employment weeks currently used in the State is insufficient to provide benefits beyond 26 "weeks" with a 52-week base period. The only claimants eligible for the 26-week maximum are those who have a full 52 weeks of work in the base period. This constitutes a very restrictive program in which only those who are least likely to require a full 26 "weeks" of benefits are eligible to receive this level of duration. Clearly, this duration fraction precludes the provision of 39 "weeks" of benefits. When an additional benefits program is applied to a State such as Florida, the basic duration formula of the State must be altered in order for it to participate in the program.

include two fractions which meet the criteria which govern the application of the benefit/employment fractions. These are: a 3 "weeks" of benefits for 4 weeks of work (3/4 fraction), and a 1 "week" of benefits for 1 week of work (1/1 fraction). Either fraction would be consistent with the provision of 39 "weeks" of benefits and the 1.5 times rule. Figure 5.2 presents the graphic representation of the two fractions. The current duration curve is shown as well.

Figure 5.2

Florida - Alternative Additional Benefits Formulas



Using the 3/4 fraction, 52 weeks of base period employment entitle a claimant to 39 "weeks" of benefits, and 34-2/3 weeks of employment are required to receive 26 "weeks" of benefits. Therefore, the criteria are met for the 3/4 fraction: 52 weeks of employment entitle a claimant to 39 "weeks" of benefits and the employment required for 39 "weeks" of benefits is 1.5 times that

required for 39 weeks. Using the 1/1 fraction, 39 weeks of benefits require 39 weeks of work and 26 "weeks" require 26 weeks of employment. Again, the criteria are met.

The 3/4 fraction, of course, represents the minimum fraction which will meet the requirements. Any smaller fraction would require over 52 weeks of employment in the base period--which is, of course, impossible if the base period remains unchanged. Under the existing base period definition, the 1/1 fraction represents a typical fraction for providing regular benefits of 39 weeks' duration.

The task at hand is, of course, to test the impact of the two fractions by applying them individually and comparing the results. As mentioned earlier, this can only be accomplished by examining the effect of applying the two fractions to actual claimant data. Section 5.3 describes the data tested for the State of Florida. Section 5.4 discusses the impact of the alternative programs on total costs, duration, and exhaustions. Section 5.5 examines the two programs with respect to their effect on various groups within the claimant population. Section 5.6 summarizes the findings for the State of Florida.

5.3 Testing Alternative Additional Benefits Formulas

In order to test the effects of applying the alternative additional regular benefits formulas in Florida, we requested actual claimant data for benefit years beginning in (BYB) 1973, 1974, and 1975. We obtained a data tape which contained approximately a 5 percent sample of eligible claimants for each year. Due to monetary constraints, we extracted a smaller sample which included approximately 1 to 3 percent of Florida's eligible claimants--that is, 2,416 claimants with BYB 1974; 2,884 claimants with BYB 1974; and 2,486 claimants with BYB 1975. The data was

for the total population of recipients (as represented by the sample) and to determine their effect on various population groups (as represented within the sample). In most instances, the sample was large enough to provide results with an adequate level of precision. (For further discussion of sample sizes and precision, see Appendix A.)

The population characteristics examined from the Florida data were: Sex, Ethnic Group, Number of Employers, Average Weekly Wage, and Base Period Wages. These groups were divided into the following classifications:

- Sex: Male, Female
- Ethnic Group: White, Negro, Spanish Surname, Other
- Average Weekly Wage: $100 or Less, $101-$200, $201-$300, Over $300
- Number of Employers: One, Two, Three or More
- Wages: $5000 or Less, $5001-$9999, $10000 or More

The two duration fractions (as well as the current fraction) were applied to each claimant sampled to determine the average duration, the cost, and the exhaustion rates under each alternative formula. In addition, cross-tabulations were run to determine the makeup (according to the five population characteristics) of groups receiving certain duration levels and of groups exhausting benefits at certain levels under each formula.

5.4 Results - All Claimants

This section presents the results of the analysis of the claimant data for the State of Florida with respect to the total claimant population. The impact of the application of the two formulas is assessed in terms of cost, duration, and exhaustions.

5.4.1 Cost

Probably of prime importance to the State agency will be the increase in cost associated with any proposed additional benefits program. Through our study we have determined what the expected cost increase for Florida would be--both the potential cost increase and the actual cost increase. Total program costs were estimated as well as costs which would be incurred under a program of Federal sharing of costs for benefits above 26 "weeks". (In reviewing the actual cost figures, it must be remembered that they are by necessity based on a single year: BYB 1975. The high unemployment situation of that year must be considered in drawing conclusions from the results obtained using that data.)

In Florida the cost of each alternative additional benefits program is presented in two steps. As mentioned earlier, Florida would have to change its basic duration fraction from 1/2 of the claimant's weeks of work to at least 3/4 of the weeks of work in order to participate in either program. Changing the duration fraction but maintaining the current 26-week maximum (the first of the two steps) increase the potential cost to Florida (in 1975) 17.3 percent for the 3/4 fraction and 23.8 percent for the 1/1 alternative. Under the Federal sharing plan used by the current EB program (i.e., sharing of costs beyond 26 "weeks"), this "step-one" increase in cost would have to be borne entirely by the State.

The second "step" is that of increasing the maximum duration from 26 to 39 "weeks". This would add another 32.3 percent to the potential cost of the 3/4 alternative and 46.5 percent to the potential cost of the 1/1 alternative. The total increase in potential cost over the current 26-week program in Florida would be 49.6 percent (for 3/4) and 70.3 percent (for 1/1). (Remember that this is potential cost, which includes the entire cost associated with all claimants' potential duration.)

should the Federal-State sharing arrangement used for the current Extended Benefits program be adopted for this program, the Federal Government would assume 50 percent of the cost increases incurred in raising the duration maximum for 26 to 39 "weeks" ("step two"). Under such a program the "step-two" increase in potential cost would be limited to 16.1 percent for the 3/4 alternative and 23.3 percent for the 1/1 alternative. In combination with the "step-one" increase, the potential cost for the two alternatives under a program of Federal sharing would increase 33.4 percent (for 3/4) and 47.0 percent (for 1/1) according to 1975 data. Potential costs were calculated for claimants with BYB 1973 and 1974 as well. Similar results were obtained for these 2 years.

Figure 5.3 shows the potential benefit costs for the sample population under the current 26-week program and under the two alternative additional benefits programs. These figures represent the potential costs for the sample population for each of the years tested. Costs are presented for both steps in the total increase and both with and without 50-50 Federal-State sharing of the "step-two" increase. Figure 5.4 presents the State-wide potential cost figures for the 3 years. The cost increases are shown in the same manner as those for the sample depicted in Figure 5.3. The total State cost for the current program for each year was extrapolated from the cost obtained for the sample. This was done by calculating the ratio of first payments reported by Florida on the ES-213 reports to the first payments for the sample and applying this to the current program cost for the sample. The total costs for the other programs were then calculated using the percentage increases obtained from the sample data.

Even taking the Federal sharing into account, the cost increases appear to be substantial. It must be remembered, though, that they are based upon potential costs and not actual costs. It would be virtually impossible for the actual cost to reach the

Figure 5.3

Potential Cost Summary for Sample Population
Under Alternative Programs: 1973, 1974, 1975
(In Dollars and Percentage of Cost of Current Program)

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/2 Fraction (Current)	3/4 Fraction	1/1 Fraction	3/4 Fraction	1/1 Fraction
Potential Cost, 1973:	$2,652,102	$3,199,437	$3,414,362	$3,980,935	$4,615,058
Step 1 Increase (100% State Paid)	-	$ 547,335 (20.6%)	$ 762,260 (28.7%)	$ 547,335 (20.6%)	$ 762,260 (28.7%)
Step 2 Increase without Federal Sharing	-	-	-	$ 781,498 (29.5%)	$1,200,696 (45.3%)
Total Increase without Federal Sharing	-	$ 547,335 (20.6%)	$ 762,260 (28.7%)	$1,328,833 (50.1%)	$1,962,956 (74.0%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	$ 390,749 (14.7%)	$ 600,348 (22.6%)
Total Increase with Federal Sharing Step 2	-	$ 547,335 (20.6%)	$ 762,260 (28.7%)	$ 938,084 (35.3%)	$1,362,608 (51.4%)
Potential Cost, 1974:	$3,667,974	$4,296,102	$4,507,130	$5,595,162	$6,248,490
Step 1 Increase (100% State Paid)	-	$ 628,128 (17.1%)	$ 839,156 (22.9%)	$ 628,128 (17.1%)	$ 839,156 (22.9%)
Step 2 Increase without Federal Sharing	-	-	-	$1,209,060 (33.0%)	$1,741,360 (47.5%)
Total Increase without Federal Sharing	-	$ 628,128 (17.1%)	$ 839,156 (22.9%)	$1,837,188 (50.1%)	$2,580,516 (70.4%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	$ 604,530 (16.5%)	$ 870,680 (23.7%)
Total Increase with Federal Sharing Step 2	-	$ 628,128 (17.1%)	$ 839,156 (22.9%)	$1,232,658 (33.6%)	$1,709,836 (46.6%)
Potential Cost, 1975:	$3,246,614	$3,808,385	$4,018,816	$4,855,759	$5,528,660
Step 1 Increase (100% State Paid)	-	$ 561,771 (17.3%)	$ 772,202 (23.8%)	$ 561,771 (17.3%)	$ 772,202 (23.8%)
Step 2 Increase without Federal Sharing	-	-	-	$1,047,374 (32.3%)	$1,509,844 (46.5%)
Total Increase without Federal Sharing	-	$ 561,771 (17.3%)	$ 772,202 (23.8%)	$1,609,145 (49.6%)	$2,282,046 (70.3%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	$ 523,687 (16.1%)	$ 754,922 (23.3%)
Total Increase with Federal Sharing Step 2	-	$ 561,771 (17.3%)	$ 772,202 (23.8%)	$1,085,458 (33.4%)	$1,527,124 (47.0%)

Figure 5.4

State Estimated Potential Cost Increase for Alternative Programs
(In Dollars and Percentage of Cost of Current Program)
1973, 1974, 1975

	26-Week Maximum Duration			39-Week Maximum Dura	
	1/2 Fraction (Current)	3/4 Fraction	1/1 Fraction	3/4 Fraction	1/1 Fra
Potential Cost, 1973:	$248,141,040	$299,351,845	$319,461,069	$372,471,856	$431,80
Step 1 Increase (100% State Paid)	-	$ 51,210,805 (20.6%)	$ 71,320,029 (28.7%)	$ 51,210,805 (20.6%)	$ 71,32 (28.
Step 2 Increase w/o Federal Sharing	-	-	-	$ 73,120,011 (29.5%)	$112,34 (45.
Total Increase w/o Federal Sharing	-	$ 51,210,805 (20.6%)	$ 71,320,029 (28.7%)	$124,330,816 (50.1%)	$183,66 (74.
Step 2 Increase with 50-50 Federal Sharing	-	-	-	$ 36,560,006 (14.7%)	$ 56,17 (22.
Total Increase with Federal Sharing Step 2	-	$ 51,210,805 (20.6%)	$ 71,320,029 (28.7%)	$ 87,770,811 (35.4%)	$127,49 (51.
Potential Cost, 1974:	$402,818,818	$471,800,163	$494,975,368	$604,579,762	$686,21
Step 1 Increase (100% State Paid)	-	$ 68,981,345 (17.1%)	$ 92,156,550 (22.9%)	$ 68,981,345 (14.1%)	$ 92,15 (22.
Step 2 Increase w/o Federal Sharing	-	-	-	$132,779,599 (33.0%)	$191,23 (47.
Total Increase w/o Federal Sharing	-	$ 68,981,345 (17.1%)	$ 92,156,550 (22.9%)	$201,760,944 (50.1%)	$283,39 (70.
Step 2 Increase with 50-50 Federal Sharing	-	-	-	$ 66,389,800 (16.5%)	$ 95,61 (23.
Total Increase with Federal Sharing Step 2	-	$ 68,981,345 (17.1%)	$ 92,156,550 (22.9%)	$135,371,145 (33.6%)	$187,77 (46.
Potential Cost, 1975:	$425,781,484	$499,455,684	$527,052,294	$636,814,932	$725,06
Step 1 Increase (100% State Paid)	-	$ 73,674,200 (17.3%)	$101,270,810 (23.8%)	$ 73,674,200 (17.3%)	$101,27 (23.
Step 2 Increase w/o Federal Sharing	-	-	-	$137,359,248 (32.3%)	$198,01 (46.
Total Increase w/o Federal Sharing	-	$ 73,674,200 (17.3%)	$101,270,810 (23.8%)	$211,033,448 (49.6%)	$299,28 (70.
Step 2 Increase with 50-50 Federal Sharing	-	-	-	$ 68,679,624 (16.1%)	$ 99,00 (23.
Total Increase with Federal Sharing Step 2	-	$ 73,674,200 (17.3%)	$101,270,810 (23.8%)	$142,353,824 (33.4%)	$200,27 (47.

level of potential cost, for every claimant would have to exhaust benefits in order for this to happen.

Looking at actual costs, and again going through the two-step cost analysis, in "step one" (adjusting the duration fraction while maintaining the 26-week maximum) the increase in actual cost would be 14.4 percent for the 3/4 alternative and 18.8 percent for the 1/1 alternative. For "step two" the additional increase would be 16.6 percent and 23.1 percent, respectively. Combining the two steps for the two alternatives yields a total increase in actual costs of 31.0 percent using the 3/4 fraction and 41.9 percent using the 1/1 fraction.

Figure 5.5 shows the dollar and percentage figures of the sample population for the two steps of the cost increase and for the total increase in actual costs for the two alternatives. These figures depict the actual costs for the sample of claimants with BYB 1975. Should the Federal Government share in the costs of raising the maximum from 26 to 39 "weeks" ("step two") on a 50-50 basis, the resulting net increase in cost for Florida would be 22.7 percent for the 3/4 alternative and 30.5 percent for the 1/1 alternative. This is also shown in Figure 5.5. The figures in Figure 5.6 represent the summary of actual cost data for the entire State. The estimation of State-wide costs from the sample data was accomplished in the same manner as that used for the potential costs, displayed in Figure 5.4.

Figure 5.7 summarizes the total cost increases--potential and actual--for Florida under the two alternative programs. The increases with and without Federal sharing are shown. Also, actual costs are shown as a percentage of potential costs.

Figure 5.5

Summary of Increases in Actual Costs for Sample Population Under Alternative Programs, Florida: 1975
(In Dollars and Percentage of Cost of Current Program)

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/2 Fraction (Current)	3/4 Fraction	1/1 Fraction	3/4 Fraction	1/1 Fraction
Total Actual Benefit Cost	$2,384,637	$2,727,254	$2,832,598	$3,122,981	$3,384,190
Step 1 Increase in Actual Cost (100% State Paid)	-	$ 342,617 (14.4%)	$ 447,961 (18.8%)	$ 342,617 (14.4%)	$ 447,961 (18.8%)
Step 2 Increase in Actual Cost without Federal Sharing Program	-	-	-	$ 395,727 (16.6%)	$ 551,592 (23.1%)
Total Increase in Actual Cost without Federal Sharing Program	-	$ 342,617 (14.4%)	$ 447,961 (18.8%)	$ 738,334 (31.0%)	$ 999,553 (41.9%)
Step 2 Increase in Actual Cost with 50-50 Federal Sharing	-	-	-	$ 197,864 (8.3%)	$ 275,796 (11.6%)
Total Increase in Actual Cost with Federal Sharing of Step 2 Increase	-	$ 342,617 (14.4%)	$ 447,961 (18.8%)	$ 540,481 (22.7%)	$ 723,757 (30.5%)

Figure 5.6

Summary of Increases in Actual Costs Estimated for State Population Under Alternative Programs, Florida: 1975 (In Dollars and Percentage of Cost of Current Program)

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/2 Fraction (Current)	3/4 Fraction	1/1 Fraction	3/4 Fraction	1/1 Fraction
Total Actual Benefit Cost	$312,736,371	$357,669,331	$371,484,809	$409,567,471	$443,824,071
Step 1 Increase in Actual Cost (100% State Paid)	-	$ 44,932,960 (14.4%)	$ 58,748,438 (18.8%)	$ 44,932,960 (14.4%)	$ 58,748,438 (18.8%)
Step 2 Increase in Actual Cost without Federal Sharing Program	-	-	-	$ 51,898,140 (16.6%)	$ 72,339,262 (23.1%)
Total Increase in Actual Cost without Federal Sharing Program	-	$ 44,932,960 (14.4%)	$ 58,748,438 (18.8%)	$ 96,831,100 (31.0%)	$131,087,700 (41.9%)
Step 2 Increase in Actual Cost with 50-50 Federal Sharing	-	-	-	$ 25,949,090 (8.3%)	$ 36,169,631 (11.5%)
Total Increase in Actual Cost with Federal Sharing of Step 2 Increase	-	$ 44,932,960 (14.4%)	$ 58,748,438 (18.8%)	$ 70,882,030 (22.7%)	$ 94,918,069 (30.4%)

Figure 5.7

Total Potential and Actual Cost Increases
Under Two Alternative Additional Benefits Programs
State-Wide Totals, Florida: 1975

	Current Program	39-Week Maximum	
		3/4 Fraction	1/1 Fractic
Total Potential Cost	$425,781,484	$636,814,932	$725,063,42
Increase in Potential Cost w/o Federal Sharing	-	$211,033,048 (49.6%)	$299,281,93 (70.3%)
Increase in Potential Cost w/ Federal Sharing	-	$142,363,824 (33.4%)	$200,276,37 (47.0%)
Total Actual Cost	$312,736,371	$409,567,471	$443,824,07
Increase in Actual Cost w/o Federal Sharing	-	$ 96,831,100 (31.0%)	$131,087,70 (41.9%)
Increase in Actual Cost w/ Federal Sharing	-	$ 70,882,030 (22.7%)	$ 94,918,06 (30.4%)
Actual Cost as a Percentage of Potential Cost	73.4%	64.3%	61.2%

(Derived from Figure 5.4 and Figure 5.6)

5.4.2 Average Duration

Figure 5.8 summarizes the average duration data for all claimants for 1975. The average duration of benefits received by claimants under the two alternative additional benefits programs are shown. The average duration figures are also shown for a 26-week program using the current (1/2) fraction and the two larger fractions tested. Average potential and average actual duration are shown for each alternative.

Under a 26-week program, average potential duration increases 18.1 percent and 25.0 percent, respectively, for the 3/4 and 1/1 fractions. Under the 39-week program, these percentages are 49.5 percent and 70.6 percent. Actual duration under the 26-week program increases only 15.2 percent for the 3/4 fraction and 19.9 percent for the 1/1 fraction. Of the benefits available, 72.2 percent are utilized under the 3/4 fraction and 71.0 percent under the 1/1 fraction. The 39-week program shows a 31.1 percent increase in actual duration under the 3/4 fraction and a 42.4 percent increase under the 1/1 fraction. Of the benefits available, 64.9 percent are utilized under the 3/4 fraction and 61.8 percent under the 1/1 fraction.

Potential duration figures were obtained for 1973 and 1974. The average potential duration under the current 26-week program for 1973 is 19.2 "weeks". Under the two additional benefits programs, it is 28.9 "weeks" for the 3/4 alternative and 33.9 "weeks" for the 1/1 alternative. The figures for 1974 show similar results, with the average potential duration under the current program at 20.4 "weeks" and that under the two additional benefits programs at 30.7 "weeks" and 35.1 "weeks". This shows an increase over the current program for the two fractions of 50.5 percent and 76.6 percent, respectively, in 1973. In 1974, the increases were 50.4 percent and 72.1 percent.

Figure 5.8

Average Duration of Benefits
Under Alternative Programs

Florida: 1975

	26-Week Program			39-Week Program	
	1/2	3/4	1/1	3/4	1/1
Average Potential Duration	20.4	24.1	25.5	30.5	34.8
Percentage Increase Over Current Program	-	18.1%	25.0%	49.5%	70.6%
Average Actual Duration	15.1	17.4	18.1	19.8	21.5
Percentage Increase Over Current Program	-	15.2%	19.9%	31.1%	42.4%
Actual Duration as a Percentage of Potential	74.0%	72.2%	71.0%	64.9%	61.8%

5.4.3 Exhaustions

The application of increased duration fractions and the raising of the maximum duration level will, of course, have an impact on the rate at which claimants exhaust benefits. Increasing the size of the duration fraction will itself reduce the exhaustion rate (i.e., exhaustions as a percentage of first payments). Looking at the sample of claimants for Florida, the exhaustion rate for the current 26-week program is 57.2 percent. Using a 3/4 fraction while maintaining the 26-week maximum lowers the rate to 49.5 percent. Raising the fraction to 1/1 lowers the exhaustion rate to 45.5 percent.

As noted previously, a high rate of exhaustions results from two factors: the imposition of a maximum duration which is lower than that required by many claimants and the use of a restrictive duration fraction which results in a substantial number of exhaustions below the maximum. The act of upgrading Florida's duration fraction from 1/2 to 3/4 of the weeks of work would cut down on this second effect. It can be seen from Figure 5.9 that claimants under the 39-week programs benefit from the slackening of both restrictive provisions. The result is a substantial reduction in the rate of exhaustions.

With a 39-week maximum, the exhaustion rate under the 3/4 fraction is 42.9 percent and that for the 1/1 fraction is 34.6 percent. The percentage reduction in the exhaustion rate resulting from changing the duration fraction while maintaining the 26-week maximum is 13.5 percent for the 3/4 fraction and 20.5 percent for the 1/1 fraction. By raising the maximum to 39 "weeks", the 3/4 additional benefits program would result in a 25.0 percent reduction in the exhaustion rate from that associated with the current program. The 1/1 alternative would bring a 39.5 percent reduction in the exhaustion rate. (As with the cost figures discussed earlier, it must be remembered that these results represent the conditions of a single year: BYB 1975.)

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 5.10.1 FLORIDA: By Year

Claimant Characteristic: Base Period Wages Classification:	CURRENT PROGRAM*		3/4 FRACTION 39-WEEK MAXIMUM		1/1 FRACTION 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
$5000 or less	17.0		25.6		31.6	
$5001 - $9999	22.6		33.9		37.5	
$10000 or more	24.3		36.4		38.7	
Total Sample	19.2		28.9		33.9	
1974:						
$5000 or less	17.6		26.4		32.4	
$5001 - $9999	22.9		34.4		37.7	
$10000 or more	24.6		36.8		38.8	
Total Sample	20.4		30.7		35.1	
1975:						
$5000 or less	16.8	13.2	24.8	17.6	30.8	20.2
$5001 - $9999	22.6	16.4	33.7	21.6	37.3	23.0
$10000 or more	24.2	16.3	36.3	20.2	38.6	20.7
Total Sample	20.2	14.9	30.1	19.5	34.6	21.3

*Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

Figure 5.10.2 FLORIDA: By Year

Claimant Characteristic: Average Weekly Wage Classification:	CURRENT PROGRAM*		3/4 FRACTION 39-WEEK MAXIMUM		1/1 FRACTION 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
$100 or less	17.9		26.8		32.4	
$101 - $200	20.0		30.1		34.7	
$201 - $300	21.0		32.2		36.1	
Over $300	21.9		32.9		36.2	
Total Sample	19.2		28.9		33.8	
1974:						
$100 or less	19.1		28.7		33.9	
$101 - $200	20.7		31.0		35.4	
$201 - $300	22.3		33.5		36.9	
Over $300	22.8		34.2		37.1	
Total Sample	20.5		30.7		35.2	
1975:						
$100 or less	18.4	14.0	27.4	18.7	33.1	20.9
$101 - $200	20.5	15.2	30.7	20.1	34.9	21.8
$201 - $300	21.8	15.5	32.6	19.9	36.4	21.5
Over $300	22.1	15.2	32.9	19.0	36.6	19.8
Total Sample	20.2	14.9	30.1	19.5	34.6	21.3

*Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 5.10.3 FLORIDA: By Year

Claimant Characteristic: Sex Classification:	CURRENT PROGRAM*		3/4 FRACTION 39-WEEK MAXIMUM		1/1 FRACTION 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
Male	19.8		29.7		34.3	
Female	18.8		28.2		33.5	
Total Sample**	19.2		28.9		33.9	
1974:						
Male	20.7		31.1		35.4	
Female	20.0		30.0		34.7	
Total Sample**	20.4		30.7		35.1	
1975:						
Male	20.7	15.0	30.9	19.5	35.1	21.1
Female	19.3	14.8	28.8	19.7	33.8	21.7
Total Sample**	20.2	14.9	30.1	19.5	34.6	21.3

*Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

**Includes Unknowns

Figure 5.10.4 FLORIDA: By Year

Claimant Characteristic: Ethnic Group Classification:	CURRENT PROGRAM*		3/4 FRACTION 39-WEEK MAXIMUM		1/1 FRACTION 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
White	20.3		30.5		35.1	
Negro	20.8		31.2		35.3	
Spanish Surname	21.4		32.1		35.9	
Other	21.6		32.4		36.3	
Total Sample**	20.4		30.7		35.1	
1974:						
White	19.1		28.7		33.7	
Negro	18.9		28.4		33.6	
Spanish Surname	21.0		31.5		35.8	
Other	18.0		27.0		32.4	
Total Sample**	19.2		28.9		33.9	
1975:						
White	20.4	15.0	30.4	19.5	34.8	21.2
Negro	19.7	15.0	29.4	19.9	34.1	22.2
Spanish Surname	20.5	15.5	30.7	21.0	34.7	23.1
Other	20.2	15.3	29.6	20.0	34.6	22.1
Total Sample**	20.2	14.9	30.1	19.5	34.6	21.3

*Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

**Includes Unknowns

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 5.10.5 FLORIDA: By Year

Claimant Characteristic: Number of Employers Classification:	CURRENT PROGRAM*		3/4 FRACTION 39-WEEK MAXIMUM		1/1 FRACTION 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
One	21.0		31.5		35.1	
Two	20.0		30.0		35.4	
Three or more	19.8		29.7		35.0	
Total Sample**	20.4		30.7		35.1	
1974:						
One	19.6		29.5		34.1	
Two	18.7		28.1		33.5	
Three or more	18.5		27.7		33.2	
Total Sample**	19.2		29.9		33.8	
1975:						
One	21.2	15.5	31.6	20.4	35.4	21.8
Two	19.9	14.8	29.6	19.3	34.5	21.2
Three or more	18.4	13.7	27.5	18.1	33.3	20.4
Total Sample	20.2	14.9	30.1	19.5	34.6	21.3

*Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

**Includes Unknowns

claimants earning $10,000 or more have an average potential duration of 24.2 "weeks" while those earning $5,000 or less have an average of 16.8 "weeks" of potential duration. The lower income group receives 30.6 percent less potential duration. Under the 3/4 fraction (39-week) program their average potential durations are 36.3 and 24.8 "weeks", respectively, with the lower income group 31.7 percent lower in terms of potential duration. The figures for the 1/1 fraction (39-week program) are 38.6 "weeks" and 30.8 "weeks", with the lower income group at an average level only 20.2 percent lower than that of the higher income group. Similar results can be seen in 1973 and 1974. The results of this analysis point up the single most constant finding of this study with respect to claimant groups:

- The lower income groups and those groups generally regarded as less substantially attached to the labor force fare significantly better relative to other workers under the 1/1 fraction alternative.

