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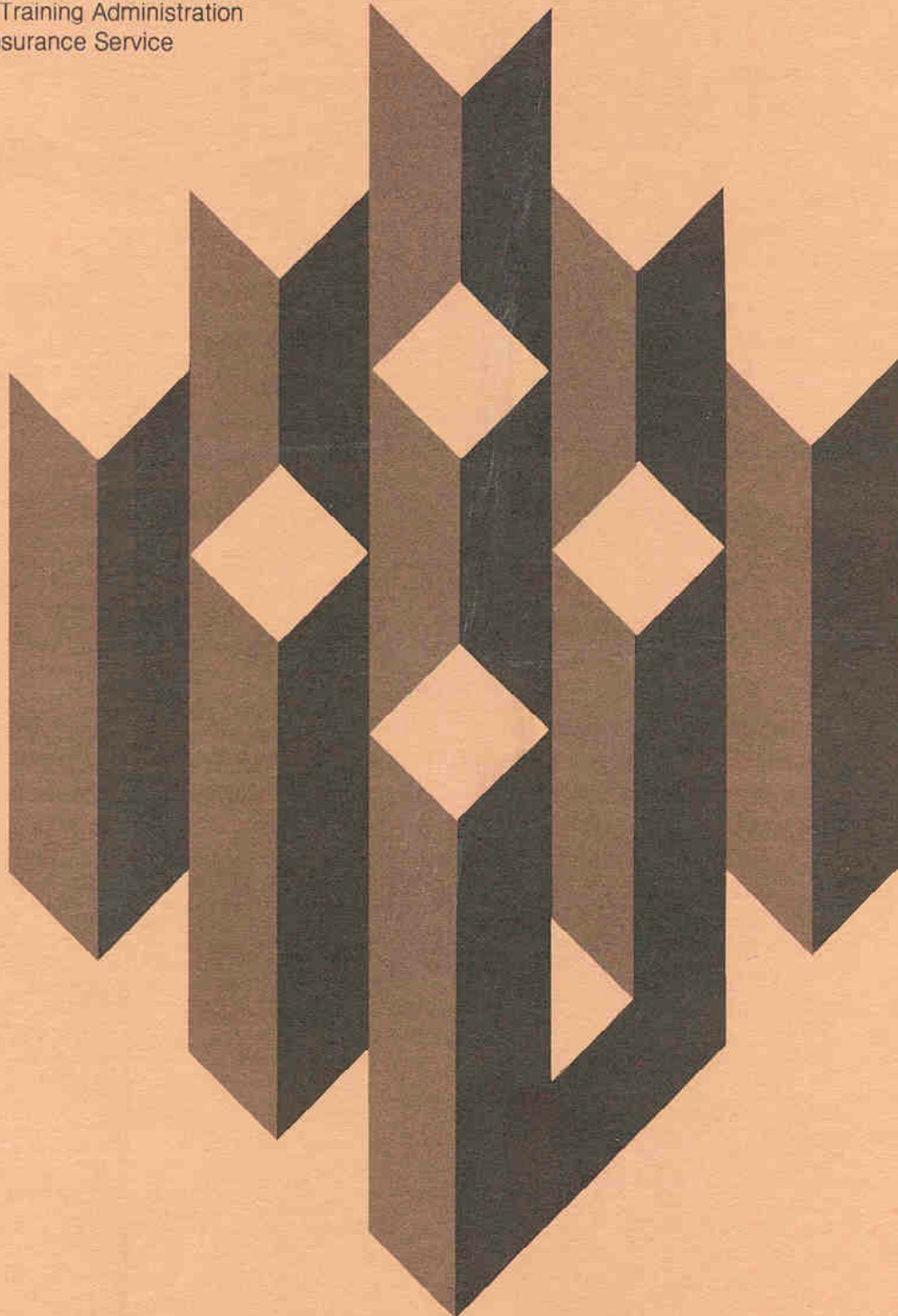
Work Search Among Unemployment Insurance Claimants: An Investigation of Some Effects of State Rules and Enforcement

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WORK SEARCH AMONG UNEMPLOYMENT
INSURANCE CLAIMANTS:

An Investigation of Some Effects
of State Rules and Enforcement

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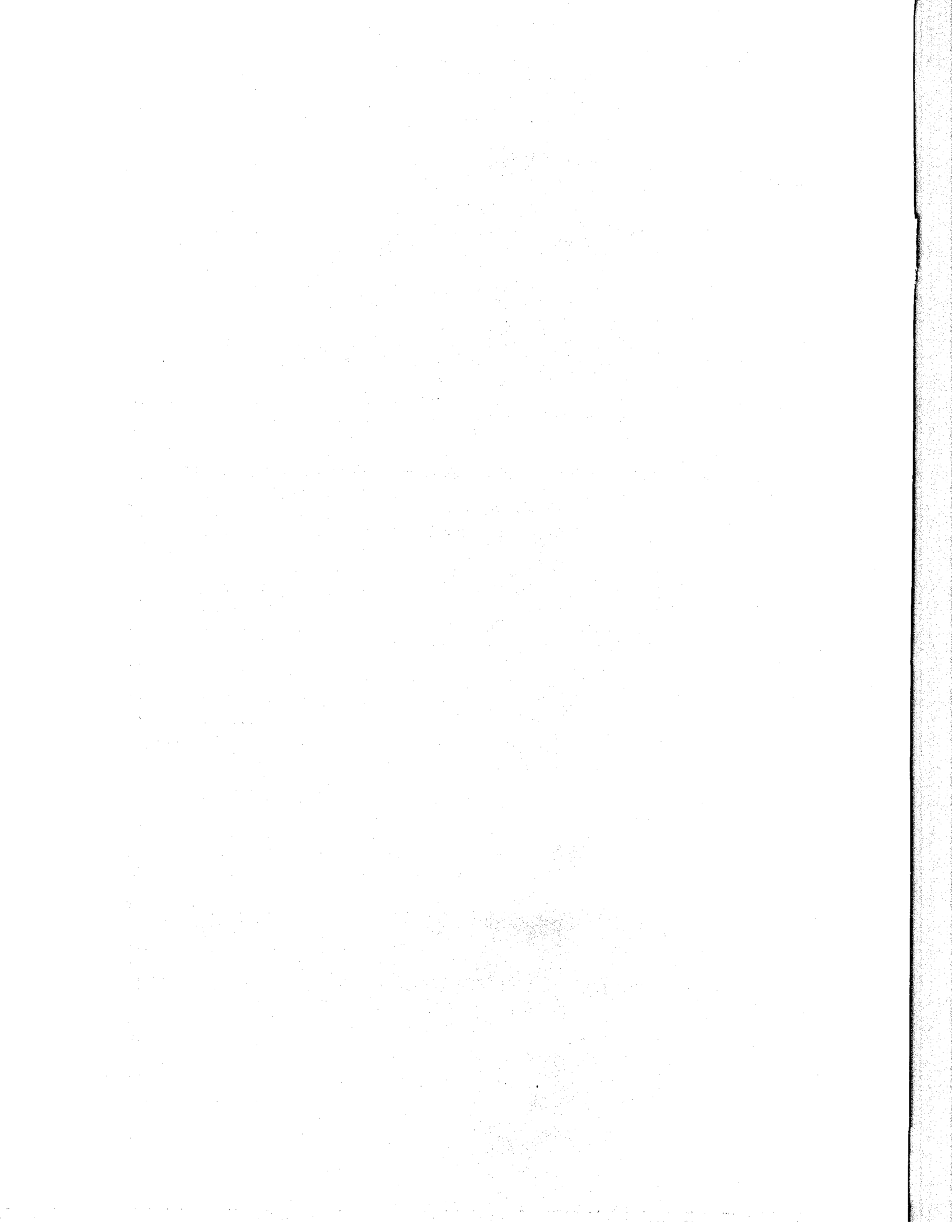 P.O. Box 2393
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Background and Focus

A guiding principle of the federal-state unemployment insurance (UI) system is that benefits should be paid only to claimants who exhibit a continuing attachment to the labor market. This principle is operationalized in states through work-search rules that define acceptable standards of search activity and responsibility. Since the rules are defined by states--through laws, regulations, and administrative procedures--the states exhibit a great deal of variation in terms of who is covered by the rules, what is required of covered claimants, and the purposefulness and frequency with which compliance is monitored and enforced.

The application, monitoring, and enforcement of work-search rules place some burden and costs on both UI claimants and agency staff, and at issue is the degree to which they are offset by improvements in both labor-market movements (i.e., more rapid reemployment into suitable jobs and shorter spells of UI benefit receipt) and UI agency operations. Specifically this study investigates the questions:

1. To what extent do work-search rules increase the actual work-search efforts of claimants?

2. To what extent do these rules, or claimants' reactions to them, lead to shorter spells of unemployment and more rapid reemployment?

The Random Audit Program (and its successor the Quality Control Program) was established to verify UI payments and assess how accurately these payments are made in accordance with the UI laws and regulations of each particular state. A payment error rate is calculated by this program as a measure of the performance of UI agency operations. These payment error rates, particularly those related to work search rules and requirements, may also be affected by the application, monitoring, and enforcement of work search rules. Therefore, this study also attempts to answer the question:

3. Do different types of requirements or standards of work search affect the payment error rates associated with work-search rules?

Study Design

The purpose of the study was to determine the effects of UI work-search rules, the characteristics of claimants, and labor-market conditions on the work-search behavior of claimants (which is an intermediate outcome

of interest) and on the length of UI claims spells, the job-finding success of claimants, and UI payment error rates (which are the ultimate outcomes of interest).

Because of the role played by states in defining work-search rules, the analysis was thought to be possible in a nonexperimental setting--that is, it is based on observations of the normal state-to-state variation that exists in the specificity and requirements of UI rules. In this sense, it is useful to think of this effort as a natural experiment, with rules changing conveniently at state borders. However, it must be remembered that this is not a true experiment, since rules are likely to differ among states simultaneously with differences in their economies, labor markets, populations, geographic conditions, political philosophies, and more. The analysis attempts to control statistically for these differences by including variables that describe the characteristics of claimants and labor-market conditions. Nevertheless, important state-to-state differences are likely to remain unaccounted for in the analysis, and their probable presence necessitates that caution be exercised when the results are interpreted.

The analysis focuses on the experience of ten states. They were selected on a judgmental basis to represent a broad range of UI benefit denial rates for work-search issues (a proxy for the strictness of state work-search rules), UI Random Audit Program error rates for work-search issues, and geography. These states represent the initial unit of observation, providing data on work-search-related laws, regulations, and actual administrative practices. The data were collected through visits and telephone conversations with central UI agency staff and, when possible, with local office administrators.

For the analyses of work-search behavior, claims spells, and job-finding success, it was important that the experience of UI claimants themselves be documented. Each of the ten states provided an equal-size list of claimants who first applied for benefits between April and December 1985 and were subject to work-search requirements. These claimants (or, in most cases, former claimants) were interviewed by telephone in the summer of 1986 to collect information on (1) their work-search activities, (2) their pre-layoff jobs, job separation, and subsequent periods of employment, (3) their knowledge of and reactions to the work-search requirements of their respective states, and (4) their personal characteristics.

While the ultimate unit of analysis for many parts of the analysis was the individual claimant, the unit of analysis for the error-rate analysis was the state. The state sample size was increased to a reasonable number for this analysis by requesting that U.S. Department of Labor (USDOL) regional offices provide a modest set of data for an additional 27 states. The specific data requirements were developed from an analysis of the in-depth data available from the original ten states. The data base was augmented with data made available by USDOL on state UI Random Audit errors, UI benefit determinations and denials, various counts of continuing claims, and eligibility review interviews.

A challenge for the analysis was to document the true operational work-search rules for each study state. Not only do the rules as they are applied to claimants often differ substantially from how they are actually written in law or regulation, but different operational rules may also be used at different points in time, in different parts of the state, or for different sets of claimants. Consequently, it was necessary to focus only on those rules that distinguished the sample states, and for which the interstate variation seemed to dominate the intrastate variation. Other rules may be equally or even more important in determining the work-search activities of claimants, but the nature of analysis based on state differences necessitated focusing on rules which met these criteria of distinctiveness.

The analysis provided two perspectives of state work-search rules--one from the discussions with state UI officials and reviews of state materials, and the other from claimants' reports of their perceptions and experience. These two perspectives provided quite similar pictures of the operational work-search rules of states, and permitted categorizing study states according to whether their work-search policies were generally strict, moderate, or lenient. (Strictness is defined on the basis of the existence and extent of work-search requirements, the frequency with which claimants are required to report their work-search activities, and the timing with which claimants are required to register with the state employment service.) The primary analysis was based on this categorization, since the number of study states was too small to permit an analysis based on specific work-search rules. However, the analysis of error rates, which focuses on a larger number of states, is based in part on specific state rules.

Findings

The following three sections briefly summarize the findings of the effects of work-search rules on the work-search behavior of claimants, their job-finding success, and payment error rates, respectively. These findings must remain tentative because of the existence of underlying methodological problems.

Work-Search Behavior

Analysis of the effects of work-search rules on the work-search behavior of claimants tends to provide the expected pattern of results. Claimants who did not expect to be recalled to their former jobs tended to search more intensely than claimants who did expect to be recalled regardless of their states' work search rules. Also, on average, claimants from states whose work-search rules are strict are generally more likely to search for work, devote more hours to work search, and contact more

employers than is true of claimants from moderately strict and lenient states. Conversely, claimants from states whose work-search rules are lenient are the least likely to search, devote the fewest hours to work search, and contact the fewest number of employers. Thus, it would appear that differences in the work-search rules, or perhaps the overall work-search policy or climate, of states do influence the work-search behavior of claimants. It should be noted, however, that states with the strictest work-search rules also experienced the highest unemployment rates during the study period; therefore, these results must be interpreted with caution since it is possible that claimants in states with stricter work-search rules searched harder because of the adverse labor market conditions which they faced.

The overall findings are consistent with claimants' own assessments of the effects of state work-search rules on their behavior. Namely, claimants from states with strict or moderately strict work-search rules were more likely to report that they made more employer contacts and made contacts more often than they would have in the absence of strict work-search rules. These claimants were also more likely to report that work requirements were helpful and reasonable. Claimants in the states with lenient rules, on the other hand, were the least likely to report that work-search rules prompted them to contact more employers or make more repeat contacts than they would have made otherwise, and were the least likely to report that work-search rules were helpful and reasonable.

Study findings indicate that work-search behavior is determined, in part, by various claimant characteristics. For example, this analysis found that the number of hours devoted to work search increased with claimants' age until about age 42, and then declined for individuals who were older. All other things being equal, female claimants spent significantly fewer hours than males searching for work and made fewer employer contacts. Race was also a determining variable; again holding all else constant, black claimants were more likely to search for work and to search more intensively than white claimants.

When the sample is divided into those claimants who expected to be recalled to their former jobs and those who did not, the results for the latter group of claimants, who are typically the primary job searchers, do not consistently show the expected relationship between the strictness of work-search rules and the work-search behavior of claimants. Instead, the pattern found for the entire sample appears to be due to the effects of work-search rules on the behavior of claimants who regard themselves as job-attached. It may be that claimants who are not job-attached are sufficiently self-motivated to search fairly rigorously regardless of state rules, but those who expect to be recalled are likely to fail to search rigorously unless they are compelled to do so by state rules.

The inconsistent results for the effects of work-search rules on job-finding success (see the next section) suggest an alternative explanation for the search results. One concern in interpreting the results is that, as mentioned above, a negative correlation appears to exist in the sample states between the strictness of the work-search rules and the

health of the labor markets (i.e., the reemployment prospects of claimants). Since those economic differences could not be controlled for completely, it may be the case that the measures of strictness are reflecting economic conditions. Hence what appears to be a response to strict rules may be a response to coincidentally poor labor market conditions.

Employment and Earnings Outcomes

An analysis of the effects of work-search rules on the job-finding success of claimants produces the unexpected result that claimants from the states whose work-search rules are the strictest are less successful at leaving the UI rolls and becoming reemployed. In addition, once they become reemployed, claimants from states whose work-search rules are strict are less likely to work full time, less likely to work for their former employers, and more likely to earn less than claimants from states whose rules are moderate or lenient. These results appear to stem from the more serious labor-market problems found in the sample states whose work-search rules are strict. Again, these economic differences could not be controlled completely, and it seems that the effects of economic conditions on job-finding success dominate the effects of work-search rules.

Certain characteristics of claimants also had important effects on their employment and earnings outcomes. Specifically, controlling for differences in all other variables, women were significantly less likely to become reemployed within six months and worked significantly fewer hours than men during each quarter following the start of their receipt of UI benefits. This was also true of black claimants as compared to white claimants. Also of importance was whether the claimant had dependent children present. All other things equal, claimants who had dependent children present in their households had a higher probability of being reemployed within six months, worked significantly more hours per week, and collected benefits for significantly fewer weeks. For claimants who were not job attached, we found that more work search had a small positive effect on employment- and earnings-related outcomes. This finding however, is difficult to interpret given that extra search effort for this group was not a result of stricter work-search rules.

Random Audit Error Rates

The evidence on the effects of work-search rules on payment error rates is suggestive, though somewhat inconclusive. A positive and statistically significant relationship exists between work-search-related UI benefit denial rates and Random-Audit-measured payment error rates. UI benefit denial rates are often thought to reflect the strictness of states' work search rules, the degree to which these rules are clear and comprehensive, and the effectiveness of agency administrative practices. If these perceptions are true, then the relationships found between denial rates and payment error rates suggests that the strictness of the rules and the effectiveness of the UI agencies' administrative practices may also be

associated with higher payment error rates. Efforts to capture this association with specific UI rules and practices failed to provide more definitive evidence that the strictness of the rules affects errors. However, the analysis did establish that administrative practices, specifically the methods used by states to process and monitor claims (e.g., wage-reporting requirements and methods of claims processing), can affect payment error rates.

The analysis also considered an alternative measure of error rates-- the percent of ineligible claimants who are not denied benefits and are therefore paid in error. Conceptually, this measure has some advantage over the payment error rate, since it abstracts from differences in state rules that affect the ineligibility rate. The analysis showed that this error rate is not affected by the work-search rules of states but is affected by their administrative practices. However, while this measure of error rate is superior to the payment error rate conceptually, the empirical results were only marginally different.

Despite the fact that these results are somewhat inconclusive, they do suggest that many factors may affect error rates. Thus, error-rate comparisons among states, or over time within a state if the rules change, should be viewed with great caution before concluding that states are performing their administrative duties more or less diligently based solely on these comparisons.

I. STUDY DESIGN

State unemployment insurance (UI) programs contain various "work test" requirements to ensure that UI benefits are paid only to claimants who show a continuing attachment to the labor market. In most states, the cornerstone of these requirements is a set of provisions that require active search for work, which are integrated with work-test rules pertaining to claimants' ability to work, availability for work, and refusal of suitable work. Under broad federal guidelines, individual states have the latitude to define and apply work-search rules according to their specific policy concerns, political attitudes, and economic conditions.

Work-search rules actually reflect a tension within the UI programs. On the one hand, the purpose of the programs is to provide transitional financial support to workers who are separated from their jobs through no fault of their own, thus mitigating the financial hardships associated with job losses that are outside of their control and allowing them to engage in a period of careful work search. On the other hand, the support is also believed to lengthen the unemployment period of some claimants, as they delay serious work search until they approach exhausting their UI benefit entitlements.[1] Consequently, the work-search rules of many states serve a role that is intended to go beyond simply monitoring

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[1] Empirical studies of this issue based on micro-data bases began with Ehrenberg and Oaxaca (1976) and Feldstein (1978). Much of the more recent empirical work on this topic is summarized in Moffitt (1985). Closely related work on the effects of UI on work-search intensity was undertaken by Barron and Mellow (1979) and Barron and Gilley (1979).

claimants' continuing attachment to the labor market: they are intended actually to promote _active_ work search, usually in conjunction with services provided by the state employment service (ES).

In the recent economic and political climate, much attention has focused on work-search rules. Such interest stemmed from the recession in the early part of this decade, when increased unemployment and reduced payroll tax bases began to deplete UI trust funds, placing severe fiscal pressure on UI programs. States responded to the fiscal dilemma in a number of ways, but largely by strengthening work-search requirements and increasing the purposefulness with which they are applied.

More broadly, the long-term growth in other types of benefit entitlement programs (e.g., cash welfare programs and the Food Stamp Program) has prompted administrators of those programs to begin to experiment with and adopt work-search and other work-test measures that were previously applied only by the UI programs. Although the research on which this report is based focused exclusively on recent UI work-search requirements--their use and effectiveness--the lessons that were learned from the study may also apply to other policy settings.

The remainder of this introductory chapter summarizes the focus of the study and its overall design, including the data collection effort that underlies the results and an overview of the sample of claimants.

A. THE FOCUS OF THE STUDY

This study focuses on a broad set of policy issues associated with the effectiveness of state work-search rules. Effectiveness can be judged in a number of ways. The first is whether stricter rules increase the efficiency of the labor market by prompting UI claimants to search for work

more rigorously than would be the case with less strict rules. Of course, more rigorous work search would not enhance the efficiency of the labor market if it failed to bring about more timely matches between unemployed workers and employers. The second dimension of effectiveness is whether the UI system itself operates more efficiently under stricter rules. At issue is the ability of states to pay UI benefits accurately only to those workers who are truly eligible and in an amount to which they are truly entitled. In this instance, stricter rules really mean clearer, more specific standards for acceptable work-search behavior by claimants which can be used to judge such behavior on a regular basis. It is this issue—the operational efficiency of the UI system—to which the Quality Control Program (and, previously, the Random Audit Program) is directed. While these issues provided the primary direction for the study, we should not lose sight of the fact that the rich database accumulated for the study provides a great deal more information about who is unemployed, the dynamics of unemployment and reemployment, and the nature of the UI operations of states.

This study has its roots in work undertaken in three previous studies. A study of state UI nonmonetary eligibility standards (Corson, Hershey, and Kerachsky, 1985 and 1986[1]) examined state laws and practices associated with work-search requirements (and other nonmonetary eligibility issues), and assessed their effects on the ability of states to identify and adjudicate issues that involve UI claimants who fail to meet the requirements. The study concluded that claimants' continuing attachment to

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[1]The results of this research study were presented in two complementary reports (see the list of references).

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the labor market can best be assessed if they are required both to comply with clear, detailed work-search rules and to provide evidence to document their search. Moreover, the study found that an effective assessment also requires that UI staff review the evidence both carefully and frequently. That study did not evaluate work search explicitly; instead, it was able to evaluate only the effectiveness of state rules on the basis of the effectiveness of states at denying benefits to claimants who are truly ineligible for benefits.

The second study (Corson, Long, and Nicholson, 1985) considered in more detail one specific type of search-related activity--registration with the ES. Registration with the ES provides claimants with access to a work-search service and tests their attachment to the labor market. The study was based on an examination of alternative rules associated with ES registration that were applied to different sets of claimants in Charleston, South Carolina. The study found that more stringent reporting rules, including effective compliance monitoring, also enhanced the effectiveness of the state at denying benefits. Moreover, the application of these rules reduced the number of weeks of UI benefits collected, in part through increased denials, but also, it appeared, through voluntary actions by claimants (i.e., some appeared to stop filing for UI when they were required to register with the ES). The potential effects of ES registration on the post-unemployment earnings of claimants were also investigated. No impact on earnings was found, although the analysis was quite limited by a short follow-up period and the necessity of relying on quarterly wage records.

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Together, these two studies show that state work-search practices and requirements do play an important role in the effective screening of claimants to determine their continuing attachment to the labor market. The findings of the studies are indeed important to UI administrators, who face legal and budgetary pressures to restrict UI benefit payments to those who are truly eligible. However, they stop short of addressing two critical questions that pertain to both claimants and society at-large. The first is the extent to which work-search rules increase the work-search efforts of claimants. The second is the extent to which these rules, or claimants' reactions to them, lead to shorter spells of unemployment and more immediate reemployment. Answers to these questions could have major implications in terms of the degree to which both claimants and policymakers accept stricter standards of work search. Thus, these are two of the questions around which the present study was designed. The actual work-search efforts of claimants are discussed in Chapter III; their unemployment spells and job-finding success are explored in Chapter IV.

The third previous study sought to identify the sources of UI benefit overpayment errors as part of the early experience with the Random Audit Program (Kingston, Burgess, and St. Louis, 1983). The Random Audit Program (and its successor, the Quality Control Program) was designed as a nationwide system to audit the accuracy of UI payments in a consistent manner. Using a weekly sample of UI payments, the program verifies the accuracy of each payment based on the UI laws and written regulations of each state. Its goal is to identify major sources of error that could benefit from corrective measures. The authors of this early study found

that the complexity of state UI rules seriously hinders the operational efficiency of the UI system. A specific concern raised by the authors was the ability of UI agencies to enforce current work-search rules effectively at any reasonable cost, even though work-search violations are a major cause of overpayments. Thus, another question around which this study was designed is whether different types of requirements or standards of work search affect payment error rates associated with work-search rules. This question is addressed in Chapter V.