This is not a surprising result, for those most substantially attached to the labor force do much better under the current program than those less attached and this advantage is not eliminated under the 3/4 fraction for additional benefits. Under the program using the 1/1 fraction, though, those "less attached" to the labor force gain substantially. This is due to the fact that the most workers with substantial attachment to the labor force approach or attain the maximum level of potential duration under the 3/4 fraction. Those who gain most from the use of the 1/1 fraction are, quite naturally, those who do not reach the maximum under the lower fraction.

Looking at average actual duration, the lowest income group has an average duration which is 19.0 percent lower than that of the highest under the current (26-week) program, a level 12.9 percent lower under the 3/4 (39-week) formula, and one which is only 2.4 percent lower than that of the highest income group under the

1/1 (39-week) program. Again, the lower wage group gains substantially relative to the higher group under the larger benefit duration fraction--in this case bringing their average actual durations almost even.

The smaller percentage differences between average actual duration levels result from the fact that two forces are at work in the case of actual duration. Those most substantially attached approach or attain the maximum under the 3/4 fraction, leaving those less attached to gain further under the 1/1 fraction. In addition, they have a tendency to become reemployed faster than those groups which are less attached to the labor force. This second factor accounts for the relative gain made by the less attached groups under the 3/4 (39-week) program with respect to average actual duration. This is not evident when considering average potential duration.

The same finding appears when the figures are examined from a different standpoint. Figure 5.11, derived from Figure 5.10.1, shows the percentage increase in average potential and actual duration for the three wage groups under the two extended benefits programs.

Figure 5.11

Percentage Increases in Average Duration
Under Alternative Additional Benefits Programs
(Increase from Current Program)

	Potential		Actual	
	3/4	1/1	3/4	1/1
Wage Group:				
$5000 or Less	47.6%	83.3%	33.3%	53.0%
$5001 to $9999	49.1%	65.0%	31.7%	42.0%
$10000 or More	50.0%	59.5%	23.9%	27.0%

Again, the lower income groups gain most under the 1/1 alternative, while under the 3/4 fraction the various groups are treated (relative to one another) approximately as they are under the current program. The effects of this result will be discussed more thoroughly in Section 5.6, "Conclusions".

Looking at the other population characteristics, it can be seen that the basic result holds for them as well:

- The 3/4 fraction additional benefits program treats the various population classifications in a manner similar to that of the current program. The 1/1 fraction alternative tends to favor those generally regarded as less substantially attached to the labor force.

The following claimant groups receive significantly better treatment under the 1/1 fraction alternative than under the 3/4 fraction alternative or the current program:

- claimants with lower base period wages,
- claimants with more base period employers, and
- claimants with lower average weekly wages.

The following groups are treated slightly better under the 1/1 alternative than under the 3/4 alternative for additional benefits or under the current program:

- females, and
- claimants belonging to the non-white and Spanish surname ethnic groups.

In examining the average duration results for all five characteristics, a third major conclusion can be drawn:

- The stronger the relationship between membership in a given claimant group and attachment to the labor force, the more significant the impact of the higher duration fraction will be.

The wage characteristics analyzed and the number of employers are directly related to "attachment". Membership in a certain sex or ethnic group is related to "attachment" indirectly, through the wage or weeks of work characteristics. It is not surprising, then, that the results indicate a weaker impact on these groups.

- It can be concluded, then, that neither program discriminates for or against claimants on the basis of personal characteristics; however, the 1/1 formula for additional benefits does act to benefit those with a weaker attachment to the labor force more than it does those groups which are generally more substantially attached to the labor force.

Figure 5.9

Summary of Exhaustion Rates
Under Alternative Programs

Florida: 1975

	26-Week Maximum			39-Week Maximum	
	1/2	3/4	1/1	3/4	1/1
Exhaustion Rate*	57.2%	49.5%	45.5%	42.9%	34.6%
Decrease in Exhaustion Rate from Current Program	-	7.7%	11.7%	14.3%	22.6%
Percentage Decrease from Current Program	-	13.5%	20.5%	25.0%	39.5%

* Percentage of First Payments

5.5 Results - Claimant Groups

The preceding section discussed the overall impact of the alternative formulas on cost, average duration, and exhaustions. This section addresses the programs' impact on the various groups which make up the claimant population. As mentioned in Section 5.3, the characteristics analyzed for Florida include Sex, Ethnic Group, Base Period Wages, Average Weekly Wage, and Number of Employers. The effects on different groups are analyzed with respect to average duration, exhaustion rates, and the levels at which claimants exhaust benefits under each alternative. The object of this second portion of the study was to determine whether either alternative descriminates against any segment of the population in a manner inconsistent with program objectives.

5.5.1 Average Duration

The following tables (Figures 5.10.1 through 5.10.5) show the average duration for claimants belonging to various population groups under the current 26-week program and under the two alternative additional benefits programs. Average potential and actual duration are shown for 1975. Only potential duration figures are shown for 1973 and 1974. (The average duration figures shown for the total sample for a characteristic may include values for claimants who could not be classified for certain characteristics. These total sample figures may, therefore, not represent the arithmetic average of those for the various classifications.) The tables themselves are self-explanatory.

It can be seen from examining the tables that those groups with a more substantial attachment to the labor force have potential durations which are significantly greater than those of "less firmly attached" claimants under all programs, including the current program. For example, under the current program in 1975

5.5.2 Population Profile

The following tables (Figures 5.12.1 through 5.12.5) present the population profile of claimants having a certain level of potential duration under the two alternative fractions for additional benefits. This information is shown for all three years.

The first row shows the total number of claimants in the sample with a given potential duration under each alternative. The following rows show the percentage of those with a given level of potential duration who are of a certain population classification. (For example, for Sex: in 1973 41.9 percent of those eligible for benefit durations of 26 "weeks" or less under the 3/4 fraction are male, and 57.4 percent are female.) The first column of figures presents, for comparative purposes, the percentage breakdown of the sample population according to the classification used for the population characteristic being analyzed.

The analysis of the population profile tables for a given program involves comparing the breakdown of the total sample population with that of the groups eligible for a certain potential duration under the alternative being considered.

- Sex: A disproportionately large number of females receive potential durations of less than 39 "weeks" under both alternatives. This is especially true for the 3/4 fraction alternative.

- Number of Employers: A disproportionate share of those receiving the maximum potential duration under each alternative are claimants having one base period employer. Those having more than one fare better under the 1/1 alternative than under the 3/4 alternative.

- Wages: As with average duration, the lowest wage group makes a substantial gain in the level of potential duration under the 1/1 fraction alternative. This effect can be seen for low base period wage groups and low average weekly wage groups.

- Ethnic Group: Neither alternative appears to discriminate among ethnic groups. The population breakdowns for recipients of the various levels of potential duration is similar to that of the sample population. This is true for all three years.

Population Profile of the Recipients of Each Level of Potential Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 5.12.1

FLORIDA: By Year

Claimant Characteristic: Base Period Wages Classification:	Percentage of Sample Population	3/4 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:			1/1 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2432	942	1098	392	516	629	1287
$5000 or less	63.3	90.8	54.6	21.7	94.4	84.1	40.7
$5001 - $9999	26.7	8.5	34.0	50.0	5.2	14.3	41.3
$10000 or more	10.0	0.7	11.4	28.3	0.4	1.6	17.9
1974: All Claimants Sampled - No. (100% of Column)	2912	883	1254	775	420	695	1797
$5000 or less	51.3	87.4	46.3	18.1	90.5	79.0	31.4
$5001 - $9999	33.0	11.4	38.5	48.8	9.5	17.7	44.5
$10000 or more	15.7	1.1	15.2	33.2	0.0	3.3	24.2
1975: All Claimants Sampled - No. (100% of Column)	2485	826	947	712	445	557	1483
$5000 or less	46.0	82.4	39.5	12.4	91.0	67.3	24.5
$5001 - $9999	39.4	15.6	41.2	48.9	8.5	26.4	46.0
$10000 or more	19.1	1.9	19.3	38.8	0.5	6.3	29.5

Figure 5.12.2

FLORIDA: By Year

Claimant Characteristic: Average Weekly Wage Classification:	Percentage of Sample Population	3/4 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:			1/1 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2391	929	1077	385	510	620	1261
$100 or less	46.8	58.8	44.9	23.1	61.6	55.5	36.6
$101 - $200	39.5	34.6	40.7	50.9	31.4	35.6	44.7
$201 - $300	10.3	5.9	11.0	19.0	5.1	7.3	13.9
Over $300	3.4	1.8	3.4	7.0	2.0	1.6	4.8
1974: All Claimants Sampled - No. (100% of Column)	2856	857	1233	766	402	683	1771
$100 or less	34.4	45.5	35.0	21.0	45.3	46.4	27.7
$101 - $200	45.5	43.6	45.2	48.2	45.5	42.3	46.8
$201 - $300	14.8	7.9	16.0	20.8	8.7	8.1	18.9
Over $300	5.2	2.9	3.9	10.1	2.2	3.2	6.7
1975: All Claimants Sampled - No. (100% of Column)	2430	799	934	697	425	549	1456
$100 or less	29.8	41.9	30.8	14.5	42.4	37.7	23.1
$101 - $200	45.1	42.9	43.7	49.6	45.2	41.9	46.4
$201 - $300	17.0	10.3	18.0	23.5	8.9	13.1	20.9
Over $300	8.0	4.9	7.5	12.3	3.5	7.3	9.6

Population Profile of the Recipients of Each Level of Potential Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 5.12.3 FLORIDA: By Year

Claimant Characteristic: Sex Classification:	Percentage of Sample Population	3/4 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:			1/1 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2433	943	1098	392	517	629	1287
Male	46.8	41.9	46.5	59.4	44.7	39.0	51.5
Female	52.8	57.4	53.2	40.6	54.0	60.9	48.3
1974: All Claimants Sampled - No. (100% of Column)	2914	884	1254	776	420	696	1798
Male	59.7	55.3	60.0	64.3	57.4	52.9	63.0
Female	39.1	43.3	38.5	35.1	41.2	45.5	36.0
1975: All Claimants Sampled - No. (100% of Column)	2486	826	948	712	445	557	1484
Male	63.5	56.7	62.9	72.3	54.2	59.6	67.8
Female	35.9	42.4	36.7	27.2	44.5	39.9	31.8

Figure 5.12.4 FLORIDA: By Year

Claimant Characteristic: Ethnic Group Classification:	Percentage of Sample Population	3/4 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:			1/1 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2433	943	1098	392	517	629	1287
White	71.2	72.7	68.3	75.5	72.9	72.3	69.9
Negro	9.2	10.1	8.4	9.2	9.5	10.0	8.6
Spanish Surname	13.6	8.7	18.2	12.5	7.4	11.4	17.2
Other	0.6	0.6	0.5	0.5	1.0	0.3	0.5
1974: All Claimants Sampled - No. (100% of Column)	2914	884	1254	776	420	696	1798
White	69.5	70.8	69.5	67.9	70.0	71.4	68.6
Negro	10.5	9.8	10.8	10.8	9.8	10.2	10.8
Spanish Surname	9.9	7.9	10.0	12.0	7.4	7.8	11.3
Other	2.8	1.9	2.9	3.7	1.9	2.3	3.2
1975: All Claimants Sampled - No. (100% of Column)	2486	826	948	712	445	557	1484
White	70.7	66.7	71.6	74.2	65.6	69.7	72.6
Negro	10.8	12.0	10.9	9.3	12.6	10.4	10.4
Spanish Surname	6.7	6.7	5.8	8.0	7.2	5.9	6.9
Other	5.0	5.6	5.3	3.9	4.0	6.8	4.6

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 5.13.1

FLORIDA: 1975

Claimant Characteristic: Wages Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 3/4 Fraction With 39-Week Maximum	Percentage Exhausting Benefits Under 1/1 Fraction With 39-Week Maximum
$5000 or less	1143	64.8	52.0	40.1
$5001 - $9999	867	55.6	40.6	34.5
$10000 or more	475	42.1	26.9	23.2
Total Sample	2485	57.3	43.2	34.9

* Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

Figure 5.13.2

FLORIDA: 1975

Claimant Characteristic: Average Weekly Wage Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 3/4 Fraction With 39-Week Maximum	Percentage Exhausting Benefits Under 1/1 Fraction With 39-Week Maximum
$100 or less	724	60.5	47.9	37.3
$101 - $200	1097	58.0	43.2	35.3
$201 - $300	414	53.9	37.4	30.9
Over $300	195	45.1	31.8	24.6
Total Sample	2430	57.0	42.7	34.3

* Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period

5.5.3 Exhaustion Rates by Claimant Groups

Figures 5.13.1 through 5.13.5 show the exhaustion rates for the current 26-week program and for the two alternative formulas for additional benefits. The percentage of exhaustees (relative to first payments) is shown for the total sample population (including unknowns) and for each classification under each population characteristic. The figures are, of course, taken from the 1975 sample data.

The first column of figures shows the number of claimants in each classification and the total number in the sample. For comparative purposes, the last row shows the percentage of exhaustions under each formula for the total sample. For example, 57.3 percent of the sampled claimants exhausted under the current program, 43.2 percent would have exhausted under the 3/4 (39-week) program, and 34.9 percent would have exhausted under the 1/1 (39-week) program.

An examination of the exhaustion rates for the various groups under the different alternative programs enables us to determine whether a particular claimant group fares better under an alternative than other groups. For example, under Sex, we see that the exhaustion rate for males drops from 55.0 percent under the current program to 40.7 percent under the 3/4 fraction (39-week) program--a 26.0 percent reduction--while the exhaustion rate for females drops from 61.4 percent to 47.8 percent--a 22.1 percent decrease. Under the 1/1 alternative, exhaustions for males drop to 32.7 percent--a reduction of more than 40 percent--while females have a reduction of almost 37 percent. While differences are seen in the percentage decrease in exhaustions for the two groups, these differences are not great. Nor do they indicate that one group is favored in a manner inconsistent with the principles of the program.

Looking at the number of employers, we see that this characteristic has very little influence on the rate at which claimants

Population Profile of the Recipients of Each Level of Potential Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 5.12.5

FLORIDA: By Year

Claimant Characteristic: Number of Employers Classification:	Percentage of Sample Population	3/4 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:			1/1 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2416	940	1086	390	516	626	1274
One	60.3	57.3	57.9	74.1	55.4	58.8	63.0
Two	21.3	22.1	23.1	14.4	23.3	22.0	20.2
Three or more	18.4	20.5	19.0	11.5	21.3	19.2	16.8
1974: All Claimants Sampled - No. (100% of Column)	2884	880	1230	774	418	690	1776
One	49.7	46.6	40.2	68.1	49.0	42.0	52.8
Two	25.3	27.5	27.0	20.2	25.8	29.7	23.5
Three or more	25.0	25.9	32.8	11.8	25.1	28.3	23.8
1975: All Claimants Sampled - No. (100% of Column)	2472	820	941	711	445	550	1477
One	53.1	42.9	45.5	74.8	46.5	39.5	60.1
Two	24.0	26.5	26.1	18.4	21.8	30.2	22.4
Three or more	22.4	29.1	28.4	6.8	29.0	30.4	17.5

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 5.13.3 FLORIDA: 1975

Claimant Characteristic: Sex Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 3/4 Fraction With 39-Week Maximum	Percentage Exhausting Benefits Under 1/1 Fraction With 39-Week Maximum
Male	1579	55.0	40.7	32.7
Female	892	61.4	47.8	38.8
Total Sample**	2486	57.2	43.2	34.9

* Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period
** Includes Unknowns

Figure 5.13.4 FLORIDA: 1975

Claimant Characteristic: Ethnic Group Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 3/4 Fraction With 39-Week Maximum	Percentage Exhausting Benefits Under 1/1 Fraction With 39-Week Maximum
White	1758	56.7	42.2	33.3
Negro	268	60.8	47.0	40.3
Spanish Surname	167	61.1	51.5	44.3
Other	124	61.3	46.0	38.7
Total Sample**	2486	57.2	43.2	34.9

* Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period
** Includes Unknowns

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 5.13.5

FLORIDA: 1975

Claimant Characteristic: Number of Employers Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 3/4 Fraction With 39-Week Maximum	Percentage Exhausting Benefits Under 1/1 Fraction With 39-Week Maximum
One	1312	56.6	42.5	35.1
Two	594	57.1	42.9	32.8
Three or more	554	58.1	44.0	35.7
Total Sample**	2472	57.1	43.2	35.0

* Current Program: 1/2 Fraction, 26-Week Maximum, Based on the Weeks of Work in the Base Period
** Includes Unknowns

exhaust. The differences between the exhaustion rates for white and minority group claimants actually increase under the two alternatives. The results for wage classifications expressed both as total wages and as average weekly wages indicate that high wage earners have greater reductions in exhaustion rates than low wage earners. (This reflects their greater tendency to become reemployed--a tendency which has 39 "weeks" to show itself under the additional benefits programs.)

An examination of the exhaustion rates when they are arrayed for the various population groups sampled leads to the following conclusions:

- Those groups having a greater degree of labor force attachment experience a greater decrease in their exhaustion rates under <u>either</u> alternative additional benefits formula. This is the result of both the increase in their potential benefit duration and the fact that they are the groups most likely to become reemployed.

The combination of these two factors is what produces the seemingly mixed picture suggested by the exhaustion rate results. While the average duration results reveal that the 1/1 fraction tends to favor the "less attached" claimant, the exhaustion rate results appear to contradict this finding. When the second factor of easier reemployment is remembered, however, it is seen that the results are not contradictory at all. While reemployability accentuates the advantage of the less attached groups when average duration is examined--as exhibited by the average <u>actual</u> duration figures--this factor tends to diminish the apparent advantage when measured by exhaustion rates.

5.5.4 <u>Exhaustion Rates by Duration Level</u>

The following tables, prepared from 1975 data, are designed to show the levels at which claimants exhaust under the two alternatives. As in the other tables, the raw numbers are presented in order that the reader can keep in mind the size of the group upon which the percentages are based.

Each of the tables presented in Figures 5.14.1 through 5.14.5 really has two parts. The first four columns of the figures show where exhaustees of a given classification exhaust under each alternative. For example, under the Ethnic Group characteristic for the 3/4 fraction, 44.2 percent of the whites exhausting benefits do so at 26 or fewer "weeks" and 24.0 percent do so at 39 "weeks". Under the 1/1 fraction, 25.2 percent of white exhaustees exhaust at 26 or fewer "weeks" and 54.3 percent do so at 39 "weeks". These percentages can be compared with those for the total sample population: 45.9 percent of all exhaustees do so at 26 or fewer "weeks" under the 3/4 fraction, and 22.6 percent exhaust at 39 "weeks", while the percentages are 26.1 percent and 52.2 percent under the 1/1 alternative. The percentage of exhaustions occurring for the 27-38 "week" range drops from 31.5 percent under the 3/4 alternative 21.7 percent under the 1/1 fraction.

The second half of each table presents the percentage of the total members of a population group that exhausts at a certain level of duration. Thus, under the 3/4 fraction, 18.6 percent of all whites sampled exhaust benefits and do so at 26 "weeks" or less, 13.4 percent do so at 27-38 "weeks", and 10.1 percent exhaust benefits at 39 "weeks". Under the 1/1 fraction, the percentages are 8.4 percent at 26 or less, 6.8 percent at 27-38, and 18.1 percent at 39 "weeks".

The total row in this case indicates the percentage of claimants exhausting at each level under the two alternatives. Thus, 19.8 percent of the total claimants sampled would exhaust benefits under the 3/4 fraction alternative and do so at 26 "weeks" or less, 13.6 percent at 27-38 "weeks", and 9.8 percent at 39 "weeks". For the 1/1 fraction, 9.1 percent of the claimants sampled exhaust benefits and do so at 26 "weeks" or less, 7.6 at 27-38 "weeks", and 18.2 at 39 "weeks".

These tables are really offered for the interest of the reader They are useful for filling out the information provided by simple exhaustion rates. An examination of these results supports

Percentage of Each Classification Exhausting Benefits at Each Leve
of Potential Duration Under Alternative Additional Benefits
Programs (For Exhaustees Only and for the Total Sample Populatio

Figure 5.14.1 FLORIDA: 1975

Claimant Characteristic: Base Period Wages Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS SAMPLED					
	3/4 Fraction				1/1 Fraction				3/4 Fraction			1/1 Fraction		
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
$5000 or less	594	68.5	25.1	6.4	458	45.4	28.6	26.0	1143	35.6	13.0	3.3	18.2	11.5	10.4
$5001 - $9999	352	22.2	39.8	38.1	299	6.0	17.4	76.6	867	9.0	16.1	15.4	2.1	6.0	26.4
$10000 or more	128	6.2	38.3	55.5	110	0.0	4.5	90.5	475	1.7	10.3	14.9	0.0	1.0	22.1
Total Sample	1074	45.9	31.5	22.6	867	26.1	21.7	52.2	2485	19.8	13.6	9.8	9.1	7.6	18.2

Figure 5.14.2 FLORIDA: 1975

Claimant Characteristic: Average Weekly Wage Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS SAMPLED					
	3/4 Fraction				1/1 Fraction				3/4 Fraction			1/1 Fraction		
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
$100 or less	347	55.6	32.0	12.4	270	32.6	26.3	41.1	724	26.6	15.3	5.9	12.2	9.8	15.3
$101 - $200	474	42.4	30.8	26.8	387	24.0	19.9	56.1	1097	18.3	13.3	11.6	8.5	7.0	19.8
$201 - $300	155	36.1	38.7	25.2	128	14.8	23.4	61.7	414	13.5	14.5	9.4	4.6	7.2	19.1
Over $300	62	35.5	22.6	41.9	48	16.7	14.6	68.8	195	11.3	7.2	13.3	4.1	3.6	16.9
Total Sample	1038	45.5	31.9	22.6	833	25.0	22.2	52.8	2430	19.4	13.6	9.7	8.6	22.6	18.1

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Alternative Additional Benefits Programs (For Exhaustees Only and for the Total Sample Population)

Figure 5.14.3 FLORIDA: 1975

Claimant Characteristic: Sex Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS SAMPLED						
	3/4 Fraction				1/1 Fraction				3/4 Fraction			1/1 Fraction		
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
Male	643	44.8	30.8	24.4	517	23.4	23.0	53.6	1579	18.2	12.5	9.9	7.7	7.5	17.5
Female	426	46.9	32.9	20.2	346	29.5	19.6	50.9	892	22.4	15.7	9.6	11.4	7.6	19.7
Total Sample*	1074	45.9	31.5	22.6	867	26.1	21.7	52.2	2486	19.8	13.6	9.8	9.1	7.6	18.2

*Includes Unknowns

Figure 5.14.4 FLORIDA: 1975

Claimant Characteristic: Ethnic Group Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS SAMPLED						
	3/4 Fraction				1/1 Fraction				3/4 Fraction			1/1 Fraction		
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
White	742	44.2	31.8	24.0	586	25.2	20.5	54.3	1758	18.6	13.4	10.1	8.4	6.8	18.1
Negro	126	51.6	34.1	14.3	108	28.7	26.9	44.4	268	24.3	16.0	6.7	11.6	10.8	17.9
Spanish Surname	86	43.0	29.1	27.9	74	28.4	20.3	51.4	167	22.2	15.0	14.4	12.6	9.0	22.8
Other	57	47.4	33.3	19.3	48	16.7	27.1	56.2	124	21.8	15.3	8.9	6.5	10.5	21.8
Total Sample*	1074	45.9	31.5	22.6	867	26.1	21.7	52.2	2486	19.8	13.6	9.8	9.1	7.6	18.2

*Includes Unknowns

Percentage of Each Classification Exhausting Benefits at Each Lev
of Potential Duration Under Alternative Additional Benefits
Programs (For Exhaustees Only and for the Total Sample Populatic

Figure 5.14.5 FLORIDA: 1975

Claimant Characteristic:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED							
	3/4 Fraction				1/1 Fraction					3/4 Fraction			1/1 Fraction			
Number of Employers Classification:	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	
One	558	38.4	27.1	34.6	460	21.7	14.6	63.7	1312	16.3	11.5	14.7	7.6	5.1	22.3	
Two	255	49.0	36.9	14.1	195	23.1	29.2	47.7	594	21.0	15.8	6.1	7.6	9.6	15.6	
Three or more	244	56.6	37.7	5.7	198	34.8	31.8	33.3	554	24.9	16.6	2.5	12.4	4.4	11.9	
Total Sample*	1069	45.7	31.5	22.7	865	26.1	21.6	52.2	2472	19.8	13.6	9.8	9.1	7.6	18.3	

*Includes Unknowns

the labor force find it easier to become reemployed, and those characteristics studied which are generally associated with firm attachment (e.g., the higher wage groups) exhibit this tendency.

5.6 Conclusions

The gains experienced by claimants in Florida under a regular program of additional benefits derive from the upgrading of the duration fraction as well as from the raising of the duration maximum. Similarly, the increase in program costs represents a combination of the two changes. This factor adds to the complexity of the analysis of the results for Florida; however, it does not change the basic judgment which must be made. The change to a program of additional benefits will help all eligible claimants, to be sure--by providing them with more "weeks" of potential duration and decreasing their chances of exhausting benefits. These positive factors must be judged in relation to the cost increase which will be experienced by the State. An examination of the results obtained from the sample of Florida's claimants can aid in this determination.

The change to an additional benefits program based on a 3/4 fraction will result in an increase in average duration of 4.7 "weeks" (actual duration), or 31.1 percent. The program based on the larger 1/1 fraction would mean an increase of 6.4 "weeks", or 42.4 percent. The exhaustion rate would fall 14.3 percent (a 25.0 percent decrease) with the 39-week, 3/4 fraction program; it would fall 22.6 percent (a 39.5 percent decrease) with the 1/1 fraction. In terms of individuals, this would translate to 46,397 fewer exhaustees under the 3/4 fraction program, and 73,327 fewer for the 1/1 program (based on total first payments in Florida in Fiscal 1975).

The increase in cost which is likely to be experienced is 22.7 percent (or $70,882,030) under the 3/4 fraction program with Federal sharing and 30.4 percent (or $94,918,069) under the larger fraction. This increase in actual costs must be weighed against

the gains realized in terms of average duration and reduced exhaustions. (Again, remember that these figures represent the year BYB 1975 and the conditions present at that time.)

The results of increasing benefit duration with respect to the various claimant groups examined are pretty much as would be expected. The consistent finding is that the gains from increasing benefit duration to 39 "weeks" accrue to claimants on the basis of their degree of labor force attachment. The stronger the relationship between the characteristic being considered and labor force attachment, the stronger the impact of the change in the maximum duration.

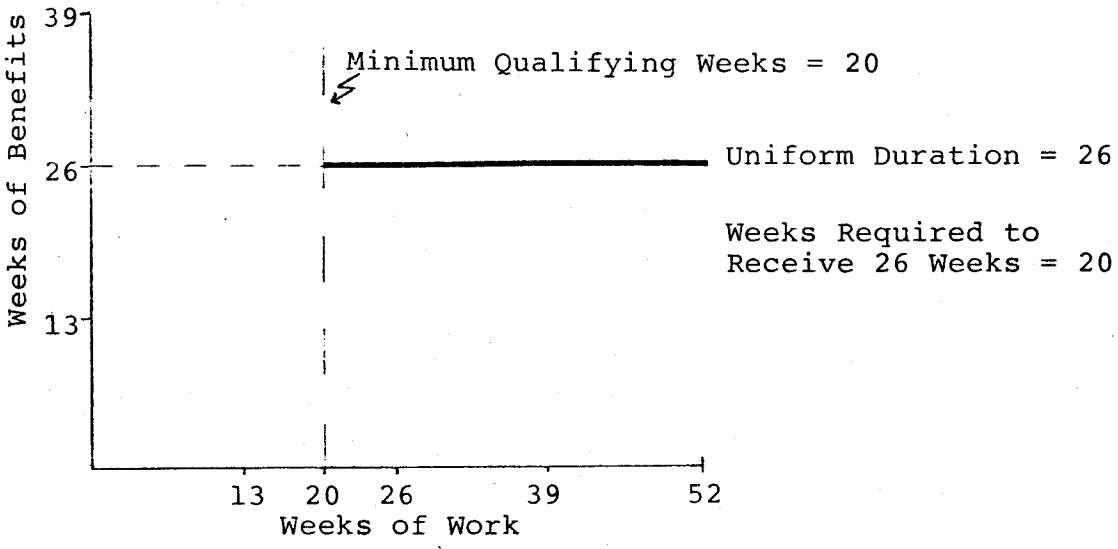
In comparison to the 3/4 fraction program (and the current program) the 1/1 fraction benefits those groups generally regarded as less attached relatively more than it does those strongly attached to the labor force. This is because these latter groups tend to reach the maximum duration under the 3/4 fraction, leaving the less attached claimants to gain under the less restrictive fraction. Again, there is no evidence that either program favors or discriminates against any claimant group on the basis of personal characteristics.