B. THE STUDY DESIGN

This study was conceived to address the questions discussed in Section A by exploiting the natural variation found among the UI laws, regulations, and procedures of the states. This section begins with a general explanation of that study approach; it then describes the selection of states, and concludes by discussing the data collection strategy.

1. Overview of the Study Design

Underlying much of what we attempt to examine in this study is the set of relationships shown in Figure I.1. The initial factors that interrelate are the UI claimants (representing labor supply) and the labor market (representing labor demand). The relationship between these two factors is conditioned to some degree by a third--the laws, regulations, and procedures of the UI system. Although claimants' work search behavior is directly and indirectly influenced by many other factors not included here, the interrelationship of these three factors is an important determinant of the work-search patterns and behavior of claimants and,

FIGURE I.1
WORK—SEARCH RELATIONSHIPS

UI LAWS, REGULATIONS AND PROCEDURES

LABOR MARKET CHARACTERISTICS AND OTHER EXTERNAL FACTORS

CLAIMANT CHARACTERISTICS

BENEFIT DENIAL RATES

CLAIMANT WORK—SEARCH BEHAVIOR

RANDOM AUDIT ERROR RATES

UI CLAIMS SPELLS

JOB FINDING SUCCESS
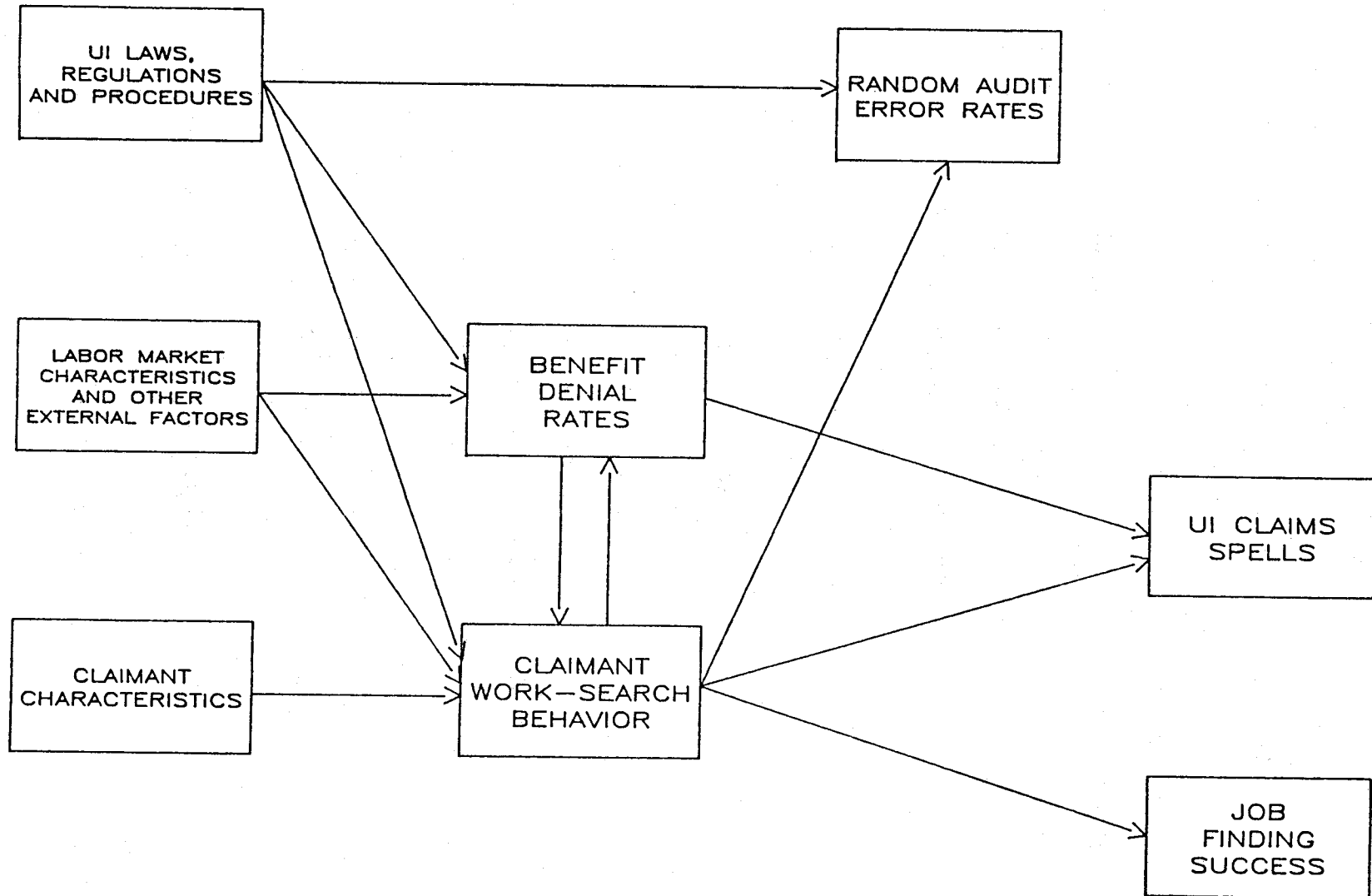
ultimately, the length of UI claims spells and job-finding success. An important intervening factor is UI benefit denials, which are based on an assessment of the work-search behavior of claimants within the context of UI rules and labor-market conditions. Not only are benefit denials affected by work-search behavior, but the reverse is also true, since claimants are likely to react to the prospect of having their benefit claims denied. Finally, the search behavior of claimants and the UI rules, together, help determine when the system is not operating as it should-- that is, when claimants are not searching as required but are also not being denied benefits. Thus, the error rate is shown to be the result of both the work-search behavior of claimants and UI laws, regulations, and procedures.

The studies described in the previous section relied on administrative data to evaluate the relationship primarily between UI rules and denial and error rates. The South Carolina study extended the examination to include UI benefit payments. However, those studies lacked the micro-level data necessary to address the full range of relationships shown in Figure I.1. In contrast, this study began by developing an overall design to address at least the major relationships, and then moved to developing a data collection plan that coordinated the collection of data from a number of sources in response to the needs of the study design.

The study design required that detailed data on work-search rules initially be collected from a sample of states. Then, within those states, UI claimants were sampled for a survey of their actual work-search

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activities and subsequent work experience.[1]   Our initial targets for these samples were 10 states and 300 claimants per state.   In addition, the design required collecting less detailed work-search data on a much larger sample of states, to be evaluated in conjunction with data on benefit denial rates and Random Audit error rates available from states through USDOL. We will return to the data collection strategy in Section B.3.

As we described earlier, our analysis focuses primarily on the effects of UI work-search rules on the various outcomes (again, claims spells, job-finding success, and error rates). The analysis was possible in a nonexperimental setting--that is, it is based on observations of the state-to-state variation that exists in terms of the specificity and requirements of UI rules. In this sense, it is useful to think of this effort as a natural experiment, with rules changing conveniently at state borders.   However, it must be remembered that this is not a true experiment, since the rules do not differ solely for the convenience of the research, but instead differ according to the existing economies, labor markets, populations, geographic conditions, and political philosophies that are unique to the states. We attempted to control statistically for these differences by using variables that describe personal characteristics, labor-market characteristics, and other external factors. Nevertheless, important state-to-state differences are likely to remain unaccounted for in the analysis. Their presence may be apparent in

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[1] While we refer to "claimants" throughout this report, most had ceased collecting benefits by the time they were interviewed.

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the pattern of results that emerges, or it may not be, but in either case the results must be interpreted with caution and the conclusions drawn with care.

2. The Selection of States

Ten states were selected for the main part of the study, with the final number dictated more by budgetary than by statistical considerations. To facilitate the state data collection process, the study design required that we build on the information that was gathered for and the analysis conducted during two of the previously mentioned studies (Corson, Hershey, and Kerachsky, 1985 and 1986, and Corson, Long, and Nicholson, 1985). This decision provided seven of the desired ten states. Of course, because the information gathered for those studies was several years old, provisions were made to update the information through telephone contacts.

An evaluation of the representativeness of these seven states showed that a disproportionate number were concentrated in the East, and that a majority exhibited low benefit denial rates and medium to low Random Audit error rates.[1] We thus sought three new states whose characteristics would balance the sample more effectively along these dimensions, and we were able to achieve this objective. The final state sample includes Arizona, Idaho, Iowa, Maryland, North Carolina, Pennsylvania, South Carolina, Texas, Utah, and Wisconsin. No state declined to participate in the study.

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[1] We evaluated benefit and error rates by computing the state rankings for the period that covered the last quarter of 1982 through the first of 1985. Because of the variability of these rankings, we then characterized states by whether they fell in the "high," "medium," or "low" third of the lists.

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3. Data Collection Strategy

Data were collected from two primary sources: state UI agencies and UI claimants. Additional data were also collected from a number of unpublished and published sources. The overall data collection strategy is described here, and details of the survey of claimants are described in Appendix B.

State UI Agencies. The initial phase of data collection entailed gathering detailed information on UI laws, regulations, and operating procedures that pertained to the work-search requirements of the ten state UI agencies. Our objective was to document the rules as they are actually applied, not just as they are stated in law. The effort was guided by our previous experience in collecting such information. Since we had collected the basic information from seven of the ten states as recently as 1983, those states required only telephone contacts with the UI directors ·or their designees to verify and update our information. When possible, we also contacted a local office in each state to learn more about how its work-search policy was actually carried out. For the three states that we had not worked with previously, we visited each state's central office and one local office to collect the full range of work-search information.

While a ten-state sample is the maximum size that was feasible for an in-depth analysis in conjunction with claimant interviews, a much larger state sample was desirable and feasible for the portion of the analysis that focuses on the UI error rates. It was desirable because the unit of observation for this phase of the study is a state, rather than a claimant, and the analysis clearly requires a sample greater than ten; it was

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feasible because the analysis of the original, in-depth state data enabled us to develop a much smaller data set for the additional states. In addition, we worked with USDOL to arrange a method for collecting these data efficiently through mail surveys of regional USDOL offices. While these data cannot be expected to be of the same quality as those collected through in-depth interviews, the data collection method did prove to be an effective way to gather consistent information from many states. To minimize the burden imposed on regional offices, we collected these data only from 27 states in addition to our basic state sample.[1]

UI Claimants. To represent the application of each state's rules equally (rather than to represent the claimant universe), we sought equal-size samples of claimants from each of the ten states. We attempted to interview 300 claimants from each state, or 3,000 overall. Such a sample would enable us to detect differences of, for example, one week of UI collection with 70 percent power. We asked each state to provide a sample list of individuals who claimed benefits through the regular state UI program and who were generally subject to work-search rules. We also asked that the sample be drawn randomly from all individuals who met those screens and who filed for benefits between April and December 1985. This long time period ensured that we would observe a fairly complete range of seasonal variation, yet, since interviewing was undertaken during the summer of 1986, that the vast majority of claimants would have completed

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[1] Regional offices provided data on the rules and regulations of several other states, but those states did not participate in the Random Audit Program in the relevant time period.

their claims spells. However, it meant that interviewing would have to be undertaken between six and sixteen months after the claimants filed for benefits. While there are general concerns about the variable length of respondent recall, our own experience is that recall that does not exceed eighteen months for these types of issues presents little problem.

The interview itself was designed to collect information on (1) work-search activities, (2) pre-layoff jobs, job separation, and subsequent periods of employment, (3) claimants' knowledge of and reactions to the work-search requirements of their states, and (4) personal characteristics. It was designed to be administered by telephone, as has been undertaken successfully for similar data collection efforts. (The results of the completion rates for the survey are described in Appendix B, and a copy of the interview instrument is presented in Appendix C.)

Additional Data Sources. Other key data were obtained from USDOL, although their true sources are the reports submitted to USDOL by the states. These data covered UI benefit determinations and denials, Random Audit errors, various counts of continuing claims, eligibility review interviews, and more. Published sources provided descriptive information on states, including aggregated and disaggregated unemployment rates, employment patterns, and geographic concentration.

C. OVERVIEW OF THE CLAIMANT SAMPLE

The data collection effort created two samples—one of state UI agencies and one of UI claimants. This chapter concludes with an overview of the sample of UI claimants. (An overview of the sample of state UI agencies is reserved for the next chapter, so that it can be presented

within the context of characterizing the work-search rules of states.) We describe the demographic characteristics of claimants first, then the characteristics of their pre-layoff jobs, and finally the nature of their separation from those jobs. The characteristics of claimants, by state, are summarized in Table I.1.

The Demographic Characteristics of Claimants. It is difficult to generalize about the full sample, because the states exhibit a great deal of variation. For example, while 44 percent of the overall sample is female, this figure ranges from a low of nearly one-third of the sample in several states to over one-half of the sample in North Carolina and South Carolina and to over 60 percent in Utah.

This is not a particularly young sample; only 15 percent are under age 25. Almost half of the sample fall in the 25- to 39-year-old age range; 31 percent fall in the 40- to 59-year-old age range; and 6 percent are 60 years of age or older. Utah appears to have the youngest sample, followed by Iowa and South Carolina. Maryland has a distinctly older sample than any other state.

Finally, 79 percent of all sample members are white, 12 percent are black, and 7 percent are Hispanic. The large majority of black sample members come from North Carolina and South Carolina, while most Hispanic claimants come from Arizona and Texas.

Pre-Layoff Jobs. The next set of characteristics presented in the table pertain to the pre-layoff jobs of sample members. The job-tenure variable shows that about one-half of all sample members had been employed with their immediate pre-layoff employer for less than three years, while over one-third had been employed with this employer for five or more

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TABLE I.1

CHARACTERISTICS OF SAMPLE CLAIMANTS

Characteristic	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	Total
Demographic											
Sex: Female	36.6	47.7	48.6	42.8	55.6	37.9	51.7	38.6	62.5	38.8	44.2
Age											
Younger than 25	11.5	15.3	19.6	3.9	13.6	12.7	18.4	14.5	25.2	13.3	15.4
25 to 39	49.2	47.1	45.9	37.8	39.2	43.8	47.8	52.1	55.0	56.0	47.9
40 to 59	34.6	32.2	31.6	42.8	37.4	36.9	30.2	28.0	16.8	25.2	30.7
60 or older	4.6	5.4	3.0	15.6	9.9	6.5	3.5	5.3	3.0	5.5	6.0
Race/Ethnicity											
White	64.2	89.4	95.5	90.2	66.7	92.8	52.6	54.0	88.0	92.2	79.2
Black	4.5	0.8	3.0	4.9	28.9	4.2	45.8	14.5	2.3	5.8	11.8
Hispanic	24.6	7.9	1.1	1.6	1.1	1.1	0.8	29.0	7.7	1.0	6.9
Other	6.7	1.9	0.4	3.3	3.3	1.9	0.8	2.5	2.0	1.0	2.1
Pre-Unemployment Job											
Job Tenure											
Less than 3 years	59.1	54.8	54.3	56.0	42.0	41.1	56.1	55.2	52.5	47.1	51.3
3-5 years	11.8	13.1	15.0	15.4	11.0	11.9	10.2	12.8	22.1	8.7	13.3
5 years or more	29.1	32.0	30.7	28.6	47.0	47.0	33.7	32.0	25.4	44.2	35.5
Hours Worked per Week	43.6	42.8	43.6	44.6	41.5	40.4	42.5	43.8	41.3	42.7	42.5
Earnings per Week	355.0	320.8	272.3	441.7	259.3	323.9	248.9	347.7	234.1	337.3	307.2
Occupation: White Collar	51.1	29.3	54.8	78.1	33.8	24.6	34.5	46.8	75.1	33.7	45.7
Industry											
Durable manufacturing	12.7	22.2	16.7	18.4	21.4	32.2	21.1	17.2	0.3	36.5	20.3
Non-durable manufacturing	4.5	21.0	14.8	6.5	40.0	25.8	25.3	12.7	0.0	19.6	17.8
Construction	22.4	13.9	5.6	7.6	8.7	12.5	11.5	18.7	2.3	7.7	10.5
Agriculture/mining	6.7	5.6	3.0	1.6	2.6	1.5	1.5	6.0	1.7	2.2	3.1
Transportation/pub. utility	6.0	6.8	6.7	3.8	3.3	2.6	5.0	4.2	1.3	4.2	4.3
Whole/retail sales	17.9	9.7	28.9	15.7	8.7	9.1	16.4	15.1	1.3	11.6	12.9
Finance/services	24.6	15.8	20.8	42.7	12.0	14.0	16.5	24.3	6.6	16.3	18.2
Public administration	5.2	4.9	3.7	3.8	3.3	2.3	2.7	1.8	86.4	1.9	12.9
Job Separation											
Reason for Leaving Pre-UI Job											
Laid off for lack of work	53.2	84.4	44.1	57.0	67.9	83.8	62.3	67.2	71.9	77.5	68.7
Plant closed	5.3	3.8	20.4	8.6	11.0	6.2	7.7	7.8	0.3	8.0	8.0
Quit for health/personal	12.8	3.8	4.1	8.6	5.8	3.5	5.4	6.7	4.0	2.2	5.2
Quit for unsatisfactory working arrangements	3.0	1.5	6.7	7.0	1.8	1.9	5.0	3.5	2.7	1.6	3.4
Fired	15.8	5.3	21.8	17.2	12.8	3.1	18.5	14.4	2.7	10.0	11.7
Other	0.0	1.1	3.0	1.6	0.7	1.6	1.2	0.4	18.4	0.6	3.2
Expected To Be Recalled	21.6	63.3	22.0	19.3	45.6	57.5	32.9	33.0	61.3	61.1	44.0
Received Definite Recall Date	6.0	16.0	2.6	9.1	17.5	20.8	5.8	4.6	12.1	28.8	13.0
Sample Size (Maximum)	134	266	270	187	275	264	261	285	301	312	2555

years. The state-to-state variation is actually fairly modest, although sample members from North Carolina and Pennsylvania showed distinctly longer tenures in their pre-layoff jobs than did sample members from other states.

On average, claimants worked slightly over 40 hours per week in their pre-layoff job in each of the ten states. The average weekly earnings for the total sample was about $307, or nearly $16,000 per year. However, this figure does mask a great deal of variation among the states. At $442 per week, the average earnings of Maryland sample members far exceeded the average earnings of those in all other states. This figure was followed by the average earnings of Arizona, Texas, and Wisconsin sample members. In contrast, the average earnings of claimants from Utah, North Carolina, and South Carolina were the lowest among the ten states.

No clear patterns emerged from an analysis of the detailed coding of claimants' pre-layoff occupations, although this may be due largely to the limitations of current occupational coding schemes. A clearer pattern emerges when we simplify and convert occupation simply into blue- and white-collar categories. Nearly one-half (46 percent) of the total sample can be classified as having been white-collar workers. However, the range is from over three-quarters of the sample from Maryland (which seems to explain the high average earnings in that state) and Utah to only about one-quarter of the sample from Pennsylvania and Idaho.

Nearly 40 percent of the total sample worked in manufacturing just prior to their layoffs; 18 percent worked in finance and services, 13 percent in trade, and 11 percent in construction. While the samples in a

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few states generally followed this pattern, most exhibited some noteworthy differences. Claimants from Arizona were more likely than the total sample to work in construction and finance and services, and less likely to work in manufacturing. Claimants from North Carolina, Pennsylvania, and Wisconsin were more likely to work in manufacturing, and generally less likely to work in most other industries. Claimants from Maryland were much more likely to be in finance and services and less likely to be in manufacturing.

The disturbing pattern that emerges for industry applies to Utah, where 86 percent of the claimants were in public administration, and few were in most other industries. Upon an inspection of the actual interviews, it seems that the majority of the sample members from Utah had worked for the federal government or the military. Such claimants are likely to receive benefits under the special Unemployment Compensation for Federal Employees (UCFE) and Unemployment Compensation for Ex-Servicemembers (UCX) programs.[1]

Job Separation. The final set of characteristics in the table describe claimants' responses to a question about why they left their pre-layoff jobs. As expected, nearly 70 percent reported that they were laid off

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[1] It is possible that the UI staff who supplied the Utah sample frame inadvertently provided us with the sample that they were trying to screen out. We were unable to confirm this with state officials, but the pattern is sufficiently convincing that we considered dropping Utah from the analysis. However, because UCFE claimants are covered by the same rules that cover state program claimants, we decided to retain this portion of the sample for the analysis and to apply appropriate statistical controls for any observable differences among the samples. This decision was supported by tests of the sensitivity of the model to the inclusion of the Utah sample. (UCX claimants face somewhat different rules on the duration of benefits and the waiting period, and were dropped from the analysis.) This issue is discussed further in Chapters III and IV.

because of the lack of work. While some variation exists among the states for this variable, the only odd state is Iowa, in which only 44 percent of the sample claimants offered that reason. Overall, 8 percent reported that they left specifically because of a plant closure. Somewhat compensating for the low response for the lack of work, a large fraction of the sample members from Iowa reported that they were laid off due to plant closures. In addition, a high percentage of claimants from Iowa reported that they had been fired.

Finally, claimants were asked for their expectations about being recalled by their former employers. Overall, at the time they were laid off, 44 percent expected to be recalled.[1] Over 60 percent of the claimants from Idaho, Utah, and Wisconsin expected to be recalled, as did nearly that proportion of Pennsylvania claimants. In contrast, only 19 percent of the claimants from Maryland and 22 percent of the claimants from Arizona and Iowa expected to be recalled. Another aspect of recall is whether the claimants were actually given a definite recall date by their former employers. Overall, only 13 percent reported that they were given such a date. At 29 and 21 percent, respectively, Wisconsin and Pennsylvania claimants are still well above the overall average in response to this question, but Idaho and Utah claimants are no longer above the mean. Only a small fraction (3 percent) of the claimants from Iowa received a definite recall date, along with 5 percent of the claimants from Texas and 6 percent of the claimants from Arizona and South Carolina.

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[1] Since the question was asked of claimants long after the layoff, their responses could well have been conditioned by subsequent events. Thus, these responses may be unreliable.