The fact that the more generous, more costly program has its major impact on the less attached claimant groups is significant, however. It may be that cost considerations with respect to the funds available from the State's employer taxes would make it necessary to pursue the less costly alternative under the UI program and to help the less attached claimants through programs designed with specific target groups (e.g., programs for the poor, programs for youth, or programs for the elderly). Many would argue that this would be the superior approach--that funds are limited and that aiding the less attached claimants is outside the proper role of unemployment insurance as an insurance program. The issue of the employer's responsibility in the matter of an individual's long-duration unemployment is often cited as well. These issues will have to be considered in many States, but especially in those which will have to upgrade their duration fractions in order to participate in the additional benefits program.

6.1 Current Provisions

New York is one of the nine States which provide benefits at a uniform level of duration. Under New York's duration formula, any claimant meeting the minimum qualifying requirement for labor force attachment is entitled to a fixed duration of 26 "weeks". Twenty weeks of employment (at an average wage of at least $30) are required in the base year. An alternate requirement qualifies claimants who have 15 weeks of employment in the 52 weeks preceding the benefit year and 40 weeks in the 104 weeks preceding the benefit year. New York's current provisions are depicted in Figure 6.1.

Figure 6.1
New York - Current Provisions



New York's benefit formula bases the amount of weekly compensation on a weighted percentage of the claimant's average weekly wage. The schedule used ranges between 67 percent and 50 percent of average weekly wages, allowing a larger percentage for

low-wage claimants. Average weekly wages are calculated by dividing total base period wages from all employers by the number of weeks of employment furnished by all employers. (Weeks in which earnings were below $30 are excluded unless there are insufficient weeks with $30 or more.) The minimum weekly benefit amount is $20 (67% of the minimum average wage), while the maximum weekly benefit amount is fixed at $105. (In 1975, the maximum amount was $95. This figure was used in cost calculations for New York.)

6.2 Alternative Additional Benefits Formulas

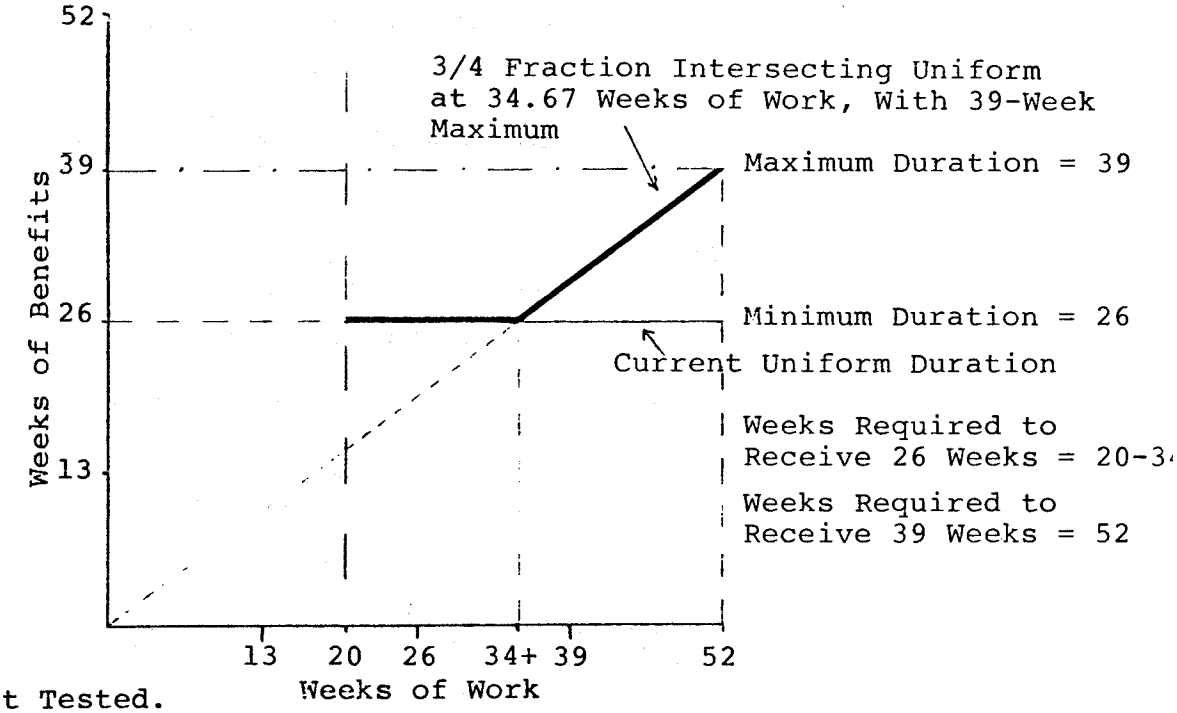
Like Ohio, New York can adapt its present duration formula to provide 39 "weeks" of benefits. There are several ways in which the uniform 26-week duration formula could be used as part of an additional benefits program.

First, the program could use the 3/4 or 1/1 weeks of work fractions tested in Florida and allow the variable duration fraction chosen to interact with the uniform duration formula. Under this arrangement, the eligible claimant would receive the greater of either 26 "weeks" of benefits or the duration determined by the fraction applied. In effect, this superimposes a variable duration formula on the uniform duration formula at 26 weeks of work (in the case of the 1/1 fraction) or 34+ weeks of work (in the case of the 3/4 fraction). These alternatives are graphed in Figures 6.2.1 and 6.2.2. (The bold line indicates the duration function which would be applied over the range of weeks of work.)

Another method would employ a "stepped" uniform duration fraction. This alternative is graphed in Figure 6.3. Using the approach, the current provisions would prevail from week 20 (the minimum qualifying weeks) up to 30 weeks of work (1.5 times the minimum qualifying weeks). The claimant would become eligible for 39 "weeks" of benefits at this point. This alternative uses a strict interpretation of the "1.5 times" criterion.

Figure 6.2.1

3/4 Fraction Alternative*



* Not Tested.

Figure 6.2.2

1/1 Fraction Alternative

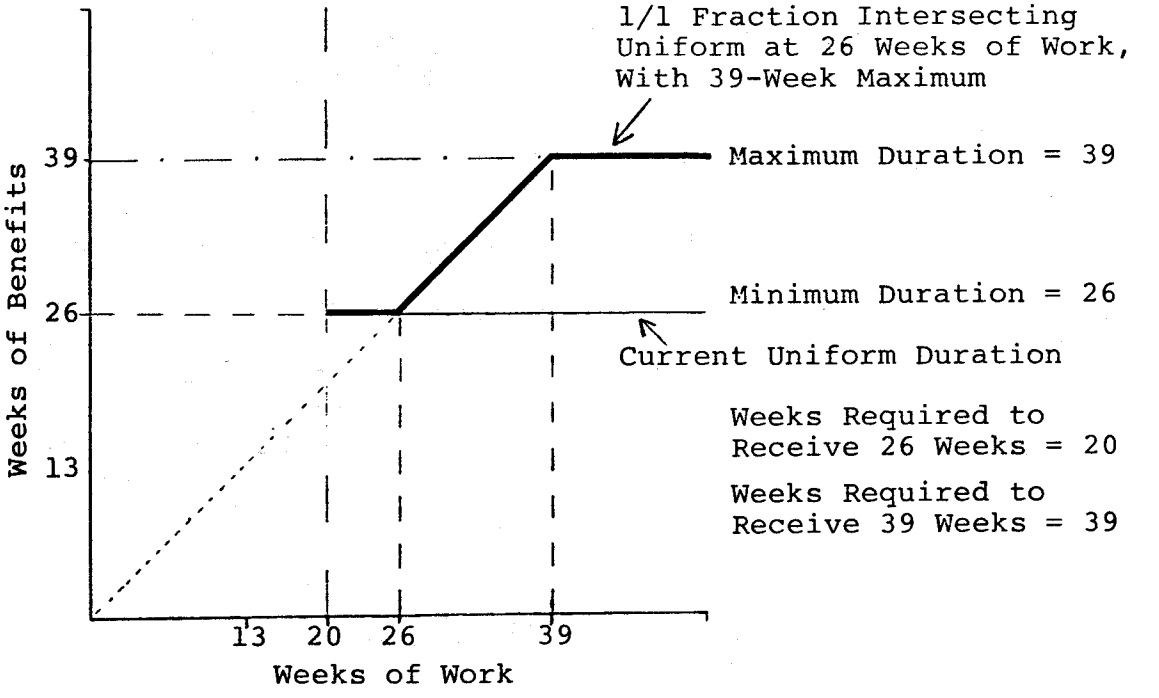
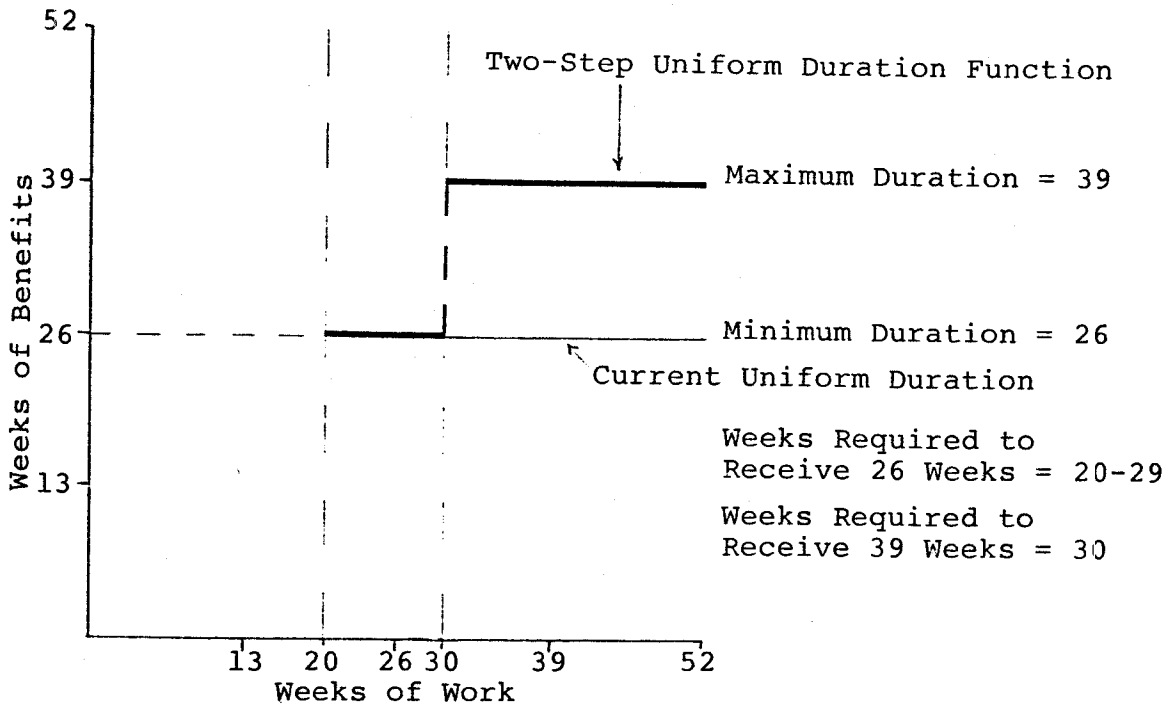


Figure 6.3

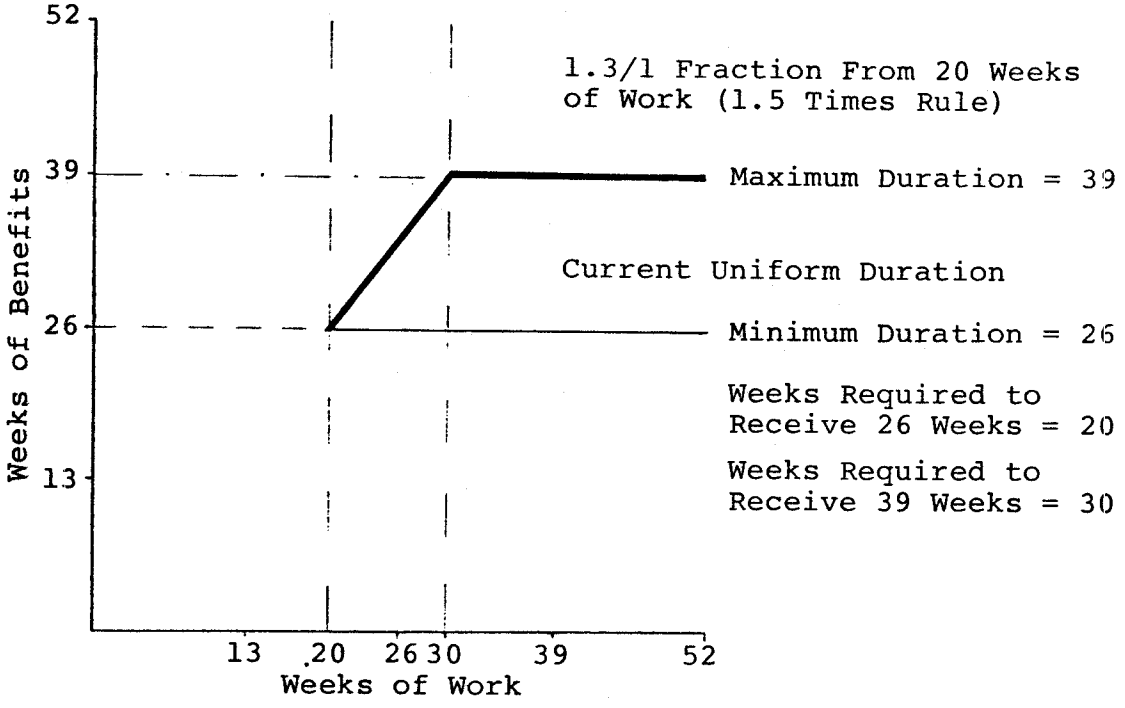
Stepped Uniform Duration Alternative*



* Not tested.

Figure 6.4

1.3/1 Fraction Alternative



The last approach considered would also apply the "1.5 times" rule in its strictest sense. It would provide 26 "weeks" of benefits for the minimum 20 weeks of work and would provide 39 "weeks" of benefits for 1.5 times the 20-week qualifying requirement, at 30 weeks of work. The method used here would be the application of a variable duration fraction of 13/10 (or 1.3/1) times the weeks of work. This 1.3/1 fraction alternative is graphed in Figure 6.4. As shown on the graph, this is really a program of 39-week uniform duration superimposed on a variable duration formula at 30 weeks of work. This alternative would provide 39 "weeks" to a substantial number of New York's claimants. Judging from the sample data obtained from the State for the three years tested, this method would provide uniform 39-week duration to approximately 80 percent of the eligible claimants (78.3 percent in 1973, 79.0 percent in 1974, and 77.8 percent in 1975).

The two formulas chosen for testing are the 1.3/1 fraction imposed at 20 weeks of work and the 1/1 fraction imposed at 26 weeks of work. The two-step duration fraction was eliminated because of the questionable results of applying such a formula. It more than meets the sufficiency criterion (providing 39 "weeks" of benefits for only 30 weeks of work) and it also meets the "1.5 times" criterion. This formula would, however, create two "classes" of claimants which would receive substantially different treatment under the program. This may be regarded as inconsistent with program goals. From an administrative standpoint, the program may appear to be more consistent with uniform duration than alternatives providing variable duration. The large jump in entitlement at 30 weeks of work under the two-step formula would likely create significant administrative problems, however, with crucial questions of interpretation at the 29- to 30-week employment level.

The 1.3/1 fraction has the advantage of applying a single duration fraction to all eligible claimants, up to the maximum duration of 39 "weeks" at 30 weeks of work. This fraction also meets the criterion of sufficiency and is in keeping with the "1.5 times" criterion.

The use of uniform duration in New York raises a question concerning the "1.5 times" rule suggested for the program. A look at the 3/4 and 1/1 fractions as they would operate in conjunction with the 26-week uniform duration will illustrate the point. Referring to Figures 6.2.1 and 6.2.2, it can be seen that neither of these fractions meets the requirement that the employment required for 39 "weeks" of benefits be 1.5 times the minimum needed for 26 "weeks". On the other hand, looking at the point of intersection of the variable duration formula and the uniform duration formula, it can be seen that the requirement for 39 "weeks" is 1.5 times the maximum number of weeks of work yielding 26 "weeks" of benefits. (For the 1/1 fraction, 26 weeks of work are required for 26 "weeks" of benefits and 39 weeks are required for 39. For the 3/4 fraction, the requirements are 34.67 weeks and 52 weeks.) It can be seen, then, that the "1.5 times" criterion can be interpreted in either of two ways in the uniform duration case.

The 3/4 and 1/1 alternatives would superimpose variable duration on top of a minimum level of uniform duration. This method does apply a stricter fraction to claimants with more work experience--those with base period employment above 26 weeks (for the 1/1 alternative) or 34.67 (for the 3/4 fraction). This appears to discriminate against this segment of the population. Looking at this issue from another standpoint, however, these formulas could be regarded not as being arbitrarily stricter with one group of claimants but, instead, as bringing those with lower base period employment up to a minimum level of duration. This is consistent with the philosophy which suggests a weighted schedule for determining the weekly benefit amount--a method used by New York.

The 1/1 fraction was, therefore, chosen as the second alternative for testing during the project. (The 3/4 fraction could have been tested, except for the existence of time and money constraints for conducting the analysis.)

6.3 Testing Alternative Additional Benefits Formulas

In order to test the effects of applying the alternative additional benefits formulas in New York, we obtained a data tape containing actual data for a one percent sample of eligible claimants for benefit years beginning in 1973, 1974, and 1975. Due to limitations of funds, we extracted a smaller sample which included approximately 0.3 to 0.4 percent of New York's eligible claimants for each year (2,418 claimants with BYB 1973; 2,434 with BYB 1974; and 2,473 with BYB 1975). The data was analyzed to determine the impact on cost, duration, and exhaustions for the total population of recipients (as represented by the sample) and to determine their effect on the various claimant groups represented within the sample. In most instances the sample was large enough to provide results with an adequate level of precision. (For further discussion of sample sizes and precision, see Appendix A.)

The population characteristics examined for New York and the classifications under each are as follows:

- Sex: Male, Female
- Age: 25 or Under, 26 to 35, 36 to 45, 46 to 55, 56 to 54, Over 65
- Ethnic Group: White, Negro, Spanish Surname, Other
- Number of Dependent Children: None, One, Two, Three, Four, Five, Six, Seven or More
- Occupation (DOT Code): Professional, Technical, Managerial, Clerical, Sales, Blue Collar, Farming, Services (Nonhousehold), Services (Household)
- Education Level: No High School, Some High School, High School Graduate, Some College, College Graduate
- Base Period Wages: $5000 or Less, $5001 to 9999, $10000 or More
- Average Weekly Wage: $100 or Less, $101 to $200, $201 to $300, Over $300

The two duration fractions (as well as the current fraction) were applied to each claimant sampled to determine the average duration, the cost, and the exhaustion rates under each formula. In addition, cross-tabulations were run to determine the makeup of the groups receiving certain duration levels and of groups exhausting benefits at certain levels of duration under each formula.

6.4 Results - All Claimants

This section presents the results of the analysis of the claimant data for the State of New York with respect to the total claimant population. The impact of the application of the two formulas is assessed in terms of cost, duration, and exhaustions.

6.4.1 Cost

First analyzed was the very important variable, program cost. Through our study we have determined New York's expected cost increase for both potential cost and actual cost. Total program costs were estimated as well as those costs which would be borne by the State under a program of Federal sharing of benefit costs above 26 "weeks". (In reviewing the actual cost figures, it must be remembered that they are based on a single year: BYB 1975. The high unemployment situation of that year must be considered in drawing conclusions from the results obtained using that data.)

Figure 6.5 shows the potential benefit costs for the current 26-week program and for the two alternative additional benefits programs. These figures represent the potential costs for the sample population for each of the years tested. Costs are presented with and without 50-50 Federal-State sharing of the cost increase resulting from increasing benefits from 26 to 39 "weeks".

Figure 6.6 presents the State-wide potential cost figures for the three years. The cost increases are shown in the same manner as those for the sample depicted in Figure 6.5. The total State cost for the current program for each year was extrapolated from the cost obtained for the sample. This was done by calculating the ratio of first payments reported by New York on the ES-213 reports to the first payments for the sample and applying this ratio to the current program cost for the sample. The total costs for the other programs were then calculated using the percentage increases obtained from the sample data.

Figure 6.5

Potential Cost Summary for Sample Population
Under Alternative Programs: 1973, 1974, 1975

(In Dollars and Percentage of Cost of Current Program)

	Current 26-Week Uniform Duration	1/1 Fraction Imposed at 26 Weeks 39-Week Maximum	1.3/1 Fraction at 20 Weeks (1.5 Rule) 39-Week Maximu
Potential Cost, 1973:	$4,266,470	$5,855,034	$6,195,360
Increase from Current without Federal Sharing	-	$1,588,564 (37.2%)	$1,928,890 (45.2%)
Increase from Current with 50-50 Federal Sharing	-	$ 794,282 (18.6%)	$ 964,445 (22.6%)
Potential Cost, 1974:	$4,538,508	$6,255,400	$6,496,090
Increase from Current without Federal Sharing	-	$1,716,892 (37.8%)	$1,957,582 (43.1%)
Increase from Current with 50-50 Federal Sharing	-	$ 858,446 (18.9%)	$ 978,791 (21.6%)
Potential Cost, 1975:	$4,556,734	$6,248,625	$6,561,808
Increase from Current without Federal Sharing	-	$1,691,891 (37.1%)	$2,005,074 (44.0%)
Increase from Current with 50-50 Federal Sharing	-	$ 845,945 (18.6%)	$1,002,537 (22.0%)

Figure 6.6

State Estimated Potential Cost Increase for Alternative Programs

(In Dollars and Percentage of Cost of Current Program)
1973, 1974, 1975

	Current 26-Week Uniform Duration	1/1 Fraction From 26 Weeks 39-Week Maximum	1.3/1 Fraction From 20 Weeks 39-Week Maximum
Potential Cost, 1973:	$1,578,041,831	$2,165,204,956	$2,291,481,538
Increase from Current without Federal Sharing	-	$ 587,163,125 (37.2%)	$ 713,439,707 (45.2%)
Increase from Current with 50-50 Federal Sharing	-	$ 293,581,562 (18.6%)	$ 356,719,854 (22.6%)
Potential Cost, 1974:	$1,678,660,690	$2,313,688,570	$2,402,712,724
Increase from Current without Federal Sharing	-	$ 635,027,880 (37.8%)	$ 724,052,034 (43.1%)
Increase from Current with 50-50 Federal Sharing	-	$ 317,513,940 (18.9%)	$ 362,026,017 (21.6%)
Potential Cost, 1975:	$1,685,401,952	$2,311,182,697	$2,427,019,882
Increase from Current without Federal Sharing	-	$ 625,780,745 (37.1%)	$ 741,617,930 (44.0%)
Increase from Current with 50-50 Federal Sharing	-	$ 312,890,372 (18.6%)	$ 370,808,965 (22.0%)

As was observed in Ohio and Florida, the increase in cost associated with the increase of benefit duration to 39 "weeks" is substantial. It must be remembered, though, that the figures presented in these two tables represent potential costs and not actual costs. Potential cost represents an upper limit for costs which is not likely to be reached in practice. Figure 6.7 shows both the potential costs and actual costs for New York under the two alternatives (for the year BYB 1975). The increase in actual costs is much less than the increase in potential costs.

As is indicated in Figure 6.7, the actual costs for the 1/1 alternative would be $1,370,117,963, or only 59.3 percent of the potential cost of the program. Using the 1.3/1 (1.5 times rule) alternative, the actual costs would be $1,412,822,483, or only 58.2 percent of the potential cost of that program.

6.4.2 Average Duration

Figure 6.8 summarizes the average duration data for all claimants for 1975. The average duration of benefits received by claimants under the two alternative additional benefits programs are shown in terms of both potential and actual duration.

Under the alternative programs, average potential duration increases 35.8 percent and 43.5 percent, respectively, for the 1/1 and 1.3/1 fractions. Actual duration under the 39-week program increases only 19.2 percent for the 1/1 fraction and 23.2 percent for the 1.3/1 fraction. Of the benefit weeks available, 59.8 percent are utilized under the 1/1 fraction and 58.4 percent are utilized under the 1.3/1 fraction.

Potential duration figures were also obtained for 1973 and 1974. The average potential duration under the two additional benefits programs is 35.4 "weeks" for 1/1 alternative and 37.4 "weeks" for the 1.3/1 alternative using 1973 data. The figures for 1974 show similar results, with the average potential duration under the two additional benefits programs at 35.6 "weeks" and 37.4 "weeks". This shows an increase over the current program for the

Figure 6.7

Total Potential and Actual Cost Increases
Under Two Alternative Additional Benefits Programs

State-Wide Totals, New York: 1975

	Current Program	39-Week Maximum	
		1/1 Fraction at 26 Weeks	1.3/1 Fraction at 20 Weeks
Total Potential Cost	$1,685,401,952	$2,311,182,697	$2,427,019,882
Increase in Potential Cost w/o Federal Sharing	-	$ 625,780,745 (37.1%)	$ 741,617,930 (44.0%)
Increase in Potential Cost w/ Federal Sharing	-	$ 312,890,372 (18.6%)	$ 370,808,965 (22.0%)
Total Actual Cost	$1,148,437,866	$1,370,117,963	$1,412,822,483
Increase in Actual Cost w/o Federal Sharing	-	$ 221,680,097 (19.3%)	$ 264,384,617 (23.0%)
Increase in Actual Cost w/ Federal Sharing	-	$ 110,840,048 (9.7%)	$ 132,192,308 (11.5%)
Actual Cost as a Percentage of Potential Cost	68.1%	59.3%	58.2%

Figure 6.8

Average Duration of Benefits
Under Alternative Programs

New York: 1975

	Current Uniform 26 W'ks	39-Week Program: 1/1 Fraction at 26 Weeks	39-Week Program: 1.3/1 Fraction at 20 Weeks
Average Potential Duration	26.0	35.3	37.3
Percentage Increase Over Current Program	-	35.8%	43.5%
Average Actual Duration	17.7	21.1	21.8
Percentage Increase Over Current Program	-	19.2%	23.2%
Actual Duration as a Percentage of Potential	68.1%	59.8%	58.4%

two fractions of 36.2 percent and 43.8 percent, respectively, in 1973. In 1974, the increases were 36.9 percent and 43.8 percent.