Substantial variations among the states are apparent in the demographic characteristics, pre-layoff work experience, and layoff experience of the sample of claimants. These state variations in the characteristics and experiences of claimants pose a special complication for a study such as this one, which seeks to focus specifically on differences among the states in another set of variables--those that characterize UI work-search rules. The analytical models must be constructed to control sufficiently for these differences in state samples, although the large variation in observed characteristics suggests that important variation may exist in unobserved (and possibly unobservable) characteristics.
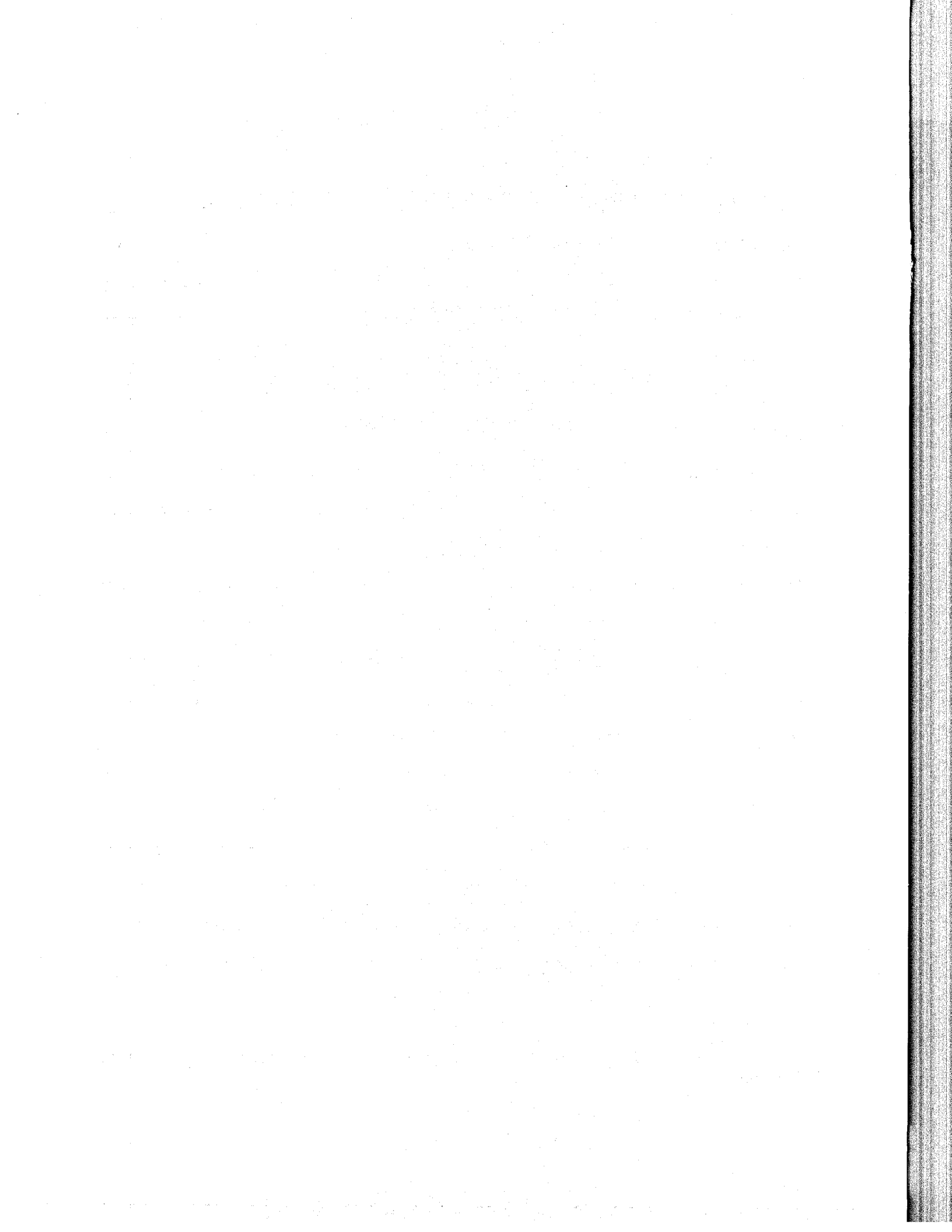
II. A CHARACTERIZATION OF THE WORK-SEARCH
RULES OF THE STATES

The "operational" UI work-search rules of the states--the rules
that claimants actually face and must respond to--have their origins both
in official state laws and regulations and in practices and procedures that
have evolved over time at both the state and local levels. UI laws, even
as they are elaborated upon in regulations, vary greatly in terms of their
clarity and specificity, and require varying degrees of interpretation.
Such interpretation, in turn, may be either fairly standard across an
entire state or different within portions of a state or its local
offices. When the laws and regulations are less clear or specific, line
staff have greater latitude in how they interpret and apply those rules.
In addition, interpretations may vary according to other dimensions, such
as the types of claimants (e.g., seasonal versus nonseasonal workers), the
nature of the local economy, the time of the year, and the stage of the
economic cycle.[1] Accordingly, characterizing operational work-search rules
fully within and across states is a very difficult and complex undertaking,
and one that realistically could not be accomplished with precision in this
study.

To accomplish the objectives of our study--to determine the effects
of alternative work-search requirements on the work-search activities and
job-finding success of claimants, as well as on benefit error rates--we
sought to characterize the study states on the basis of their work-search

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[1] For a more thorough discussion of these issues, see Corson,
Hershey, and Kerachsky (1985 and 1986).

rules. Our characterizations consist of two dimensions. First, we sought general characterizations of statewide operational rules, rather than office- or region-specific interpretations or exceptions. This view of the operational rules fits well with the study's statewide orientation toward the behavior of claimants and payment error rates. Second, we did not attempt to provide a full description of each state's work-search rules. Instead, based in part on our previous research, we sought to describe those aspects of the rules that vary among the states, since it is the state variation that we wish to correlate with differences in claimants' behavior and in error rates.

The following two sections describe two approaches to characterizing the states. The first is based on a direct analysis of state rules as gleaned from the agency interviews; the second is based on claimants' perceptions of those rules as gleaned from the claimant survey. Both approaches attempt to distinguish states according to their operational work-search rules. In the third section, we use benefit denial rates to represent the degree to which states monitor and enforce work-search rules, which is the third alternative method of characterizing the states. Finally, we compare these three categorizations in the fourth section, together with the pattern that emerges from them. This pattern will be used to interpret the results in the subsequent chapters on claimants' behavior and denial and error rates.

A. CHARACTERIZING THE STATES ACCORDING TO THEIR LAWS, REGULATIONS, AND PRACTICES

As described in the previous chapter, we collected information on work-search laws, regulations, and practices through in-person and

telephone conversations with state-level UI administrators and, when possible, with local office staff. A mere inspection of the documentation on the laws or regulations very often failed to yield an accurate picture of operational work-search rules, and what is presented in this section relies a great deal on a synthesis of the descriptions of those rules by staff.

The discussion consists of two components. Section A.1 presents an overview of what we learned about the rules, while Section A.2 develops a categorization that may be appropriate for the subsequent analysis. The discussion focuses on the rules as we generally found them in late 1985. Before proceeding, several caveats about the rules under discussion must be mentioned. First, small changes are made to the rules with some frequency, and many states currently have different policies or practices from those that were in effect in 1985.[1] Second, it is difficult to deduce operational rules from laws and regulations and even from staff descriptions, and we may have interpreted operational policy incorrectly. Third, we have attempted to document general statewide rules, which may mask important intrastate variation.[2] Finally, state laws were changing

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[1] The changes generally fall into two categories. The first includes changes of an operational nature. An example is the tendency of states to change from in-person to mail filings of continuing claims, usually in conjunction with improved computer-based recordskeeping systems. The second includes changes made in conjunction with what seems to be a general trend among the states to strengthen eligibility standards, probably as a result of their experience during the previous recession.

[2] Perhaps the most obvious example of such variation pertains to the state laws which stipulate that work-search requirements be customized to the experience of and opportunities facing individual claimants. In fact, in most such states that we examined, local offices reported that they make little attempt to customize search requirements, and instead assign standardized search requirements to virtually all claimants who are required to search.

even as we collected our information, and we may have either not captured the timing of the change quite correctly or not fully appreciated the difference between changes in law and changes in operational policy.

1. Overview of State Work-Search Rules

For convenience, the rules are discussed under three headings: the coverage and responsibilities of claimants, the requirements of agencies, and agency monitoring.

Coverage and Responsibility. In almost all of the study states, we found that continuing claimants must engage in work search on a weekly basis, with the exception of three major categories of claimants: (1) union members who are customarily hired through approved union hiring halls, (2) claimants in approved training programs, and (3) claimants who are "employer-attached." The last category always includes claimants who have a definite recall date, with states generally honoring recall dates of up to about four weeks after the initial claim date (although Maryland and Wisconsin honor recall dates of up to ten weeks after the initial claim date and South Carolina honors dates beyond this point). Even when state laws differ in terms of how many weeks they allow a claimant to continue being considered employer-attached, the differences narrow when local rules-of-thumb are considered. Of the study states, only Pennsylvania does not routinely require that new claimants actively search for work. Most study states also excuse claimants from active work search if they are on seasonal layoff, even if they do not have a definite recall date. Even when this practice is not a formal rule on a statewide basis, it may be adopted by certain local offices. Based on this information, it appears that the definitions by which claimants must adhere to work-search rules

are not a fruitful way to distinguish among the states: state-to-state differences are usually small (with the exception of Pennsylvania and South Carolina, as mentioned), and intrastate variation is just as likely to exist as there is interstate variation.

To be eligible to continue receiving benefits, claimants in all states have certain "work-test" responsibilities; namely, they must be <u>able</u> to work and <u>available</u> for work. These are the two generic standards that underlie the more specific work-search rules that are described in the next section.

<u>Ability to work</u> generally refers to the claimant's physical and mental capacity to perform his or her previous work or, if that is not possible, some other available work. While all of the study states use this general standard, they differ in terms of how they apply the standard. In such states as Idaho, Maryland, and Pennsylvania, agencies seem to have very limited discretion in declaring a claimant unable to work, particularly when a disabling illness occurs after a claimant files for benefits. Instead, such a claimant would be declared ineligible for additional benefits only if he or she declines a suitable job. At the other extreme, such states as Arizona, Iowa, and Texas may request some proof of ability from claimants, perhaps in the form of a doctor's certification.

<u>Availability for work</u> is generally defined as being in the labor market area for the filing week, having the necessary transportation and child care, and otherwise being able to accept suitable work if offered. All study states appear to define work as suitable for the initial claims period if it is the same occupation, wage rate, and shift as a claimant's

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previous job. Thus, for some initial period, claimants can confine their search to jobs that meet those criteria. However, all study states require claimants to broaden their search (i.e., relax their employment-preference criteria) as they continue to claim benefits. While the manner in which the search must broaden varies among the states, it is difficult to provide contrasts among them: states vary according to the dimensions along which the search must broaden, the rate at which it must broaden, and the specificity or formality with which the rules are articulated. In addition, it seems that local offices are typically permitted to adjust these criteria to local conditions.

Another dimension of availability is the number of days per week a claimant must be available for work to qualify for benefits. Four study states require claimants to be available for the entire work week--five days for most occupations. However, Arizona, Idaho, Maryland, and Texas have adopted procedures that allow claimants to be unavailable for one or more days for at least some reasons, yet still qualify for benefits. Other states, such as Iowa and Pennsylvania, require that claimants be available only for a majority of the week. This dimension of availability seems to be a distinguishing characteristic among the states, and we will return to it later when we discuss state classification variables for our analysis of work search and job-finding success.

Agency Requirements. Claimants' work-search responsibilities are defined further in specific agency requirements for claimants. The most basic requirement in most states is that claimants actively search for work--that is, they must contact a certain number of prospective employers each week, usually in person. The laws or written regulations in over half

of the study states specify customized search requirements, whereby agency staff assign the number of required contacts (usually between zero and five per week) suitable for a claimant's occupation or the local labor-market conditions. However, most states with such search requirements reported that a single number of contacts is usually assigned. This number is two in four of the six states that customize search requirements and three in another; Texas, the sixth state, reported no usually assigned number. The procedure of customizing search requirements seems to have grown since we collected information in 1983 for our previous study, but it is unclear whether there has been much change in practice. Two other states, Maryland and North Carolina, simply fix the number of required contacts at two, although agency staff can increase or reduce that number. Pennsylvania and Wisconsin have much more lenient search requirements for most new claimants. Pennsylvania, in fact, has no search requirements for most new claimants. Wisconsin generally requires one contact per week, and a contact is defined very broadly to include such activities as registering with a college placement office or participating in an employment workshop.

Closely related to how states define work-search requirements for claimants is the amount of reporting required of those activities. During the study period, seven of the ten states required that claimants list on the biweekly claims form the employers which they contacted during each of the two previous weeks.[1] Only Arizona, Wisconsin, and Pennsylvania (which had no search requirements) required no such reporting. However, this description of work-search reporting is too simplistic. Many, if not most,

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[1] We generally refer to "biweekly" claims forms for simplicity, although one state, Wisconsin, requires weekly filing.

states that do require biweekly reporting use the reports only cursorily. Often, the reports are simply checked by clerical staff to determine whether all the lines have been filled in. Instead, many states (including Arizona) rely on the eligibility review interviews (ERIs) to evaluate claimants' search efforts, as we will discuss in greater detail later. It is interesting to note that at least two of the study states that required biweekly reports of contacts in the study period have since abandoned the requirement in favor of adopting the double-bypass claims procedure.[1]

Another requirement that most states use to expose claimants to job openings is that the claimant must register with the state employment service (ES). In fact, with the exception of Maryland and Pennsylvania, all study states require that virtually all claimants who must engage in active work search register with the ES. Seven study states enforce ES registration at the time UI benefits are applied for, but with important differences. Idaho, North Carolina, and Texas enforce registration coinciding with the claimants' application for UI benefits. Because of this joint filing procedure and the co-location of UI and ES offices, these states should be particularly effective at registering claimants with the ES. This procedure also imposes relatively little burden on claimants, who might not even realize that ES registration is part of the claims application process. Consequently, this ES registration procedure does not

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[1] With the double-bypass claims procedure, claimants file continuing claims directly with a central state office by mail, and then receive their benefit checks from that office by return mail, thereby "bypassing" local offices in both parts of the transaction. With a single-bypass procedure, claimants typically file their claims at a local office, generally by mail, but their benefit checks are mailed to them from a central office. With no bypass, claimants file at local offices and receive their checks from those offices in person.

really test claimants' ties to the labor force, as might more burdensome procedures, which may have important consequences for how claimants respond to the registration requirement. Arizona and Iowa require proof of ES registration literally before the UI claim can be completed, but ES registration and the UI claims application seem to be separate procedures. Nevertheless, this process should be effective at monitoring fairly complete adherence to the ES registration requirement. South Carolina and Utah do not require ES registration literally before the UI claim can be completed, but both require early ES registration and will not issue a second benefit check if ES registration is not verified by computer. As in Arizona and Iowa, the ES registration and the UI claims application are separate procedures. Wisconsin also requires ES registration, but UI claimants are simply given an appointment for ES registration (usually group registration) for a later time. It is unclear how effectively the UI agency in Wisconsin monitors compliance with the ES registration requirement. Finally, Maryland and Pennsylvania do not routinely require that new UI claimants register with the ES, although both states may ask some claimants to register at some point in their claims spells.

An additional component of agency requirements is how well they are communicated to claimants early in the claims spell to achieve their maximum effectiveness. Of course, all states administer some type of benefit rights interview (BRI) when an initial claim is made, and one purpose of the BRI is to convey work-search responsibilities and requirements to claimants. However, in six of the study states, agency staff seemed to spend additional time with claimants in reviewing work-

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search practices and expectations. In these cases, agency staff actually use an Eligibility Review Interview (ERI) form at the time of the initial claim. It appears that the extra information gathered early in this way may help agency staff clarify requirements and tailor them to the special needs of the claimants. Accordingly, this practice may promote more appropriate and effective work-search activities.

Agency Monitoring. Claimants are likely to adhere to agency requirements with any regularity only if there is effective agency monitoring and follow-up. Our discussion of ES registration requirements described how the monitoring of those particular requirements by agencies was well established in eight of the ten states. This section discusses how the general set of work-search requirements is monitored.

States may use three primary methods for monitoring on-going work search: they may (1) require frequent reports of employer contacts, (2) take official notice of claimants' failure to comply with requests to report to either UI or ES offices, and (3) receive and take official notice of refusals to accept suitable job offers. For somewhat different reasons, it is difficult to establish differences among the study states in terms of how agencies use these three monitoring methods.

For example, during the study period, all states that required an assigned number of employer contacts each week (with the exception of Arizona and Wisconsin) also required that claimants report which employers they contacted each week in conjunction with their biweekly benefits claims. (Again, of course, Pennsylvania had no standard search requirement, and required no reporting.) We attempted to determine whether differences among states existed in how agency staff reviewed the employer

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contact information and what actions they took in response to reporting problems. Clear cross-state differences did not emerge (with one exception that is discussed below): intrastate differences appear to be as prevalent as cross-state differences, and the nature of the review never seemed rigorous. In fact, several states have since abandoned biweekly reports of employer contacts, again usually in conjunction with adopting a double-bypass claims system. In such cases, claimants simply certify on a biweekly basis that they are meeting the able and available requirements of the work test and are complying with active-search requirements.

The one exception to the lack of notable cross-state differences is that two states, Iowa and Texas, appear to attempt to verify employer contacts on a sample basis. While the number of claimants whose employer contacts are verified is small (perhaps limited only to one or two percent of the weekly claims), the knowledge that their search may be verified may be an important factor in how seriously claimants undertake the effort.[1]

In all study states, it appears that failure to report for a scheduled appointment with UI or ES staff should lead to a determination and denial of benefits for the entire week. However, most claimants are rarely scheduled to appear--usually only for ERIs, which are scheduled infrequently. Moreover, no records are maintained on how often excusals were granted or warnings given in lieu of the more formal determination proceeding, nor what types of reasons given by claimants for failing to

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[1]It appears that North Carolina may also verify a very small number employer contacts; other states reported having verified some employer contacts in the recent past, but not during our study period. In addition, most states were verifying some employer contacts as part of the Random Audit program.

appear would lead to an excusal or warning as opposed to a determination. Thus, it was not possible to discern interstate differences in this area based on our review of the laws, regulations, and practices.

Additional information on reporting requirements can be derived from the data on determination and denial rates presented in Section C.[1] That discussion will show clear differences among the states in the rate at which they perform formal determinations and the rate at which these lead to the denial of benefits. Utah shows the highest determination rate for reporting requirements among the study states in 1985, followed by Wisconsin and Idaho. However, only Utah and Idaho also show high denial rates. North Carolina is at the other extreme, although Maryland also shows a low denial rate. However, these determination and denial rates must be compared and interpreted with great caution, as we will explain in Section C.

A refusal to accept a suitable job (or job interview) when offered should also lead to the denial of benefits in all study states. The UI agency may learn of such refusals from the ES, employers, or the claimants themselves. While all states appear to institute similar policies, we were unable to observe the reporting process and the subsequent actions taken by agencies. It is likely that most of the cross-state differences, should they exist, would be due largely to differences in the ES procedures that pertain to monitoring claimant contacts with referrals and reporting refusals to UI staff. In Section C, we will see that determination and

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[1] Determination and denial rates are computed as the number of determinations and denials per 1,000 weeks of claimant contacts.

denial rates for this issue are low for all study states, thus underscoring our difficulty in discerning meaningful cross-state distinctions.

Most study states appear to use eligibility review interviews (ERIs) with claimants as a time to review their compliance with work-search requirements and to modify (generally strengthen) the requirements, as appropriate. All states reported that their ERIs include both the review and requirement-modification components. However, all stressed that the function of ERIs was not so much to detect violations of the old work-search requirements, but to determine new, more suitable standards. We were unable to observe ERIs and assess their frequency, purposefulness, and usefulness directly. However, through the interviews, we did learn about state-to-state differences in the flexibility afforded to UI staff in scheduling ERIs, and found that more flexible scheduling seems to be associated with less complete coverage of the claimant population. States that permit flexible scheduling also reported that ERIs are likely to be administered less often when the general workload increases. During the study period, only Pennsylvania seemed to have truly inflexible scheduling system, but the systems of both Texas and Utah did show a fair degree of inflexibility. The claim week in which the ERIs are administered does vary among these states: it was every fifth week in Utah, every sixth week in Pennsylvania, and every twelfth week in Texas.

Another view of the frequency and consistency with which ERIs are administered can be obtained by comparing state ERI rates, rates that we constructed by dividing the number of ERIs administered annually in a state

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by the number of payment weeks.[1] The constructed rates for 1985, the focal

year of the study, are shown in Table II.1. For ease of exposition, we

have multiplied the actual rates by 100 to show the number of ERIs per 100

payment weeks. The numbers calculated for Texas and Utah reinforce the

view that the scheduling procedures used in those states will enhance the

coverage of claimants, but the number for Pennsylvania clearly does not

reinforce that view. It is true that these rates should be compared with

great caution: the denominator of the rate (i.e., the number of continuing

claims weeks) could show the same value both for relatively few claimants

who tend to have long claims spells and for a large number of claimants who

tend to have short spells. Claimants who have shorter spells on average

are less likely to reach the number of claims weeks used to trigger an

ERI. This fact does not seem to explain the low rate for Pennsylvania,

however, since the median duration of claimant benefits in the state far

exceeds six weeks, at which time an ERI should be performed. (The duration

of claims is one of the outcomes that will be discussed in Chapter IV.)

Thus, we are unable to reconcile the apparent ERI rule in Pennsylvania with

monitoring data.

2. Categorizing the States

The preceding section described the results of our comparative

assessment of the effective work-search rules of the sample states. As we

discussed in the introduction to this chapter, our objective was not to

describe each state's rules fully, but to document the cross-state varia-

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[1] These data were taken from information reported on monthly claims
and payment activities to USDOL by states on form ETA 5159. The specific
data cover only intrastate claims made through the state UI programs.

TABLE II.1

ELIGIBILITY REVIEW INTERVIEW RATE, 1985
(ERIs per 100 Payment Weeks)

Arizona	3.59
Idaho	3.03
Iowa	6.75
Maryland	4.51
North Carolina	3.81
Pennsylvania	2.37
South Carolina	5.48
Texas	15.82
Utah	8.54
Wisconsin	1.80

NOTE: The figures are the number of ERIs administered annually in a state per 100 payment weeks. The data were taken from information reported on monthly claims and payment activities to USDOL by states on form ETA 5159, and cover only intrastate claims made through the state UI programs.

tion in rules that we can attempt to correlate with claimants' behavior and with denial and payment error rates. In this section, we first summarize those rules, and then summarize how those rules are applied in the study states.

The information collected from the ten study states suggests that seven specific agency regulations and practices seem to offer promise for explaining cross-state differences in claimants' behavior and in denial and error rates. As we described in the previous section, we chose from a much larger set of rules, some of which have a great deal of intuitive appeal for inclusion in this study. The excluded rules either did not show distinctive cross-state variation or were simply not clear and distinct. It may certainly be the case that some of these omitted rules are more important in terms of explaining the behavior of claimants or error rates than some of the variables that we describe below. However, they simply do not seem to be analytically appropriate in a study that is based necessarily on observations of cross-state patterns. The seven regulations and practices on which we will focus are as follows:

1. **Days Available for Work.** Of the many able and available standards that apply to claimants, the number of days per week that a claimant must be available for work is the one that exhibits cross-state differences and is easily quantifiable. The number generally varies between 3 (i.e., the "majority" of the work week) and 5.

2. **Number of Employer Contacts.** States generally allow agencies wide latitude in assigning to claimants the number of employer contacts that must be made each week, although the range is much narrower in practice. Even within the narrow, operational range, important cross-state differences seem to exist. Important for the quantification of this rule is that, while a majority of the study states nominally "customize" contact requirements to claimants' specific

needs, virtually all states seem to have a commonly assigned number of contacts.

3. **Reports of Employer Contacts.** For whatever number of employer contacts is required by a state, it may or may not require that claimants routinely report those contacts to the UI agency as part of the biweekly (or weekly) claims process.

4. **Employment Service Registration.** Some states require that claimants register with the ES; others do not. In addition, for those states with registration requirements, some require registration before a UI payment is made, while others require registration at some later time. Two complications with this structure are apparent. First, some states that require later registration actually require that the action be taken (and verify that it is taken) before the second UI payment is made. This practice should produce an effect on claimants' behavior that would be similar to the effect of registration before any payment is made, but a potentially different effect on denial rates. On balance, however, we feel that states which adopt this practice should be categorized with states that require ES registration prior to payment. Second, some states that require ES registration before a UI payment is made do so as a fully integrated part of the UI application process. This procedure may place sufficiently little burden on claimants (in fact, they may not even be aware that they are registering with the ES) that it may alter their behavior relative to what it would be in other states that require early ES registration as a separate step. We will examine these different practices in the analysis.

5. **Early Communication with Claimants.** The effort devoted by agency staff to communicate work-search rules early to individual claimants seems to differ systematically among the states. This early communication may be in the form of an ERI administered as part of the application process, or some other form of in-person contact early in the claims spell. While this is potentially an important explanatory variable for claimants' behavior and for denial and error rates, it is difficult to characterize this practice as precisely as is the case with some of the other rules and practices.

6. **The Verification of Employer Contacts by Agencies.** States that require that employer contacts be reported vary in the extent to which they review those contacts for completeness and appropriateness. However, such

variation is too indistinct to capture here. Instead, it is possible to document only those states which verify employer contacts on a sample basis.

7. <u>ERI Scheduling</u>. ERIs seem to play a major role in the enforcement and modification of work search, and they vary across states in terms of both the likelihood that some claimants will be missed and the timeliness in which they are administered. The dimension of the ERI process that can be captured most precisely for analysis is the degree of scheduling flexibility available to agency staff; less flexibility would seem to promote greater claimant coverage.

The information gleaned from our discussions with state UI staff on these seven areas is summarized in Table II.2. Subject to the qualifications described at the start of this section, these data characterize the states and show the variation among them. Many of the regulations and practices are not as clear-cut as we have portrayed them. This seems particularly true of "days available for work" (for which it is difficult to account for different types of excusals), of "usual number of employer contacts" (for which many states customize contact requirements to varying degrees based on the characteristics of the claimants or the local labor market), of "employment service registration required" (for which simultaneous ES-UI application may not be regarded by claimants in the same way as other types of early registration, and for which different requirements for later registration may or may not be monitored carefully), and of "inflexible scheduling of ERIs" (for which the effective policy was often very difficult to establish).