6.4.3 Exhaustions

Changing to a program of additional benefits will naturally have an impact on exhaustions. As mentioned earlier, reducing the exhaustion rate is one of the primary objectives of such a program. According to the 1975 sample data from New York, the exhaustion rate for the current 26-week program is 43.7 percent. Increasing benefits to 39 "weeks" by imposing the 1/1 fraction at 26 "weeks" results in an exhaustion rate of 36.1 percent of first payments (a 17.4 percent reduction), while that for the 1.3/1 alternative is 34.3 percent (a 21.5 percent reduction). These results are summarized in Figure 6.9.

The use of the 1.5 times the minimum 26-week requirement alternative (the 1.3/1 fraction) results in a greater reduction in the exhaustion rate, since more claimants are eligible for the maximum duration. Of course this gain must be weighed against the higher cost of the 1.3/1 program. (As with the cost figures discussed earlier, it must be remembered that these results represent one year: BYB 1975.)

The reductions in the exhaustion rate in New York are not as large as those found in Florida and Ohio. This is, of course, due to New York's use of uniform duration, under which the minimum currently received is 26 "weeks" of benefits. The minimum duration is only 20 "weeks" in Ohio and only 10 "weeks" in Florida.

Figure 6.9

Summary of Exhaustion Rates
Under Alternative Programs

New York: 1975

		39-Week Program	
	Current Uniform 26 Weeks	1/1 Fraction at 26 Weeks	1.3/1 Fracti at 20 Weeks
Exhaustion Rate*	43.7%	36.1%	34.3%
Decrease in Exhaustion Rate from Current Program	-	7.6%	9.4%
Percentage Decrease from Current Program	-	17.4%	21.5%

* Percentage of First Payments

6.5 Results - Claimant Groups

In addition to measuring the total impact of the programs tested, the study sought to determine how the various groups which make up New York's claimant population would fare under each alternative. As in the other States included in the study, four types of analysis were conducted. The first pertains to the average duration of benefits for each group; the second considers the concentration of various population classifications within three ranges of potential duration under each alternative; the third examines the treatment of various groups as indicated by their exhaustion rates; and the fourth presents a breakdown of the levels at which various groups exhaust benefits under each alternative additional benefits program. Each type of analysis is discussed below.

6.5.1 Average Duration

Figures 6.10.1 through 6.10.8 present the average duration results for the eight characteristics examined in New York. Potential and actual duration were determined for BYB 1975; only potential duration was calculated for 1973 and 1974. The tables are self-explanatory.

The study sought to determine whether one group fares substantially better than others under the two additional benefits programs and if it benefits in a manner which is inconsistent with the objectives of the program. The results from New York confirm those obtained in Ohio and Florida; that is, that personal characteristics are not a basis for discrimination under the U.I. program--even with the provision of 13 additional "weeks" of benefits.

For example, looking at the characteristic Sex, the males' potential duration is 36.5 percent higher under the 1/1 alternative than under the current program and 43.9 percent higher under the 1.3/1 alternative than under the current program. The females' gains are only 34.2 percent and 42.3 percent under the two programs.

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.1 NEW YORK: By Year

Claimant Characteristic: Base Period Wages Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
$5000 or less	26.0		32.7		36.0	
$5001 - 9999	26.0		37.3		38.5	
$10000 or more	26.0		38.5		39.0	
Total Sample	26.0		35.3		37.4	
1974:						
$5000 or less	26.0		32.4		35.6	
$5001 - 9999	26.0		37.3		38.4	
$10000 or more	26.0		38.3		38.8	
Total Sample	26.0		35.5		37.4	
1975:						
$5000 or less	26.0	18.6	31.8	20.6	35.3	22.0
$5001 - 9999	26.0	17.5	36.8	21.6	38.2	22.1
$10000 or more	26.0	16.8	38.4	21.0	38.9	21.1
Total Sample	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

Figure 6.10.2 NEW YORK: 1973

Claimant Characteristic: Average Weekly Wage Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
$50 or less	26.0		32.3		35.9	
$51 - 100	26.0		34.4		36.9	
$101 - 150	26.0		35.3		37.3	
$151 - 200	26.0		36.5		37.9	
$201 - 250	26.0		36.4		38.0	
$251 - 300	26.0		35.7		37.9	
$301 - 350	26.0		35.5		37.6	
$351 - 400	26.0		36.0		37.7	
Over $400	26.0		36.3		37.8	
Total Sample	26.0		35.3		37.4	

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.2

NEW YORK: 1974

Claimant Characteristic: Average Weekly Wage Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
$50 or less	26.0		33.9		36.4	
$51 - 100	26.0		33.8		36.5	
$101 - 150	26.0		35.7		37.4	
$151 - 200	26.0		36.2		37.7	
$201 - 250	26.0		36.3		37.7	
$251 - 300	26.0		36.5		37.9	
$301 - 350	26.0		35.7		37.5	
$351 - 400	26.0		36.7		38.0	
Over $400	26.0		36.1		37.6	
Total Sample	26.0		35.5		37.4	

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

Figure 6.10.2

NEW YORK: 1975

Claimant Characteristic: Average Weekly Wage Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
$50 or less	26.0	19.7	32.5	23.1	35.8	24.1
$51 - 100	26.0	17.6	33.7	20.4	36.4	21.3
$101 - 150	26.0	17.7	34.7	20.8	37.1	21.7
$151 - 200	26.0	18.1	36.3	22.1	37.7	22.6
$201 - 250	26.0	17.8	36.5	21.9	37.8	22.5
$251 - 300	26.0	17.0	35.8	20.2	37.6	20.7
$301 - 350	26.0	17.9	35.9	21.1	37.8	21.8
$351 - 400	26.0	17.7	37.5	20.5	38.6	20.6
Over $400	26.0	17.2	36.3	20.2	37.8	20.6
Total Sample	26.0	17.8	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.3 NEW YORK: By Year

Claimant Characteristic: Sex Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
Male	26.0		35.4		37.5	
Female	26.0		35.2		37.3	
Total Sample**	26.0		35.3		37.4	
1974:						
Male	26.0		35.7		37.4	
Female	26.0		35.3		37.3	
Total Sample**	26.0		35.5		37.4	
1975:						
Male	26.0	17.8	35.5	21.1	37.4	21.8
Female	26.0	17.7	34.9	21.0	37.0	21.7
Total Sample**	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Figure 6.10.4 NEW YORK: By Year

Claimant Characteristic: Ethnic Group Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
White	26.0		35.3		37.4	
Negro	26.0		36.0		37.6	
Spanish Surname	26.0		35.3		37.3	
Other	26.0		34.8		37.0	
Total Sample**	26.0		35.3		37.4	
1974:						
White	26.0		35.6		37.4	
Negro	26.0		35.8		37.5	
Spanish Surname	26.0		35.3		37.3	
Other	26.0		34.8		37.1	
Total Sample**	26.0		35.5		37.4	
1975:						
White	26.0	17.8	35.3	21.0	37.2	21.7
Negro	26.0	18.5	35.5	23.0	37.5	23.9
Spanish Surname	26.0	16.0	34.9	18.6	37.0	19.2
Other	26.0	17.6	35.4	21.1	37.3	21.8
Total Sample**	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.5 NEW YORK: By Year

Claimant Characteristic: Number of Dependents Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
None	26.0		35.1		37.3	
One - Two	26.0		36.0		37.7	
Three - Four	26.0		36.1		37.8	
Over Four	26.0		35.0		37.3	
Total Sample**	26.0		35.3		37.4	
1974:						
None	26.0		35.3		37.2	
One - Two	26.0		36.2		37.8	
Three - Four	26.0		36.5		37.8	
Over Four	26.0		34.3		36.7	
Total Sample**	26.0		35.5		37.4	
1975:						
None	26.0	18.2	34.9	21.6	37.1	22.4
One - Two	26.0	17.0	35.9	20.3	37.5	20.9
Three - Four	26.0	16.6	36.8	19.9	38.1	20.3
Over Four	26.0	18.4	34.5	21.3	36.7	22.2
Total Sample**	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits
** Includes Unknowns

Figure 6.10.6 NEW YORK: 1973, 1974

Claimant Characteristic: Age Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
24 or under	26.0		34.8		37.1	
25 - 34	26.0		35.6		37.5	
35 - 44	26.0		35.4		37.4	
45 - 54	26.0		35.6		37.6	
55 - 64	26.0		35.6		37.6	
65 or over	26.0		34.4		36.7	
Total Sample**	26.0		35.3		37.4	
1974:						
24 or under	26.0		34.5		36.7	
25 - 34	26.0		35.9		37.6	
35 - 44	26.0		35.7		37.5	
34 - 43	26.0		36.0		37.8	
55 - 64	26.0		35.9		37.6	
65 or over	26.0		34.4		36.7	
Total Sample**	26.0		35.5		37.4	

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits
** Includes Unknowns

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.6

NEW YORK: 1975

Claimant Characteristic: Age Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1975:						
24 or under	26.0	18.6	34.4	21.5	36.9	22.4
25 - 34	26.0	17.6	35.5	20.8	37.4	21.7
35 - 44	26.0	17.2	35.5	20.4	37.4	21.0
45 - 54	26.0	16.2	36.1	19.1	37.6	19.6
55 - 64	26.0	18.2	35.2	22.0	37.1	22.6
65 or over	26.0	23.0	34.4	29.1	36.2	30.3
Total Sample**	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits
** Includes Unknowns

Figure 6.10.7

NEW YORK: 1973

Claimant Characteristic: Occupation Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Professional	26.0		35.6		37.4	
Technical	26.0		39.0		39.0	
Managerial	26.0		37.0		38.4	
Clerical	26.0		37.2		38.5	
Sales	26.0		34.2		37.0	
Blue Collar	26.0		35.0		37.2	
Farming	26.0		36.1		37.8	
Service/Non HH	26.0		34.9		37.8	
Service/Household	26.0		36.8		38.0	
Total Sample**	26.0		35.3		37.4	

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits
** Includes Unknowns

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.7

NEW YORK: 1974

Claimant Characteristic: Occupation Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Professional	26.0		36.1		37.6	
Technical	26.0		34.0		36.9	
Managerial	26.0		36.1		37.5	
Clerical	26.0		35.6		37.3	
Sales	26.0		35.8		37.5	
Blue Collar	26.0		35.7		37.4	
Farming	26.0		33.1		37.4	
Service/Non HH	26.0		34.3		36.9	
Service/Household	26.0		33.7		36.4	
Total Sample**	26.0		35.5		37.4	

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns-

Figure 6.10.7

NEW YORK: 1975

Claimant Characteristic: Occupation Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Professional	26.0	19.4	35.7	23.6	37.4	24.3
Technical	26.0	17.6	37.1	21.7	38.2	22.1
Managerial	26.0	18.7	36.8	24.2	38.1	24.5
Clerical	26.0	19.8	36.2	25.0	37.5	25.6
Sales	26.0	21.0	35.9	27.0	37.6	28.0
Blue Collar	26.0	16.8	35.2	19.5	37.2	20.2
Farming***	26.0	10.5	37.8	11.2	39.0	11.2
Service/Non HH	26.0	18.8	33.3	21.7	36.3	22.9
Service/Household	26.0	17.7	37.0	21.4	37.8	21.4
Total Sample**	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

*** Based on a sample of only 8 claimants.

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.10.8 NEW YORK: By Year

Claimant Characteristic: Education Classification:	CURRENT PROGRAM*		1/1 FRAC. ABOVE 26 39-WEEK MAXIMUM		1.3/1 FRAC. ABOVE 20* 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1973:						
No High School	26.0		34.7		37.0	
Some H.S.	26.0		35.5		37.5	
H.S. Graduate	26.0		35.6		37.5	
Some College	26.0		35.4		37.6	
College Grad	26.0		36.0		37.6	
Total Sample**	26.0		35.3		37.4	
1974:						
No High School	26.0		35.3		37.4	
Some H.S.	26.0		35.6		37.3	
H.S. Graduate	26.0		35.6		37.4	
Some College	26.0		36.2		37.7	
College Grad	26.0		35.2		36.9	
Total Sample**	26.0		35.5		37.4	
1975:						
No High School	26.0	17.8	34.5	20.4	36.7	21.2
Some H.S.	26.0	17.3	34.7	20.3	36.9	21.0
H.S. Graduate	26.0	17.5	35.8	21.0	37.6	21.6
Some College	26.0	18.5	35.9	22.7	37.6	23.5
College Grad	26.0	18.6	35.6	22.1	37.2	22.8
Total Sample**	26.0	17.7	35.3	21.1	37.3	21.8

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period

1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" - 1.5 Times Minimum Requirement for 26 (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

The difference in the treatment of the two groups is not significant, however. In fact, when the actual duration figures are considered, the females' gains (18.6 percent and 22.6 percent for the two programs) are marginally higher than those for males (18.5 percent and 22.5 percent). This is because the actual duration results reflect not only the claimant's entitlement, but also his "need" for the benefits provided--his speed in returning to work. For this reason, the groups having the lower potential duration usually gain when actual duration is considered.

The consistent pattern can be seen in which those more firmly attached to the labor force receive higher potential duration under both alternative additional benefits programs, with less of a difference in treatment between groups evident for actual duration. The differences are not substantial for the more "personal" characteristics such as Ethnic Group and Sex. This can be seen through an examination of the tables for the various claimant characteristics tested in New York.

In the tables for Sex, Ethnic Group, Age, Number of Dependents, Education, and Occupation, the results for the various claimant groups are not substantially different when analyzed with respect to the average duration of benefits.

- The significance attached to membership in a certain claimant group derives not from the personal characteristic itself but from its relationship with the objective measure of base period employment. The extent to which such variables as sex, age, education, ethnic group, or number of dependents are correlated with the weeks of work variable determines their impact on duration.

The two wage characteristics--Base Period Wages and Average Weekly Wages--are, of course, most directly related to the weeks of work in the base period. Looking at these characteristics, it can be seen that the various groups receive more significantly different treatment as measured by both potential and actual duration.

The differences in actual duration are substantially less, of course, since the actual duration figures take into account the speed of reemployment of the various groups, thereby lowering the

actual durations of those groups eligible for the largest potential durations. Thus, under the 1/1 alternative, the average potential duration for the highest wage group (i.e., 38.4 "weeks" is 20.8 percent higher than that of the lowest group (31.8 "weeks"). In terms of actual duration, however, the difference is only 1.9 percent (between 21.0 "weeks" and 20.6 "weeks"). Under the 1.3/1 alternative it can be seen that the lowest wage group actually has a higher average duration when actual duration is used as the measure. They receive an average actual duration of 22.0 "weeks" while the higher wage group receives an average of 21.1 "weeks" of actual duration. This can be seen with the Average Weekly Wage variable as well, where the lowest wage group has the highest actual duration under either alternative.

As in Florida, it is useful to compare the results of applying the two formulas to determine if one or the other favors certain segments of the population. Comparing the two alternative formulas, the 1/1 fraction imposed at week 26 is the more restrictive of the two. (Recall that 39 weeks of work are required for 39 "weeks" of benefits under this alternative, while only 30 are required using the 1.3/1 fraction.) It would be expected, then, that those claimants less firmly attached to the labor force would gain from the choice of the larger fraction.

Figure 6.11, derived from Figure 6.10.1, shows the percentage increase in average potential and actual duration for the three wage groups under the two alternative additional benefits programs.

Figure 6.11

Percentage Increases in Average Duration
Under Alternative Additional Benefits Programs

(Increase from Current Program)

	Potential		Actual	
Wage Group:	1/1	1.3/1	1/1	1.3/1
$5000 or Less	22.3	35.8	10.8	18.3
$5001 to $9999	41.5	46.9	23.4	26.3
$10000 or More	47.7	49.6	25.0	25.6

the lowest wage group experiences an increase in average potential duration of 22.3 percent over the current program using the 1/1 fraction and an increase of 35.8 percent using the 1.3/1 fraction. It can be seen that they receive substantially better treatment under the 1.3/1 alternative. On the other hand, the group earning $10,000 or more gains only marginally from the choice of the less restrictive fraction. Its gains are larger than those of the lower wage group (47.7 percent and 49.6 percent under the two fractions); however, the larger fraction does not mean significantly better treatment for these claimants. Again, this is a result of the fact that more of those receiving the highest wages reach the maximum duration under the 1/1 fraction, leaving the lower income groups to be the major beneficiaries of a choice of the larger fraction.

In terms of actual duration, the lowest wage group has an increase in average duration (over the current program) of 10.8 percent using the 1/1 fraction and 18.3 percent using the 1.3/1 fraction. The highest wage group increases its actual duration 25.0 percent and 25.6 percent under the two fractions. Again, the lower wage group has more to gain than the higher wage group from the choice of the larger fraction. (The use of actual duration accentuates the gains of the less attached group, since average actual duration is affected by the claimants' return to work at well as their entitlement.)

The results of analyzing the average duration for the various claimant groups leads to a conclusion similar to that obtained for Florida. The numerical results are quite different for the two States because the programs being compared are quite different; however, this does not change the basic findings:

- Those groups generally regarded as firmly attached to the labor force receive longer average durations under both alternative additional benefits formulas. The 1.3/1 fraction tends to help the "less attached" groups more than it does those more firmly attached to the labor force.

under the larger duration fraction is more evident when it is measured in terms of actual duration. These results reflect the fact that the more substantially attached claimants reach the maximum duration under the smaller fraction, as well as the relative speed with which they return to work.

6.5.2 Population Profiles

Figures 6.12.1 through 6.12.8 show the makeup of those receiving the minimum, middle range, and maximum duration under the two additional benefits programs. The first row shows the total number of claimants in the sample at each duration level under each program. The following rows show the percentage of those receiving a certain potential duration who are of a certain population classification. (For example, in 1975 under the 1/1 alternative, 80.6 percent of those receiving 26 "weeks" of benefits earn $5,000 or less while only 2 percent earn $10,000 or more. Of those eligible for the maximum 17.5 percent earn $5,000 or less and 38.9 percent earn $10,000 or more.) For comparative purposes, the first column shows the percentage makeup of the whole sample population according to the classifications being considered.

The analysis of the population profile for each alternative program involves a comparison of the makeup of the sample population with that of recipients of a certain duration level under each alternative program. Using the example cited above, the percentage of claimants eligible for 26 "weeks" of benefits under the 1/1 alternative who earn $5,000 or less is 80.6 percent, while only 37.8 percent of the sample population as a whole earn $5,000 or less. Thus, it can be seen that a disproportionate number of those receiving the minimum duration under the 1/1 alternative make $5,000 or less per year.

The results of examining the various population profile tables are similar to those obtained in Florida:

- Those claimants more strongly attached to the labor force receive the longer benefit durations under either alternative program. Neither program discriminates against claimants on the basis of personal characteristics; however,

Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 6.12.1

NEW YORK: By Year

Claimant Characteristic: Base Period Wages Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of: 26 Weeks	27-38 Weeks	39 Weeks	1.3/1 Fraction at 20 : Percentage Makeup of Recip. w/ Pot. Dur. of: 26 Weeks	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2418	373	614	1431	57	467	1894
$5000 or less	45.9	85.5	65.0	27.4	92.9	84.0	35.1
$5001 - 9999	41.0	14.2	30.3	54.0	7.1	15.5	49.5
$10000 or more	12.2	0.3	4.7	18.6	0.0	0.6	15.5
1974: All Claimants Sampled - No. (100% of Column)	2434	377	549	1508	72	439	1923
$5000 or less	39.9	82.5	63.2	20.7	91.6	77.7	29.3
$5001 - 9999	41.0	15.6	29.7	51.5	7.0	19.1	47.3
$10000 or more	19.1	1.9	7.1	27.9	1.4	3.2	23.5
1975: All Claimants Sampled - No. (100% of Column)	2388	408	560	1420	78	452	1858
$5000 or less	37.8	80.6	58.0	17.5	88.4	76.9	26.2
$5001 - 9999	36.6	17.4	32.7	43.6	10.3	20.1	41.6
$10000 or more	25.7	2.0	9.3	38.9	1.3	2.9	32.2

Figure 6.12.2

NEW YORK: 1973

Claimant Characteristic: Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of: 26 Weeks	27-38 Weeks	39 Weeks	1.3/1 Fraction at 20: Percentage Makeup of Recip. w/ Pot. Dur. of: 26 Weeks	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2415	373	614	1428	57	467	1891
$ 50 or less	3.5	6.4	5.2	2.0	12.3	6.6	2.4
$ 51 - 100	26.3	34.0	31.4	22.0	29.8	34.3	24.2
$101 - 150	29.7	30.8	28.5	29.9	36.8	30.8	29.2
$151 - 200	18.2	12.1	13.0	22.0	10.5	11.3	20.1
$201 - 250	10.4	7.0	8.6	12.0	3.5	7.1	11.4
$251 - 300	6.5	4.8	8.3	6.2	5.3	4.9	7.0
$301 - 350	2.4	2.4	2.1	2.6	0.0	2.8	2.4
$351 - 400	1.7	1.6	1.3	1.9	0.0	1.5	1.8
Over $400	1.4	0.8	1.5	1.5	1.8	0.6	1.5

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 6.12.2 NEW YORK: 1974

Claimant Characteristic: Average Weekly Wage Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20: Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2430	375	548	1507	72	437	1921
$ 50 or less	2.5	4.0	2.9	20.0	0.0	4.6	2.1
$ 51 - 100	21.3	31.7	30.3	15.4	31.9	33.6	18.1
$101 - 150	27.9	25.9	28.5	28.1	37.5	23.3	28.5
$151 - 200	19.3	16.0	14.4	21.8	13.9	15.3	20.4
$201 - 250	11.6	9.3	9.1	13.0	8.3	8.7	12.3
$251 - 300	9.1	6.4	7.7	10.2	2.8	6.6	9.8
$301 - 350	3.6	3.5	3.1	3.8	2.8	3.7	3.6
$351 - 400	2.3	1.3	0.4	1.8	1.4	1.6	2.5
Over $400	2.6	1.9	1.8	3.1	1.4	2.5	2.7

Figure 6.12.2 NEW YORK: 1975

Claimant Characteristic: Average Weekly Wage Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20: Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2358	402	554	1402	76	447	1835
$ 50 or less	2.3	4.5	3.6	1.2	3.9	3.8	1.9
$ 51 - 100	18.0	27.4	23.3	13.3	31.6	24.8	15.8
$101 - 150	27.0	30.1	31.2	24.4	26.3	34.0	25.3
$151 - 200	19.9	14.7	15.3	23.2	17.1	14.1	21.4
$201 - 250	11.7	8.0	9.6	13.6	10.5	6.7	12.9
$251 - 300	9.6	8.0	8.7	10.5	7.0	8.1	10.1
$301 - 350	5.3	4.0	4.3	6.0	1.3	4.7	5.6
$351 - 400	2.4	0.7	1.3	3.4	0.0	0.9	2.9
Over $400	3.3	2.7	2.7	4.6	1.3	2.9	4.1

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 6.12.3

NEW YORK: By Year

Claimant Characteristic: Sex Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20 : Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2418	373	614	1431	57	467	1894
Male	55.2	54.7	53.4	56.1	56.1	52.9	55.8
Female	44.8	45.3	46.6	43.9	43.9	47.1	44.2
1974: All Claimants Sampled - No. (100% of Column)	2434	377	549	1508	72	438	1924
Male	59.8	58.6	45.5	62.0	56.9	57.3	60.4
Female	40.0	41.1	54.5	37.7	43.1	42.7	39.3
1975: All Claimants Sampled - No. (100% of Column)	2388	408	560	1420	80	450	1858
Male	60.0	53.4	59.1	62.3	48.7	56.2	61.6
Female	39.0	45.8	39.6	36.8	52.5	43.3	37.4

Figure 6.12.4

NEW YORK: By Year

Claimant Characteristic: Ethnic Group Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20 : Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2417	373	614	1430	57	467	1893
White	76.7	75.9	79.5	75.8	77.2	76.9	76.7
Negro	9.4	8.6	7.2	10.6	7.0	7.9	9.8
Spanish Surname	9.6	9.9	9.3	9.7	10.5	10.1	9.5
Other	13.9	5.6	4.1	4.0	5.3	5.1	4.0
1974: All Claimants Sampled - No. (100% of Column)	2429	376	549	1504	72	438	1919
White	74.8	73.4	73.2	75.7	70.8	73.7	75.1
Negro	10.5	10.1	10.6	10.6	11.1	9.4	10.7
Spanish Surname	10.2	10.6	11.7	9.5	12.5	10.7	10.0
Other	4.6	5.9	4.6	4.3	5.6	6.2	4.2
1975: All Claimants Sampled - No. (100% of Column)	2363	405	552	1406	78	447	1838
White	76.2	76.5	77.0	75.7	80.8	74.9	76.3
Negro	11.8	10.4	11.1	12.6	9.0	11.9	12.0
Spanish Surname	8.3	9.4	8.7	7.9	6.4	9.8	8.1
Other	3.6	3.7	3.3	3.8	3.8	3.4	3.6

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 6.12.5 NEW YORK: By Year

Claimant Characteristic: Number of Dependents Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20 : Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2418	373	614	1431	57	467	1894
None	60.5	66.0	62.4	58.3	64.9	65.3	59.2
1 - 2	21.3	18.2	18.4	23.3	21.1	17.0	22.4
3 - 4	9.0	6.2	8.1	10.1	3.6	7.9	9.5
Over 4	2.1	2.7	2.1	2.0	10.6	9.8	9.0
1974: All Claimants Sampled - No. (100% of Column)	2434	377	549	1508	72	439	1923
None	59.0	64.5	61.2	56.8	69.4	62.0	57.9
1 - 2	22.1	15.1	20.8	24.4	12.5	17.6	23.6
3 - 4	9.6	7.4	6.7	11.3	5.6	7.8	10.2
Over 4	2.1	1.6	3.1	1.9	12.5	12.8	8.2
1975: All Claimants Sampled - No. (100% of Column)	2387	407	560	1420	78	451	1858
None	58.1	63.9	64.5	53.9	57.7	65.4	56.4
1 - 2	24.2	20.6	19.5	27.0	25.6	19.5	25.3
3 - 4	9.8	4.9	8.4	11.8	6.4	5.1	11.2
Over 4	2.4	3.0	2.3	2.2	10.3	10.0	7.3

Figure 6.12.6 NEW YORK: By Year

Claimant Characteristic: Age Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20 : Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2418	373	614	1431	57	467	1894
24 or under	20.3	24.4	22.3	18.4	29.8	23.1	19.4
25 - 34	22.2	19.6	21.7	23.1	19.3	20.8	22.7
35 - 44	18.7	19.3	18.2	18.8	21.1	18.6	18.7
45 - 54	18.6	16.9	17.6	19.4	8.8	18.2	19.0
55 - 64	15.8	13.9	15.6	16.4	10.5	14.3	16.4
65 or over	4.3	5.9	4.6	3.8	10.5	4.9	4.0
1974: All Claimants Sampled - No. (100% of Column)	2429	376	549	1504	72	438	1919
24 or under	20.6	27.7	26.0	16.8	31.9	27.2	18.7
25 - 34	23.8	19.9	21.9	25.5	30.6	18.7	24.7
35 - 44	19.1	18.6	17.7	19.8	13.9	19.4	19.3
45 - 54	18.2	14.6	17.9	19.3	9.7	15.5	19.2
55 - 64	13.9	12.5	12.6	14.8	12.5	12.1	14.4
65 or over	4.3	6.6	4.0	3.9	1.4	7.1	3.8
1975: All Claimants Sampled - No. (100% of Column)	2364	405	552	1407	78	447	1839
24 or under	19.2	23.0	24.6	16.1	21.8	24.2	17.9
25 - 34	24.6	21.5	25.2	25.2	20.5	23.5	25.0
35 - 44	18.3	17.3	17.4	18.9	16.7	16.8	18.7
45 - 54	18.8	15.1	16.7	20.7	16.7	14.1	20.0
55 - 64	15.3	16.3	14.5	15.4	17.9	15.9	15.1
65 or over	3.8	6.9	1.6	3.8	6.4	5.6	3.3

Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 6.12.7

NEW YORK: 1973

Claimant Characteristic: Occupation Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20: Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2418	373	614	1431	57	467	1894
Professional	3.6	3.5	4.1	3.4	5.3	2.8	3.7
Technical	0.2	0.0	0.0	0.3	0.0	0.0	0.2
Managerial	0.4	0.3	0.3	0.4	0.0	0.2	0.4
Clerical	1.8	0.5	1.6	2.2	0.0	0.6	2.2
Sales	0.5	0.5	0.6	0.5	0.0	0.9	0.5
Blue Collar	71.2	80.4	74.1	67.6	82.5	78.8	69.0
Farming	14.4	9.9	12.5	16.4	10.5	10.7	15.4
Service/Non H.H.	2.3	1.6	3.6	1.9	0.0	2.4	2.3
Service/H.H.	5.5	3.2	3.1	7.2	1.8	3.6	6.1

Figure 6.12.7

NEW YORK: 1974

Claimant Characteristic: Occupation Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20: Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2434	377	549	1508	72	439	1923
Professional	3.7	2.9	3.3	4.0	2.8	3.0	3.8
Technical	2.2	2.9	2.9	1.8	1.4	3.0	2.1
Managerial	3.7	3.4	2.0	4.3	4.2	3.0	3.8
Clerical	12.5	13.0	11.3	12.9	9.7	13.7	12.4
Sales	3.7	3.4	3.5	3.9	1.4	4.1	3.7
Blue Collar	64.3	61.0	63.2	65.6	69.4	59.0	65.4
Farming	0.5	0.5	0.9	0.3	0.0	0.5	0.5
Service/Non H.H.	8.4	11.1	11.8	6.5	9.7	12.3	7.5
Service/H.H.	0.6	0.8	0.9	0.4	1.4	0.9	0.5

Population Profile of the Recipients of Each Level of Potential Duration Under an Additional Benefits Program Compared with that of the Total Sample Population

Figure 6.12.7

NEW YORK: 1975

Claimant Characteristic: Occupation Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20: Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2388	408	560	1420	78	452	1858
Professional	4.7	4.4	3.6	5.2	6.4	4.0	4.8
Technical	2.5	1.2	1.4	3.3	1.3	1.1	2.9
Managerial	3.2	1.7	2.3	4.0	0.0	2.0	3.7
Clerical	12.2	10.3	8.8	14.1	17.9	8.0	13.0
Sales	4.1	3.4	3.8	4.4	1.3	3.5	4.3
Blue Collar	61.5	62.3	64.3	60.2	55.1	64.8	61.0
Farming	0.3	0.0	0.4	0.4	0.0	0.0	0.4
Service/Non H.H.	9.9	15.7	13.9	6.6	17.9	15.0	8.3
Service/Household	0.5	0.2	0.2	0.7	0.0	0.4	0.5

Figure 6.12.8

NEW YORK: By Year

Claimant Characteristic: Education Classification:	Percentage of Sample Population	1/1 Fraction Above 26: Percentage Makeup of Recip. w/ Pot. Dur. of:			1.3/1 Fraction at 20 : Percentage Makeup of Recip. w/ Pot. Dur. of:		
		26 Weeks	27-38 Weeks	39 Weeks	26 Weeks	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2418	373	614	1431	57	467	1894
No High School	24.7	30.8	25.9	22.6	28.1	30.4	23.1
Some High School	22.7	21.4	21.8	23.3	22.8	21.0	23.1
High School Grad	31.3	28.2	30.8	32.4	31.6	28.7	31.9
Some College	12.0	10.7	13.0	11.9	12.3	10.7	12.3
College Grad	4.8	4.6	2.8	5.7	0.0	4.9	4.9
1974: All Claimants Sampled - No. (100% of Column)	2434	377	549	1508	72	439	1923
No High School	21.4	20.4	25.0	34.6	13.9	24.4	21.0
Some High School	22.0	22.5	21.6	21.9	20.8	21.4	22.2
High School Grad	35.5	34.2	34.2	36.2	45.8	31.2	36.0
Some College	12.9	10.6	10.2	14.4	6.9	10.9	13.5
College Grad	3.9	4.8	3.6	3.8	5.6	4.6	3.7
1975: All Claimants Sampled - No. (100% of Column)	2388	408	560	1420	78	452	1858
No High School	18.6	24.3	19.8	16.5	24.4	23.5	17.2
Some High School	22.6	27.0	23.4	21.0	25.6	28.3	21.0
High School Grad	37.1	28.7	38.9	38.8	29.5	29.4	39.3
Some College	12.8	11.0	9.5	14.6	10.3	10.8	13.3
College Grad	5.0	4.9	4.6	5.1	9.0	3.5	5.2

the larger fraction tends to benefit those groups generally regarded as having a weaker attachment to the labor force more than other groups. The population characteristics which exhibit this effect most strongly are, of course, those which are most directly related to the extent of base period employment.

6.5.3 Exhaustion Rates by Claimant Groups

The 1975 sample data was utilized to determine the rate at which various population groups exhaust benefits under the current program and under the additional benefits alternatives. Figures 6.13.1 through 6.13.8 present the results of this analysis. (Again, exhaustion rates are shown as a percentage of first payments.) The first column shows the number of claimants in each classification and the total number of claimants in the sample. The last row shows the exhaustion rate for the total sample for comparative purposes. For example, 34.3 percent of sampled claimants exhaust under the 1.3/1 additional benefits program, but only 27.7 percent of those earning $10,000 or more exhaust under this program.

Looking at the results for the various claimant characteristics, it can be seen that the results are not unlike those obtained for the State of Florida. The less restrictive program results in a reduction in exhaustions for all groups, with some gaining more than others. This does not occur to any significant degree for the more personal characteristics. Where substantial differences occur, they are the result of applying an objective measure of base period work experience.

Thus, it is not surprising that the lower wage groups experience a significantly greater reduction in their rate of benefit exhaustions through the use of the larger fraction than do high-wage claimants. For example, the group earning $10,000 or more has an exhaustion rate of 40.1 percent under the current program. Their rate under the 1/1 alternative is 28.2 percent (a 29.7 percent reduction) and that under the 1.3/1 alternative is 27.7 percent (only a 30.9 percent reduction from the current program). The

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.13.1 NEW YORK: 197

Claimant Characteristic: Base Period Wages Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
$5000 or less	902	47.1	42.5	38.5
$5001 - 9999	873	45.1	36.8	34.5
$10000 or more	613	40.1	28.2	27.7
Total Sample	2388	44.6	36.7	34.3

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits

Figure 6.13.2 NEW YORK: 197

Claimant Characteristic: Average Weekly Wage Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
$100 or less	480	44.0	38.3	34.8
$101 - 200	1105	46.1	38.6	36.7
$201 - 300	502	45.0	36.9	33.9
Over $300	271	39.5	25.8	24.0
Total Sample	2358	44.7	36.7	34.2

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.13.3 NEW YORK: 1975

Claimant Characteristic: Sex Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
Male	1433	55.3	35.9	33.7
Female	932	55.7	37.9	35.0
Total Sample**	2365	55.4	36.7	34.2

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits
** Includes Unknowns

Figure 6.13.4 NEW YORK: 1975

Claimant Characteristic: Ethnic Group Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
White	1800	44.4	35.9	33.6
Negro	280	53.2	46.1	42.1
Spanish Surname	197	35.5	30.5	27.9
Other	86	39.5	36.0	36.0
Total Sample**	2388	44.6	36.7	34.3

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits
** Includes Unknowns

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.13.5

NEW YORK: 197

Claimant Characteristic: Number of Dependents Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
None	1387	46.9	39.3	36.5
One or Two	577	41.9	32.9	31.7
Three or Four	235	37.4	29.4	26.8
Over Four	188	37.5	35.7	35.1
Total Sample**	2387	44.6	36.7	34.3

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits
** Includes Unknowns

Figure 6.13.6

NEW YORK: 197

Claimant Characteristic: Age Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
24 and under	455	47.0	38.5	34.5
25 - 34	581	44.8	35.3	33.7
35 - 44	432	41.7	33.3	31.5
45 - 54	444	36.7	30.2	28.6
55 - 64	362	47.0	39.8	37.0
65 and over	90	74.4	72.2	65.6
Total Sample**	2364	45.0	37.1	34.2

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits
** Includes Unknowns

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 6.13.7 NEW YORK: 1975

Claimant Characteristic: Occupation Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
Professional	112	53.6	40.2	39.3
Technical	60	45.0	33.3	31.7
Managerial	77	50.6	44.2	42.9
Clerical	291	56.4	49.1	47.4
Sales	97	67.0	56.7	56.7
Blue Collar	1469	39.3	32.7	28.6
Farming	8	12.5	0.0	0.0
Service/Non-Household	236	49.6	43.2	41.1
Service/Household	12	33.3	25.0	25.0
Total Sample**	2388	44.6	36.7	34.3

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits
** Includes Unknowns

Figure 6.13.8 NEW YORK: 1975

Claimant Characteristic: Education Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/1 Fraction Over 26 Weeks w/ 39-Week Maximum	Percentage Exhausting Benefits Under 1.3/1 Fraction Over 20 Weeks* w/ 39-Week Maximum
No High School	445	43.1	36.6	32.4
Some High School	539	42.7	36.4	33.6
High School Graduate	886	43.8	35.1	33.0
Some College	305	50.8	40.1	39.7
College Graduate	119	48.7	38.7	37.0
Total Sample**	2388	44.6	36.7	34.3

* Current Program: Uniform Duration of 26 Weeks, with Minimum Qualifying Requirement of 20 Weeks or Alternative Requirement Based on Longer Base Period
1.3/1 Fraction : 1.5 Times Minimum Requirement for 26 "Weeks" Yields 39 "Weeks" of Benefits
** Includes Unknowns

lowest wage group, on the other hand, experiences a reduction in its exhaustion rate of only 9.8 percent under the 1/1 fraction (from 47.1 to 42.5 percent) and nearly twice the reduction (18.3 percent) under the larger fraction (from 47.1 to 38.5 percent).

The differences seen when the Sex characteristic is examined are not so significant, however. Men experience a 35.1 percent reduction of their exhaustion rate under the 1/1 fraction and a 39.1 percent reduction under the 1.3/1 fraction. For women, the reductions were 32.0 percent and 37.2 percent, not significantly different from those of the men.

Thus, it can be seen that the differential impact of the alternative formulas is not substantial for most claimant groups. Where it is significant, it is a result of the connection of the characteristic with the weeks worked in the base period. As pointed out earlier, it must also be remembered that differences in exhaustion rates are the result of two factors--the potential durations provided to different groups by the duration fraction and the claimants' varying ability to regain employment. Thus, even the more significant differences among claimant groups seen in examining exhaustion rates are not entirely the result of the programs applied.

In summary, it can be said that:

- There is no evidence that the differences seen in the exhaustion rates of various claimant groups indicate discrimination against any segment of the population.
- Both alternative additional benefits programs provide benefits in a manner consistent with the program's current operation.

6.5.4 Exhaustion Rates by Duration Level

Figures 6.14.1 through 6.14.8 present tables prepared from the 1975 data indicating the levels at which New York's claimants exhaust benefits under the two additional benefits programs tested.

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Program (For Exhaustees Only and for the Total Sample Population)

Figure 6.14.1

NEW YORK: 1975

Claimant Characteristic: Base Period Wages Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS					
	Under 1/1 Fraction				Under 1.3/1 Fraction*				Under 1/1 Frac.			Under 1.3/1 Frac.		
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
$5000 or less	383	50.7	29.2	20.1	347	11.2	46.7	42.1	902	21.5	12.4	8.5	4.3	18.0	16.2
$5001 - 9999	321	13.7	20.2	66.0	301	1.7	13.0	85.3	873	5.0	7.4	24.3	0.6	4.5	29.4
$10000 or more	173	1.2	6.9	91.9	170	0.0	1.8	98.2	613	0.3	2.0	25.9	0.0	0.5	27.2
Total Sample	877	27.4	21.6	51.1	818	5.4	24.9	69.7	2388	10.1	7.9	18.8	1.8	8.5	23.9

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

Figure 6.14.2

NEW YORK: 1975

Claimant Characteristic: Average Weekly Wage Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS					
	Under 1/1 Fraction				Under 1.3/1 Fraction*				Under 1/1 Frac.			Under 1.3/1 Frac.		
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
$100 or less	184	35.9	26.6	37.5	167	6.6	31.1	62.3	480	13.8	10.2	14.4	2.3	10.8	21.7
$101 - $200	427	26.7	21.3	52.0	405	5.4	25.7	68.9	1105	10.3	8.2	20.1	2.0	9.4	25.4
$201 - $300	185	22.7	18.9	58.4	170	5.3	17.6	77.1	502	8.4	7.0	21.5	1.8	6.0	26.1
over $300	70	20.0	18.6	61.4	65	0.0	24.6	75.4	271	5.2	4.8	15.9	0.0	5.9	18.1
Total Sample	866	27.3	21.7	51.0	807	5.2	25.0	69.8	2358	10.0	8.0	18.7	1.8	8.6	23.9

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Progra
(For Exhaustees Only and for the Total Sample Population)

Figure 6.14.3

NEW YORK: 197

Claimant Characteristic: Sex / Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS					
	Under 1/1 Fraction				Under 1.3/1 Fraction*				Under 1/1 Frac.			Under 1.3/1 Frac.		
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
Male	514	26.5	22.8	50.8	483	4.6	26.1	69.4	1433	9.5	8.2	18.2	1.5	8.8	23.4
Female	353	28.9	19.5	51.6	326	6.7	23.3	69.9	932	10.9	7.4	19.5	2.4	8.2	24.5
Total Sample**	867	27.5	21.5	51.0	809	5.4	25.0	69.6	2365	10.1	7.9	18.7	1.9	8.6	24.1

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Figure 6.14.4

NEW YORK: 197

Claimant Characteristic: Ethnic Group / Classification:	AMONG EXHAUSTEES							AMONG ALL CLAIMANTS					
	Under 1/1 Fraction				Under 1.3/1 Fraction*				Under 1/1 Frac.			Under 1.3/1 Frac.		
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
White	647	28.9	21.3	49.8	605	5.8	26.1	68.1	1800	10.4	7.7	17.9	1.9	8.8	22.9
Negro	129	20.2	21.7	58.1	118	4.2	18.6	77.1	280	9.3	10.0	26.8	1.8	7.9	32.5
Spanish Surname	60	26.7	26.7	46.7	55	3.6	27.3	69.1	197	8.1	8.1	14.2	1.0	7.6	19.3
Other	31	29.0	12.9	58.1	31	6.5	22.5	71.0	86	10.5	4.7	20.9	2.3	8.1	25.6
Total Sample**	877	27.4	21.6	51.1	818	5.4	24.9	69.7	2388	10.1	7.9	18.8	1.8	8.5	23.9

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Program (For Exhaustees Only and for the Total Sample Population)

Figure 6.14.5

NEW YORK: 1975

Claimant Characteristic: Number of Dependents Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS						
	Under 1/1 Fraction				Under 1.3/1 Fraction*					Under 1/1 Frac.			Under 1.3/1 Frac.		
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
None	545	29.2	21.5	49.4	506	5.3	26.5	68.2	1387	11.5	8.4	19.4	1.9	9.7	24.9
One or Two	190	25.3	19.5	55.3	183	6.6	22.4	71.0	577	8.3	6.4	18.2	2.1	7.1	22.5
Three or Four	69	11.6	27.5	60.9	63	3.2	9.5	87.3	235	3.4	8.1	17.9	0.9	2.6	23.4
More than Four	73	34.2	21.9	43.8	66	4.6	34.8	60.6	188	13.3	8.5	17.0	1.6	12.2	21.3
Total Sample **	877	27.4	21.6	51.1	818	5.4	24.9	69.7	2387	10.1	7.9	18.8	1.8	8.5	23.9

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Figure 6.14.6

NEW YORK: 1975

Claimant Characteristic: Age Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS						
	Under 1/1 Fraction				Under 1.3/1 Fraction*					Under 1/1 Frac.			Under 1.3/1 Frac.		
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
24 and under	175	34.3	25.7	40.0	157	6.4	31.2	62.4	455	13.2	9.9	15.4	2.2	10.8	21.5
25 - 34 years	205	23.9	27.3	48.8	196	4.6	27.0	68.4	581	8.4	9.6	17.2	1.5	9.1	23.1
35 - 44 years	144	25.7	20.8	53.7	136	5.1	24.3	70.6	432	8.6	6.9	17.8	1.6	7.6	22.2
45 - 54 years	134	25.4	17.9	56.7	127	6.3	18.9	74.8	444	7.7	5.4	17.1	1.8	5.4	21.4
55 - 64 years	144	25.7	17.4	56.9	134	6.0	19.4	74.6	362	10.2	6.9	22.6	2.2	7.2	27.6
65 and over	65	32.3	9.2	58.5	59	3.4	28.8	67.8	90	23.3	6.6	42.2	2.2	18.9	44.4
Total Sample**	877	27.4	21.6	51.1	809	5.4	25.0	69.6	2364	10.1	7.9	18.8	1.9	8.5	23.8

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

**Including Unknowns

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Progra (For Exhaustees Only and for the Total Sample Population)

Figure 6.14.7

NEW YORK: 197

Claimant Characteristic: Occupation Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS							
	Under 1/1 Fraction				Under 1.3/1 Fraction*					Under 1/1 Frac.			Under 1.3/1 Frac.			
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
Professional	45	24.4	17.8	57.8	44	6.8	22.7	70.5	112	9.8	7.1	23.2	2.7	8.9	27.7
Technical	20	10.0	10.0	80.0	19	0.0	15.8	84.2	60	3.4	3.4	26.7	0.0	5.0	26.7
Managerial	34	2.9	11.8	85.3	33	0.0	6.1	93.9	77	1.3	5.2	37.7	0.0	2.6	40.3
Clerical	143	17.5	17.5	65.0	138	5.8	13.8	80.4	291	8.6	8.6	32.0	2.7	6.5	38.1
Sales	55	16.4	20.0	63.6	55	1.8	20.0	78.2	97	9.3	11.3	36.1	1.0	11.4	44.3
Blue Collar	465	32.0	23.4	44.5	420	5.2	29.8	65.0	1469	10.1	7.4	14.1	1.5	8.5	18.6
Farming	0	0.0	0.0	0.0	0	0.0	0.0	0.0	8	0.0	0.0	0.0	0.0	0.0	0.0
Service, NonHH	102	40.2	26.5	33.3	97	10.3	33.0	56.7	236	17.4	11.4	14.4	4.2	13.6	23.3
Service, HH	3	0.0	0.0	100.0	3	0.0	0.0	100.0	12	0.0	0.0	25.0	0.0	0.0	25.0
Total Sample**	877	27.4	21.6	51.1	818	5.4	24.9	69.7	2388	10.1	7.9	18.8	1.8	8.5	23.9

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Figure 6.14.8

NEW YORK: 197

Claimant Characteristic: Education Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS							
	Under 1/1 Fraction				Under 1.3/1 Fraction*					Under 1/1 Frac.			Under 1.3/1 Frac.			
	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number Exh'g	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: 26 W'ks	27-38 W'ks	39 W'ks
No High School	163	38.7	22.1	39.2	144	6.3	34.0	59.7	445	14.2	8.1	14.4	2.0	11.0	19.3
Some High School	196	32.7	20.4	46.9	181	5.5	30.9	63.5	539	11.9	7.4	17.1	1.9	10.4	21.3
High School Graduate	311	21.2	24.8	54.0	292	5.1	18.8	76.0	886	7.4	8.7	19.0	1.7	6.2	25.1
Some College	124	21.0	16.9	62.1	121	4.1	21.5	74.4	305	8.5	6.9	25.2	1.6	8.5	29.5
College Graduate	46	28.3	21.7	50.0	44	11.4	22.7	65.9	119	10.9	8.4	19.3	4.2	8.4	24.4
Total Sample**	877	27.4	21.6	51.1	818	5.4	24.9	69.7	2388	10.1	7.9	18.8	1.8	8.5	23.9

* 1.3/1 Fraction at 20 Weeks: "1.5 Times Rule" Alternative - 1.5 Times Minimum Requirement for 26 "Weeks" of Benefits (20 Weeks) Yields 39 "Weeks" of Benefits

** Includes Unknowns

Each table has two parts. The first half of the table shows where exhaustees of a given classification exhaust benefits under each alternative. For example, for the Sex characteristic, of 514 male exhaustees sampled, 26.5 percent exhaust at 26 "weeks" under the 1/1 alternative, 22.8 percent do so at 27-38 "weeks", and 50.8 percent exhaust at the maximum. These percentages are not very different from those for the total exhaustees in the sample: 27.5 percent of all exhaustees in the sample exhaust at 26 "weeks", 21.5 percent at 27-38 "weeks", and 51.0 percent at 39 "weeks" of benefits. The females' results are quite similar. These results can be compared with those for the 1.3/1 formula.

Under the 1.3/1 alternative, the levels of exhaustions are quite different. Only 4.6 percent of male exhaustees exhaust at 26 "weeks", 6.7 percent of females exhaust at this level, and 5.4 percent of all exhaustees in the sample exhaust at this level. The percentages at the maximum are significant as well: 69.4 percent of male exhaustees exhaust at the maximum, 69.9 percent of female exhaustees exhaust at the maximum, and 69.6 percent of all exhaustees are eligible for 39 "weeks" of benefits.

The second half of each table shows what percentage of the total population group exhausts at each level of duration. For example, 9.5 percent of the 1433 males in the 1975 sample exhaust benefits under the 1/1 alternative and do so at the 26-week level, and 18.2 percent exhaust at the maximum. Under the 1.3/1 alternative only 1.5 percent of the males sampled exhaust benefits at 26 "weeks", and 23.4 percent exhaust and do so at the maximum.

The "total sample" row here indicates the percentage of the sampled claimants who exhaust at each level under each alternative. Thus, 10.1 percent of the 2365 claimants sampled would exhaust benefits under the 1/1 alternative and do so at 26 "weeks", while 18.7 percent would exhaust benefits at the 39-week level. Using the larger fraction, only 1.9 percent of the claimants exhaust at the minimum duration, and 24.1 percent exhaust at the maximum.

As pointed out earlier, these tables are presented in order to enable the reader to understand some of the information which is hidden in a simple exhaustion rate. An examination of the tables for the various population characteristics supports the conclusions drawn from the other segments of the analysis.

6.6 Conclusions

The State of New York, with its uniform duration program, presents an interesting test case. In Ohio the additional benefits program involves a simple raising of the maximum duration; in Florida one of two larger variable duration fractions would be substituted for the current fraction. In both of these States the choice of alternatives and the analysis of their impact on costs, duration, and exhaustion rates is a straight forward task. In New York, the current program's provision of 26 "weeks" of benefits to all eligible claimants requires an interpretation of the criteria established for the additional benefits program for the alternative formulas to be selected. Furthermore, the task of analyzing the results of applying the alternatives to the sample data requires an understanding of the somewhat complicated relationship among the three formulas being compared.

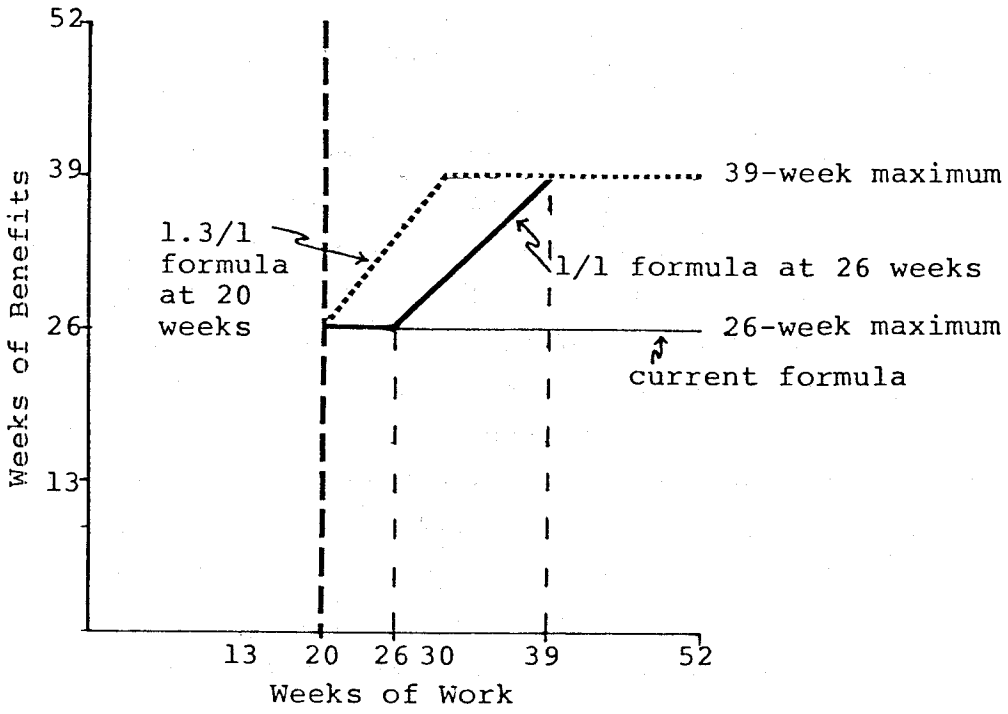
Figure 6.15 illustrates the relationship of the current formula and the two additional benefits formulas tested. It can be seen that the comparison of all aspects of the programs is more complex in this situation. The claimant group analysis in particular is affected by more than the intervention of the duration maximum, as was the case in Florida.

The most lucrative additional benefits program for a claimant in New York depends upon his position on the weeks of work scale. In Florida, all claimants gain from the choice of the larger fraction in the amount of 1 additional "week" of benefits for each 4 additional weeks of work--up to the maximum duration. (This is more clear if the 1/1 fraction is thought of as a 4/4 fraction and compared with the 3/4 fraction.) Those who receive

the maximum duration under the 3/4 fraction, of course, have nothing to gain from the adoption of the larger fraction.

Figure 6.15
Relationship of Alternative Additional Benefits Formulas and the Current Duration Formula

New York



In New York, the comparison of the two programs and the claimant's gain under each varies over the weeks of work range. After 20 weeks of work and until 39 weeks of work, the larger fraction, indeed, provides more duration for a given work history. The relationship of the three formulas is a rather complicated one over this range, however. The relationship among the three formulas depends upon the weeks of work fraction which is effectively applied to the claimant's work history. Figure 6.16 shows the fraction effectively applied throughout the weeks of work range. Remember that the uniform duration fraction effectively applies a different weeks of work fraction at each level of base period employment.