Because this table provides an in-depth summary of the relevant topics that were discussed in Section A.1, there is no need to elaborate further on those data. However, it is useful to carry the discussion one step further to reveal a pattern that emerges from the table, one that we

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TABLE II.2

UI RULES IN STUDY STATES
AS REPORTED BY SENIOR AGENCY STAFF

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI
1. Days Available for Work (Days per Week)	4	5^a	3	5^a	5	3	5	4	5	5
2. Usual Number of Employer Contacts (Variable if Indicated)	3 (Variable)	2 (Variable)	2 (Variable)	2	2	0	2 (Variable)	(Variable)[b]	2 (Variable)	1
3. Biweekly Reports of Employer Contacts	No	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No
4. Employment Service Registration Required	Yes	Yes[c]	Yes	No	Yes[c]	No	Yes (By 2nd payment)	Yes[c]	Yes (By 2nd payment)	Yes (Not directly tied to payment schedule)
5. Early Communications with Claimants	Yes	No	Yes	No	Yes	Yes	No	Yes	Yes	No
6. Verification of Employer Contacts	No	No	Yes	No	No[d]	No	No	Yes	No	No
7. Inflexible Scheduling of ERIs	No	No	No	No	No	Yes	No	Yes	Yes	No

NOTE: The table is based on the regulations and practices that were generally in effect throughout most of 1985. Current regulations and practices sometimes differ from those shown. While we believe that this table is correct, inaccuracies could be caused by (1) incorrect interpretations of actual regulations and practices, (2) intrastate variation that could not be observed, and (3) changing regulations and practices combined with a failure to capture the timing of the changes correctly.

a
The state's policy on exceptions makes the effective number of days available less than 5.

b
The state reported no "usual" number of required contacts.

c
ES registration is performed simultaneously with UI application.

d
This state may perform a small number of verifications.

will explore further in Section D. In particular, four states--Iowa, North Carolina, Texas, and Utah--appear to have the strictest overall work-search policy, based on the seven characteristics listed in the table. (This observation is also reinforced by more qualitative rules and practices that are not reported in the table, such as the care with which states review claims and the methods that they use to adjudicate issues.) Three other states--Maryland, Pennsylvania, and Wisconsin--appear to have the least strict overall work-search policy. (This observation is also reinforced by rules and practices not reported in the table.) The other states fit squarely in the middle, based both on the seven characteristics and on information on other rules. It is important to remember that, while this state characterization is based on state rules that show a fairly high degree of intrastate homogeneity, it is likely that intrastate differences do exist even for these rules. In particular, rural areas or areas that exhibit unusual labor-market problems often deviate from the rest of the state in how they apply these rules. A common tendency in such areas is to relax the application of the rules somewhat when employment prospects are very limited relative to the number of unemployed workers.

An alternative coding of the ES registration requirement variable is available which would regard the simultaneous ES registration and UI application process of three states as a "less strict" practice, because of its likely implications in terms of the perceptions of and burden imposed on applicants relative to requiring ES registration as a separate step. (We will examine evidence on the differential perceptions of claimants in the next section.) This alternative coding would not affect the overall strictness ranking of the work-search policy of Texas, but it would change

the characterization of Idaho and North Carolina. Idaho would move from the middle to the least strict group, and North Carolina would move from the most strict to the middle group. Again, we will return to this method of characterizing states in Section D.

B. CHARACTERIZING THE STATES BASED ON CLAIMANTS' PERCEPTIONS

Another dimension of state work-search rules is that they are operational only if claimants are knowledgeable about them. The previous section reported operational rules as best as could be learned from state-level agency staff and, where possible, the administrators of local offices. As we indicated, however, it was impossible to discern from those administrators how completely and uniformly those rules are applied by local offices statewide.

The claimant survey provided us with a unique opportunity to learn what claimants actually know and understand about some portions of the rules. The survey was originally envisioned as a vehicle for collecting information on the actions taken by claimants in response to those rules (which is the topic of the next two chapters). However, it was easy to supplement this survey with questions about their perceptions of those rules. The following set of questions was asked of claimants:

1. During the period when you collected unemployment benefits, did the unemployment insurance agency require you to look for work every week in order to continue to receive the benefits?

2. During that period, did the unemployment insurance agency require you to contact several different employers each week in order to continue to receive the benefits?

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3. How many different employers were you required to contact each week? (This was asked only of claimants who responded affirmatively to the previous question.)

4. During that period, did the agency require you to report to them the number of employers that you contacted each week in order to continue to receive unemployment benefits? (This was asked only of claimants who answered the previous question.)

5. Did the unemployment insurance agency require you to register with the Job (Employment) Service in order to receive unemployment insurance benefits?

These questions map well against the first four items that we considered from the agency interviews (as we described in Section A.2)--days available for work, number of employer contacts, reports of client contacts, and ES registration, or those items which cover the responsibilities of claimants or the activities in which they are actively engaged. However, it was not possible to obtain information from claimants on the last three items (i.e., early communications with claimants, verification of employer contacts, and ERI scheduling), since these activities involve claimants only indirectly or passively.

Claimants' responses to the five questions are summarized in Table II.3. These survey results do not adjust for differences among the state samples in terms of the characteristics and layoff spells of claimants. Moreover, there are many more specific qualifications that should be made about these data, and we will raise them as we discuss the results.

The first question item, whether a work-search requirement exists, sets the pattern that follows through the remaining question items: large variation among the states--from Iowa and South Carolina sample claimants, who reported the highest percentage of affirmative responses, to Pennsylvania and Wisconsin claimants, who reported the lowest percentage.

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TABLE II.3

UI RULES IN STUDY STATES
AS REPORTED BY CLAIMANTS

		AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	TOTAL
1.	Percent Reporting That Work Search Was Required Every Week	91.7	63.3	97.4	88.8	76.8	34.4	96.9	89.8	66.8	54.2	74.7
2.	Percent Reporting That UI Required Several Employer Contacts Each Week	84.1	59.9	96.3	82.7	74.4	21.0	94.6	83.2	64.8	45.5	69.3
3.a	Median Number of Contacts Reported To Be Required	3	2	2	2	2	0	2	3	2	0	2
3.b	Average Number of Contacts Reported To Be Required	2.9	1.7	2.3	2.0	1.8	0.5	2.2	2.7	1.7	0.9	1.8
4.	Percent Reporting That They Had To Report to UI the Number of Employers Contacted Each Week	76.5	54.7	86.9	68.8	65.8	13.7	87.3	76.8	60.0	29.8	60.6
5.	Percent Reporting That Employment Service Registration Was Required	77.6	53.9	85.7	40.0	38.3	35.8	83.5	33.2	73.7	55.8	56.8

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In this case, 97 percent of the claimants in the former two states perceived that work search was required. The percentages are nearly as large in Arizona, Maryland, and Texas, each with around 90 percent. We should remember, however, that the Arizona interview response rate was very low, and thus that the data obtained from Arizona respondents may not be an unbiased representation of the originally selected sample as a whole. To a lesser extent, the same might be true of Maryland.

At the other end of the scale, only 34 percent of the claimants from Pennsylvania reported a work-search requirement; this low percentage is consistent with what we learned from agency staff about Pennsylvania's work-search policy. Wisconsin, at 54 percent, shows the next lowest percentage; while Wisconsin's work-search policy is not as clear-cut as Pennsylvania's, this low percentage is consistent with our overall impression of its policy as provided by agency staff. The remaining three states--Idaho, North Carolina, and Utah--fall in the middle.

An important point must be noted about the interaction of state rules on excusals from active work search, recall dates, and characteristics of the samples. Differences in perceptions of the rules may arise either because of actual differences in those rules or because of differences in characteristics of the samples due to differences in labor markets. The latter can be illustrated with Maryland and Wisconsin. Both states excuse claimants who have a recall date up to ten weeks after application--a period that is over twice as long as the three to four weeks honored in most study states. However, since only about one-third as many claimants from Maryland than from Wisconsin expected to be recalled (again see Table I.1), a very large fraction of Maryland claimants reported that a

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work-search requirement exists, while a modest fraction of Wisconsin claimants reported such a requirement.

The responses to the second item--whether claimants are required to contact several employers each week--closely follow those to the first question, although the percentages are consistently lower by a small amount. This pattern is as expected, since employer contacts are the most commonly prescribed method of work search. The dropoff in affirmative responses between questions one and two is greatest in absolute and percentage terms for Pennsylvania and Wisconsin, the two states which showed the lowest percentage of such responses to the initial question. This dropoff is most easily understandable for Wisconsin, in which agency staff reported that the usual requirement is contact with one employer, not "several." We can only speculate that the dropoff in Pennsylvania may be due to an acquiescence bias to the original question in an environment in which work search may actually be required less often than is reported, combined with more unbiased responses to the second question, which asks about the specific activities of claimants.

The median values for the number of employer contacts reportedly required each week--question item three--exactly match the values reported in Table II.2 (i.e., the figures from agency staff), with only one exception, Wisconsin, for which the median reported value is zero and the agency figure is one. This discrepancy may be explained by two factors also reported by agency staff. The first is that the one-contact requirement can be met by activities other than direct employer contacts. The second is that, at ten weeks, the excusal from active search period (including the one contact) for those who report a recall date is longer

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than for most other states, and much of the sample may not have reached this point in their unemployment spell before becoming reemployed.[1] In Texas, where agency staff could not identify a "usually assigned" number of contacts, the median reported number is a relatively high three. Also reported in the table are the average values for the answers to this question, which prove to be very close to the median values.

The fourth item--whether reporting each week's contacts is required--follows the familiar pattern. Claimants from Iowa and South Carolina reported the highest percentage of affirmative responses (87 percent) for each state, followed by claimants from Arizona and Texas, 77 percent of whom reported affirmatively in each state. Again, claimants from Pennsylvania and Wisconsin trail the list.

The responses of claimants from Arizona seem unusual in light of the information supplied by agency staff. Although a high fraction of claimants indicated that a reporting requirement exists, the state has long employed a double-bypass system that does not require weekly reports; rather, claimants are normally required to state simply that they met the search requirements. The affirmative responses could be due to one of three factors--confusion about whether the simple statement truly constitutes reports of each employer contact, confusion about whether the employer-contact review undertaken as part of the periodic ERIs constitutes true reports, or, as was suggested by an agency staff member, confusion

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[1] In fact, as we will describe in Chapter IV, the median duration of unemployment was nine weeks for those who had become reemployed by the time of our interview.

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about the records that claimants are requested to maintain for possible reviews as part of the state/federal Random Audit Program.

An interesting cross-state pattern emerges for the fifth and final item, requirement for ES registration. The top group is the same: claimants from Iowa and South Carolina reported the highest rate of affirmative responses at 86 and 84 percent, respectively. Pennsylvania is still among the states with the lowest rates, but it is joined by Texas, North Carolina, Maryland, and Wisconsin. To a degree, the pattern matches the rules as given to us by agency staff and as reported in Table II.2. Specifically, four of the five states for which agency staff reported an ES registration requirement--Arizona, Iowa, South Carolina, and Utah--also showed high rates of affirmative responses by claimants.[1] Two states for which staff reported no such general requirement--Maryland and Pennsylvania--showed low rates of affirmative responses by claimants. The low rate in Wisconsin may be attributable to group registration and uncertain monitoring. The interesting story is provided by the remaining states--Idaho, North Carolina, and Texas. Agency staff in these states reported vigorously enforced ES registration requirements, but only through an integrated ES registration and UI application process. The apparent result is that relatively few claimants even realize that the respective states have an ES registration requirement.

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[1] Comparing the claimant reports from South Carolina and Utah with those from Arizona and Iowa suggests that requiring ES registration before the second payment can be issued, when combined with good monitoring, can be as effective as requiring proof of ES registration at the initial application.

We concluded Section A of this chapter by summarizing an overall pattern exhibited by the states based on rules. A similar exercise is appropriate here based on claimant reports. Iowa and South Carolina appear to have the strictest overall work-search policy as reported by claimants, and Arizona and Texas are very close. Pennsylvania and Wisconsin appear to have the least strict overall policy as reported by claimants. As with those made at the end of the previous section, we will return to these generalities in Section D of this chapter.

C. CHARACTERIZING THE STATES BASED ON UI DENIAL RATES

In a previous report (see Corson, Hershey, and Kerachsky, 1985 and 1986), we argued that UI benefit denial rates reflect the strength with which states enforce their nonmonetary eligibility standards. By extension, it could be argued that these rates also reflect the general orientation of states toward standards of claimant responsibilities. Denial rates are clearly only a proxy for the general orientation of the states, and they may vary among states (and over time) for other reasons. However, a discussion of denial rates and accompanying determination rates may shed additional light on the characterization of state work-search rules.

As a basis for this state characterization, we constructed determination and denial rates (for every 1,000 weeks of claimant contacts) for three major types of nonseparation issues--able and available, refusal of suitable work (which also includes refusal to report to a job interview), and reporting requirements (including call-ins). The constructed rates for 1985 are shown in Table II.4, along with the fraction

TABLE II.4

DETERMINATION AND DENIAL RATES FOR NONSEPARATION ISSUES, 1985
(Determinations and Denials Per 1,000 Continuing Claim Weeks)

	Able and Available			Refusal of Suitable Work			Reporting Requirements			Total of All Three Issues		
	Determination Rate	Denial Rate	Denials/ Determinations	Determination Rate	Denial Rate	Denials/ Determinations	Determination Rate	Denials/ Rate	Denials/ Determinations	Determination Rate	Denials Rate	Denials/ Determinations
Arizona	26.01	16.17	0.62	1.64	0.37	0.23	4.37	2.85	0.65	32.02	19.39	0.61
Idaho	9.45	9.29	0.98	0.97	0.73	0.75	7.21	6.79	0.94	17.62	16.81	0.95
Iowa	5.61	5.14	0.92	2.00	0.30	0.15	2.47	1.49	0.60	10.09	6.93	0.69
Maryland	5.53	4.38	0.79	0.73	0.50	0.68	1.29	1.24	0.96	7.55	6.12	0.81
North Carolina	3.91	2.93	0.75	0.56	0.18	0.32	0.69	0.47	0.68	5.17	3.59	0.69
Pennsylvania	24.12	2.57	0.11	0.19	0.09	0.47	2.45	0.97	0.40	26.76	3.63	0.14
South Carolina	8.89	6.29	0.71	0.31	0.15	0.48	3.70	2.56	0.69	12.89	9.00	0.70
Texas	19.81	12.25	0.62	2.52	0.36	0.14	3.82	3.06	0.80	26.15	15.67	0.60
Utah	31.55	12.75	0.40	1.97	0.21	0.11	9.94	7.33	0.74	43.46	20.28	0.47
Wisconsin	9.46	3.40	0.36	1.19	0.27	0.23	8.46	3.91	0.46	19.11	7.58	0.40

NOTE: The determination and denial rate figures are the number performed annually in a state per 1,000 weeks of claimant contacts. The data were taken from information reported on quarterly nonmonetary determination activities to USDOL by states on form ETA 207.

of determinations that lead to denials (denials/determinations) and a set
of total figures for all three issues.[1]

The table presents a great deal of information, and it can best be
interpreted if we focus first on the columns for the three issues combined
and then work back to the columns for each specific issue. Two facts are
immediately obvious. First, both determination rates and denial rates vary
widely among the states. Second, the fraction of determinations that lead
to denials also varies widely among the states. However, if Pennsylvania
were not included in the sample, this latter variation would be
considerably less.

Four states show distinctly higher denial rates than the other
states: Utah and Arizona have the highest rates, followed by Idaho and
Texas.[2] Three of the four states seem to attain their denial rates by
instituting procedures which simply detect a great many issues, although
the associated determinations do not lead to an unusually high rate of
denials. This finding follows a practice that was described in the
previous report: the ability of states to deny benefits to ineligible
claimants is likely to depend heavily on their ability to detect

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[1] The constructions are based on information reported on quarterly
nonmonetary determination activities to USDOL by states on form ETA 207 and
on weekly claims verifications supplied on form ETA 5159.

[2] We also ranked the study states on the basis of adjusted or
predicted denial rates. The adjustments were based on the coefficients
estimated in a regression analysis of 37 states for which we had acquired
denial and eror rate data. The total unemployment rate is by far the most
important predictor of the denial rate, and the relationship is negative.
Although some changes occurred when we based the rankings on adjusted
denial rates, only Maryland's denial rate changed enough to reclassify the
state: among our study states, we classify it as a middle-denial-rate
state on the bais of unadjusted rates and a high-denial-rate state on the
bais of adjusted rates.

determination issues. Conversely, Idaho does not seem to undertake an unusually large number of determinations, but a very high fraction of its determinations lead to benefit denials. We do not know whether this pattern truly reflects the process applied by Idaho, or whether Idaho detects a great number of issues that are disposed of through informal fact-finding before reaching the determination stage.

Most determinations and denials are for able and available issues because claimants are judged on those issues regularly. Moreover, agencies may be more willing to address this issue than some others because the penalty for noncompliance is less severe.[1]

Utah's very high determination rate seems to begin with the careful scruitiny of biweekly claims forms by the central office. On the basis of this review alone, the agency can effect a determination and deny benefits if it feels that it has sufficient information, generally for able and available issues. If an issue seems possible but more information is necessary, the case is returned to the local office for fact-finding. In such cases, claimants are requested to appear at the office, and, if they do not, a denial of benefits is issued for a reporting violation. Thus, the state's diligence in seeking out able and available issues also raises a large number of reporting issues.

Idaho undertakes its claims screening in the local offices. This process does not seem to uncover an unusual number of issues, but the state

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[1] For able and available issues, claimants are usually disqualified only for the problem weeks; for reporting requirement violations, they are usually disqualified until they comply; for refusal of suitable work, they are usually disqualified for the duration, or until they "earn" back a certain benefit entitlement.

does convert a high fraction of all types of issues into benefit denials. We were unable to identify the factors that contribute to this·conversion rate.

Arizona and Texas follow the more traditional pattern of concentrating determinations and denials on able and available issues. Arizona tends to require more employer contacts than do most study states, although it does allow claimants to be unavailable one day per week. Thus, while the standards do not seem tougher on the whole than those found in other states, Arizona seems to monitor adherence to them more rigorously. (It is noteworthy that benefits in Arizona are rarely denied without face-to-face contact with claimants.) Texas also checks claims forms carefully, and, like Utah, denies benefits on the basis of information on the form alone. However, if the information is inadequate, the form is returned for more information, and a determination is not necessarily initiated.

Two other states--Pennsylvania and North Carolina--show distinctly lower denial rates than do the other states. The two present quite a contrast. North Carolina undertakes few determinations but converts a moderately high fraction of them into denials. Conversely, Pennsylvania undertakes a large number of determinations but converts a very low fraction of them into denials.

North Carolina has a somewhat unique adjudication process. All issues that can potentially disqualify claimants for the duration of the benefit spells are adjudicated at the state level, although fact-finding may be undertaken locally. However, able and available issues, which comprise the majority of determinations, are adjudicated locally. The

implications of this division in responsibility are unclear. However, relatively few issues of any type are raised.

Pennsylvania is much more successful at raising issues, generally through reviews of the claims forms or at the ERIs. However, the issues infrequently lead to denials, possibly because (1) availability is loosely defined, (2) suitable work is narrowly interpreted, (3) no official notice is taken of job refusals unless reported in writing by an employer or the ES (and ES registration is not usually required of new claimants), and (4) reporting requirements cover relatively few claimants.

The remaining states--South Carolina, Wisconsin, Iowa, and Maryland--fall in the middle and exhibit few distinguishing denial-related features. They vary in terms of where the claims forms are checked, whether face-to-face determinations or fact-findings are necessary, and how quickly the determination process takes place, but in no specific pattern that correlates with determination or denial rates. If we can make one broad and oversimplifying generality, it is that these states (and perhaps North Carolina and Pennsylvania) use the determination process in part to increase the responsibilities of offending claimants and to raise the level of monitoring to a greater degree than is true of Arizona, Texas, and Utah, which seem to be more inclined to take decisive action immediately.

D. SUMMARY AND CONCLUSIONS

We began this project with the goal of characterizing the states according to three or four variables that would describe the major features of each state's UI rules. We envisioned that the features would include such elements as the coverage of the work-search requirements, the frequency with which claimants are questioned, and the degree to which

agencies monitor and enforce search activities. The number of variables we could use to capture these features was constrained by the relatively modest number of states on which the study focused: if the number of rules grew much larger than three or four, we would start to identify each state uniquely through its rules. Of course, the risk with this approach is that the major features of state rules may be too complicated to capture so simply.

What we found is somewhat complex. Indeed, the major features of the state rules are too complicated to capture so simply. However, some features also exhibit too little variation among the states in our sample (or, alternatively, exhibit too much intrastate variation) to be included in a study that focuses necessarily on cross-state differences.

Based on information collected from state UI agency staff and from the claimants themselves, we were able to document the areas of states' operational work-search rules that both seem important and exhibit state-to-state differences. However, the list of possible state rule descriptors is too long to include all of them in the analysis, and subsets of the list that are small enough for such use focus too narrowly on only isolated aspects of the rules.

As we worked with our data in an effort to describe or characterize states, we realized that the rules, when viewed together for each state, seem to capture that state's general orientation or attitude toward claimants' work-search responsibilities. This led us to use the information collected from each source to characterize each state's set of operational work-search rules as "most" strict, "moderately" strict, and "least" strict, where the operational rules pertain to what is required of

claimants and the extent to which those requirements are enforced. This
characterization can be used in the analysis as a way to summarize the many
specific rules.

With information collected from state agency sources, our best
effort at characterizing states produced the following:[1]

Most Strict:	Iowa Texas Utah
Moderately Strict:	Arizona North Carolina South Carolina
Least Strict:	Idaho Maryland Pennsylvania Wisconsin

With information collected directly from claimants, our effort produced the
following:

Most Strict:	Arizona Iowa South Carolina Texas
Moderately Strict:	Idaho Maryland North Carolina Utah
Least Strict:	Pennsylvania Wisconsin

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[1] There is an alternative characterization based on the same data
that gives a different value to the simultaneous ES registration and UI
application process in Idaho, North Carolina, and Texas. That
characterization would place North Carolina in the "most strict" group and
Idaho in the "moderately strict" group.

The ranking of states is the same in these two lists for half of the states, and the other half simply switch from one position to an immediately adjacent one as we move from one list to the other. The claimant survey data do not cover as many areas as do the agency data. However, if we are really attempting to characterize states by the rules as they affect claimants (i.e., the operational rules), data from the claimant survey would seem to be preferred. Consequently, we selected the characterization that is based on claimant survey data for the main analysis of work-search behavior and employment outcomes. However, we also examined the sensitivity of our findings to this selection, and we will report the results of this examination as appropriate.

III. WORK-SEARCH BEHAVIOR

In this chapter, we investigate the direct effects of UI work-search rules on claimants' work-search behavior. The first section of this chapter describes the variety of work-search activities undertaken by claimants in the ten states in the sample, whether and to what extent claimants used the state employment service, the intensity of their work-search activities, and their assessments of the usefulness of work-search rules. Differences in the search behavior of claimants across states are also explored. Then, because our descriptive analysis does not control for other factors which may have important effects on work-search behavior, the second section of this chapter reports the results of multivariate analyses which investigated the effects of state rules on several measures of work-search behavior after other factors were controlled. The last section summarizes the findings from these analyses and discusses the conclusions that can be drawn from them.

A. DESCRIPTIVE COMPARISONS OF WORK-SEARCH ACTIVITIES

In this section, we examine the extent to which UI claimants in the ten study states search for work, the range of search activities in which they engage, the intensity with which they search, and their opinions about the effects and usefulness of work-search rules.

1. Participation in Various Work-Search Activities

Before describing the specific work-search activities of UI claimants in the sample, it is important to note that not everyone in the sample searched for work. Approximately 19 percent of all claimants

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reported not looking for work while they collected UI benefits, primarily because they were temporarily laid off and expected to regain their old job. The percentage of claimants who reported that they looked for work varies substantially across the ten states in the sample (see Table III.1), from virtually all claimants in Iowa, South Carolina, and Arizona to less than two-thirds of the claimants in Pennsylvania and Wisconsin. This wide range can be explained in part by differences among the states in the frequency of temporary layoffs. A comparison of the search figures with the recall-expectation figures presented in the table shows an inverse correlation among states between the percentage who search and the percentage who expect to be recalled. This pattern is due to the fact that individuals on temporary layoff often do not search for alternative work, but instead wait to be recalled. However, the wide range may also be explained in part by differences among the states in the strictness of their work-search rules which pertain to claimants who are temporarily laid off. For example, claimants from Idaho, Pennsylvania, Utah, and Wisconsin exhibited approximately equal recall expectations. Wisconsin has a ten-week waiting period before requiring that claimants who are temporarily laid off search for work; and Pennsylvania has no search requirements, at least initially, for any claimants. In contrast, both Idaho and Utah permit only a three- to four-week waiting period before requiring that claimants who are temporarily laid off engage in work search. Consistent with these differences in rules, claimants from Idaho and Utah are more likely to search than are those from Pennsylvania and Wisconsin. As we examine differences in the work-search behavior of claimants in the

TABLE III.1

PERCENTAGES OF SAMPLE MEMBERS
WHO SEARCHED FOR WORK
AND CONTRIBUTING FACTORS

State	Percentage Who Searched	Percentage Who Expected To Be Recalled	Number of Weeks Employer-Attached Claimants Are Excused from Work Search[a]
Arizona	94.8	21.6	4
Idaho	74.1	63.3	4
Iowa	98.2	22.0	4
Maryland	89.3	19.3	10
North Carolina	79.6	45.6	4
Pennsylvania	63.3	57.5	--[b]
South Carolina	97.3	32.9	--c
Texas	91.2	33.0	4
Utah	73.4	61.3	3
Wisconsin	64.1	61.1	10
Total	81.2	44.0	

[a] In general, only claimants with specific recall dates that fall within the specified number of weeks are excused from work-search rules.