Figure 6.16

Comparison of Formulas in New York
Effective Weeks of Work Fractions

Formula	Effective Weeks of Work-to-Weeks of Benefits Fraction at Week:											
	20	22	24	26	28	30	33	36	39	44	48	52
Current Formula	26/20 or 13/10	26/22 or 13/11	26/24 or 13/12	26/26 or 1/1	26/28 or 13/14	26/30 or 13/15	26/33 or 13/16+	26/36 or 13/18	26/39 or 2/3	26/44 or 13/22	26/48 or 13/24	26/52 or 1/2
1/1 Fraction at 26 Weeks	26/20 or 13/10	26/22 or 13/11	26/24 or 13/12	26/26 or 1/1	28/28 or 1/1	30/30 or 1/1	33/33 or 1/1	36/36 or 1/1	39/39 or 1/1	39/44 or 13/14+	39/48 or 13/16	39/52 or 3/4
1.3/1 Fraction at 20 Weeks	26/20 or 13/10	28+/22 or 13/10	31+/24 or 13/10	33+/26 or 13/10	36+/28 or 13/10	39/30 or 13/10	39/33 or 13/10	39/36 or 13/10	39/39 or 1/1	39/44 or 13/14+	39/48 or 13/16	39/52 or 3/4

Referring to the table, it can be seen that at week 20 all three programs effectively impose the same "weeks" of benefits-weeks of work fraction. For weeks above 20 through week 26, the 1.3/1 fraction provides longer duration than the 1/1 formula or the current formula. (For weeks 20 through 26, the 1/1 formula and the current formula are the same. After week 26, the 1/1 formula effectively applies a larger fraction than the current formula.) The 1.3/1 formula continues to provide the longest benefit duration until 39 weeks of work, where both additional benefits programs reach the maximum duration. At this level of employment, both additional benefits programs effectively apply a 1/1 "weeks" fraction.

The effect of the three fractions on cost, duration, and exhaustions depends upon the concentration of claimants at the various levels of base period employment. Figure 6.17 shows the concentration of claimants in the three important employment ranges. In all three years studied, the majority of eligible claimants fall in the 39-52 weeks of work range--the range in which the two extended benefits programs provide equal potential duration. It is understandable, then, that the difference in costs between the two programs is not substantial.

Figure 6.17

Percentage of Sample Population
in Each Range of Base Period Employment: 1973, 1974, 1975

Year	20-26 Weeks[1]	27-38 Weeks	39-52 Weeks
1973	15.4	25.4	59.2
1974	15.5	22.6	62.0
1975	17.1	23.5	59.5

Note: Remember, after 20 weeks until 26 weeks of work, the current program and the 1/1 alternative are equal, and the 1.3/1 fraction applies a larger effective weeks fraction.

From 27-38 weeks, the current program applies less than a 1/1 fraction, and the 1.3/1 fraction applies more than the current or the 1/1 fraction.

From 39 weeks of work, the current program effectively applies various fractions, ranging from 1/1 to 3/4 the weeks of work.

[1]The 20-week level claimants are included in the percentage because data for the individual weeks of work was not available separately.

For example, in the three years studied, the potential cost of the 1/1 alternative ranged from 18.6 percent above that of the current program to 18.9 percent higher. The larger fraction ranged from 21.6 percent more costly to 22.6 percent more costly.

The actual cost results show similar results--that is, a modest increase in cost resulting from the choice of the larger fraction.

- New York's estimated cost for providing additional benefits by applying a 1/1 weeks fraction at 26 weeks of work (if the Federal Government assumes 50 percent of the cost of benefits above 26 "weeks") would be $1,370,117,963.
- The 1/1 alternative would mean an increase of $110,840,048, or 9.7 percent, over the current program estimate.
- The 1.3/1 fraction applied from 20 weeks of work would mean an increase in benefit costs of $132,192,308 (11.5 percent) --for a total program cost of $1,412,822,483.

Neither percentage increase in costs is substantial in comparison to those found in Florida and Ohio. Of course, the 26-week minimum established by the current program in New York affects the gains to be realized from the application of the additional benefits program in the State.

Similar results were obtained with respect to the average duration of benefits and the effect on exhaustion rates.

- The average potential duration of benefits under the 1/1 fraction is 35.3 "weeks"--a 35.8 percent increase over that provided by the current 26-week program.
- The average potential duration of benefits under the 1.3/1 fraction is 5.7 percent higher, or 37.3 "weeks"--for a 43.5 percent increase over the current program.
- Average actual duration is only 3.3 percent higher under the larger fraction--21.8 "weeks" rather than the 21.1 "weeks" under the 1/1 fraction. (The 1/1 fraction increases average actual duration by 19.2 percent, while the 1.3/1 fraction alternative increases actual duration by 23.2 percent over the current program.)

Similarly, the exhaustion rate under the larger fraction is only 5.0 percent lower under the larger additional benefits fraction:

- The 1.3/1 fraction alternative reduces the exhaustion rate 9.4 percent--from 43.7 percent to 34.3 percent--while the smaller fraction reduces it 7.6 percent, to 36.1 percent of first payments.

Although the benefits to be derived from the adoption of one additional benefits formula over the other do not appear to be significant when considered in terms of percentages, it must be remembered that we are concerned with individuals and not percentages. The 5.0 percent difference in exhaustions, for example, translates to 15,899 individuals who would not exhaust benefits under the larger fraction but would under the smaller one.

The percentage decreases in exhaustions under the two additional benefits programs from those occurring under the current program do not appear significant in New York--when they are compared to those for additional benefits programs tested in States with more restrictive current programs. But 7.6 percent and 9.4 percent decreases in exhaustions mean that, depending on the fraction chosen, 67,127 or 83,026 fewer people in the State would exhaust benefits before returning to work.[2]

With respect to the claimant groups served most favorably by the two fractions, the analysis is also somewhat complicated by the complex relationship of the three fractions. Those claimant groups concentrated in the employment range from 20+ to 26 weeks of work will not realize any gains over the current program under the 1/1 alternative, but will under the larger fraction. Those claimant groups concentrated anywhere below 39 weeks of work would be better served by the larger fraction. These ranges are, in general, associated with the lower wage, nonwhite, less educated workers. These groups are generally those most in need of unemployment benefits and those who make full use of them, as evidenced by the actual duration and exhaustion figures for the various claimant groups.

In spite of the differences in the numerical results obtained for New York, the general conclusions with respect to claimant groups are the same as those obtained for Florida and Ohio:

---

[2] Based upon reported first payments for the State, as documented in the 1975 supplement to the Handbook of Unemployment Insurance Financial Data

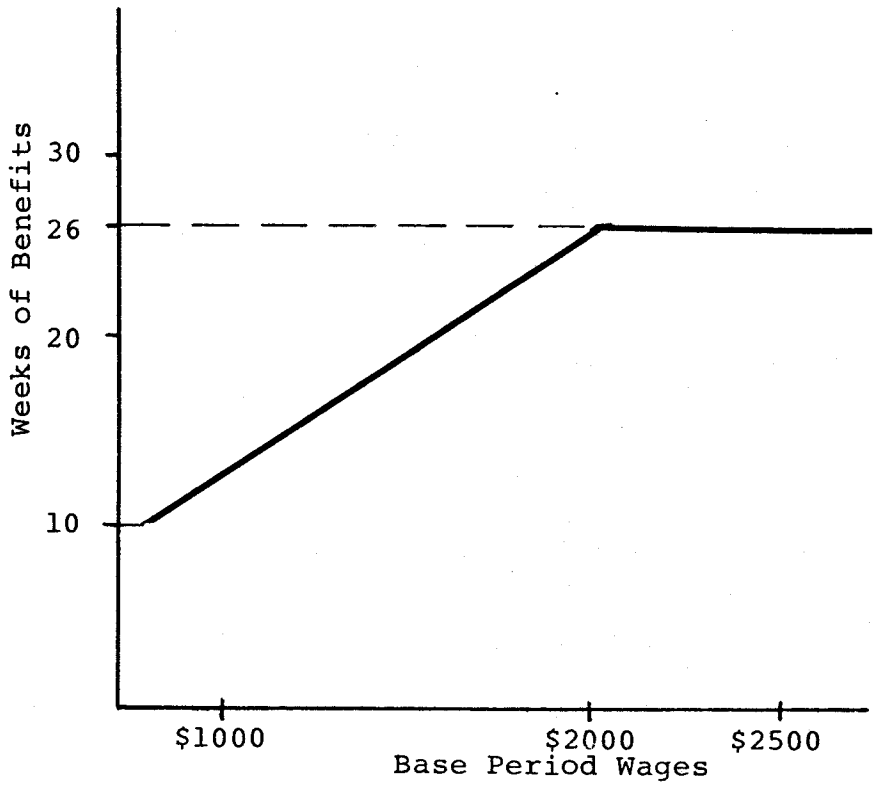
- The various groups which make up the claimant population do, in one way or another, receive differential treatment under the additional benefits programs tested. The more firmly attached population groups receive longer potential durations of benefits under either fraction. Those groups which are less firmly attached are more likely than the others to use their additional "weeks" of benefits. These groups are also the major beneficiaries from a choice of the larger additional benefits fraction over the smaller one.

- The manner in which various claimant groups are treated under the additional benefits programs tested is a function of their concentration in each range of base period employment--not a result of their membership in one "class" or another within the population.

7.1 Current Provisions

Oregon is one of four States in the nation using a base period wage formula to determine benefit duration and an annual wage formula to determine the weekly benefit amount. Under this type of entitlement formula all claimants above a certain annual wage receive a full 26 "weeks" of duration. Oregon's formula provides for an entitlement of 1/3 base period wages for those claimants meeting the minimum requirements--18 weeks of employment in the base period with an average weekly wage of $20 or more and not less than $700 in base period wages. The weekly benefit amount is 1.25 percent of annual wages, up to a maximum of 55 percent of the State average weekly wage. The minimum weekly benefit amount is set at $26. Oregon's current duration formula is graphed in Figure 7.1.

Figure 7.1
Oregon - Current Provisions



7.2 Alternative Additional Benefits Formulas

The use of an annual wage benefit formula in combination with a base period wage duration formula is not regarded as desirable. Although most claimants are eligible for the maximum duration under this arrangement, those claimants at the lowest wage levels can never receive the maximum duration. This is contrary to the goals established for the program by the U.I.S. For this reason the design of an additional benefits program employs a benefit formula based on high quarter wages--the type used by most States in the nation. The data provided by Oregon was sufficient to make such a change.

In choosing an appropriate high quarter wage fraction for use in the analysis an attempt was made to select a fraction similar in size to that currently in use in the State. Oregon's current weekly benefit amount is 1.25 percent of annual wages, which can be approximated by 5 percent (i.e., 4 times 1.25 percent) of high quarter wages--or a 1/20 high quarter wage formula. This high quarter wage fraction, combined with Oregon's current 1/3 base period wage fraction, cannot provide 39 "weeks" of benefits (see Figure 3.2).

The smallest base period wage fraction which will provide 39 "weeks" of benefits when combined with the 1/20 high quarter wage fraction is the 1/2 fraction. This combination provides the following duration levels for varying ratios of BPW-to-HQW, (M):

BPW/HQW = M	1¼	1½	2	3	4
Duration	12.5	15.0	20.0	30.0	39+

Figure 7.2 depicts this first alternative graphically.

The minimum combination of fractions which will provide 39 "weeks" of benefits is 3/8 base period wages and 1/26 high quarter wages. This combination provides the following duration levels for

1/2 BPW - 1/20 HQW Alternative

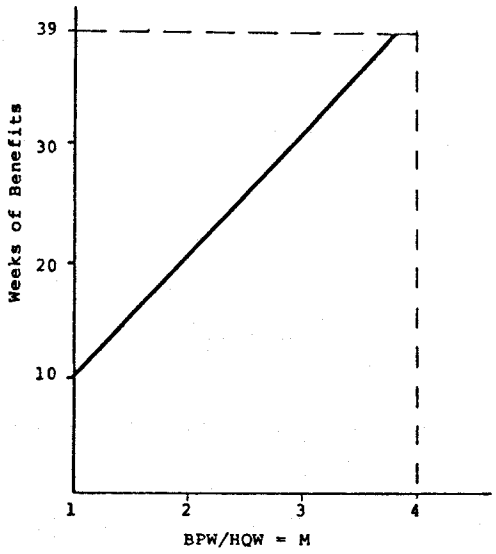
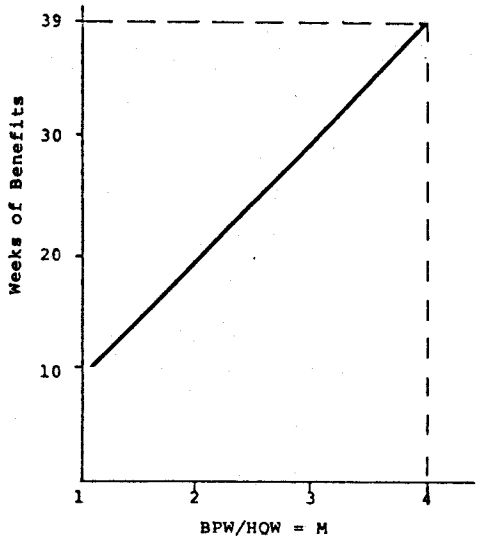


Figure 7.3

3/8 BPW - 1/26 HQW Alternative



ratios of BPW to HQW:

BPW/HQW = M	1¼	1½	2	3	4
Duration	12.2	14.6	19.5	29.2	39.0

Figure 7.3 depicts the 39-week program based upon this combination of fractions.

In examining the two graphs in Figures 7.2 and 7.3, it can be seen that the two alternatives differ very little from one another. The results of applying them to the claimant data did not reveal dramatic differences in their effects on average duration or exhaustions. It should also be noted that the change from the current annual wage benefit formula to a high quarter wage formula will affect the changes from the current program. The current annual wage formula entitles the majority of claimants to the maximum duration; however, the high quarter wage formula does not produce this effect. Thus, under the 39-week alternatives tested some claimants will receive less in terms of duration than they do under the existing 26-week program. This will cut down on the effect of raising the maximum duration. The results are discussed in Section 7.4.

7.3 Testing Alternative Additional Benefits Formulas

In order to analyze the program impact of the additional benefits alternatives for the State of Oregon, we requested actual claimant data for the benefits years beginning in 1973, 1974, and 1975. Oregon provided a data tape which contained data from their Continuous Wage and Benefit History File (CWBH). They were unable to provide any data for BYB 1973. The CWBH is a 10 percent sample of Oregon's claimants. For BYB 1975, that represented 16,500 claims, for BYB 1974, somewhat fewer. Due to cost limitations we utilized a smaller sample drawn from this data base--2,796 for 1974, and 1,628 for 1975.

on the total population and on the various groups represented within the sample. The effects of the program were analyzed with respect to cost, duration, and exhaustion rates. For the most part, the sample utilized was sufficient to provide results with adequate precision. For a further discussion of sample size and precision, see Appendix A.

The population characteristics and the classifications analyzed for Oregon include:

- Base Period Wages: $5,000 or Less, $5,001-$9,999, $10,000 or More
- Average Weekly Wages: $100 or Less, $101-$200, $201-$300, Over $300
- Sex: Male, Female
- Age: 24 and Under, 25-34, 35-44, 45-54, 55-64, 65 and Over
- Industry: Mining, Contract Construction, Manufacturing, Transportation, Communications and Utilities, Wholesale Trade, Retail Trades, Financial, Services, Others
- Weeks of Work: 20 Weeks or Less, 20-28 Weeks, 37-44 Weeks, 45-52 Weeks

The provisions of the current program and the additional benefits programs were applied to each claimant in the sample in order to calculate the average potential and average actual duration, the potential and actual cost, and the exhaustion rate under the two alternatives. Cross-tabulations were run in order to analyze the data from the standpoint of the various claimant groups. This analysis sought to determine the makeup (according to the six characteristics) of groups receiving certain levels of duration and of groups exhausting benefits at certain levels under each program.

7.4 Results - All Claimants

This section presents the results of the analysis conducted on the total sample population. The impact of the two alternative

exhaustions. The current program is also presented for purposes of comparison. The results are presented in the paragraphs which follow.

7.4.1 Cost

By applying the various formulas to actual claimant data we determined what the expected cost increase for Oregon would be--both the potential cost increase and the actual cost increase. Total program costs were estimated as well as costs which would be incurred under a program of Federal sharing of costs for benefits above 26 "weeks". Again, it must be remembered that the actual cost figures are based upon one year only, and some care should be used in applying the results.

In Oregon the cost of each alternative additional benefits program is presented in two steps, just as was done for Florida. This is made necessary by the fact that the two alternative fractions represent a change from the current fraction, even at the 26-week duration level. Changing the duration fraction but maintaining the current 26-week maximum (the first of the two steps) would increase the potential cost to Oregon (in 1975) 20.2 percent for the 1/2 BPW-1/20 HQW alternative and only 4.9 percent for the 3/8 BPW-1/26 HQW alternative. Under the Federal sharing plan currently used by the Federal-State Extended Benefits Program (i.e., sharing of costs beyond 26 "weeks") this "step-one" increase in cost would have to be borne entirely by the State.

The second step is that of increasing the maximum duration from 26 to 39 "weeks". This would add another 8.9 percent to the potential cost of the 1/2 BPW alternative and 2.3 percent to that of the 3/8 BPW alternative. The total increase in potential cost over the current 26-week program in Oregon would be 29.1 percent for the 1/2 BPW fraction and 7.2 percent for the 3/8 BPW fraction. (Remember that this is potential cost, which includes the entire cost associated with all claimants' potential duration.)

duration, the State would not have to bear the entire cost of the "step two" increase. Under a 50 percent sharing arrangement, the "step-two" increase in potential cost would be limited to 4.4 percent for the 1/2 BPW alternative and to only 1.2 percent for the 3/8 BPW alternative. In combination with the "step-one" increase, the potential cost for the two alternatives under this program of Federal sharing would increase 24.6 percent for the 1/2 BPW-1/20 HQW combination and 6.0 percent for the 3/8 BPW-1/26 HQW combination, according to the 1975 data. The difference in the cost of the two programs is the result of the size of the weekly benefit amount supplied by each. As was noted earlier, the average duration of benefits does not differ markedly for the two programs.

Using the 1974 data, potential costs were calculated for the two programs. Using this data, the cost of the two programs differed significantly, but not to the degree found in 1975. Figure 7.4 displays the results of the calculation of potential costs for the two years for the sample population. Costs are presented for both steps in the total increase over the current program, and both with and without Federal sharing of the "step-two" cost increase.

Figure 7.5 presents the State-wide potential cost figures for each year. The cost increases are shown in the same manner as those for the sample depicted in Figure 7.4. The total State cost for the current program for each year was extrapolated from the cost for the current program for the sample. As in the other States studied, this was done by calculating the ratio of first payments reported by Oregon on the ES-213 reports to the first payments for the sample and applying this to the current program cost for the sample. The total costs for the other programs were then calculated using the percentage increases obtained from the sample data.

These are, of course, potential cost figures. Actual costs would be lower. Actual costs were calculated for BYB 1975.

Figure 7.4

Potential Cost Summary for Sample Population Under Alternative Programs; Oregon: 1974, 1975 (In Dollars and Percentage of Cost of Current Program)

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/3 BPW, 1.25% BPW	½ BPW 1/20 HQW	3/8 BPW 1/26 HQW	½ BPW 1/20 HQW	3/8 BPW 1/26 HQW
Potential Cost, 1974:	$4,821,603	$5,503,693	$4,965,771	$6,617,715	$5,872,710
Step 1 Increase (100% State Paid)	-	682,090 (14.1%)	144,168 (3.0%)	682,090 (14.1%)	144,168 (3.0%)
Step 2 Increase without Federal Sharing	-	-	-	1,114,022 (23.1%)	906,939 (18.8%)
Total Increase without Federal Sharing	-	682,090 (14.1%)	144,168 (3.0%)	1,796,112 (37.3%)	1,051,107 (21.8%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	557,011 (11.6%)	453,470 (9.4%)
Total Increase with Federal Sharing Step 2	-	682,090 (14.1%)	144,168 (3.0%)	1,239,101 (25.7%)	597,638 (12.4%)
Potential Cost, 1975:	$2,832,658	$3,403,713	$2,970,890	$3,655,619	$3,175,209
Step 1 Increase (100% State Paid)	-	571,056 (20.2%)	138,232 (4.9%)	571,056 (20.2%)	138,232 (4.9%)
Step 2 Increase without Federal Sharing	-	-	-	251,905 (8.9%)	66,087 (2.3%)
Total Increase without Federal Sharing	-	571,056 (20.2%)	138,232 (4.9%)	822,961 (29.1%)	204,319 (7.2%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	125,953 (4.4%)	33,044 (1.2%)
Total Increase with Federal Sharing Step 2	-	571,056 (20.2%)	138,232 (4.9%)	697,009 (24.6%)	171,276 (6.0%)

Figure 7.5

State Estimated Potential Cost Increase for Alternative Programs
(In Dollars and Percentage of Cost of Current Program)
1974, 1975

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/3 BPW, 1.25% BPW	½ BPW 1/20 HQW	3/8 BPW 1/26 HQW	½ BPW 1/20 HQW	3/8 BPW 1/26 HQW
Potential Cost, 1974:	$174,755,517	$199,477,377	$179,980,782	$239,854,299	$212,852,131
Step 1 Increase (100% State Paid)	-	24,721,859 (14.1%)	5,225,265 (3.0%)	24,721,859 (14.1%)	5,225,265 (3.0%)
Step 2 Increase w/o Federal Sharing	-	-	-	40,376,923 (23.1%)	32,871,349 (18.8%)
Total Increase w/o Federal Sharing	-	24,721,859 (14.1%)	5,225,265 (3.0%)	65,098,782 (37.3%)	38,096,614 (21.8%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	20,188,461 (11.6%)	16,435,693 (9.4%)
Total Increase with Federal Sharing Step 2	-	24,721,859 (14.1%)	5,225,265 (3.0%)	44,910,321 (25.7%)	21,660,958 (12.4%)
Potential Cost, 1975:	$249,291,304	$299,547,651	$261,456,569	$321,716,927	$279,437,896
Step 1 Increase (100% State Paid)	-	50,256,436 (20.2%)	12,165,265 (4.9%)	50,256,436 (20.2%)	12,165,265 (4.9%)
Step 2 Increase w/o Federal Sharing	-	-	-	22,169,187 (8.9%)	5,816,062 (2.3%)
Total Increase w/o Federal Sharing	-	50,256,436 (20.2%)	12,165,265 (4.9%)	72,425,623 (29.1%)	17,981,327 (7.2%)
Step 2 Increase with 50-50 Federal Sharing	-	-	-	11,084,638 (4.4%)	2,908,075 (1.2%)
Total Increase with Federal Sharing Step 2	-	50,256,436 (20.2%)	12,165,265 (4.9%)	61,341,073 (24.6%)	15,073,340 (6.0%)

Actual costs were examined for the sample and for the State using the same two-step analysis. In "step one" (adjusting the entitlement formula while maintaining the 26-week maximum) the increase in actual cost would be 30.1 percent for the 1/2 BPW-1/20 HQW alternative and 10.9 percent for the 3/8 BPW-1/26 HQW alternative. For "step two" the additional increase would be 5.5 percent and 4.4 percent, respectively. Combining the two steps for the two alternatives yields a total increase in actual costs of 35.6 percent using the 1/2 BPW fraction and 15.3 percent using the 3/8 fraction.

Figure 7.6 shows the dollar and percentage figures of the sample population for the two steps of the cost increase and for the total increase in actual costs for the two alternatives. These figures depict the actual costs for the sample of claimants with BYB 1975. Should the Federal Government share in the costs of raising the maximum from 26 to 39 "weeks" ("step one") on a 50-50 basis, the resulting net increase in cost for Oregon would be 32.8 percent for the 1/2 BPW-1/20 HQW combination and 13.1 percent for the 3/8 BPW-1/26 HQW alternative. This is also shown in the table. Figure 7.7 shows the actual cost increases estimated for State. These figures were calculated in the same manner as that used to obtain the potential costs for the State.

Figure 7.8 summarizes the total cost increases--potential and actual--for Oregon under the two alternative 39-week programs The increases with and without Federal sharing are shown. Actual costs are shown as a percentage of potential costs as well in order to illustrate the significant difference between the two.

Figure 7.6

Summary of Increases in Actual Costs for Sample Population
Under Alternative Programs, Oregon: 1975
(In Dollars and Percentage of Cost of Current Program)

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/3 BPW 1.25% BPW (Current)	½ BPW, 1/20 HQW	3/8 BPW, 1/20 HQW	½ BPW, 1/20 HQW	3/8 BPW, 1/20 HQW
Total Actual Benefit Cost	$1,257,224	$1,635,045	$1,394,250	$1,704,591	$1,449,711
Step 1 Increase in Actual Cost (100% State Paid)	-	377,821 (30.1%)	137,026 (10.9%)	377,821 (30.1%)	137,026 (10.9%)
Step 2 Increase in Actual Cost w/o Federal Sharing Program	-	-	-	69,546 (5.5%)	55,461 (4.4%)
Total Increase in Actual Cost w/o Federal Sharing Program	-	377,821 (30.1%)	137,026 (10.9%)	447,367 (35.6%)	192,487 (15.3%)
Step 2 Increase in Actual Cost with 50-50 Federal Sharing	-	-	-	34,773 (2.8%)	27,731 (2.2%)
Total Increase in Actual Cost with Federal Sharing of Step 2 Increase	-	377,821 (30.1%)	137,026 (10.9%)	412,594 (32.8%)	164,757 (13.1%)

Figure 7.7

Summary of Increases in Actual Costs Estimated for State Population Under Alternative Programs, Oregon: 1975
(In Dollars and Percentage of Cost of Current Program)

	26-Week Maximum Duration			39-Week Maximum Duration	
	1/3 BPW 1.25% BPW (Current)	½ BPW, 1/20 HQW	3/8 BPW, 1/20 HQW	½ BPW, 1/20 HQW	3/8 BPW, 1/20 HQW
Total Actual Benefit Cost	$110,643,435	$143,894,003	$122,702,564	$150,014,479	$127,583,473
Step 1 Increase in Actual Cost (100% State Paid)	-	33,250,569 (30.1%)	12,059,130 (10.9%)	33,250,569 (30.1%)	12,059,130 (10.9%)
Step 2 Increase in Actual Cost w/o Federal Sharing Program	-	-	-	6,120,475 (5.5%)	4,880,909 (4.4%)
Total Increase in Actual Cost w/o Federal Sharing Program	-	33,250,569 (30.1%)	12,059,130 (10.9%)	39,371,044 (35.6%)	16,940,038 (15.3%)
Step 2 Increase in Actual Cost with 50-50 Federal Sharing	-	-	-	3,060,238 (2.8%)	2,440,498 (2.2%)
Total Increase in Actual Cost with Federal Sharing of Step 2 Increase	-	33,250,569 (30.1%)	12,059,130 (10.9%)	36,310,806 (32.8%)	14,499,628 (13.1%)

Total Potential and Actual Cost Increases
Under Two Alternative Additional Benefits Programs

State-Wide Totals, Oregon: 1975

	Current Program	39-Week Maximum	
		1/2 BPW 1/20 HQW	3/8 BPW 1/26 HQW
Total Potential Cost	$249,291,304	$321,716,927	$279,437,896
Increase in Potential Cost w/o Federal Sharing	-	$ 72,425,623 (29.1%)	$ 17,981,327 (7.2%)
Increase in Potential Cost w/ Federal Sharing	-	$ 61,341,073 (24.6%)	$ 15,073,340 (6.0%)
Total Actual Cost	$110,643,435	$150,014,479	$127,583,473
Increase in Actual Cost w/o Federal Sharing	-	$ 39,371,044 (35.6%)	$ 16,940,038 (15.3%)
Increase in Actual Cost w/ Federal Sharing	-	$ 36,310,806 (32.8%)	$ 14,499,628 (13.1%)
Actual Cost as a Percentage of Potential Cost	44.4%	46.6%	45.7%

(Derived from Figure 7.5 and Figure 7.7)

7.4.2 Average Duration

Figure 7.9 summarizes the average duration data for all claimants for 1975. The average duration of benefits received by claimants under the two alternative additional benefits programs are shown. The average duration figures are also shown for the current 26-week program and for the two new fractions using the 26-week maximum. Average potential and average actual duration are shown for each alternative.

Under a 26-week program, average potential duration decreases 10.1 percent and 11.6 percent, respectively, for the 1/2 and 3/8 BPW alternatives. Under the 39-week program, these percentages show a decrease of 3.1 percent and 5.4 percent. Actual duration under the 26-week program decreases 3.4 percent for both alternatives. Of the benefits available, 48.7 percent are utilized under the 1/2 BPW-1/20 HQW combination and 49.6 percent are utilized under the 3/8 BPW-1/26 HQW alternative. The 39-week program shows a 1.7 percent increase in actual duration under the 1/2 alternative and a 0.9 percent increase under the 3/8 alternative. Of the benefits available, 47.6 and 48.4 percent are utilized under the two alternatives.

Potential duration figures were obtained for 1974. The average potential duration under the current 26-week program for 1974 is 25.6 "weeks". Under the two additional benefits programs, it is 28.5 "weeks" for the 1/2 BPW alternative and 27.8 "weeks" for the 3/8 BPW alternative. The increases from the current program are, then, 11.3 percent and 8.6 percent, respectively.

In order to understand these apparently odd changes, one needs to examine Figures 7.1, 7.2, and 7.3 a bit more closely. Figure 7.1 shows that those claimants who have base period wages greater than $2,000 receive the full 26 "weeks" potential duration. In the sample used approximately 96 percent of the claimants obtained these wages and, therefore, it is reasonable to expect that the average potential duration for all claimants under the current program would be close to 26 "weeks".

Figure 7.9

Average Duration of Benefits Under Alternative Programs, Oregon: 1975

	26-Week Program			39-Week Program	
	1/3 BPW 1.25% BPW	1/2 BPW 1/20 HQW	3/8 BPW 1/26 HQW	1/2 BPW 1/20 HQW	3/8 BPW 1/26 HQW
Average Potential Duration	25.8	23.2	22.8	25.0	24.4
Percentage Increase Over Current	-	-10.1%	-11.6%	-3.1%	-5.4%
Percentage Increase Over Like 26-Week Program	-	-	-	7.8%	7.0%
Average Actual Duration	11.7	11.3	11.3	11.9	11.8
Percentage Increase Over Current	-	-3.4%	-3.4%	1.7%	0.9%
Percentage Increase Over Like 26-Week Program	-	-	-	5.3%	4.4%
Actual Duration as a Percentage of Potential	45.3%	48.7%	49.6%	47.6%	48.4%

Under the two alternative programs tested, the entitlement formula operates quite differently. Here a claimant's duration is dependent upon the ratio of base period wages to high quarter wages. Only at a ratio of 2.6 (for the 1/2-1/20 combination) or 2.7 (for the 3/8-1/26 combination) can a claimant receive the full 26 "weeks" of benefits. In the sample, the average base period wage-high quarter wage ratio was a little over 2.3, resulting in average potential durations of only 23.2 and 22.8 "weeks", respectively, for the two alternatives with 26-week maximums. These are, of course, lower than the average obtained for the current program. In fact, the vast majority of the claimants (75.7 percent) had a ratio value between 1.5 and 3.0, and 53.1 percent had a fraction of 2.5 or less.

When the maximum potential duration was increased to 39 "weeks", there was very little change in the average potential duration for all claimants. In fact, the average durations increased for both the 1/2 BPW-1/20 HQW alternative and the 3/8 BPW-1/26 HQW alternative when compared to the comparable 26-week program.

7.4.3 Exhaustions

Figure 7.10 shows the exhaustion rates for the current program as well as for the two additional benefits programs tested. Basically, both alternatives show an increase in the exhaustion rate over that of the current program. Even with a maximum of 39 "weeks" of duration, the exhaustion rates for the two alternative programs are higher than that of the current program. Actually, the reason is that both alternatives change the durations so that those who tend to draw the most "weeks" of benefits receive fewer potential "weeks" than under the current program. They are, therefore, more likely to exhaust under the alternative programs.

Figure 7.10

Summary of Exhaustion Rates
Under Alternative Programs

Oregon: 1975

	26-Week Program			39-Week Program	
	1/3 BPW 1.25% HQW	1/2 BPW 1/20 HQW	3/8 BPW 1/26 HQW	1/2 BPW 1/20 HQW	3/8 BPW 1/26 HQW
Exhaustion Rate*	13.1%	15.0%	15.2%	14.4%	14.7%
Decrease in Exhaustion Rate from Current Program	-	-1.9%	-2.1%	-1.3%	-1.6%
Percentage Decrease from Current Program	-	-14.5%	16.0%	-9.9%	-12.2%
Decrease from Comparable 26-Week Program	-	-	-	0.6%	0.5%
Percentage Decrease from Comparable 26-Week Program	-	-	-	4.0%	3.3%

* Percentage of First Payments

However, when each alternative additional benefits program is measured against its respective 26-week program, some improvements can be seen. The 1/2 BPW-1/20 HQW program shows a 4.0 percent decrease in exhaustions, and the 3/8 BPW-1/26 HQW program shows a 3.3 percent decrease in the exhaustion rates.

7.5 Results - Claimant Groups

The preceding section discussed the overall impact of the alternative formulas on cost, average duration, and exhaustions. This section addresses the programs' impact on the various groups which make up the claimant population. As mentioned in Section 7.3, the characteristics analyzed for Oregon include Sex, Age, Industry, Weeks of Work, Base Period Wages, and Average Weekly Wages. The effects on different groups are analyzed with respect to average duration, exhaustion rates, and the levels at which claimants exhaust benefits under each alternative. The object of this second portion of the study was to determine whether either alternative operates against any segment of the population in a manner inconsistent with the principles of the UI program.

7.5.1 Average Duration

The following tables (Figures 7.11.1 through 7.11.6) show the average duration for claimants belonging to various population groups under the current 26-week program and under the two alternative additional benefits programs. Average potential and actual duration are shown for 1975. Only potential duration figures are shown for 1974.

It can be seen from examining the tables that those groups with a more substantial attachment to the labor force have potential

and Under Two Alternative Additional Benefits Programs

Figure 7.11.1 OREGON: By Year

Claimant Characteristic: Wages Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1974:						
$5000 or less	24.9		23.3		22.7	
$5001 - $9999	26.0		30.9		30.2	
$10000 or over	26.0		33.1		32.3	
Total Sample	25.6		28.5		27.8	
1975:						
$5000 or less	24.7	15.4	22.1	14.4	21.5	14.1
$5001 - $9999	26.0	10.8	24.5	11.1	23.9	11.0
$10000 or over	26.0	12.2	32.2	13.4	31.3	13.3
Total Sample	25.8	11.7	25.0	11.9	24.4	11.8

* Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

Figure 7.11.2 OREGON: By Year

Claimant Characteristic: Average Weekly Wage Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1974:						
$100 or less	24.4		24.7		24.1	
$101 - $200	26.0		29.3		28.6	
$201 - $300	26.0		30.5		29.8	
Over $300	26.0		29.9		29.1	
Total Sample	25.6		28.5		27.8	
1975:						
$100 or less	23.7	14.6	24.3	15.1	23.7	14.9
$101 - $200	26.0	11.0	24.1	11.1	23.6	11.0
$201 - $300	26.0	13.4	29.6	13.7	28.8	13.6
Over $300	26.0	13.8	29.3	14.6	28.5	14.4
Total Sample	25.8	11.7	25.0	11.8	24.4	11.7

* Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 7.11.3

OREGON: By Year

Claimant Characteristic: Weeks of Work Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1974:						
18 - 20	23.5		16.5		16.1	
21 - 28	24.8		18.9		18.4	
29 - 36	25.6		23.6		23.0	
37 - 44	25.8		28.1		27.4	
45 - 52	26.0		33.8		32.9	
Total Sample	25.6		28.5		27.8	
1975:						
18 - 20	23.6	15.9	16.6	12.8	16.2	12.6
21 - 28	24.9	15.7	18.2	12.7	17.7	12.5
29 - 36	25.9	15.1	25.5	15.9	25.4	15.9
37 - 44	25.9	15.3	27.4	16.6	26.7	16.3
45 - 52	26.0	7.2	25.6	8.1	24.6	8.0
Total Sample	25.8	11.7	25.0	11.8	24.4	11.7

* Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

Figure 7.11.4

OREGON: By Year

Claimant Characteristic: Sex Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1974:						
Male	25.8		29.1		28.3	
Female	25.1		27.1		26.4	
Total Sample	25.6		28.5		27.8	
1975:						
Male	25.9	10.9	24.7	10.9	24.1	10.9
Female	24.9	16.5	26.5	17.5	25.8	17.2
Total Sample	25.8	11.7	25.0	11.9	24.4	11.8

* Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

and Under Two Alternative Additional Benefits Programs

Figure 7.11.5 OREGON: By Year

Claimant Characteristic: Age Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
1974:						
24 or under	24.6		25.0		24.3	
25 - 34	25.7		28.4		27.7	
35 - 44	25.8		29.4		28.7	
45 - 54	25.8		29.5		28.8	
55 - 64	25.6		29.2		28.5	
65 or over	25.7		28.7		27.9	
Total Sample	25.6		28.4		27.7	
1975:						
24 or under	25.9	9.9	23.1	9.8	22.6	9.8
25 - 34	25.6	15.8	26.6	16.5	25.9	16.2
35 - 44	25.8	14.8	28.5	15.2	27.8	15.0
45 - 54	25.8	14.7	28.1	15.9	27.4	15.7
55 - 64	25.8	15.2	27.4	15.9	26.7	15.7
65 or over	24.9	19.3	25.7	18.6	25.0	18.2
Total Sample	25.8	11.7	25.0	11.8	24.4	11.8

*Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

Average Potential and Actual Duration Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 7.11.6

OREGON: 1974

Claimant Characteristic: Industry Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Mining	26.0		28.0		27.1	
Contract Constr.	25.8		27.8		27.1	
Manufacturing	25.8		29.0		28.3	
Transportation	25.8		28.1		27.5	
Communications & Utilities	25.5		29.9		29.1	
Wholesale Trade	25.6		28.5		27.8	
Retail Trade	25.0		27.7		27.0	
Financial	25.7		29.4		28.8	
Services	25.0		28.1		27.4	
Other	25.3		27.0		26.3	
Total Sample	25.6		28.5		27.8	

* Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

Figure 7.11.6

OREGON: 1975

Claimant Characteristic: Industry Classification:	CURRENT PROGRAM*		1/2 BPW - 1/20 HQW 39-WEEK MAXIMUM		3/8 BPW - 1/26 HQW 39-WEEK MAXIMUM	
	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration	Average Potential Duration	Average Actual Duration
Mining	26.0	21.3	22.3	18.3	22.0	18.0
Contract Constr.	26.0	17.9	26.2	16.9	25.5	16.7
Manufacturing	25.9	6.7	23.2	6.6	22.3	6.5
Transportation	25.4	15.1	26.2	16.9	25.4	16.6
Communications & Utilities	26.0	20.0	25.1	20.9	24.4	20.5
Wholesale Trade	25.4	14.8	24.9	14.6	24.3	14.4
Retail Trade	25.0	14.9	27.2	16.5	26.5	16.2
Financial	25.9	15.4	32.4	19.5	31.6	19.4
Services	24.5	15.3	28.0	17.4	27.2	17.1
Other	26.0	16.1	26.2	16.2	26.1	16.2
Total Sample	25.8	11.7	25.0	11.9	24.4	11.8

* Current Program: 1/3 Base Period Wage Duration Fraction, 1.25% Annual Wage Benefit Fraction, 26-Week Maximum Duration

firmly attached claimants under all programs, including the current program. For example, in Figure 7.11.1, under the current program for 1975, claimants earning $10,000 or more have an average potential duration of 26.0 "weeks" under the current 26-week program, while those earning $5,000 or less have an average of 24.7 "weeks" of potential duration. The lower income group receives 5.0 percent less potential duration. Under the 1/2 BPW-1/20 HQW alternative (39-week program) their average potential durations are 32.2 and 22.1 "weeks", respectively, with the lower income group 31.4 percent lower in terms of potential duration. The figures for the 3/8 BPW-1/26 HQW alternative (39-week program) are 31.3 "weeks" and 21.5 "weeks", with the lower income group at an average level 31.3 percent lower than that of the higher income group.

The primary indicator of attachment to the labor force is weeks of work. Those claimants who work 18 to 20 weeks during the base period currently have an average potential duration of 23.6 "weeks" while those who work 45 to 52 weeks currently have an average potential of 26.0 "weeks". From another perspective, those who qualify for benefits with a minimum amount of work have, on the average, potential durations 9.2 percent lower than those who have almost a full year's work experience. This relationship is much different, however, under the two alternative programs.

Under the first alternative (1/2 BPW-1/20 HQW) with a 39-week maximum, those claimants with few weeks of work have an average potential of 16.6 "weeks", or 35.2 percent less than those who work almost a full year. Basically, the same difference holds for the second alternative. The net result is that the two alternative programs treat the various claimant groups in a like manner, but they differ quite significantly from the current program with the 26-week maximum. The results of this analysis point up the major finding of the study with respect to claimant groups:

- The higher income groups and those groups generally regarded as more substantially attached to the labor force fare significantly better relative to other workers under both alternative additional benefits programs.

This is not a surprising result, for the nature of the formula currently in use in Oregon is such that, with the exception of a small group, the duration is basically uniform. Under uniform duration, those less firmly attached to the labor force do much better relative to other groups. This advantage is basically eliminated under both alternative additional benefits programs. Thus, although the proposed alternatives have a substantially higher maximum, they essentially reduce the duration of these claimant groups.

Looking at average actual duration, the lowest income group has an average duration which is substantially higher (26.2 percent) than that of the highest under the current (26-week) program. However, under both alternatives, these differences are reduced (7.5 percent for the 1/2 BPW-1/20 HQW alternative and 6.0 percent for the 3/8 BPW-1/26 HQW alternative). Again, the lower wage group loses substantially relative to the higher group under both alternatives. In examining actual duration figures it must be remembered that two forces are at work in determining these results. Those most substantially attached to the labor force are eligible for longer benefit durations; however, they have a greater tendency to become reemployed faster than less attached groups.

The same finding appears when the figures are examined from a different standpoint. Figure 7.12, derived from Figure 7.11.1, shows the percentage increase in average potential and actual duration for the three wage groups under the two additional benefits programs. Again, the higher income groups gain most under both alternatives, while under both alternatives the lower income groups lose substantially.

Percentage Increases (Decreases) in Average Duration
Under Alternative Additional Benefits Programs
(Increase or Decrease from Current Program)

Wage Group	Potential		Actual	
	1/2-1/20	3/8-1/26	1/2-1/20	3/8-1/26
$5000 or Less	-10.5%	-13.0%	- 6.5%	- 8.4%
$5001 to $9999	- 5.8%	- 8.1%	2.8%	1.9%
$10000 or More	23.8%	20.4%	9.8%	9.0%

Looking at the population characteristics, we see the following results:

- The lower weeks of work groups fare much worse under both alternatives for potential durations, while the higher weeks of work groups gain in potential duration. Under actual duration, the lower weeks of work groups lose substantially while little change is registered in the higher groups.
- The lower average weekly wage groups have little difference in potential duration under both alternatives while the higher wage groups gain somewhat. No differences appear for average actual duration for any of the groups under any of the alternatives.
- The differences for sex, age, and industry are mixed, and little can be concluded from the tables for these characteristics.

It can be concluded, then, that those groups which are less firmly attached to the labor force tend to fare poorly under the proposed alternatives. This is due largely to the change from a quasi-uniform formula to one which is more strongly tied to labor force attachment.

7.5.2 Population Profile

The following tables (Figures 7.13.1 through 7.13.6) present the population profile of claimants having a certain level of potential duration under the two alternatives for additional benefits. This information is shown for both years studied.

The first row shows the total number of claimants in the sample with a given potential duration under each alternative. The

Population Profile of the Recipients of Each Level of Potential Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 7.13.1

OREGON: By Year

Claimant Characteristic: Wages Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1974: All Claimants Sampled - No. (100% of Column)	2796	1021	1706	69	1088	1688	20
$5000 or less	38.4	71.9	19.4	13.0	69.9	18.3	25.0
$5001 - $9999	38.7	24.3	46.1	68.1	25.8	46.6	70.0
$10000 or more	22.9	3.8	34.5	18.8	4.3	35.1	5.0
1975: All Claimants Sampled - No. (100% of Column)	1628	1216	399	13	1228	398	2
$5000 and less	15.8	15.9	15.5	23.1	16.0	15.1	50.0
$5001 - $9999	72.8	82.3	44.4	53.8	81.9	45.0	0.0
$10000 and more	11.4	1.8	40.1	23.1	2.1	39.9	50.0

Figure 7.13.2

OREGON: By Year

Claimant Characteristic: Average Weekly Wage Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1974: All Claimants Sampled - No. (100% of Column)	2740	1004	1667	69	1069	1651	20
$100 or less	25.7	41.5	16.7	10.1	40.8	16.1	10.0
$101 - $200	43.2	39.1	44.5	71.0	39.3	45.2	85.0
$201 - $300	25.6	15.1	32.4	14.5	15.7	32.3	5.0
Over $300	5.5	4.2	6.4	4.3	4.2	6.4	0.0
1975: All Claimants Sampled - No. (100% of Column)	1623	1213	397	13	1225	396	2
$100 or less	8.4	7.0	12.1	23.1	7.2	11.9	50.0
$101 - $200	76.2	86.7	44.3	61.5	86.4	44.9	0.0
$201 - $300	10.8	4.3	30.2	15.4	4.6	30.1	50.0
Over $300	4.6	1.8	13.4	0.0	1.9	13.1	0.0

Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 7.13.3 OREGON: By Year

Claimant Characteristic: Weeks of work Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1974: All Claimants Sampled - No. (100% of Column)	2796	1021	1706	69	1088	1688	20
18-20 weeks	5.2	13.9	0.2	1.4	13.2	0.2	0.0
21-28 weeks	13.7	35.4	1.0	5.8	33.6	0.8	10.0
29-36 weeks	14.3	30.8	4.8	4.3	30.3	4.0	10.0
37-44 weeks	16.1	14.3	17.5	7.2	16.0	16.2	10.0
45-52 weeks	50.8	5.7	76.5	81.2	6.9	78.8	70.0
1975: All Claimants Sampled - No. (100% of Column)	1621	1210	398	13	1222	397	2
18-20 weeks	2.3	3.0	0.3	0.0	2.9	0.3	0.0
21-28 weeks	6.7	8.8	0.8	0.0	8.7	0.8	0.0
29-36 weeks	34.9	45.1	5.0	0.0	44.9	4.3	0.0
37-44 weeks	7.2	3.6	18.3	0.0	4.1	16.9	0.0
45-52 weeks	48.9	39.5	75.6	100.0	39.4	77.8	100.0

Figure 7.13.4 OREGON: By Year

Claimant Characteristic: Sex Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1974: All Claimants Sampled - No. (100% of Column)	2796	1021	1706	69	1088	1688	20
Male	70.9	62.6	76.6	55.1	63.9	75.8	40.0
Female	29.1	37.4	23.4	44.9	36.1	24.2	60.0
1975: All Claimants Sampled - No. (100% of Column)	1628	1216	399	13	1228	398	2
Male	86.1	91.0	71.9	61.5	90.8	71.4	100.0
Female	13.9	9.0	28.1	38.5	9.2	28.6	0.0

Population Profile of the Recipients of Each Level of Potential Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 7.13.5 OREGON: By Year

Claimant Characteristic: Age Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
1974: All Claimants Sampled - No. (100% of Column)	2718	1088	1642	68	1074	1624	20
24 or less	13.8	21.8	9.4	2.9	21.1	9.1	5.0
25 - 34	35.7	35.4	36.2	26.5	35.6	35.9	20.0
35 - 44	18.1	14.6	20.2	20.6	15.1	20.1	20.0
45 - 54	16.3	14.0	17.4	25.0	13.8	17.8	35.0
55 - 64	12.0	10.4	12.8	17.6	10.7	12.9	15.0
65 and over	4.0	3.8	4.0	7.4	3.7	4.2	5.0
1975: All Claimants Sampled - No. (100% of Column)	1628	1216	399	13	1228	398	2
24 or less	60.4	78.4	7.8	0.0	77.6	7.8	0.0
25 - 34	12.8	8.2	26.1	38.5	8.6	26.1	0.0
35 - 44	7.9	4.0	20.1	0.0	4.1	19.8	0.0
45 - 54	6.8	3.8	15.0	30.8	3.9	15.3	50.0
55 - 64	6.4	3.6	14.3	23.1	3.9	14.1	0.0
65 and over	1.9	1.3	3.5	7.7	1.3	3.5	50.0
Unknown	3.7	0.7	13.3	0.0	0.7	13.3	0.0

Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Figure 7.13.6 OREGON: 1974

Claimant Characteristic: Industry Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	2796	1021	1706	69	1088	1688	20
Mining	0.6	0.7	0.6	0.0	0.7	0.6	0.0
Contract Constr.	11.0	12.2	10.6	2.9	12.7	10.1	0.0
Manufacturing	48.7	42.5	53.0	33.3	41.9	53.2	35.0
Transportation	3.6	3.6	3.7	2.9	3.8	3.6	5.0
Communications & Utilities	1.0	0.9	0.9	4.3	0.9	0.9	5.0
Wholesale Trade	4.9	5.3	4.3	13.0	5.3	4.6	5.0
Retail Trade	14.9	17.4	13.5	14.5	17.6	13.3	5.0
Financial	2.3	2.2	2.2	7.2	2.1	2.3	15.0
Services	9.1	10.6	7.9	17.4	10.5	8.1	20.0
Other	3.8	4.6	3.3	4.3	4.4	3.4	10.0

Figure 7.13.6 OREGON: 1975

Claimant Characteristic: Classification:	Percentage of Sample Population	1/2 BPW-1/20 HQW - Makeup by % of Recipients w/ Poten. Duration of:			3/8 BPW-1/26 HQW - Makeup by % of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks	26 Weeks or Less	27-38 Weeks	39 Weeks
All Claimants Sampled - Number (100% of Column)	1628	1216	399	13	1228	398	2
Mining	0.2	0.2	0.0	0.0	0.2	0.0	0.0
Contract Constr.	5.9	4.1	11.3	7.7	4.2	11.1	50.0
Manufacturing	47.1	47.4	46.9	23.1	47.2	46.7	0.0
Transportation	1.8	1.2	3.5	0.0	1.2	3.5	0.0
Communications & Utilities	0.5	0.4	0.8	0.0	0.4	0.8	0.0
Wholesale Trade	2.0	1.6	3.3	0.0	1.8	2.8	0.0
Retail Trade	6.3	3.5	14.3	23.1	3.6	14.6	0.0
Financial	0.9	0.2	2.5	7.7	0.2	2.8	0.0
Services	5.7	3.2	13.0	23.1	3.1	13.8	0.0
Other	29.7	38.2	4.3	15.4	38.0	4.0	50.0

following rows show the percentage of those with a given level of potential duration who are of a certain population classification. (For example, for Weeks of Work: in 1974, 13.9 percent of those eligible for benefit duration of 26 "weeks" or less under the 1/2 BPW-1/20 HQW alternative worked 18 to 20 weeks, while 35.4 percent worked 21 to 28 weeks, 30.8 percent worked 29 to 36 weeks, 14.3 percent worked 37 to 44 weeks, and 5.7 percent worked 45 to 52 weeks.) The first column of figures presents, for comparative purposes, the percentage breakdown of the sample population according to the classifications used for the population characteristic being analyzed.

The analysis of the population profile tables for a given program involves comparing the breakdown of the total sample population with that of the groups eligible for a certain potential duration under the alternative being considered.

- Weeks of Work: A disproportionately high number of claimants working few weeks during the base period receive potential durations of 26 "weeks" or less under both alternatives.
- Industry: Differences are mixed and conclusions are difficult.
- Age: A disproportionately high number of lower age claimants receive potential durations of 26 "weeks" or less under both alternatives.
- Sex: Differences are mixed and conclusions are difficult.
- Average Weekly Wage: Differences are mixed and conclusions are difficult.
- Wages: A disproportionagely high number of lower wage earners receive benefits of 26 "weeks" or less for both alternatives in 1974. In 1975, middle income wage earners have a disproportionately high number in the 26 "weeks" or less class.

7.5.3 Exhaustion Rates by Claimant Groups

Figures 7.14.1 through 7.14.6 show the exhaustion rate for the current 26-week program and for the two alternative formulas for additional benefits. The percentage of exhaustees (relative

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 7.14.1 OREGON: 1975

Claimant Characteristics: Wages Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/2 BPW and 1/20 HQW With 39-Week Maximum	Percentage Exhausting Benefits Under 3/8 BPW and 1/20 HQW With 39-Week Maximum
$5000 and less	258	35.3	44.6	45.0
$5001 - $9999	1185	7.1	7.3	7.5
$10000 and more	185	20.5	17.8	18.9
Total Sample	1628	13.1	14.4	14.7

Figure 7.14.2 OREGON: 1975

Claimant Characteristics: Average Weekly Wage Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/2 BPW and 1/20 HQW With 39-Week Maximum	Percentage Exhausting Benefits Under 3/8 BPW and 1/20 HQW With 39-Week Maximum
$100 or less	136	35.3	40.4	41.2
$101 - $200	1236	8.7	9.5	9.7
$201 - $300	176	21.0	22.2	22.7
Over $300	75	24.0	28.0	29.3
Total Sample	1623	13.0	14.4	14.7

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 7.14.3

OREGON: 1975

Claimant Characteristics: Weeks of Work* Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/2 BPW and 1/20 HQW With 39-Week Maximum	Percentage Exhausting Benefits Under 3/8 BPW and 1/20 HQW With 39-Week Maximum
18 - 20	37	45.9	59.5	59.5
21 - 28	109	31.2	49.5	49.5
29 - 36	566	6.0	8.0	8.0
37 - 44	117	32.5	33.3	35.1
45 - 52	792	11.0	9.0	9.3
Total Sample	1621	13.0	14.3	14.6

*Excludes Unknowns

Figure 7.14.4

OREGON: 1975

Claimant Characteristics: Sex Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/2 BPW and 1/20 HQW With 39-Week Maximum	Percentage Exhausting Benefits Under 3/8 BPW and 1/20 HQW With 39-Week Maximum
Male	1401	7.8	9.4	9.6
Female	227	45.8	45.4	46.3
Total Sample	1628	13.1	14.4	14.7

Percentage of Claimants Exhausting Benefits Under Current Program and Under Two Alternative Additional Benefits Programs

Figure 7.14.5

OREGON: 1975

Claimant Characteristics: Age* Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/2 BPW and 1/20 HQW With 39-Week Maximum	Percentage Exhausting Benefits Under 3/8 BPW and 1/20 HQW With 39-Week Maximum
24 or under	984	2.3	2.3	2.4
25 - 34	209	32.5	39.7	40.2
35 - 44	129	26.4	28.7	28.7
45 - 54	110	31.8	31.8	31.8
55 - 64	104	33.7	34.6	37.5
54 or over	31	51.6	61.3	61.3
Total Sample	1567	13.5	14.9	15.2

*Excludes Unknowns

Figure 7.14.6

OREGON: 1975

Claimant Characteristics: Industry Classification:	Number of Claimants	Percentage Exhausting Benefits Under Current Program*	Percentage Exhausting Benefits Under 1/2 BPW and 1/20 HQW With 39-Week Maximum	Percentage Exhausting Benefits Under 3/8 BPW and 1/20 HQW With 39-Week Maximum
Mining	3	33.3	66.7	66.7
Contract Construction	96	32.3	40.6	42.7
Manufacturing	766	8.1	9.7	9.8
Transportation	29	31.0	48.3	48.3
Communications & Utilities	8	50.0	50.0	62.5
Wholesale Trade	33	12.1	39.4	39.4
Retail Trade	102	36.3	34.3	35.3
Financial	14	35.7	21.4	21.4
Services	93	43.0	39.8	39.8
Other	484	2.7	2.9	2.9
Total Sample	1628	13.1	14.4	14.7

to first payments) is shown for the total sample population and for each classification under each population characteristic. The figures are, of course, taken from the 1975 data.