[b] Pennsylvania has no specific work search requirements for most new claimants.

[c] South Carolina excused claimants from work search requirements for the duration of their attachment to employers.

remainder of this section, we must be sensitive to these differences among the states in the percentage of claimants who search for work.

The UI claimants who engaged in work search reported pursuing a variety of work-search activities while they collected UI benefits, as shown in Table III.2. The following are the most common types of search activities reported: applying directly with employers (77 percent), reading want ads and answering those ads (76 and 64 percent, respectively), checking with friends and relatives (73 percent), and checking with the ES (65 percent). Those responses are very close to those obtained by the supplement for unemployed respondents in the May 1976 Current Population Survey (Young, 1979). Of CPS survey respondents who were collecting UI benefits, 77 percent reported applying directly with employers, 54 percent reported reading want ads, 85 percent reported checking with friends and relatives, and 73 percent reported checking with the ES.

It is noteworthy that nearly all claimants (95 percent) who reported that they did in fact search for work reported applying for jobs directly with employers. In addition, over 90 percent reported reading want ads and asking friends and relatives about job openings, while about 80 percent reported checking with the ES and answering want ads. Much smaller percentages reported engaging in other methods of search.

An examination of the differences among states in the percentage of claimants who engaged in various work-search activities (not shown) indicates that claimants from Iowa and South Carolina were notably more likely to check with the state ES and to ask friends and relatives about job openings than were claimants in other states. Claimants from Iowa were

TABLE III.2

PERCENTAGE OF ALL SAMPLE MEMBERS AND SAMPLE
MEMBERS WHO SEARCHED FOR WORK WHO ENGAGED
IN SPECIFIC WORK-SEARCH ACTIVITIES

Work-Search Activity	All UI Claimants	UI Claimants Who Searched
Applying Directly with Employers	77.1	94.8
Reading Want Ads	75.8	93.2
Asking Friends and Relatives	73.3	90.2
Checking with State Employment Service	64.9	79.9
Answering Want Ads	63.5	78.1
Checking with Private Employment Agency	35.9	44.2
Checking with a Union	9.5	11.6
Placing Ads in Newspapers, Etc.	3.3	4.0
Other (e.g, Looking Out of Area, Learning New Skill, Applying through Various Organizations, Etc.)	3.2	4.0

also the most likely to read want ads, and claimants from South Carolina were more likely to check with private employment agencies. Claimants from Maryland who searched for work were also relatively active; high percentages of claimants checked with private employment agencies, read want ads, and answered want ads. In contrast, claimants from Idaho who searched for work were the least likely to check with private employment agencies, to read want ads, or to answer want ads. Claimants from Pennsylvania were notably less likely to apply directly with employers and more likely to check with unions. Finally, claimants from Texas and North Carolina who searched for work were considerably less likely than claimants from other states to have checked with their state ES.

It is likely that these cross-state differences in the search activities of claimants are due in part to differences in the occupational composition of the claimant groups in these states. For example, considerably more claimants from Maryland were employed in white-collar occupations in which it is customary to find work through want ads. Moreover, the low percentages of claimants who checked with the state ES in Texas, North Carolina, and Idaho probably reflect the fact that ES registration is an integral part of the claims application procedures in those states; thus, many claimants apparently were not aware that they were registering for the ES and were eligible for job-matching.

2. Using the State Employment Service

Because all states except Maryland and Pennsylvania require that claimants register with the ES, it is useful to examine in more detail how claimants used the services provided by their state ES and how their use differed among the ten states in the sample. Table III.3 presents the

TABLE III.3

PERCENTAGE OF UI CLAIMANTS WHO REGISTERED WITH THE STATE EMPLOYMENT
SERVICE AND THE PERCENTAGE OF REGISTERED CLAIMANTS WHO
PARTICIPATED IN EMPLOYMENT SERVICE ACTIVITIES

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	Total
Percentage Who Registered with the State Employment Service	79.1	69.1	95.6	61.3	50.4	54.4	89.6	42.8	80.1	66.3	68.4
Percentage of registrants who attended group session to learn how to find jobs	24.5	38.2	30.0	12.4	42.9	20.4	41.6	23.8	38.6	51.3	34.5
Percentage of registrants who received one-on-one counseling to improve search skills	21.7	24.0	27.3	23.8	31.3	23.7	27.5	19.9	29.6	18.4	25.1
Percentage of registrants who used the job listings at the service	74.6	70.8	80.4	53.8	74.8	59.6	82.8	83.4	73.8	59.0	72.2
Percentage of registrants who received job referrals from the service	28.6	30.8	47.2	27.6	38.1	19.7	34.8	42.3	38.0	28.1	35.1
Percentage of registrants who received job offers from referrals made by the service	1.9	6.7	13.6	8.0	6.5	7.7	8.1	5.8	7.1	7.2	7.3

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percentages of UI claimants for all ten states and for each state separately who registered with the state ES and participated in various activities.

Overall, 68 percent of the UI claimants in the sample reported registering with the state ES. Claimants from Texas and North Carolina were the least likely to report registering with the ES, probably because ES registration in these states consists only of filling out an additional form when filing a UI claim (although Idaho uses the same general procedure, its claimants do not exhibit a similarly low likelihood of underreporting ES registration). Claimants from Iowa and South Carolina were the most likely to report registering with the ES. The overall percentage of claimants who registered with the state ES (68 percent) is comparable to the percentage who indicated that they checked with the state ES as part of their job search while collecting UI benefits (65 percent). The small difference in these percentages may reflect inconsistent survey responses by a few claimants, or it may suggest that a few claimants registered with the ES as required by UI but did not actively use the job listings or participate in other activities provided by the service. Inconsistent responses appear to be particularly evident in Wisconsin and Pennsylvania, in which the percentage of claimants who reported checking with the state ES is considerably lower than the percentage who reported registering with the ES. In Texas and North Carolina, a higher percentage of claimants reported checking with the state ES during their job search than the percentage who reported registering with the ES. This difference supplies additional evidence that UI claimants in these states are often

unaware that they are registering with the ES when they file their UI claim application.

Among the services and work-search aids provided by state ESs, UI claimants most commonly reported using the job listings provided by the ES. Seventy-two percent of the sample members who registered with the ES reported using the job listings. Smaller percentages of UI claimants reported participating in activities provided by the state ES to teach them how to search for work and to improve their work-search skills. Thirty-five percent of the ES-registered claimants reported attending group sessions at the ES to learn how to find jobs, and 25 percent reported receiving individual counseling to improve their job-search skills.

Table III.3 also shows substantial variations among the states in terms of how claimants who registered with the ES used its services. Not only were claimants from Iowa and South Carolina the most likely to report registering with the ES, but those claimants who did register reported using the services provided by the ES to a relatively greater extent. Over 80 percent of the registered claimants from Iowa and South Carolina used the job listings at the ES, and over 25 percent of the registered claimants from these states received individual counseling to improve their work-search skills. In addition, over 40 percent of the registered claimants in South Carolina attended group sessions at the ES to learn how to find jobs. Although relatively few claimants from Texas reported registering with the ES, over 80 percent of those who did register reported using the ES job listings. The relatively high percentage of registered claimants from Wisconsin who reported attending group sessions at the ES probably

reflects the fact that the ES in that state uses group registration procedures. Finally, a relatively high percentage of registered claimants in North Carolina and Utah reported receiving individual counseling at the ES.

In contrast to Iowa and South Carolina, Table III.3 shows that claimants from Maryland, Pennsylvania, and Wisconsin were not only less likely to report registering with the ES but also less likely to report using ES services if they did register. Less than 60 percent of the registered claimants in these states reported using the job listings, and 20 percent or fewer of the registered claimants from Maryland and Pennsylvania reported attending group sessions to learn how to find jobs. In addition, less than 20 percent of the registered claimants from Texas and Wisconsin reported receiving individual counseling to improve their work-search skills.

The extent to which UI claimants who registered with the ES actually receive job referrals through the ES varies widely among the states. Overall, 35 percent of the claimants in the sample received job referrals, and the percentage who received job referrals ranges from 20 percent in Pennsylvania to 47 percent in Iowa. Registered claimants from Texas and Utah were also very likely to receive referrals from the ES. These state differences generally carry through to the percentage of registered claimants who received job offers from referrals made by the state ES; Iowa, South Carolina, and Maryland show the highest percentages of claimants who received offers, and Arizona and Texas show the lowest percentage.

Overall, 20 percent of the job referrals made by the state ESs appeared to lead to job offers. While a low percentage of all claimants from Pennsylvania received job referrals, nearly 40 percent of those claimants who did receive referrals proceeded to obtain job offers from those referrals. In addition, nearly 30 percent of the claimants from Iowa and Maryland who received referrals obtained job offers from those referrals. In contrast, an especially low proportion of job referrals led to offers in Arizona, Texas, and Utah. It is noteworthy that the ES in Iowa not only supplied a large percentage of UI claimants with job referrals but also supplied them with referrals that were relatively more likely to lead to job offers.

The picture that emerges from the reports of UI claimants who used their state ES shows that the ESs of Iowa and South Carolina are relatively vigorous in registering claimants (with the help of strict state rules), in providing and encouraging the use of ES services, and in making job referrals. In contrast, the ESs of Pennsylvania, Maryland, and Wisconsin appear to play a far less prominent role in the work-search activities of claimants. In Maryland and Pennsylvania, work-search rules do not require prompt ES registration, and the leniency of these requirements is reflected in the consistently low reported use of the ES by UI claimants.

3. Intensity of Work Search

In addition to considering the extent to which UI claimants in the ten sample states engaged in various work-search activities, it is important to examine the intensity with which claimants in these states searched for work. Table III.4 presents several measures of the intensity of work search for all ten states and each state separately.

TABLE III.4

MEDIAN AND AVERAGE HOURS DEVOTED TO
WORK SEARCH PER WEEK AND THE NUMBER OF EMPLOYER
CONTACTS MADE BY SAMPLE MEMBERS WHO SEARCHED FOR WORK

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	Total
Average Hours Devoted to Looking for Work per Week	17.2	12.7	12.9	19.7	11.5	11.0	13.7	17.0	12.1	10.9	13.7
Median Hours Devoted to Looking for Work per Week	15	10	10	20	8	8.5	10	15	10	8	10
Median Total Number of Employer Contacts[a] Made per Week	12	7	6	10	6	6	6	9	6	6.5	7
Median Number of In-Person Employer Contacts Made per Week	5	3	3	3	4	2	4	4	4	3	4

[a] Includes in-person, telephone, and mail contacts.

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The data show that the typical UI claimant who searched for work (as described by the median) devoted about ten hours per week to work search while collecting UI benefits. The average number of hours devoted per week to work search exceeds the median number of hours, indicating that the sample contains some claimants who reported devoting a relatively large number of hours per week to work search. However, the relative ranking of the states in terms of the number of hours devoted to work search per week remains the same as the number demonstrated by the medians.

Another dimension that characterizes the intensity of UI claimants' work-search activities is the total number of employer contacts made by the claimants each week by mail, telephone, or in person. Table III.4 shows that the typical claimant in the sample reported making seven employer contacts per week, four of which were in-person contacts.

An examination of the measures of job-search intensity among the states shows that, while Iowa and South Carolina have the highest percentage of UI claimants who engage in various work-search activities and use the state ES, UI claimants from Maryland, Arizona, and Texas search for work more intensively. Compared with claimants from these three states, claimants from Iowa and South Carolina search only moderately intensively. Conversely, not only are claimants from Pennsylvania and Wisconsin less likely to register with the ES and less likely to use the state ES if they do register, but they are also typically those who search for work less intensively.

4. Claimants' Assessments of the Usefulness of State Work-Search Rules

In addition to comparing the work-search behavior of UI claimants in states which exhibit work-search rules of varying degrees of strictness,

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it is also possible to examine the claimants' own assessments of the effects of the rules on their work-search behavior. Claimants who searched for work in Utah, North Carolina (both moderately strict states), and South Carolina (a strict state) were the most likely to report that state rules on the required number of employer contacts prompted them to make more employer contacts than they would have otherwise. In addition, claimants who searched in Arizona (a strict state) and North Carolina (a moderate state) were the most likely to report that the rules prompted them to contact employers more often than they would have otherwise. Not surprisingly, claimants from Pennsylvania and Wisconsin, both very lenient states, were by far the least likely to report that state rules on employer contacts prompted them to make more employer contacts or to make more repeat employer contacts than they would have otherwise.

Claimants were also asked about whether or not the state work-search rules were helpful and whether or not they were reasonable. Interestingly, approximately half of the claimants who engaged in work search in Iowa, North Carolina, South Carolina, and Texas (all strict states except for North Carolina) reported that the requirements were helpful, and nearly three-quarters of the claimants who engaged in work search in those states reported that the requirements were reasonable. In contrast, less than 20 percent of the claimants who searched for work in Pennsylvania and Wisconsin (both the most lenient states) reported that the rules were helpful, and less than one-third reported that the rules were reasonable.

B. THE EFFECTS OF STATE WORK-SEARCH RULES ON CLAIMANTS' SEARCH BEHAVIOR

The descriptive analysis of claimants' work-search behavior in Section A suggests that, at least in some specific ways, claimants from

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states whose work-search rules are more demanding (Iowa, South Carolina, and Texas) tend to search for work more assiduously than do claimants in states whose rules are less demanding (most notably, Pennsylvania and Wisconsin). However, descriptive comparisons of state work-search rules and claimants' search behavior do not take into account any other factors that may be associated with claimants' work-search behavior, such as the characteristics of claimants, the characteristics of their pre-unemployment jobs, local labor-market conditions, and other state characteristics. Therefore, in order to examine the relationship between state work-search rules and claimants' search behavior more thoroughly, we performed multivariate analyses to control for these other factors.

1. Methodological Issues

Before presenting the results of the multivariate analyses, we should briefly discuss three important issues associated with our analytic methodology. The first issue pertains to the specification of state work-search rules and how they are included in the models. Ideally, variables that describe the relevant dimensions of state work-search rules would be included in the models, along with state-specific variables which control for the other state characteristics and claimant-specific variables that control for characteristics that influence claimants' search behavior. However, the data cover only ten states (and fewer for some parts of the analysis); therefore, due to problems with multicollinearity, only a limited number of state-level variables can be included in the models, particularly when the state-level variables are dichotomous. In effect, the small number of states represented in the sample makes it econometrically impossible to include in the models both dummy variables

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that describe state work-search rules and other state-level character-istics.

Since the multivariate analysis focuses on the effect of work-search rules on claimants' search behavior, we explored several different strategies for dealing with the limited size of the state sample. In one set of models, we included six dummy variables that described state work-search rules, and omitted other state-level factors. In another set of models, we included both a restricted set of dummy variables that described state work-search rules and a few selected variables that described state characteristics (including the percentage of persons employed in construction, manufacturing, and services, and the percentage of the state's population which resided in metropolitan areas). The results of these two sets of regressions showed that state-level characteristics do affect work-search behavior significantly, and that when they are omitted the coefficients on the state-rule variables measure not only the effects of the state rules but also the effects of the omitted state-specific factors on work-search behavior. In other words, the coefficients on the state-rule variables in the first set of models cannot be interpreted as measuring the effect of the rules alone on work-search behavior. The second set of models overcomes this difficulty of interpretation only partially due to the limited number of state-level variables that can be included, and the improvement in interpretability comes at the cost of less specificity and comprehensiveness in the rules that can be examined.

Because neither of these strategies is very satisfactory, we adopted a third strategy for the multivariate analyses. In the multivariate regression models, a set of dummy variables that indicated the

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state in which the claimant lives replaced the state-rule dummy variables and other state-level characteristics (with the exception of the state unemployment rate). The coefficients on the state dummy variables measure the effects of state work-search rules and other state-specific factors on work-search behavior. It is equally difficult to discern the isolated effects of state rules on search behavior using this strategy. However, this model specification is more convenient because it facilitates a further examination of the effects of state rules using tests of the statistical significance of differences in search behavior among groups of states, where the groups of states are defined according to the strictness of their work-search rules as discussed in Chapter II.

The second methodological issue pertains to the choice of control variables to be included in the multivariate regression analyses. The control variables chosen for the analyses are presented in Table III.5, along with their means and standard deviations. They include the demographic characteristics of individual claimants, the characteristics of their pre-unemployment jobs, measures of the level and potential duration of their UI benefits, and, as a measure of local labor-market conditions, the state unemployment rate in the month during which they began receiving UI benefits.[1,2]

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[1] We used the weekly UI benefit amount rather than the wage replacement rate (benefit/pre-UI weekly wage) in the analysis because it is the less restrictive specification (see discussion in Moffitt, 1985, pp. 17-18). We calculated the potential duration of benefits from UI records data as the maximum benefit amount divided by the weekly benefit amount.

[2] We used the total unemployment rate rather than the insured unemployment rate in the analysis to control most appropriately for labor-market conditions.

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TABLE III.5

MEANS AND STANDARD DEVIATIONS OF THE CONTROL
VARIABLES INCLUDED IN THE MULTIVARIATE ANALYSES

Control Variables	Mean[a]	Standard Deviation
Demographic Characteristics		
Age	38.0	12.2
Female	45.1	49.8
Married	64.5	47.9
Have an employed partner	46.0	49.8
Have any dependent children	44.8	49.7
Hispanic	6.8	25.2
Black	12.0	32.5
Asian or Native American	2.1	14.3
Pre-Unemployment Job Characteristics		
Occupation--white collar	45.5	49.8
Industry--construction	10.8	31.0
Industry--durable manufacturing	20.9	40.7
Industry--nondurable manufacturing	18.4	38.7
Industry--agriculture and mining	3.2	17.6
Industry--trade-impacted	13.6	34.3
Lasted longer than 3 years	47.9	50.0
Ended due to lack of work	79.3	40.5
Expected layoff to be temporary	45.3	49.8
Got definite recall date	13.4	34.0
Weekly earnings in pre-UI job	309.1	191.4
Local Labor Market Conditions		
State unemployment rate in month of initial UI benefits	6.6	1.2
UI Benefit Characteristics		
Weekly benefit amount	133	47
Maximum duration of benefits (weeks)	22.7	5.4
Sample Size	2477	

[a] All variables except age and the unemployment rate are dichotomous; the mean is the percentage of claimants in the sample with the given characteristic.

Two of the control variables warrant some explanation. The first is the dichotomous variable which indicates whether the claimant's pre-unemployment job was in a trade-impacted industry. Based on tabulations of the number of workers who were certified to receive trade adjustment assistance by industry, we determined that claimants who had been employed in manufacturing industries that produced textile-mill products, apparel and other textile products, and machinery (except electrical) are likely to qualify for supplemental benefits under the Federal Trade Adjustment Assistance program. Such workers could have longer benefit periods--up to 52 weeks--than would claimants who had been employed in non-trade-impacted industries.

The second is the dichotomous variable which indicates whether or not the claimant expects to return to his or her previous job. It is not unreasonable to expect that the work-search behavior of claimants who believe that they will return to their old job will be quite different from the search behavior of claimants who do not expect to return to their previous job. Indeed, claimants who have a definite recall date are often excused from state work-search rules for a period of time.

We performed a series of F-tests to examine whether or not separate regression models for claimants who do and do not expect to return to their old jobs were necessary. The tests showed that the coefficients on the other control variables were not significantly different between the two groups of claimants, and that a single regression model was appropriate. However, because work-search rules that apply to claimants who expect to return to their previous job differ among the states in the sample, interaction terms between each of the state dummy variables and the

variable which indicated whether the claimant expected to return to his or her old job were included in the models. This specification enables us to report the results both for all claimants and for those who do not expect to return to their old jobs.

The third methodological issue pertains to the sample used in the analyses. Because the survey response rate for Arizona was very low and because the sample obtained for that state is likely to be biased in other important but unknown ways, we excluded the data on Arizona claimants from the multivariate analyses. In addition, because the response rate in Maryland was also relatively low, and because the claimant sample from Utah appears to be dominated by UCFE claimants, we performed sensitivity analyses to determine whether the inclusion of claimants from these states had a strong effect on the results of the analyses. The sensitivity analyses, reported in Appendix Table A.5, show that the results of the multivariate analyses are not especially sensitive to the inclusion or exclusion of Maryland and Utah claimants. Therefore, we included the samples from these states in the analyses that are reported both in the next section and in the next chapter.

2. The Results of the Multivariate Analyses

We chose four measures of work-search behavior for the multivariate analyses: whether or not claimants searched for work, the number of hours devoted by claimants per week to work search, the number of employer contacts made per week, and the number of in-person employer contacts made

per week. The results of these analyses are presented in Tables III.6 and III.7.[1]

In order to focus the discussion on the results that pertain to differences among the states in work-search behavior that remain after individual characteristics are controlled, we present the results in terms of adjusted mean values of the dependent variable for each state.[2] We calculated the adjusted mean for each state by using the coefficient estimates from the appropriate multiple regression model and average values (from the entire 9-state sample) of the characteristics of claimants, which we then adjusted for each state by using the coefficient on that state's dummy variable(s). The adjusted means can be interpreted as the predicted values of the dependent variable for the average claimant if he or she lived in the given state.

Work-Search Behavior. The adjusted means presented in Table III.6 show that, after controlling for other factors, claimants from Texas, South Carolina, and Iowa (all strict states) were the most likely to search for work and to search for work significantly more intensively than the average claimant in the entire sample. The average claimant from Texas showed a very high probability of searching for work, searched for work an average of 14 hours per week, and made 11 employer contacts per week, 5 of which were in-person employer contacts. The average claimant from South Carolina

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[1] Because of the extensive statistical manipulation that is required for the analysis, we used ordinary least-squares regression procedures when the dependent variable was dichotomous. The underlying models were verified by probit equations, as shown in Appendix Table A.7.

[2] Full regression results for the number of hours devoted by claimants per week to work search are presented in Table A.2 of the appendix.

TABLE III.6

ADJUSTED MEAN VALUES OF WORK-SEARCH OUTCOMES FOR
THE AVERAGE SAMPLE MEMBER AND THE AVERAGE SAMPLE MEMBER NOT
EXPECTING PREVIOUS JOB BACK

State	Probability of Searching for Work	Number of Hours/Week Devoted to Search	Number of Employer Contacts per Week	Number of In-Person Contacts per Week
	Average Sample Member			
Idaho	0.71**[b]	8.1**	9.3	3.6
Iowa	0.94***	9.8	7.2	5.0***
Maryland	0.71**	11.3***	12.0***	5.2***
North Carolina	0.75	9.8	6.6	3.0
Pennsylvania	0.61***	6.5***	7.2	2.7***
South Carolina	0.97***	12.6***	9.9	4.7**
Texas	0.83***	14.0***	10.8***	5.2***
Utah	0.55***	4.5***	2.1***	2.0***
Wisconsin	0.62***	6.2***	6.1**	2.7***
All 9 States	0.74	9.2	7.9	3.8
	Average Sample Member Not Expecting Old Job Back			
Idaho	0.80**	11.2	10.7	4.5
Iowa	0.94**	11.8	8.2	4.8
Maryland	0.92	17.4***	13.3**	4.6
North Carolina	0.92	10.4**	7.8	4.0
Pennsylvania	0.84	9.8**	9.2	3.2**
South Carolina	0.92	12.5	8.7	4.8
Texas	0.90	14.4***	15.2***	5.6***
Utah	0.82	11.2	7.2	3.3
Wisconsin	0.88	10.5**	8.2	3.8
All 9 States	0.88	12.1	9.8	4.3

NOTE: The adjusted mean values are estimated using the parameter estimates from the appropriate regression model and the average values of the claimant characteristics (over all 9 states).   They can be interpreted as the predicted values of the dependent variables for the average sample member.

*** Significantly different from the overall mean at the 99 percent confidence level in a two-tailed test.
** Significantly different from the overall mean at the 95 percent confidence level in a two-tailed test.
* Significantly different from the overall mean at the 90 percent confidence level in a two-tailed test.