The first column of figures shows the number of claimants in each classification and the total number in the sample. For comparative purposes, the last row shows the percentage of exhaustions under each formula for the total sample. For example, 13.1 percent of sampled claimants exhausted under the current program, 14.4 percent would have exhausted under the 1/2 BPW-1/20 HQW additional benefits program, and 14.7 percent would have exhausted under the 3/8 BPW-1/26 HQW alternative.

An examination of the exhaustion rates for the various groups under the different alternative programs enables the user to determine whether a particular claimant group fares better under an alternative than other groups. For example, under Sex (Figure 7.14.4), we see that the exhaustion rate for males increases from 7.8 percent under the current program to 9.4 percent under the 1/2 BPW-1/20 HQW (39-week) program--a 20.5 percent increase--while the exhaustion rate for females decreases slightly, from 45.8 percent to 45.4 percent--a 0.9 percent drop. Under the 3/8 BPW-1/20 HQW alternative male exhaustions increase to 9.6 percent--an increase of 23.1 percent--while females have an increase of 1.1 percent. While differences are seen in the percentage changes in exhaustions for the two groups, these differences are not great. Nor do they indicate that one group is favored in a manner inconsistent with the principles of the program.

Looking at the age of claimants, we see that this characteristic has a significant influence on the rate at which claimants exhaust. The differences between the exhaustion rates for claimants in the 25 to 34 year age group and the 54 or over age group increase dramatically under the two alternative additional benefits programs. The results for industry classifications show dramatic differences in several groups such as contract construction, transportation, and wholesale trade. Changes

because of sampling error.

The results for the Weeks of Work classification show that the exhaustion rate increases in the lower weeks worked groups--i.e., those with a less firm attachment to the labor force. The results for the Average Weekly Wage characteristic are not definitive.

- Those groups having a lesser degree of labor force attachment experience a greater increase in their exhaustion rates under either alternative additional benefits formula. This is the result of both the decrease in their potential benefit duration and the fact that they are the groups less likely to become reemployed.

The combination of these factors leads to the conclusion that the "less attached" groups would suffer under either additional benefits alternative.

7.5.4 Exhaustion Rates by Duration Level

The following tables, prepared from 1975 data, are designed to show the levels at which claimants exhaust under the two alternatives. As in the other tables, the raw numbers are presented in order that the reader can keep in mind the size of the group upon which the percentages are based.

Each of the tables presented in Figures 7.15.1 through 7.15.6 really has two parts. The first four columns of the figures show where exhaustees of a given classification exhaust under each alternative. For example, under the Sex characteristic, for the 1/2 BPW-1/20 HQW alternative, 65.9 percent of the males exhausting benefits do so at 26 or fewer "weeks" and only 0.8 percent do so at 39 "weeks". Under the 3/8 BPW-1/26 HQW alternative, 68.1

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Program
(For Exhaustees Only and for the Total Sample Population)

Figure 7.15.1

OREGON: 1975

Claimant Characteristic: Wages Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED							
	1/2 BPW - 1/20 HQW				3/8 BPW - 1/26 HQW					1/2 BPW - 1/20 HQW			3/8 BPW - 1/26 HQW			
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
$5000 and less	115	81.7	16.5	1.7	116	83.6	15.5	0.9	258	36.4	7.4	0.8	37.6	7.0	0.4
$5001 - $9999	87	46.0	54.0	0.0	89	46.1	53.9	0.0	1185	3.4	4.0	0.0	3.5	4.1	0.0
$1000 and more	33	21.2	78.8	0.0	35	28.6	71.4	0.0	185	3.8	14.1	0.0	5.4	13.5	0.0
Total Sample	235	60.0	39.1	0.9	240	61.7	37.9	0.4	1628	8.7	5.7	0.1	9.1	5.6	0.1

Figure 7.15.2

OREGON: 1975

Claimant Characteristic: Average Weekly Wage Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED							
	1/2 BPW - 1/20 HQW				3/8 BPW - 1/26 HQW					1/2 BPW - 1/20 HQW			3/8 BPW - 1/26 HQW			
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
$100 or less	55	70.9	25.5	3.6	56	73.2	25.0	1.8	136	28.7	10.3	1.5	30.1	10.3	0.7
$101 - $200	118	60.2	39.8	0.0	120	60.8	39.2	0.0	1236	5.7	3.8	0.0	5.9	3.8	0.0
$201 - $300	39	48.7	51.3	0.0	40	52.5	47.5	0.0	176	10.8	11.4	0.0	11.9	10.8	0.0
Over $300	21	52.4	47.6	0.0	22	54.5	45.5	0.0	75	14.7	13.3	0.0	16.0	13.3	0.0
Total Sample	233	60.1	39.1	0.9	238	61.8	37.8	0.4	1623	8.6	5.6	0.1	9.1	5.5	0.1

Each Level of Potential Duration Under Additional Benefits Program
(For Exhaustees Only and for the Total Sample Population)

Figure 7.15.3

OREGON: 1975

Claimant Characteristic: Weeks of Work* Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED						
	1/2 BPW - 1/20 HQW				3/8 BPW - 1/26 HQW					1/2 BPW - 1/20 HQW			3/8 BPW - 1/26 HQW		
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
18 - 20	22	100.0	0.0	0.0	22	100.0	0.0	0.0	37	59.5	0.0	0.0	59.5	0.0	0.0
21 - 28	54	100.0	0.0	0.0	54	100.0	0.0	0.0	109	49.5	0.0	0.0	49.5	0.0	0.0
29 - 36	45	86.7	13.3	0.0	45	91.1	8.9	0.0	566	6.9	1.1	0.0	7.2	0.7	0.0
37 - 44	39	33.3	66.7	0.0	41	41.5	58.5	0.0	117	11.1	22.2	0.0	14.5	20.5	0.0
45 - 52	71	12.7	84.5	2.8	75	13.5	85.1	1.4	792	1.1	7.6	0.3	1.3	8.0	0.1
Total Sample	231	59.3	39.8	0.9	236	61.0	38.6	0.4	1621	8.5	5.7	0.1	8.9	5.6	0.1

*Excludes Unknowns

Figure 7.15.4

OREGON: 1975

Claimant Characteristic: Sex Classification:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED						
	1/2 BPW - 1/20 HQW				3/8 BPW - 1/26 HQW					1/2 BPW - 1/20 HQW			3/8 BPW - 1/26 HQW		
	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
Male	132	65.9	33.3	0.8	135	68.1	31.1	0.7	1401	6.2	3.1	0.1	6.6	3.0	0.1
Female	103	52.4	46.6	1.0	105	53.3	46.7	0.0	227	23.8	21.1	0.4	24.7	21.6	0.0
Total Sample	235	60.0	39.1	0.9	240	61.7	37.9	0.4	1628	8.7	5.7	0.1	9.1	5.6	0.1

Percentage of Each Classification Exhausting Benefits at Each Level of Potential Duration Under Additional Benefits Program (For Exhaustees Only and for the Total Sample Population)

Figure 7.15.5

OREGON: 1975

Claimant Characteristic:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED						
	1/2 BPW - 1/20 HQW				3/8 BPW - 1/26 HQW					1/2 BPW - 1/20 HQW			3/8 BPW - 1/26 HQW		
Age* Classification:	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
24 or under	23	78.3	21.7	0.0	24	75.0	25.0	0.0	984	1.8	0.5	0.0	1.8	0.6	0.0
25 - 34	83	61.4	38.6	0.0	84	63.1	36.9	0.0	209	24.4	15.3	0.0	25.4	14.8	0.0
35 - 44	37	54.1	45.9	0.0	37	56.8	43.2	0.0	129	15.5	13.2	0.0	16.2	12.4	0.0
45 - 54	35	42.9	57.1	0.0	35	48.6	51.4	0.0	110	13.6	18.2	0.0	15.5	16.4	0.0
55 - 64	36	61.1	36.1	2.8	39	61.5	38.5	0.0	104	21.2	12.5	1.0	23.1	14.4	0.0
65 or over	19	68.4	26.3	5.3	19	68.4	26.3	5.3	31	41.9	16.1	3.2	41.9	16.1	3.2
Total Sample	233	59.7	39.5	0.8	238	61.3	38.2	0.5	1569	8.9	5.9	0.1	9.3	5.8	0.1

*Excludes Unknowns

Figure 7.15.6

OREGON: 1975

Claimant Characteristic:	AMONG EXHAUSTEES								AMONG ALL CLAIMANTS SAMPLED						
	1/2 BPW - 1/20 HQW				3/8 BPW - 1/26 HQW					1/2 BPW - 1/20 HQW			3/8 BPW - 1/26 HQW		
Industry Classification:	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number Exh't'g	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Number	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks	Percentage Exhausting At: ≤26 W'ks	27-38 W'ks	39 W'ks
Mining	2	100.0	0.0	0.0	2	100.0	0.0	0.0	3	66.7	0.0	0.0	66.7	0.0	0.0
Contract Const.	39	76.9	23.1	0.0	41	75.6	24.4	0.0	96	31.2	9.4	0.0	32.3	10.4	0.0
Manufacturing	74	70.3	29.7	0.0	75	70.7	29.3	0.0	766	6.8	2.9	0.0	6.9	2.9	0.0
Transportation	14	57.1	42.9	0.0	14	64.3	35.7	0.0	29	27.6	20.7	0.0	31.0	17.2	0.0
Communications & Utilities	4	75.0	25.0	0.0	5	60.0	40.0	0.0	8	37.5	12.5	0.0	37.5	25.0	0.0
Wholesale Trade	13	61.5	38.5	0.0	13	76.9	23.1	0.0	33	61.5	38.5	0.0	30.3	9.1	0.0
Retail Trade	35	40.0	57.1	2.9	36	44.4	55.6	0.0	102	13.7	19.6	1.0	15.7	19.6	0.0
Financial	3	0.0	100.0	0.0	3	0.0	100.0	0.0	14	0.0	21.4	0.0	0.0	21.4	0.0
Services	37	48.6	51.4	0.0	37	48.6	51.4	0.0	93	19.4	20.4	0.0	19.4	20.4	0.0
Other	14	42.9	50.0	7.1	14	42.9	50.0	7.1	484	1.2	1.4	0.2	1.2	1.4	0.2
Total Sample	235	60.0	39.1	0.9	240	61.7	37.9	0.4	1628	8.7	5.7	0.1	9.1	5.6	0.1

percent of male exhaustees exhaust at 26 or fewer "weeks" and 0.7 percent do so at 39 "weeks". These percentages can be compared with those for the total sample population: 60.0 percent of all exhaustees do so at 26 or fewer "weeks" under the 1/2 BPW-1/20 HQW alternative, and 0.9 percent exhaust at 39 "weeks", while the percentages are 61.7 percent and 0.4 percent under the 3/8 BPW-1/26 HQW alternative. The percentage of exhaustions occurring for the 27 to 38 range drops from 39.1 percent under the 1/2 BPW alternative to 37.9 percent under the 3/8 BPW alternative.

The second half of each table presents the percentage of the total members of a population group that exhausts at a certain level of duration. Thus, under the 1/2 BPW alternative 6.2 percent of all males sampled exhaust benefits and do so at 26 "weeks" or less, 3.1 percent do so at 27 to 38 "weeks", and 0.1 percent exhaust benefits at 39 "weeks". Under the 3/8 BPW alternative, the percentages are 6.6 percent at 26 or less, 3.0 at 27 to 38 "weeks", and 0.1 percent at 39 "weeks".

The total row in this case indicates the percentage of claimants exhausting at each level under the two alternatives. Thus, 8.7 percent of the total claimants sampled would exhaust benefits under the 1/2 BPW-1/20 HQW program and do so at 26 "weeks" or less, 5.7 percent would at 27 to 38 "weeks", and 0.1 percent at 39 "weeks". For the 3/8 BPW-1/26 HQW program, 9.1 percent of the claimants sampled exhaust benefits and do at 26 "weeks" or less, 5.6 percent do so at 27 to 38 "weeks", and 0.1 percent do so at 39 "weeks".

These tables are really offered for the interest of the reader. They are useful for filling out the information provided by simple exhaustion rates. An examination of these results supports the basic conclusion that those more substantially attached to the labor force find it easier to become reemployed, and those characteristics studied which are generally associated with firm attachment (e.g., the higher wage groups) exhibit this tendency.

7.6 Conclusions

The analysis of the effects of the two alternative additional weeks programs in Oregon are complicated by the fact that Oregon's current formula and the alternatives tested are quite different in structure. Oregon's current formula is based on annual wages and provides almost uniform potential duration of 26 "weeks". The alternative formulas were chosen in order to test the effect of the additional benefits formulas on fraction of high quarter wage States and, compared to Oregon's current formula, provide widely varying duration for different claimants. The results were that under the two alternatives, those claimants who exhibited a weak attachment to the labor force received lower potential durations while those with a strong attachment received approximately the same duration as under the current formula. In this respect the change from the existing annual wage formula to a high quarter wage formula has a definite detrimental impact on those claimants with a weak attachment to the labor force. This is seen when examining duration for claimants who earn less than $5,000, who work less than 30 weeks, or who are in lower paying industries.

Changing the maximum duration for the alternative programs from 26 "weeks" to 39 "weeks" has an impact on the various claimant groups, specifically those who have exhibited a weaker attachment to the labor force. Both alternatives will make the benefit duration in Oregon more sensitive to the degree of labor force attachment.

The difference between the 1/2 BPW-1/20 HQW and 3/8 BPW-1/26 HQW alternative is not evident when examining duration. There the impact is minimal; however, a significant difference can be observed in the cost of the program. The first alternative was selected because it parallels the current Oregon program. However, the characteristics of the claimant population are such

that a small but significant portion of the population are in the weakly attached labor group. Thus in order to provide comparable benefits to this group under the existing program, a formula would have to use a much larger base period wage fraction, larger than any that are currently in use in the country. Under the alternative programs for Oregon, potential duration shows a slight decrease from the existing program; however, actual duration shows a slight increase. An examination of the population groups shows exhaustion rates that are unfavorable for those groups less firmly attached to the labor force. This type of relationship is prevalent throughout the characteristic tables. Thus the changing of Oregon from its existing annual wage formula to a high quarter wage formula will significantly affect the entitlement of the less firmly attached workers.

Sample Size and Precision

During the course of this project, samples of claimants from four States were used in order to test various alternative methods of increasing regular benefits to a potential of 39 "weeks". In each case except one, the samples consisted of over 2,000 claimants. (The one exception was the sample for Oregon for the year 1975, where the sample size was 1,627.) Each State selected a sample of claimants (as many as 19,000) for each of the years 1973, 1974, and 1975 from their data files and provided them to MEI on computer tapes. Due to monetary restrictions it was impossible to run the analysis for such large samples; therefore, smaller samples were randomly extracted from the data tape.

It is important to understand that in any statistical analysis of this type there must be some degree of uncertainty, and the larger the sample size, the less the uncertainty. It is necessary, therefore, to determine the ranges in which one can expect the results to actually reside. For instance, one of the results of the study was that in New York for the year 1975 the average actual duration under the current program was 17.7 "weeks". Since this figure was obtained by looking at 2,388 claimants, there is some uncertainty with regard to the actual duration for all claimants in New York. Therefore, the question is, what is the range of actual duration in which the true value falls? Such ranges are generally referred to as confidence ranges. The following sections discuss the confidence ranges for each of the estimates provided in this report.

A.1 Precision of Average Duration Estimates

Following are the formulas used to determine the confidence ranges around the average duration estimates. A confidence range is the interval in which one has a certain degree of confidence that the true average duration resides. A 95% confidence range is larger that a 90% confidence range because of the added degree of certainty required. The standardized error for duration is: $\sigma_{\bar{d}} = \frac{\sigma}{\sqrt{n}}$

Where $\sigma_{\bar{d}}$ is standard error of the average duration
Where σ is standard deviation of all claimants' duration
Where n is sample size

$$\text{Range} = \bar{d} \pm 1.96 \frac{\sigma_{\bar{d}}}{\sqrt{n}}$$

Where $\bar{d}$ is the average duration

The following table shows by State, and by alternative the average duration, variance in sample and 95% confidence level for the 1975 data.

Table A-1

State	Alternative	Potential $\bar{d}$	Potential Var.d	Potential Range ±(95%)	Actual $\bar{d}$	Actual Var.d	Actual Range ±(95%)
New York	Current	26.0	0	0	17.7	86.10	±0.37
	1:1	35.3	27.15	±0.21	21.1	168.45	±0.52
	1.3/1	37.3	13.62	±0.15	21.8	183.62	±0.54
Florida	Current	20.2	29.58	±0.21	14.9	57.28	±0.30
	3:4	30.1	71.10	±0.33	19.5	133.23	±0.45
	1:1	34.6	44.12	±0.26	21.3	158.90	±0.50
Ohio	Current	25.7	1.37	±0.05	16.3	85.27	±0.37
	1:1	35.7	31.35	±0.22	19.4	168.91	±0.52
Oregon	Current	25.8	2.01	±0.07	11.7	67.90	±0.40
	1/2,1/20	25.0	33.52	±0.28	11.8	77.77	±0.43
	3/8,1/26	24.4	33.77	±0.28	11.8	75.07	±0.42

The confidence ranges around the average duration shown above are small and indicate a high degree of reliability in the duration results. In virtually every instance, there is a significant difference between alternatives for both the potential and actual durations. The exception is Oregon. The following chart provides a closer look at the durations for Oregon. It shows that there is little difference between alternatives.

	Range for Potential Dur.	Range for Actual Dur.
Current	25.73 - 25.87	11.30 - 12.10
Alt. 1	24.72 - 25.28	11.37 - 12.23
Alt. 2	24.12 - 24.68	11.38 - 12.22

As one can see, the ranges for both the current program and the first alternative are overlapping for average actual durations. This indicates that even though the results showed slight differences, if another sample were drawn it is possible that Alternative 1, which was lower in this sample, would show slightly higher average durations than the current program. In general, for Oregon there is very little difference between alternatives for average durations.

A.2 Precision of Cost

The total cost of a benefit program may be estimated by:

$$C = \frac{N}{n} \sum_{i=1}^{n} W_i d_i$$

Where:
- C = total cost
- N = total population size
- n = sample size
- W_i = weekly benefit amount for the i-th claimant
- d_i = duration in weeks for i-th claimant

The variance of the total cost may be approximated by:

$$\text{var } C = \frac{N^2}{n} (\bar{W}^2 \text{ var } d + \bar{d}^2 \text{ var } W),$$

and the relative variance of C (i.e., the variance divided by the square of the mean) may be approximated by:

$$\text{rel var } C = \frac{1}{n} \left[\frac{\text{var } W}{\bar{W}^2} + \frac{\text{var } d}{\bar{d}^2} \right]$$

Finally the 95 percent relative confidence interval is given by:

$$\text{precision level} = \pm S_{.95} \sqrt{\text{rel var } C}$$

$$= \pm 1.96 \sqrt{\frac{1}{n} \frac{\text{var } W}{\bar{d}^2} \frac{\text{var } d}{\bar{d}^2}}$$

The following is a table showing the average weekly benefit amounts by State (and by alternative where the alternative generated a different WBA) and the variance of the WBA's.

Table A-2

	WBA	Variance of WBA
New York	72	300*
Florida	61	300*
Ohio	78	300*
Oregon (current)	67	256
(alt. 1)	90	172
(alt. 2)	81	299

*Please note that the variances for these three states are estimated based on Oregon's. In each case a high variance is used to show the maximum error.

Using the average durations shown in Table A-1 and the average weekly benefit amounts shown in Table A-2 the precision levels were calculated and displayed below.

State	Alternative	Precision Level in Potential Cost	Precision Level in Actual Cost
New York	Current	1.0%	2.3%
	1:1	1.1%	2.6%
	1-1/2	1.0%	2.7%
Florida	Current	1.5%	2.3%
	3:4	1.6%	2.6%
	1:1	1.3%	2.6%
Ohio	Current	.9%	2.4%
	1:1	1.1%	2.8%
Oregon	Current	1.2%	3.6%
	1/2,1/20	1.3%	3.7%
	3/8,1/26	1.6%	3.7%

In all cases the relative error in the potential costs was less than $\pm 2\%$ and for all but Oregon the relative error in the actual costs was near 2.5%. These error rates are quite low and lend confidence to the results on costs.

A.3 Precision of Exhaustion Rates

The precision of the exhaustion rates may be estimated by:

$$\sigma_E = \sqrt{\frac{E(1-E)}{n}}$$

Where: σ_E = standard error of exhaustion rate

E = exhaustion rate/100

n = sample size

confidence interval = $E \pm t_{95\%}\, \sigma_E$,

Where: $t_{95\%}$ is Student's t value for 95% confidence level with N-1 degrees of freedom

confidence interval $\simeq E \pm 1.96\, \sigma_E$

For example for E = 44.6 and n = 2388, we have

$$\sigma_E = \sqrt{\frac{.446\ (1-.446)}{2388}} = .010$$

Thus the confidence range equals 1.96 (.010) = .020 or 2.0%

Following is a table which shows by State and by alternative program, the corresponding exhaustion rate and the confidence interval.

Table A-4

State	Alternative	Exh. Rate(E)	σ_E	Confidence Range
New York	Current	44.6%	1.02%	±2.0%
	1:1	36.7%	0.99%	±1.9%
	1-1/2	34.3%	0.97%	±0.9%
Florida	Current	57.2%	0.99%	±1.9%
	3:4	43.2%	0.99%	±1.9%
	1:1	34.9%	0.96%	±1.9%
Ohio	Current	38.3%	0.99%	±1.9%
	1:1	29.3%	0.93%	±1.8%
Oregon	Current	13.1%	0.84%	±1.6%
	1/2,1/20	14.4%	0.87%	±1.7%
	3/8,1/26	14.7%	0.88%	±1.7%

The table indicates that there is not a significant difference between exhaustion rates for the two alternatives in New York or any of the programs in Oregon since the confidence intervals overlap one another.

A.4 Precision of Characteristic Estimates

When analyzing the claimant characteristics and the distribution of claimants by weeks of duration, caution must be used. The

weeks or less is much smaller than the total sample and therefore the distribution of claimant characteristics among the sub-sample has correspondingly larger confidence levels. The following table uses Florida as an example and in particular uses the claimant characteristic of Ethnic Group in the year 1973.

Table A-5

Population Profile of the Recipients of Each Level of Potential Duration Under Two Alternative Additional Benefits Programs Compared with that of the Total Sample Population

Claimant Characteristic: Ethnic Group Classification:	Percentage of Sample Population	1/1 Fraction - Percentage Makeup of Recipients w/ Poten. Duration of:		
		26 Weeks or Less	27-38 Weeks	39 Weeks
1973: All Claimants Sampled - No. (100% of Column)	2433	517	629	1287
White	71.2	72.9	72.3	69.9
Negro	9.2	9.5	10.0	8.6
Spanish Surname	13.6	7.4	11.4	17.2
Other	0.6	1.0	0.3	0.5

For example, to compare the values for the White group we have 72.9 for 26 weeks or less and 69.9 for 39 weeks. The ranges are calculated in the same manner as before. At the 95% level we have 72.9 ± 3.9 and 69.9 ± 2.60. Since the ranges overlap we can conclude that there is no significant difference. However, in analyzing the Spanish Surname group we have 7.4 ± 2.3 and 17.2 ± 1.1. Here no overlap exists and a significant difference can be concluded. Each comparison must be analyzed prior to drawing any conclusions from the data. These calculations are extremely sensitive to small sample sizes and the reader is cautioned to make such considerations.

Figures

In each of the individual State chapters, costs were displayed for both the sample and for the State. The State costs were developed essentially by inflating the sample costs by the ratio of first payments in the sample to first payments in the State. Following is a table showing first payments for the samples and for the States (for 1975) and the corresponding adjustment factors.

TABLE A-6

State	1st Pays in Sample	1st Pays* in State	Adjustment Factor
New York	2,388	883,251	$\frac{883,251}{2,388}$
Florida	2,474	324,456	$\frac{324,456}{2,474}$
Ohio	2,393	542,357	$\frac{542,357}{2,393}$
Oregon	1,628	143,274	$\frac{143,274}{1,628}$

* Source: ES-213, 1975.

As an example of the use of the adjustment factor, the potential cost of the 1-1/2 alternative program in New York is shown. From the sample data the potential cost for 1975 (shown on Figure 6.5) is $6,561,808. By applying the adjustment factor for New York, the projected State potential cost is derived.

$$\$6,561,808 \times \frac{883,251}{2,388} = \$2,427,019,882$$

BIBLIOGRAPHY

...Employment and Training Report of the President. (Washington, D.C.: U.S. Government Printing Office, Transmitted to Congress 1976).

...Employment and Training Report of the President. (Washington, D.C.: U.S. Government Printing Office, Transmitted to Congress 1977).

...Strengthening Unemployment Insurance, Program Improvements, Report on Recommendations of the Institute's Unemployment Insurance Research Advisory Committee. (Kalamazoo, Michigan: The W.E. Upjohn Institute for Employment Research, May 1975).

...Unemployment and Income Security Goals for the 1970's, A Report of the Committee on Unemployment Insurance Objectives. (Kalamazoo, Michigan: The W.E. Upjohn Institute for Employment Research, July 1969).

...Unemployment Insurance Legislative Policy, Recommendations for State Legislation, 1962. (Washington, D.C.: U.S. Department of Labor, Bureau of Employment Security, BES No. U-212, October 1962).

Haber, William and Murray, Merrill G., Unemployment Insurance in the American Economy, An Historical Review and Analysis. (Homewood, Illinois: Richard D. Irwin, Inc., 1966).

Malisoff, Harry, The Insurance Character of Unemployment Insurance. (Kalamazoo, Michigan: The W.E. Upjohn Institute for Employment Research, December 1961).

Mackin, Paul J., Extended Unemployment Benefits. (Kalamazoo, Michigan: The W.E. Upjohn Institute for Employment Research, April 1965).

Murray, Merrill G. The Duration of Unemployment Benefits. (Kalamazoo, Michigan: The W.E. Upjohn Institute for Employment Research, 1974).

OPPL, Issues on Extended Benefit Duration: (unpublished paper, February 1973).

Roche, George S., Entitlement to Unemployment Insurance Benefits. (Kalamazoo, Michigan: The W.E. Upjohn Institute for Employment Research, September 1973).

Unemployment Insurance Service, U.S. Department of Labor, Comparison of State Unemployment Insurance Laws. (Washington, D.C.: U.S. Government Printing Office, January 1972 and supplements).

Unemployment Insurance Service, U.S. Department of Labor, Handbook of Unemployment Insurance Financial Data. (Washington, D.C.: U.S. Government Printing Office, 1971 and supplements).