TABLE III.7

DIFFERENCES AMONG GROUPS OF STATES IN THE WORK-SEARCH BEHAVIOR
OF THE AVERAGE SAMPLE MEMBER, FORMED ACCORDING TO THE
STRICTNESS OF THEIR WORK-SEARCH RULES

Groups of States	Probability of Searching for Work	Number of Hours/Week Devoted to Search	Number of Employer Contacts/Week	Number of In-Person Contacts/Week
Average Sample Member[a]				
Moderate-lenient	0.05*	2.0***	0.6	0.5
Strict-moderate	0.15***	4.8***	2.4***	1.5***
Strict-lenient	0.20***	6.8***	3.0***	2.1***
Average Sample Member Not Expecting Old Job Back[b]				
Moderate-lenient	0.03	3.4***	3.5***	1.3***
Strict-moderate	0.03	-1.6**	-3.8***	-0.1
Strict-lenient	0.06**	1.8**	-0.3	1.2***

[a]
According to the knowledge and perceptions of sample members about work-search rules, the states are categorized as follows: the lenient states are Pennsylvania and Wisconsin; the moderate states are Idaho, Maryland, North Carolina, and Utah; and the strict states are Iowa, South Carolina, and Texas.

[b]
According to the knowledge and perceptions of sample members who did not expect their old job back, the states are categorized as follows: the lenient states are Pennsylvania and Wisconsin; the moderate states are Idaho, Maryland, North Carolina, and Texas; and the strict states are Iowa, South Carolina, and Utah.

***Difference is significant at the 99 percent level of statistical confidence.
**Difference is significant at the 95 percent level of statistical confidence.
*Difference is significant at the 90 percent level of statistical confidence.

showed an extremely high probability of searching for work and devoted almost 13 hours per week to work search. Although he or she did not make significantly more than the average number of employer contacts per week, the average claimant from South Carolina did make significantly more than the average number of in-person contacts. The average claimant from Iowa was significantly more likely to search for work, and made 5 in-person employer contacts per week, although the number of hours that he or she devoted to work search and the total number of employer contacts that he or she made were not significantly above the average. Finally, the average claimant from Maryland (a moderately strict state) also exhibited a high degree of search intensity, devoting over 11 hours per week to work search and contacting 12 employers per week (5 in-person). However, he or she was somewhat less likely to search at all than the average claimant from all states.

In contrast, if the average claimant lived in Utah (a moderately strict state), or in Wisconsin or Pennsylvania (both lenient states), he or she was significantly less likely to search for work, devoted less time to work search, and made fewer than the average number of employer contacts. The average claimant from Utah showed only a slightly greater than 50 percent probability of searching for work, devoted only 4.5 hours per week to work search, and made only 2 employer contacts per week. The average claimant from Wisconsin was only slightly more likely to search for work, and he or she searched for work only for 6 hours per week and made only 6 employer contacts per week, 3 of which were in-person contacts. The average claimant from Pennsylvania was significantly less likely to search for work, devoted significantly less than the average amount of time to

work search, and made fewer than the average number of in-person employer contacts, although the total number of employer contacts was not significantly below average.

State-to-state differences in the work-search behavior of the average claimant narrow and often become insignificant when we examine the subset of claimants who do not expect to return to their previous jobs. In this case, only the average job-unattached claimant who lived in Iowa was significantly more likely than the average to search for work, and only the average job-unattached claimant from Idaho was significantly less likely to engage in work search. The average job-unattached claimant from Maryland and Texas devoted significantly more than the average number of hours to work search each week and made significantly more than the average number of employer contacts, although only the average job-unattached claimant from Texas made significantly more than the average number of in-person contacts. In contrast, only the average job-unattached claimant from Pennsylvania, North Carolina, and Wisconsin devoted less than the average amount of time to work search, and the average unattached claimant from Pennsylvania made only 3 in-person contacts, significantly fewer than the average.

When we group the sample of states according to the relative strictness of their work-search rules (as we discussed in Chapter II) and use F-tests to examine the significance of the differences in the probability that claimants who live in each group of states searched for work, the results indicate significant differences among the groups (see Table III.7). Among all claimants, those who lived in the moderately strict states (Idaho, Maryland, North Carolina, and Utah) were 5 percent

more likely to search for work than those who lived in the lenient states (Pennsylvania and Wisconsin), and they devoted two more hours per week to work search. The differences between claimants in the strict and moderately strict states are far more striking. Claimants from the strictest states (Iowa, South Carolina, and Texas) were 15 percent more likely than claimants in the moderately strict states to engage in work search; they devoted five more hours per week to work search; they made 2.4 more employer contacts per week; and they made 1.5 more in-person contacts.

The differences among the groups of states are not as great and are sometimes in the opposite direction for claimants who did not expect to return to their previous jobs.[1] While job-unattached claimants from the moderately strict states devoted 3.4 more hours per week to work search and made 3.5 more employer contacts (1.3 more in-person employer contacts) than similar claimants from lenient states, they also searched 1.6 hours per week longer and made nearly four more employer contacts per week than did job-unattached claimants who lived in the strictest states. These results come about primarily because unattached claimants from Maryland, a moderately strict state, searched more intensively than unattached claimants from other states, even after other factors are controlled.

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[1] Because the strictness rankings are based on the perceptions of claimants about the work-search rules (see Chapter II), state rankings can change when we analyze subsets of the full sample, such as this one of claimants who consider themselves job-unattached. In fact, Texas and Utah change rankings on the basis of the views of this subset: Texas is viewed as a moderate state by job-unattached claimants (it was considered strict by all claimants), and Utah is viewed as a strict state by job-unattached claimants (it was considered moderate by all claimants). These changes do not alter the statistical results qualitatively.

In order to test the sensitivity of the results of the F-tests to our classification of states according to strictness, we repeated the significance tests for hours devoted to work search by using two alternative classifications of states (see Appendix Table A.6). These classifications are based not on the knowledge and perceptions of claimants about work-search rules but on the strictness of the rules according to state UI agency staff (see Chapter II, Section D). The results of these significance tests are different but lead to similar conclusions. A significantly positive relationship tends to exist between the strictness of work-search rules and work-search intensity among all claimants, but no consistently significant relationship exists between strictness and work-search intensity among the subset of claimants who did not expect to return to their previous jobs.

Important Control Variables. The regression results for the control variables included in the four work-search behavior models (reported for the average weekly hours devoted to work search in Appendix Table A.2) show that it is important to control for age when considering the number of hours devoted per week to work search. The number of hours increases to about age 42 and then decreases after that age. Sex is also an important control variable: female claimants devoted significantly fewer hours to search than did male claimants, and they also made fewer employer contacts, including fewer in-person employer contacts. Work-search behavior also differs significantly by race. All other things equal, black claimants were more likely to search for work, and they devoted more time per week to work search and made more in-person contacts than did white claimants.

Several characteristics of the pre-unemployment jobs of claimants are also important control variables in the regression models. Controlling for other factors, claimants whose previous jobs lasted longer than three years were less likely to search for work, and they devoted less time to work search and make fewer employer contacts, including fewer in-person contacts, than did claimants whose previous job was shorter than three years in duration. In addition to the duration of the previous job, the industry in which the claimant worked is also significant. All other things equal, claimants who previously worked in durable manufacturing and construction devoted less time to work search and made fewer in-person employer contacts than did claimants whose previous jobs were in other industries. Claimants whose last job was in a white-collar occupation made significantly more employer contacts than did other claimants, but significantly fewer in-person employer contacts. Finally, claimants who had received a definite recall date from their previous employer were, not surprisingly, less likely to search for work at all, devoted less time to work search, and made fewer employer contacts than did workers who had not received definite recall dates.

Of the two control variables that pertain to UI benefits, only the weekly benefit amount was significant in the regression models. Controlling for other factors, claimants whose weekly benefit amounts were higher were less likely to search for work and made fewer in-person employer contacts than did claimants whose weekly benefit amounts were lower.

C. SUMMARY AND CONCLUSIONS

The multivariate analyses generally confirm the findings from the descriptive analysis that strict work-search rules are associated with more intense work-search activities by UI claimants. The descriptive analysis shows that consistent differences among states exist in both the range of the work-search methods used by claimants and the intensity of their search activities. In terms of the range of search activities undertaken, Iowa and South Carolina, both of which have relatively strict work-search rules, consistently demonstrated the highest percentage of claimants who participated in each activity, while Pennsylvania and Wisconsin, both relatively lenient states, consistently ranked lowest in claimants' work-search activities. Claimants from Pennsylvania and Wisconsin also engaged in the least intensive work searches, while claimants from Maryland and Texas reported searching for work the most intensively.

The multivariate analyses, which control for such factors as the individual characteristics of claimants, the characteristics of the claimant's previous job, and local labor-market conditions, provide similar results. Even after controlling for other factors, Pennsylvania and Wisconsin, the most lenient states, showed the lowest percentage of claimants who searched for work, the fewest hours per week devoted by claimants to work search, and the fewest employer contacts made by claimants. Claimants from Iowa and South Carolina were the most likely to search for work and made relatively more in-person employer contacts, all other things equal, but claimants from Texas and Maryland consistently devoted more time to work search and made more employer contacts than did claimants from the other states. While Iowa, South Carolina, and Texas all

impose relatively strict work-search rules, the results from Maryland are noteworthy because it imposes only moderately strict rules.

Among claimants who do not expect to regain their old jobs, the cross-state differences in the search behavior of claimants are not as pronounced, and the patterns of differences among the states are not as clearcut. However, Pennsylvania remains the lowest-ranking state in terms of the number of hours that claimants devoted to work search and the number of in-person employer contacts they made, and Texas and Maryland continue to rank relatively high along these same two measures.

More rigorous tests of the significance of the associations between state work-search rules (as proxied by state) and claimants' work-search behavior show that, when all claimants are considered together, claimants who live in relatively stricter states are more likely to search for work and to search for work more intensively than are claimants from relatively less strict states. However, the results for claimants who are not job-attached are not as clear and consistent. The differences among groups of states formed according to the strictness of their work-search rules are often insignificant and are occasionally of the unexpected sign for job-unattached claimants.

It is somewhat surprising to find weaker and less consistent results for claimants who do not expect to return to their previous job than for the entire sample. There are several possible explanations for this finding. First, it is possible that the effects of other state differences that could not be controlled for separately but which influence search behavior are obscuring the effects of the work-search rules alone. It is also possible that no significant relationship exists between the

strictness of rules and work-search behavior among job-unattached claimants. Finally, these findings indicate that the work-search rules that apply to claimants who expect to regain their previous job may have the strongest impact on the behavior of claimants. It may be that these claimants are those who are the most likely to fail to search for work unless they are compelled to do so by state rules.

Although there is evidence that stricter work search rules lead to more intense work-search activities by some UI claimants, this is only an intermediate outcome. Only if this greater work-search activity leads in turn to greater and more rapid reemployment can it be concluded that strict work-search rules play an important role in shortening UI claims spells and reducing unemployment.

IV. EMPLOYMENT AND EARNINGS OUTCOMES

We are interested not only in the direct effects of work-search rules on the work-search behavior of claimants but also the ultimate effects of work-search rules on the reemployment of UI claimants and the length of their claim spells. The analysis in Chapter III showed that relatively strict work-search rules appear to lead to relatively greater and more intensive searches by claimants, particularly those who reported that they expected to return to their previous job.[1] However, very little research has been undertaken to demonstrate the relationship between intensive searching and the speed with which individuals obtain suitable jobs. Therefore, it is crucial that this study move beyond examining the direct effects of state rules on work-search behavior by investigating the effects of work-search rules on reemployment success and the length of UI claims spells.

In this chapter we explore such effects of state work-search rules. In the first section of this chapter, we examine and compare the reemployment experience, earnings, and UI benefits collected by claimants in the ten-state sample. In the second section, we present and discuss the results of multivariate analyses of employment, earnings, and UI benefit outcomes. In the last section of this chapter, we summarize and discuss the results of these analyses.

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[1] A body of literature demonstrates the importance of informal sources of job information (e.g., friends and relatives) relative to formal sources (e.g., want ads and the ES) both to the likelihood of finding a job and to the quality of the job (see, for example, Corcoran, Datcher, and Duncan, 1980; Rees and Schultz, 1970; and Ullman, 1968). This distinction is not very important for this study, since virtually all claimants who reported searching for work relied on both informal and formal sources.

A. DESCRIPTIVE COMPARISONS OF THE REEMPLOYMENT, EARNINGS, AND UI BENEFITS
   OF UI CLAIMANTS

This section presents descriptive comparisons of the reemployment and UI benefit outcomes experienced by sample members. Because we examine a fairly large number of measures of reemployment and UI benefits, the results of the descriptive analysis are quite complex. For that reason, we begin this section with an overview of the results and then focus in more detail on the specific differences among the states as they pertain to the reemployment and UI benefit outcomes of claimants' work-search activities.

1. Overview of Reemployment and UI Benefits

The pattern of reemployment and UI benefits that emerges from the descriptive analysis shows that the sample members from three of the four states whose work-search rules are the strictest (Iowa, Texas, and South Carolina) experienced the worst reemployment and UI benefit outcomes. Claimants from these states were the least likely to become reemployed within six months after receiving UI benefits. In Texas and South Carolina, however, those claimants who became reemployed were among the most likely to be reemployed full-time, while claimants from Iowa were much less likely than the overall average to be reemployed full-time. The level of employment among former claimants from these states was well below average in all four quarters following UI, indicating that not only the level of reemployment after six months but also reemployment throughout the year following UI was comparatively low. Not surprisingly, claimants from the strictest states also collected UI benefits for longer periods of time on average, and collected a greater total amount of benefits. They were also the most likely to exhaust their benefits and the least likely to stop

collecting benefits because they became reemployed. Claimants in the fourth strict state (Arizona) experienced average reemployment outcomes according to our measures, but they had relatively short UI claims spells and collected a relatively small total amount of benefits.

The most favorable reemployment outcomes were attained by sample members from three of the four moderately strict states (Idaho, Maryland, and Utah). Claimants from these states were the most likely to be reemployed within six months, and they tended to become reemployed relatively quickly. In addition, among the claimants who became reemployed within six months, those from Idaho and Maryland were among the most likely to be reemployed full-time. Correspondingly, claimants from these states had relatively short claims spells on average and, with the exception of Maryland, collected the lowest total amount of benefits. Claimants from the remaining moderately strict state (North Carolina) experienced relatively poor employment outcomes.

Claimants from the lenient states (Pennsylvania and Wisconsin) experienced intermediate, slightly above average reemployment outcomes and similarly intermediate UI benefit outcomes.

The descriptive data on the reemployment success of claimants suggests that stricter state work-search rules are not associated with greater reemployment success and shorter UI claims spells. In fact, no clear relationship between the strictness of rules and reemployment emerges from the descriptive analysis.

2. Detailed Descriptive Results

Various measures of the reemployment, earnings, and UI benefits of claimants in the ten-state sample are presented in Tables IV.1 through IV.3. The first table shows that 71 percent of all sample members were

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TABLE IV.1

PERCENTAGE OF SAMPLE MEMBERS REEMPLOYED WITHIN SIX MONTHS,
AND THE PERCENTAGE OF SAMPLE MEMBERS WHO WERE REEMPLOYED IN JOBS
WITH SELECTED CHARACTERISTICS

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	TOTAL
Percentage reemployed within 6 months of first UI payment	69.3	78.5	57.6	78.5	64.1	72.3	61.3	63.0	84.3	77.7	70.6
Of those reemployed within 6 months:											
Percentage reemployed full time	91.2	85.0	69.1	85.7	83.2	86.4	86.5	90.6	76.4	84.7	83.6
Percentage reemployed with pre-UI employer	25.0	54.4	17.9	18.9	46.5	64.6	38.0	26.0	65.5	61.4	45.6
Percentage reemployed in same industry	61.3	69.9	43.8	57.2	66.6	79.7	65.7	63.2	71.4	76.3	68.3
Percentage reemployed in same occupation	56.9	64.5	33.9	47.8	56.6	70.0	52.2	62.5	66.3	69.1	59.5
Ratio of hours in job to hours in pre-UI job											
Mean	1.00	1.00	0.53	1.00	0.83	1.00	0.80	0.83	1.00	1.00	0.92
Median	0.69	0.79	0.52	0.73	0.60	0.73	0.58	0.62	0.81	0.74	0.68

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Table IV.1 (continued)

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	TOTAL
Ratio of earnings per hour in job to earnings per hour in pre-UI job											
Mean	1.00	1.00	0.97	1.00	1.00	1.00	1.00	1.00	1.05	1.00	1.00
Median	1.11	1.01	1.01	1.15	1.01	1.03	1.05	1.07	1.16	1.37	1.11

TABLE IV.2

REEMPLOYMENT EXPERIENCE OF SAMPLE MEMBERS DURING THE FOUR
QUARTERS FOLLOWING THE START OF UI BENEFITS

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	TOTAL
Average Percentage of Days Worked at All during:											
1st quarter	30.1	34.6	23.8	34.8	23.7	38.2	19.2	25.4	36.6	37.2	30.4
2nd quarter	57.8	67.2	45.5	61.5	45.2	61.5	47.5	50.0	69.0	64.2	57.0
3rd quarter	68.5	74.9	54.6	74.6	62.4	69.2	61.6	57.0	74.6	75.0	67.0
4th quarter	65.2	73.6	59.0	80.3	66.7	71.8	60.8	63.9	74.8	74.6	68.8
Average Percentage of Days Worked Full Time during:											
1st quarter	27.7	29.7	15.6	29.7	20.8	33.2	16.3	24.2	29.1	32.9	25.8
2nd quarter	52.5	58.2	33.4	53.0	38.8	53.1	41.5	47.0	56.8	55.6	48.8
3rd quarter	59.8	65.6	40.4	63.6	53.4	59.2	52.7	51.5	60.6	64.4	56.7
4th quarter	56.1	65.4	42.5	69.7	56.6	60.7	52.2	57.7	61.7	65.0	58.5
Average Hours/Week Worked during:											
1st quarter	12.7	14.0	8.5	14.1	9.4	14.7	7.2	10.7	13.9	15.1	12.0
2nd quarter	25.0	28.6	17.5	25.0	18.0	23.9	19.0	21.2	26.2	25.7	22.9
3rd quarter	28.2	31.3	21.2	31.2	24.9	27.0	24.1	23.8	28.4	30.3	26.8
4th quarter	26.6	30.7	21.8	34.6	26.4	27.7	24.0	26.2	28.5	30.1	27.5
Average Weekly Earnings during:											
1st quarter	99.55	94.60	51.08	140.78	57.39	118.06	43.23	75.56	87.36	126.32	87.65
2nd quarter	204.66	209.71	104.42	265.46	110.33	189.88	114.25	158.03	166.83	207.46	168.44
3rd quarter	227.32	235.37	128.59	319.10	153.08	211.20	145.35	185.57	186.21	235.18	196.65
4th quarter	224.56	229.21	131.35	361.39	159.86	226.10	150.61	207.80	190.12	250.10	207.37

TABLE IV.3

MEASURES OF THE UI BENEFITS COLLECTED BY SAMPLE MEMBERS

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	TOTAL
Average Weekly Benefit Amount	112.39	134.77	130.49	154.49	118.04	163.22	101.48	149.53	120.07	148.11	133.87
Median Weekly Benefit Amount	115.00	149.50	143.50	175.00	116.00	170.50	116.00	161.00	123.00	157.00	129.00
Average Duration of Benefits for Claimants Not Still Collecting	11.9	10.3	15.0	11.1	14.4	12.0	14.2	12.0	8.3	11.4	12.2
Median Duration of Benefits for Claimants Not Still Collecting	9.0	8.0	14.0	8.0	13.0	10.0	13.0	10.5	7.0	9.0	10.0
Median Ratio of Duration of Benefits to Maximum Potential Duration for Claimants Not Still Collecting	0.38	0.46	0.64	0.31	0.65	0.38	0.54	0.49	0.51	0.38	0.47
Average Total Amount of Benefits Collected by Claimants Not Still Collecting	1347	1359	2022	1783	1755	1960	1484	1811	1003	1703	1659
Median Total Amount of Benefits Collected by Claimants Not Still Collecting	1000	1038	1584	1184	1520	1192	1249	1362	791	1099	1173

TABLE IV.3 (continued)

	AZ	ID	IA	MD	NC	PA	SC	TX	UT	WI	TOTAL
Percentage of Claimants Not Still Collecting Who Stopped because They Exhausted Benefits	18.2	19.3	40.4	19.0	31.4	21.7	35.1	33.6	21.3	24.4	27.0
Percentage of Claimants Not Still Collecting Who Stopped because They Were Reemployed	76.5	76.8	52.2	75.0	65.3	75.2	60.6	61.8	73.7	71.7	67.0

reemployed within six months after first receiving UI benefits, and that 84 percent of those sample members were reemployed full-time.[1] Utah, Idaho, and Maryland, all moderately strict states, and Wisconsin, a lenient state, showed the highest percentages of claimants who were reemployed within six months (84, 79, 79, and 78 percent, respectively). Both Utah and Idaho showed a relatively high percentage of claimants who reported that they expected to be recalled by their previous employer (see Table I.1), and, indeed, a high percentage of claimants who were reemployed within six months in those states returned to their previous employers (66 and 54 percent, respectively). Table IV.1 shows that Maryland did not have high percentage of claimants who expected to return to their previous jobs, and only 19 percent of the claimants who were reemployed within six months in that state were reemployed by their previous employer. While a substantial reason for the reemployment success of claimants in Idaho and Utah may be their relatively high percentage of recalls, the relative reemployment success of Maryland claimants appears to be due to their more intensive work-search behavior (see Table III.4), although it may also be due partially to more favorable economic conditions. On average, the unemployment rate faced by claimants in Maryland when they began collecting UI benefits was 4.4 percent, the lowest average unemployment rate faced by claimants from any of the sample states.

Claimants from Iowa and South Carolina, both strict states, were the least likely to be reemployed within six months after first receiving UI benefits (58 and 61 percent, respectively), and claimants from Iowa who

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[1] Only reemployment in a job which lasts longer than two weeks was included in this measure.

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were reemployed within six months were the least likely to be reemployed full-time (69 percent). Table IV.1 also shows that reemployed claimants from Iowa and South Carolina were unlikely to be reemployed by their previous employer (17 and 38 percent, respectively). It is evident that claimants from Iowa and South Carolina exhibited the poorest reemployment outcomes, despite the facts that they were the most likely to report searching for work, and that they carried out the widest range of search activities, as was shown in Chapter III.

In order to examine in more detail the progress and duration of the reemployment outcomes of UI claimants in the ten states, we computed several measures of employment and earnings for each of the four quarters following the start of UI benefits (presented in Table IV.2). The data show that employment increased steadily in the first two quarters, rising to 30 percent employment (26 percent full-time) in the first quarter and 57 percent employment (49 percent full-time) in the second quarter. It appears that reemployment reaches its steady-state level in the third quarter and remains at that level in the fourth quarter (67 percent employment, 57 percent full-time). This pattern is also reflected in the average number of weekly hours worked in each quarter by claimants, a measure that summarizes both the percentage of time that claimants work and the intensity of their work.

In all of the sample states except South Carolina, we observe this pattern of a steady increase in reemployment in the first two quarters, followed by a slight increase in the third quarter and no change in the fourth quarter. In South Carolina, it appears that reemployment is especially slow in the first quarter following the start of UI benefits but

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more than doubles in the second quarter to "catch up" with the reemployment rates exhibited by some of the other states. In addition, the further increase in reemployment in the third quarter in South Carolina and North Carolina is especially large, so that, although the levels of reemployment in these states in the first two quarters are relatively low, they reach more average levels by the third quarter (see Table IV.2).

The UI benefit outcomes, presented in Table IV.3 and Figures IV.1 through IV.3, generally reflect the pattern of reemployment and earnings outcomes shown in the first two tables. The typical UI claimant in the ten-state sample (as described by the median) collected benefits for ten weeks. Just as claimants from Utah, Idaho, and Maryland (all moderately strict states) reported the most favorable reemployment outcomes, they also reported collecting UI benefits for the shortest period of time (7, 8, and 8 weeks, respectively). In fact, the survival curves shown in Figure IV.2 for moderately strict states indicate that, after three weeks, smaller than average proportions of claimants from Utah, Idaho, and Maryland were still collecting benefits at every duration. Claimants from these states were also among the least likely to exhaust their UI benefits and the most likely to report that they had stopped collecting benefits because they were reemployed. Claimants from Maryland also typically collected fewer weeks of benefits relative to their maximum potential number of weeks.

In contrast, the typical claimant from Iowa, South Carolina (strict states), and North Carolina (a moderately strict state) who exhibited relatively poor reemployment and earnings outcomes collected UI benefits for the longest period of time (14, 13, and 13 weeks, respectively), had high ratios of weeks of benefits collected to maximum potential benefit

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FIGURE IV.1
PROPORTION OF CLAIMANTS STILL COLLECTING BENEFITS AT EACH
DURATION FOR EACH STRICT STATE AND THE TEN STATE AVERAGE
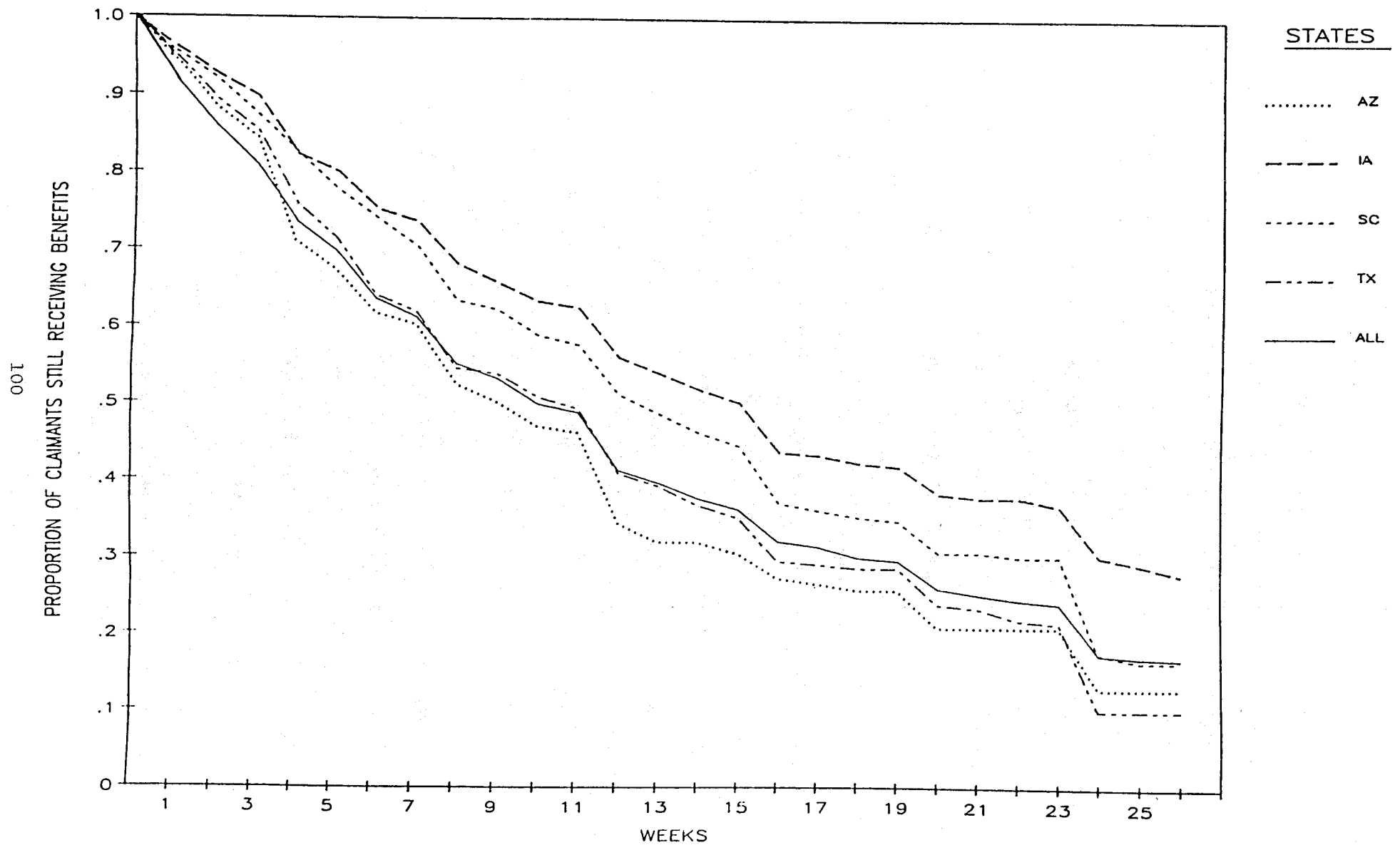
FIGURE IV.2
PROPORTION OF CLAIMANTS STILL COLLECTING BENEFITS AT EACH
DURATION FOR EACH MODERATE STATE AND THE TEN STATE AVERAGE
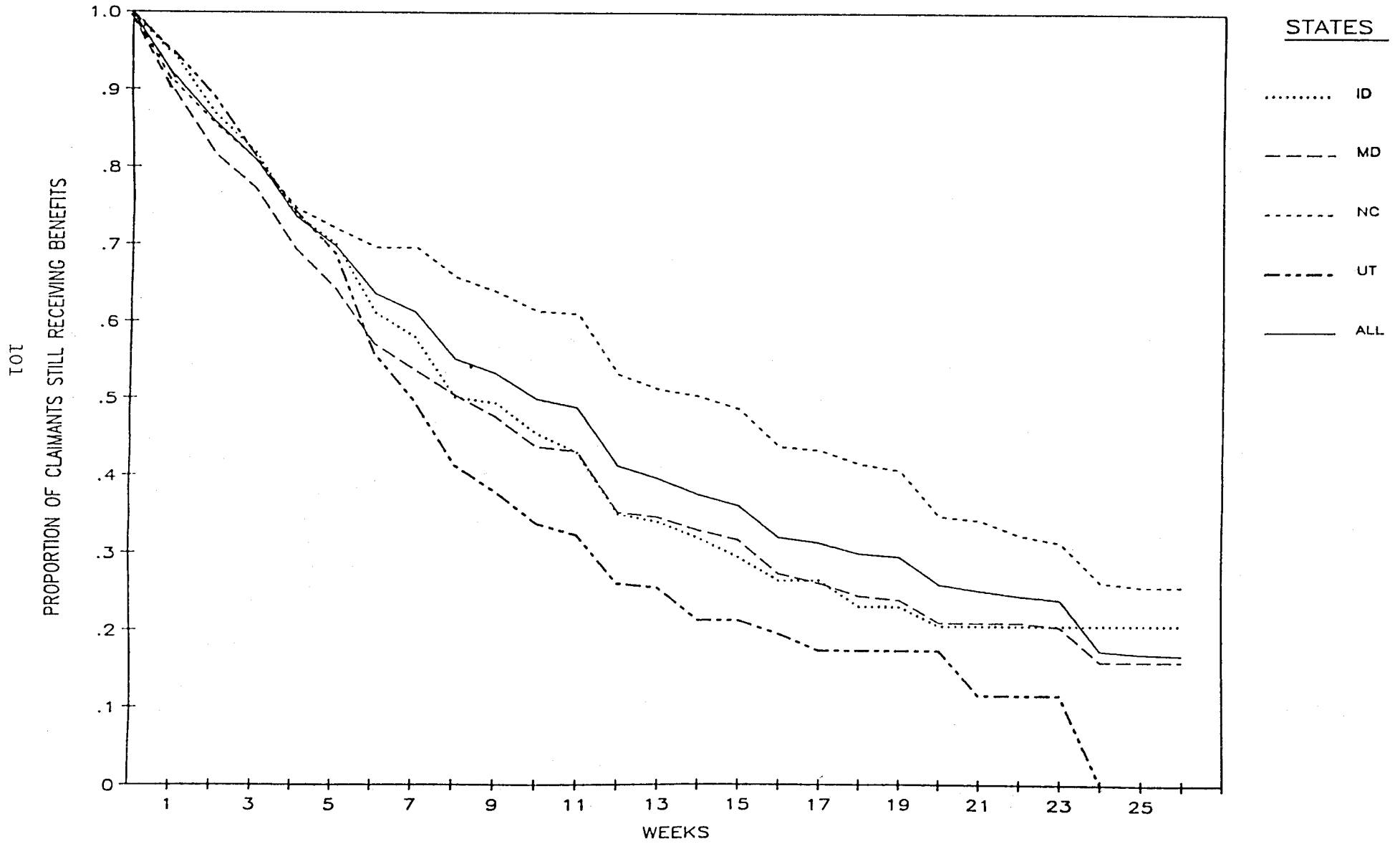
FIGURE IV.3
PROPORTION OF CLAIMANTS STILL COLLECTING BENEFITS AT EACH
DURATION FOR EACH LENIENT STATE AND THE TEN STATE AVERAGE
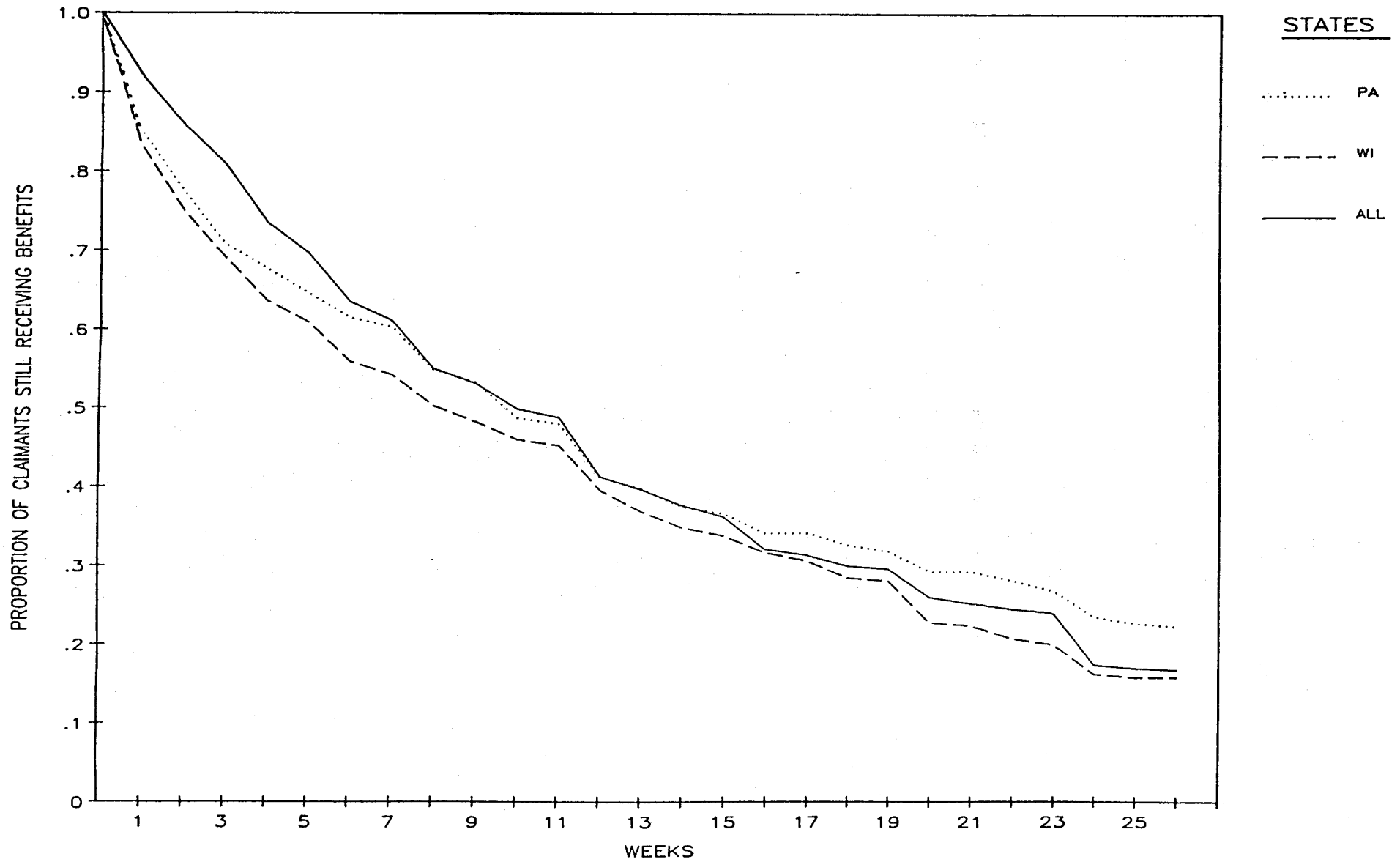
durations, and were among the most likely to exhaust their UI benefits. In addition, Figures IV.1 and IV.2 show that higher than average proportions of claimants from these states were still collecting benefits at all durations. Although claimants from Arizona did not exhibit exceptionally positive employment outcomes, they did appear to have experienced relatively favorable UI benefit outcomes. Arizona, also a strict state, showed a lower than average proportion of claimants who were still collecting UI benefits at all durations beyond four weeks; it also showed the lowest percentage of claimants who had exhausted their benefits, the highest percentage who stopped collecting because they became reemployed, and the lowest median ratio of weeks of benefits collected to the maximum number of weeks of benefits to which claimants were entitled.

Claimants from Pennsylvania and Wisconsin, both lenient states, experienced primarily intermediate reemployment and UI benefit outcomes. However, claimants from these states typically collected relatively fewer weeks of benefits relative to their maximum number of weeks (the average potential duration of benefits in these states was slightly higher than the overall average). The survival curves in Figure IV.3 show that approximately average proportions of claimants were still collecting UI benefits at all durations.

The data do not show any clear pattern of differences to suggest that a relationship exists between the strictness of work-search rules and work-search behavior and employment and UI benefit outcomes. If anything, the data indicate that relatively strict state work-search rules are associated with relatively poorer employment outcomes. However, these descriptive analyses do not control for various individual and state-

specific factors that are likely to affect UI benefits and reemployment. Therefore, we performed a series of multivariate analyses to examine the UI benefits and reemployment of UI claimants more thoroughly.

B. THE EFFECTS OF STATE WORK-SEARCH RULES ON REEMPLOYMENT AND UI BENEFITS

In this section, we explore the effects of work-search rules on reemployment and UI benefits more rigorously with multivariate regression models. These models are quite similar to those used to investigate work-search behavior in Chapter III, and the methodological issues discussed in Section B.1 of Chapter III pertain to these analyses as well.[1] In the first part of this section, we present and discuss the models of reemployment and earnings outcomes; in the second part of this section, we examine the UI benefit models. In the last part of this section, we summarize the results associated with the control variables.

1. Reemployment and Earnings Outcomes

The measures of reemployment chosen for the multivariate analyses include whether or not the claimant was reemployed within six months after initially receiving UI benefits, the average number of hours per week that claimants worked during each of the first four quarters following the beginning of UI benefits, and, for claimants who were reemployed within six months, whether or not they were reemployed full-time, whether or not they were reemployed with their previous employer, and their earnings in their

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[1] By using this form of the model rather than introducing a measure of work-search effort as an explanatory variable, we are attempting to measure the direct <u>and</u> indirect effects of work-search rules on reemployment and UI benefit outcomes. We did estimate models that included measures of search effort (i.e., structural models), and we obtained no unanticipated results.

first job.[1] The adjusted means obtained from the multivariate analyses are presented in Tables IV.4 and IV.6, and the results of F-tests which examine the differences among groups of states formed according to the strictness of their work-search rules are shown in Tables IV.5 and IV.7.

The multivariate analyses and the associated F-tests fail to reveal a more consistent and sensible relationship between the strictness of state work-search rules and reemployment and earnings outcomes, even though they control for the individual characteristics of claimants, the characteristics of the claimants' previous jobs and job separation, the amount and potential duration of their UI benefits, and state unemployment rates. The differences in reemployment and earnings attained by claimants from lenient and moderately strict states are not significant, and, contrary to our expectations, the outcomes for claimants from the strictest states are significantly worse than for claimants from moderately strict states.

Table IV.4 shows that the average sample member from Utah, Maryland (moderately strict states), and Wisconsin (a lenient state) had the highest probability of becoming reemployed (0.81, 0.79, and 0.77, respectively). An examination of the job characteristics shown in Table IV.6 shows that the average reemployed claimant from Wisconsin was somewhat more likely to

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[1] The duration of the claimant's unemployment spell was not chosen for the multivariate analyses for two reasons. First, since this study focuses on the effects of work-search rules on reemployment and other outcomes, the period of time prior to the start of UI benefits during which the claimant is not subject to work-search rules is of only secondary interest; moreover, since some claimants waited several weeks or months before filing UI claims, including such claims in a measure of reemployment introduces extraneous variation in the dependent variable. Second, analyses of the duration of the unemployment spell would be affected by truncation bias, to the extent that claimants remain unemployed at the time of the interview.

TABLE IV.4

ADJUSTED MEAN VALUES OF EMPLOYMENT AND UI BENEFIT
OUTCOMES FOR THE AVERAGE SAMPLE MEMBER AND THE AVERAGE
SAMPLE MEMBER NOT EXPECTING PREVIOUS JOB BACK

State	Probability of Reemployment within Six Months	Hours/Week Worked during Given Quarter Following UI Benefits				Number of Weeks Collected UI
		1	2	3	4	
		Average Sample Member				
Idaho	0.76	15.4***	28.0***	32.9***	30.7	11.3*
Iowa	0.59***	10.5	18.0***	21.3***	21.4***	15.0***
Maryland	0.79*	11.3	24.9	28.5	33.5**	10.3**
North Carolina	0.67*	8.3***	20.0***	26.4	29.7	14.3***
Pennsylvania	0.73	14.1**	22.0	25.4	24.9*	12.2
South Carolina	0.67*	9.5**	21.9	27.9	27.9	14.4***
Texas	0.64**	11.9	21.2	24.8	26.7	11.8
Utah	0.81***	13.3*	27.6***	28.5	29.6	10.2***
Wisconsin	0.77**	13.2	23.8	29.2*	27.7	11.9
All 9 States	0.71	11.9	23.0	27.2	28.0	12.4
		Average Sample Member Not Expecting Old Job Back				
Idaho	0.71	14.6***	24.7*	27.9	26.7	13.3
Iowa	0.56***	9.7	16.7***	20.6***	21.7***	15.8***
Maryland	0.78**	10.7	25.7**	29.1*	33.8***	10.9***
North Carolina	0.63	5.5***	17.0**	25.2	27.7	16.8***
Pennsylvania	0.66	11.3	19.3	24.0	24.6	14.8
South Carolina	0.61*	8.8	19.4	25.9	27.7	14.7
Texas	0.65	11.1	20.8	24.4	26.7	12.7
Utah	0.75	11.5	23.7	24.5	21.9	11.0**
Wisconsin	0.66	11.6	20.0	23.7	24.7	13.6
All 9 States	0.67	10.5	20.8	25.0	26.2	13.7

NOTE: The adjusted mean values are estimated using the parameter estimates from the appropriate regression model and the average values of the control variables (over all 9 states). They can be interpreted as the predicted values of the dependent variables for the average sample member.

***Significantly different from the overall mean at the 99 percent confidence level in a two-tailed test.

**Significantly different from the overall mean at the 95 percent confidence level in a two-tailed test.

*Significantly different from the overall mean at the 90 percent confidence level in a two-tailed test.

TABLE IV.5

DIFFERENCES IN EMPLOYMENT AND UI BENEFIT OUTCOMES
AMONG GROUPS OF STATES FORMED ACCORDING TO
THE STRICTNESS OF THEIR WORK-SEARCH RULES

Groups of States	Probability of Reemployment within Six Months	Hours/Week Worked during Given Quarter Following UI Benefits				Number of Weeks Collected UI
		1	2	3	4	
		Average Sample Member[a]				
Moderate-lenient	0.01	-1.6	2.0	1.6	4.2**	-0.3
Strict-moderate	-0.12***	-1.4	-4.7***	-4.5***	-5.4***	2.0***
Strict-lenient	-0.11***	-2.9***	-2.6**	-2.9**	-1.1	1.7***
		Average Sample Member Not Expecting Old Job Back[b]				
Moderate-lenient	0.03	-1.3	2.0	2.5	4.0**	-0.8
Strict-moderate	-0.09***	-0.7	-3.3**	-3.2**	-4.6***	1.5**
Strict-lenient	-0.06	-1.9	-1.2	-0.7	-0.5	0.8

[a]
According to the knowledge and perceptions of all sample members about work-search rules, the states are categorized as follows: the lenient states are Pennsylvania and Wisconsin; the moderate states are Idaho, Maryland, North Carolina, and Utah; and the strict states are Iowa, South Carolina, and Texas.

[b]
According to the knowledge and perceptions of sample members who did not expect to retain their old job, the states are categorized as follows: the lenient states are Pennsylvania and Wisconsin; the moderate states are Idaho, Maryland, North Carolina, and Texas; and the strict states are Iowa, South Carolina, and Utah.

***Difference is significant at the 99 percent level

TABLE IV.6

ADJUSTED MEAN VALUES OF SELECTED JOB CHARACTERISTICS FOR SAMPLE
MEMBERS WHO WERE REEMPLOYED WITHIN SIX MONTHS

State	Probability of Being Reemployed Full Time	Probability of Being Reemployed by Previous Employer	Weekly Earnings in New Job
	Average Sample Member		
Idaho	0.81	0.52**	295.07
Iowa	0.71***	0.23***	254.39**
Maryland	0.88	0.27***	333.27***
North Carolina	0.83	0.42	261.61
Pennsylvania	0.79	0.54***	291.04
South Carolina	0.88	0.34***	281.60
Texas	0.91**	0.28***	279.79
Utah	0.86	0.93***	294.11
Wisconsin	0.78*	0.56***	296.34
All 9 States	0.83	0.45	287.47
	Average Sample Member Not Expecting Old Job Back		
Idaho	0.79	0.24	288.06
Iowa	0.71***	0.16**	248.50*
Maryland	0.88	0.16**	334.86***
North Carolina	0.82	0.25	259.51
Pennsylvania	0.79	0.25	285.73
South Carolina	0.86	0.22	281.45
Texas	0.91***	0.18*	277.97
Utah	0.79	0.38**	245.42
Wisconsin	0.80	0.33**	280.15
All 9 States	0.82	0.24	277.96

NOTE: The adjusted mean values are estimated using the parameter estimates from
the appropriate regression model and the average values of the control
variables (over all 9 states). They can be interpreted as the predicted
values of the dependent variables for the average sample member.

***Significantly different from the overall mean at the 99 percent confidence
level in a two-tailed test.
**Significantly different from the overall mean at the 95 percent confidence
level in a two-tailed test.
*Significantly different from the overall mean at the 90 percent confidence
level in a two-tailed test.

TABLE IV.7

DIFFERENCES AMONG STATES GROUPED ACCORDING TO THE STRICTNESS OF WORK-SEARCH RULES IN
TERMS OF SELECTED JOB CHARACTERISTICS FOR SAMPLE MEMBERS
WHO WERE REEMPLOYED WITHIN SIX MONTHS

Groups of States	Probability of Being Reemployed Full Time	Probability of Being Reemployed by Previous Employer	Weekly Earnings in New Job
	All Sample Members[a]		
Moderate-lenient	0.061	-0.094**	9.039
Strict-moderate	-0.083**	0.012	-30.531**
Strict-lenient	-0.022	-0.082*	-21.492
	All Sample Members Not Expecting Old Job Back[b]		
Moderate-lenient	0.056*	0.011	-0.158
Strict-moderate	-0.007	-0.277***	-21.593*
Strict-lenient	0.049*	-0.266***	-21.751*

[a]
According to the knowledge and perceptions of all sample members about work-search rules, the states are categorized as follows: the lenient states are Pennsylvania and Wisconsin; the moderate states are Idaho, Maryland, North Carolina, and Utah; the strict states are Iowa, South Carolina, and Texas.

[b]
According to the knowledge and perceptions of sample members who did not expect to retain their old job, the states are categorized as follows: the lenient states are Pennsylvania and Wisconsin; the moderate states are Idaho, Maryland, North Carolina, and Texas; and the strict states are Iowa, South Carolina, and Utah.

***Difference is significant at the 99 percent level of statistical confidence.
**Difference is significant at the 95 percent level of statistical confidence.
*Difference is significant at the 90 percent level of statistical confidence.

return to his or her previous employer than were claimants from other states, but was significantly less likely than the average reemployed claimant from other states to be reemployed full-time. The average claimant from Utah who was reemployed within six months had an exceptionally high probability of returning to his or her previous job (0.93). In contrast to similar claimants from Utah and Wisconsin, the average reemployed claimant from Maryland had a significantly lower than average probability of returning to his or her previous employer. The average reemployed claimant from Maryland also received significantly higher weekly earnings than did similar claimants from the other states.

The reemployment outcomes for Utah, Maryland, and Wisconsin are not as outstanding when examined more closely by quarters. Only in the fourth quarter following the start of UI benefits did the average claimant from Maryland work more than the average number of hours per week, and only in the third quarter did the average claimant from Wisconsin work more than the average number of hours per week. In Utah, the average claimant worked significantly more hours per week in the first two quarters but did not maintain his or her exceptional performance in the last two quarters.

The average claimant had a smaller than average probability of becoming reemployed within six months after the start of UI benefits if he or she lived in Iowa, Texas, South Carolina (strict states), or North Carolina (a moderately strict state). In addition, the average claimant who was reemployed within six months in Iowa had a significantly lower than average probability of being reemployed full-time and received significantly lower than average earnings per week, while the average reemployed claimant from Texas and South Carolina had a higher than average

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probability of returning to work full-time. An important finding is that the average reemployed claimant from Iowa, Texas, and South Carolina (the strictest states) also had a significantly lower than average probability of returning to his or her previous employer.

When the average number of hours worked per week during each of the four quarters following the start of UI benefits is examined, the results again show that the average claimant from Iowa experienced the least favorable employment outcomes. The average sample member from Iowa worked significantly fewer hours per week during the second through fourth quarters. From the quarterly perspective, the average claimant from North Carolina experienced relatively poor outcomes as well, especially in the first two quarters. The number of hours worked per week in each quarter for the average sample member from South Carolina or Texas were, for the most part, not significantly different from the overall average number of hours worked in each quarter.

The average claimant from the two states not yet mentioned (Idaho, a moderately strict state, and Pennsylvania, a lenient state) generally experienced average reemployment outcomes. The average claimant from Idaho, for example, worked significantly more than the average number of hours per week during the first three quarters following the start of UI benefits and had a higher than average probability of being reemployed with his or her previous employer. The average claimant from Pennsylvania worked significantly more hours per week in the first quarter after the start of UI benefits, although his or her hours rose less quickly over time than was true of claimants from most other states. In addition, the

average reemployed claimant from Pennsylvania had a higher than average probability of being reemployed with his or her previous employer.

As was the case with the work-search behavior outcomes investigated in Chapter III, the differences between states narrow and often become insignificant when the average claimant who did not expect to return to his or her previous job is considered. Only the average job-unattached claimant from Maryland had a higher than average probability of becoming reemployed within six months after the start of UI benefits, while the average job-unattached claimant from Iowa or South Carolina had a smaller than average probability of becoming reemployed within six months. The average unattached and reemployed claimant from Iowa also had a lower than average probability of being reemployed full-time.

Tables IV.5 and IV.7 present the results of F-tests which measure the significance of the differences in reemployment outcomes among groups of states formed according to the strictness of their work-search rules, as described in Chapter II. These tests show that the majority of differences between lenient and moderately strict states in terms of reemployment and earnings outcomes are of the expected sign but are not statistically significant. The only exception is that the average reemployed claimant who lived in a lenient state was significantly more likely to return to his or her previous employer, and worked significantly more hours per week during the fourth quarter following the start of UI benefits, than was true of a similar claimant who lived in a moderately strict state. In addition, the average job-unattached claimant who was reemployed in a moderate state was more likely than the average claimant from a lenient state to return to work full-time. The differences between reemployment and earnings outcomes

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for claimants in strict and moderately strict states are usually highly significant but are not of the expected sign, showing significantly more favorable employment and earnings for claimants from moderately strict states.

2. UI Benefit Outcomes

In the multivariate analysis, we used the number of weeks that the claimant collected UI benefits, as reported in the survey, to investigate the effects of UI work-search rules on UI benefits. We also explored several other measures of UI benefit outcomes, including the total amount of benefits collected, whether or not the claimant exhausted benefits, and whether or not he or she stopped collecting benefits because he or she was reemployed. The results were substantively similar to the results for the duration of benefits; thus, although they will be referred to in the text, they will not be reported in detail. We should note that less than 2 percent of the claimants in the sample were still collecting benefits at the time of the interview; these claimants were omitted from our analysis of the duration of benefits collected in order to avoid truncation bias.

The estimated model of the duration of UI benefits collected is consistent with the estimated models of the reemployment and earnings outcomes discussed in the previous section. Just as there appears to be no consistent and coherent relationship between the strictness of work-search rules and reemployment, there does not appear to be a consistent or coherent relationship between the strictness of the rules and the amount of UI benefits collected, despite the fact that stricter rules appear to lead to greater and more intensive work-search behavior among some claimants.

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The adjusted mean number of weeks of UI benefits collected for each state is presented in Table IV.4. The table shows that the average claimant collected more than 12 weeks of UI benefits. The average claimant from Utah, Maryland, and Idaho collected significantly fewer weeks of UI benefits than the average for the full sample. The average claimant from these states also collected significantly less than the average total amount of benefits, had the lowest probability of exhausting benefits, and had the highest probability of discontinuing benefits because he or she became reemployed. In contrast, the average claimant from Iowa, South Carolina, and North Carolina fared the worst with respect to all measures of UI benefit outcomes.

Not surprisingly, the average claimant who did not expect to return to his or her previous job collected more than the average number of weeks of benefits (nearly 14 weeks) and was more likely to exhaust benefits. Only the average unattached claimant from Maryland and Utah collected significantly fewer than the average number of weeks of benefits, while the average unattached claimant from North Carolina and Iowa collected significantly more than the average number of weeks of benefits.

The F-tests shown in Table IV.5 indicate that no consistent relationship exists between the strictness of UI work-search rules and the duration of benefits collected. As was the case with reemployment and earnings outcomes, the difference in the duration of benefits collected between claimants from lenient states and claimants from moderately strict states is not statistically significant, and the difference between claimants from moderately strict and those from the strictest states is significant but not in the expected direction.

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3. Important Control Variables

Several control variables that were included in the models of reemployment, earnings, and UI benefit outcomes prove to be significant in all or most of those models. Among the demographic variables, the estimated models show that controlling for sex, race, and the presence of dependent children is important. Although they do not collect significantly more weeks of UI benefits, women were significantly less likely to become reemployed within six months and worked significantly fewer hours during each quarter following the start of UI benefits than did men, all other things equal. The same was true of black claimants compared with white claimants. The finding for women is consistent with the finding of Chapter III, which showed that women searched for work less intensively; however, it appears that black claimants experienced worse outcomes despite the fact that they searched for work more intensively. The presence of dependent children in the claimant's household led to a significantly higher probability of being reemployed within six months, a significantly higher average number of hours worked per week in the second through fourth quarters following the start of UI benefits, and significantly fewer weeks of benefits collected.

Several characteristics of claimants' pre-unemployment jobs and job separations significantly affected their reemployment and UI benefit outcomes. Interestingly, if the claimant's previous job was in a trade-impacted industry, the claimant was significantly more likely to be reemployed within six months, and worked more hours in the first three quarters following the start of UI benefits. Although workers in trade-impacted industries are believed to have a more difficult time in finding

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new jobs, and are thus sometimes eligible for additional benefits, our results indicate that they were in fact more successful at acquiring new jobs. If the claimant's previous job was in agriculture or mining, he or she worked significantly fewer hours in the first quarter after the start of benefits and collected UI benefits for significantly more weeks. However, if the claimant's pre-unemployment job was in durable manufacturing, he or she was significantly less likely to be reemployed within six months, and worked fewer hours during the second and third quarters following the start of benefits, but did not collect significantly more weeks of UI benefits.

If the claimant was in a white-collar occupation, he or she had a significantly higher probability of being reemployed within six months and sustained relatively more hours of work per week in the third and fourth quarters. Finally (and not surprisingly), if the claimant had received a definite recall date, he or she was significantly more likely to be reemployed within six months, collected UI benefits for fewer weeks, and worked more hours per week in all four quarters following the start of UI benefits.

Both the weekly UI benefit amount and the maximum duration of UI benefits are significant in several of the unemployment and UI benefits models. Controlling for other factors, claimants who were entitled to more weeks of UI benefits also collected significantly more weeks of benefits, but they also worked significantly more hours per week in the third and fourth quarters. It appears that, although they were slower to start a new job, they were relatively successful at obtaining a job with longer hours.

Contrary to our expectations, a higher weekly benefit amount did not lead to a significantly lower probability of becoming reemployed within six months or to significantly longer UI claims spells. Most previous research has found a significantly positive relationship between the weekly benefit amount and the duration of UI benefits (see Hammermesh, 1977, for a review of the literature). While a higher weekly benefit amount did not lead to significant changes in the probability of being reemployed within six months or in the number of weeks of benefits collected, it did lead to a significantly higher average number of hours worked per week during the four quarters following the start of UI benefits. This finding suggests that, all other things equal, claimants who received higher weekly benefit amounts were successful at finding and maintaining jobs with longer hours, although the reason is not obvious.

C. SUMMARY AND CONCLUSIONS

The results of the multivariate analyses are quite similar to the results of the descriptive analysis; they indicate that claimants from the states whose work-search rules are the strictest are less successful at leaving the UI rolls and becoming reemployed, even after other factors are controlled. Similarly, claimants from such states collected UI benefits for a significantly greater number of weeks. In addition, for claimants who were reemployed within six months after the start of UI benefits, those who lived in the strictest states were significantly less likely than reemployed claimants from moderately strict states to be reemployed full-time, and their weekly earnings were significantly lower in their first new job.

This same pattern is generally found for the subgroup of claimants who reported that they did not expect to return to their previous job. However, since the pattern for this subgroup is somewhat weaker than the pattern for the full sample, we can infer that the pattern also holds for claimants who did expect to return to their previous job. This inference is noteworthy because the analysis reported in Chapter III suggests that relatively strict work-search rules are associated with more intensive searches by claimants who are job-attached. Thus, for the job-attached subgroup and overall, it appears that claimants in the strictest states tend to search more intensively, but still have relatively less success.

There are two possible explanations for our failure to find the expected relationship between work-search rules and job-finding success. First, stricter work-search rules may themselves be a response to poor labor-market conditions in a state. However, this interpretation is correct only if state work-search rules and their use in practice are fairly responsive to economic conditions, and there is no evidence from our discussions with state and local office staff to indicate that this is the case. Indeed, although states frequently adjust rules and though many states have exhibited a trend in recent years toward stricter rules, the policy climates of most states appear to have a long and relatively stable history. Moreover, in the few states where agency staff reported adjusting the required number of employer contacts or the length of the waiting period for job-attached claimants in response to economic conditions, the response to difficult labor-market conditions has been to relax rather than to strengthen the requirements. Therefore, it is unlikely that this potential explanation for the observed results is the correct one.

The second potential explanation for our observed results is that, as noted in Chapter III, our ability to control for a range of state-specific factors in the multivariate analyses was somewhat limited, and the coefficients on the state dummy variables reflect the effects of any omitted state-specific factors that influence reemployment and UI claims spells. In particular, we were unable to control adequately for state labor-market conditions, which may have a powerful effect on reemployment outcomes. In fact, sample members from states whose work-search rules are strict appear to face relatively more serious reemployment problems, as reflected, for example, by their low expectations about being recalled by their former employers, the relatively high percentage who became unemployed due to a plant closing, and the high percentage who made occupational changes to become reemployed. These individuals were certainly affected by stricter work-search rules, as we demonstrated in Chapter III; however, it appears that the effects of the poor economies in their states dominated any effects that the strict work-search rules might have had on their reemployment success.

In an effort to disentangle the effects of state work-search rules and other state-specific factors on reemployment, we estimated models that included the number of hours per week spent searching for work in addition to the state dummy variables. Both the time spent searching and its interaction with the temporary layoff indicator variable were significant; they show that, for claimants who did not expect to return to their previous job, more search led to a slightly higher probability of being reemployed within six months after first receiving UI benefits. For job-attached claimants, the results were the opposite, probably because those

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who were recalled did not search but were successfully reemployed, while those who were not ultimately recalled delayed the start of their search effort and, consequently, faced reduced prospects of reemployment within six months after first receiving UI benefits. The coefficients on the state dummy variables changed very little. These results confirm that other state-specific factors (such as labor-market conditions) dominate the state coefficients, but they also suggest that, to the extent that they lead to more searching, state work-search rules may have a small impact on reemployment success.

V. THE RELATIONSHIP AMONG UNEMPLOYMENT INSURANCE PAYMENT ERROR RATES, DENIAL RATES, AND STATE WORK-SEARCH RULES

Beginning with a five-state pilot test in 1981, the federal-state UI system developed and implemented the Random Audit Program and, currently, its successor, the Quality Control Program, to measure UI benefit-error rates at the state level.[1] These programs calculate error rates as the number of payments which contain an error divided by the total number of payments. An error rate weighted by the number of dollars in error is also computed, but we focus on the first measure in this chapter. The error rates rates are determined by subjecting a sample of intrastate payments to a detailed investigation to determine both whether the payment should have been made and, if so, whether the correct amount was paid.[2] With this sample, the program then computes an overall overpayment error rate and an overall underpayment error rate, as well as error rates by cause (e.g., by eligibility issues, such as the ability to work). Thus, the error rates provide a measure of the size of the "error problem" in a particular state and indicate which aspects of a state's UI program require attention if the error rate is to be reduced. In turn,

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[1] The data used for the analysis in this chapter come from the Random Audit Program. However, we believe that the results are also generally applicable to the Quality Control Program, since the two programs differ primarily by the size of the sample of claimants that is investigated, rather than by how errors are defined.

[2] This investigation involves an examination of all administrative files on the payment, an interview with the claimant, the verification of base-period wages, a review of the reason for job separation, and an attempt to verify all reported job-search contacts.

measuring the error rate of a state over time indicates the degree to which the reduction has been achieved.

An important issue with UI error rates is the degree to which they can be compared among states. Other programs which have adopted quality control programs, such as the Food Stamp Program, make such comparisons, and, indeed, some of these programs have set uniform error-rate standards that are used to sanction states whose error rates exceed the standard (e.g, by withholding administrative funds). However, observers of these programs have questioned whether a single standard is appropriate, because differences among the states in terms of the characteristics of claimants and other factors may affect error rates independent of the quality and efficiency of administrative actions. Such considerations are even more important for the UI system, because, unlike the Food Stamp Program, UI program laws and regulations are set at the state level, rendering error-rate comparisons among states (let alone any error-rate standard) problematic. In fact, the influence of state law can be illustrated dramatically by examining the error rates for Pennsylvania. As we reported earlier, Pennsylvania does not require work search; consequently, the state will not shows any errors that are associated with compliance with active-work-search requirements. All other states (in the sample used below) show at least some errors associated with active work search. Clearly, we cannot take these error rates at face value and conclude that Pennsylvania administers the work-search requirements more effectively than any other state.

It is equally important to ask whether observed changes in the error rate of a state over time reflect actual changes in the quality of

and efficiency with which the program is administered, or whether, for example, changes in the composition of the UI caseload or changes in state laws or regulations themselves have affected error rates. If the latter is true, program administrators may not be able to determine accurately whether the expenditures devoted to an error detection program are reducing errors by ensuring that the initial work-search standards are being adhered to.

In this chapter, we examine the comparability of error rates across states and within states by focusing on errors that pertain to work-test issues, primarily active work search.[1] This focus on work-test error rates is a natural extension of the study of state work-search rules discussed in the previous chapters. The failure to adhere to active work-search requirements is also the single most important cause of errors as measured by the Random Audit Program, and it accounted for one-half to four-fifths of all overpayments in the initial Random Audit pilot test (Government Accounting Office, 1984). Independent of their dollar magnitude, work-search and other work-test-related errors represent almost 30 percent of all errors for the year included in our study.

The remainder of this chapter includes (1) a theoretical discussion of error-rate measurement and comparisons among states, (2) an examination of error rates as they are currently measured, (3) an examination of an alternative measure of error rates, and (4) a brief conclusion.

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[1] As we discuss in Section B, we examine a set of four error rates that pertain to both the three specific work-test issues (ability to work, availability for work, and refusal of suitable job offers) and to active work search (as discussed in Chapters II through IV). In this chapter, we use the term "work-test error" to refer to this entire set of errors.

A. THEORETICAL CONSIDERATIONS

Error rates in the Random Audit and Quality Control Programs measure the percentage of UI intrastate payments which are made in error, broken down by the reason for or cause of the error. Two conceptual questions can be raised about these error rates: (1) do they accurately measure the degree to which payments are made in error in a given state, and (2) are comparisons among states and over time within states meaningful? In the remainder of this section we discuss these two questions, and then consider how the issues raised in this discussion can be approached analytically. We suggest two methods for investigating the comparability of error rates and propose a measure of error which provides an alternative to the Random Audit error rates. This alternative appears theoretically to provide a better measure for state-by-state comparisons.

1. Error-Rate Measurement

Error-rate measurement for the Random Audit Program has been examined by the Government Accounting Office (1984) and by Kingston, Burgess, and St. Louis (1983) in their description of the results of the Random Audit pilot test. These studies point out several ways in which the Random Audit error rates are incomplete and potentially inaccurate. Three areas are highlighted:

1. The Random Audit sample covers only intrastate claims in which a payment is made. Thus, errors in interstate payments are not measured, nor are claims in which no payment is made examined. The first of these exclusions may lead to an underestimate of the over-payment error rate, since, by nature, interstate claims are subject to less in-person scrutiny by state staff than are intrastate claims. The second exclusion clearly leads to an underestimate of the underpayment

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rate. However, because the vast majority of all claims and payments are included in the sample frame, any bias is probably small, particularly in the overpayment rate.

2. In the Random Audit Program, a payment is considered to be in error only when it can definitely be established that an error has been made. Borderline cases are given the benefit of the doubt. This conservative practice in establishing errors may also lead to an underestimate of overpayment error rates, which is particularly true of work-search error rates, since it is difficult to confirm whether or not a claimant has engaged in active work search.

3. The Random Audit Program does not include a post-audit procedure whereby quarterly wage data are compared with payments. This shortcoming is also considered to bias error rates downward because such comparisons are thought to be a good way to identify unreported earnings.

These conceptual measurement problems do not, by themselves, negate the potential usefulness of Random Audit error rate data, since the direction of the bias is known. Moreover, analyses of these issues and of the possibility of expanding the sample frame are continuing under the current UI Quality Control Program. Expanding the sample frame to include denied claims and interstate payments would address some of these measurement problems.

2. Comparisons of Error-Rate Data

The second conceptual question--the degree to which error rates can be compared among and within states--can usefully be examined with an example that illustrates how differences associated with state programs can have complex effects on error-rate calculations, thus limiting the value of comparisons among states or over time within states. The example is based on a well-defined program rule--the work-search requirement that claimants

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must contact a minimum number of employers each week--because this rule is one of a set that permit a reasonably clear and compelling characterization of states in terms of the strictness of their work-search requirements. However, we believe that this specific examination also applies to the characterization of work-test requirements of states in terms of the clarity of their rules, since more clearly defined rules may be associated with the ability to determine whether a payment is in error. Other factors that affect the measurement and comparison of error rates, including the characteristics of claimants and labor markets, also impose similar complexities.

Suppose, with our example, that we measure error and denial rates in two states--one which requires a minimum of two contacts per week, and one which requires three contacts per week. As a starting point, suppose further that the distribution of UI claimants by the number of weekly employer contacts is the same in both states: 8 percent of all claimants make 0 or 1 contacts per week, another 4 percent make 2 employer contacts per week, and the remainder make 3 or more contacts per week. Then, if neither state made any attempt to detect and deny benefits to ineligible claimants, the error rate would be 8 percent in State 1 and 12 percent in State 2.[1] Thus, State 2 would have a higher error rate merely because its work-search rules were stricter than the rules of State 1. Suppose instead that both states detected and denied benefits to one-half of the ineligible claimants. State 2 would still have the higher error rate (6 percent

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[1] For ease of exposition we have used claims rather than payments as the base for these error-rate calculations. The points made here are the same with either base.

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versus 4 percent), even though both states were equally adept at detecting errors. Except for the limiting case in which all ineligibles are detected, State 2 will have the higher error rate as long as both states detect and deny benefits to the same percentage of ineligibles.

Relaxing the assumption that the distribution of claimants by the number of employer contacts is the same in both states also provides a useful insight. As suggested by the findings reported in Chapter III, claimants appear to change their behavior in response to differences in the work-search rules among the states, and it is likely that relatively fewer claimants from State 2 would make 0, 1, or 2 employer contacts each week than would claimants from State 1.[1] This "behavioral effect" would lower the error rate in State 2 relative to the initial scenario. If the shift in the distribution of employer contacts were great enough, the error rate for State 2 would be lower than the error rate in State 1, even if the two states denied benefits to the same proportion of ineligible claimants.

Thus far, the discussion has assumed that both states detect and deny benefits to the same percentage of ineligible claimants. Clearly, if this percentage differed among states, the patterns described above might not be observed.

This discussion suggests that program characteristics may well affect error rates. Stricter or more clearly defined work-search rules may, by definition, increase measured error rates, although the behavioral

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[1] States whose work-search rules are strict might also affect the probability that an unemployed individual files a claim for UI benefits by reducing, relative to less strict states, the probability that an individual who does not intend to search vigorously for a job applies for UI. This would shift the distribution of employer contacts further in the stricter states.

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effect of stricter or more clearly defined requirements on claimants may be sufficient to counteract this definitional effect. The discussion shows further that whether or not we observe the effects of program characteristics on error rates also depends on the degree to which the rate at which ineligible claimants are identified and denied benefits varies among the states. Thus, simple comparisons of state-by-state error rates are probably not meaningful.

3. Analysis Strategy

The previous discussion suggests two ways to approach error rates analytically. The first and perhaps more obvious way is to view state-level error rates in the UI program as affected by four sets of factors: (1) the characteristics of the claimant population, (2) the characteristics of the labor market, (3) work-search laws and regulations, and (4) the manner in which the UI program is administered. The first three sets of factors were described earlier in this report. The last set includes administrative procedures that states use to monitor and enforce work-search rules.[1] A model based on this structure can be used to estimate the independent effect of each type of factor (or, more precisely, of each variable within a set of factors) on the measured error rate. If we then hold the characteristics of the claimant population and the labor market constant statistically, we can isolate the true effects of various UI rules or methods of program administration on the error rate. We could then

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[1] While the third and fourth set of factors may be combined for some purposes, it is useful to separate them conceptually for this discussion.

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determine, for example, how stricter rules or alternative methods for monitoring compliance affect the measured error rate.

For comparisons among states (or over time within states), we could go even further by controlling statistically for differences in work-search rules, thus focusing on differences in the quality of administration. This focus would effectively decompose the Random Audit error rate into a component that measures the effect of the characteristics of claimants, labor markets, and UI rules (factors that should be held constant in the comparisons) and a component that measures the "true underlying error rate" associated with program administration. In fact, measured error rates can be adjusted by standardized values of the variables included in the former component to produce estimates of the true underlying error rates associated with the quality of administration. For most purposes of quality assessment, these constructed true underlying error rates are the valid basis of comparison.

While this first approach for analyzing error rates entails adjusting the measurement of error rates, the second approach raises more fundamental issues associated with how error rates should be defined or constructed. The alternative definition is based on the percentage of claimants in a state who are ineligible for benefits and the failure of that state to detect ineligible claimants and deny them benefits, and is simply the percentage of ineligible claims that are in fact paid. An analysis based on this error-rate concept reflects more directly the administrative effectiveness of states in detecting errors than does an analysis based on the percentage of claims (or payments) that are in

error.[1]   Our discussion shows that these two questions are not the same because the percentage of claims that are ineligible is likely to differ among states because of program characteristics. Other factors, such as the characteristics of claimants and labor markets, are also likely to affect this ineligibility rate. Since the number of ineligible claims is the sum of the number of claims denied and the number of claims paid in error, we can construct a new error rate for comparative purposes, which we call the "administrative error rate" to distinguish it from the payment error rate:

$$\text{Administrative error rate} = \frac{\text{\# claims paid in error}}{\text{\# denials} + \text{\# claims paid in error}}$$

Although this administrative error rate should be relatively insensitive to differences in such program characteristics as the number of employer contacts required, it may be affected by other factors that describe the characteristics of claimants and labor markets. In our empirical analysis, we investigate these possible relationships.

Before turning to the empirical analysis it is useful to consider one further issue on the comparability of error-rate data among states. The preceding discussion indicated that, while we are interested in examining whether the specific characteristics of the programs, claimants, or labor markets affect error rates (however defined), we are more interested in determining whether any such variables affect error rates. Only if we conclude that such variables do not affect measured error rates

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[1] The latter is the more appropriate analytical approach for such questions as the effect of overpayments on trust fund balances.

can we then conclude that error rates do represent underlying administrative factors, and that error rates can be compared, without adjustments, among states or over time within states. This reasoning implies that we should be less concerned with concluding incorrectly that the characteristics of the programs, claimants, and other factors affect error rates than with concluding incorrectly that they do not matter. In order to reduce the probability of the occurrence of the second incorrect conclusion, we must increase the probability of the first.[1] We can do so by lowering the level of statistical confidence used to conclude that various program, claimant, and other characteristics affect error rates. Thus, in our analysis, we use the 80 percent level of statistical confidence as a lower bound to conclude that explanatory variables matter, rather than the usual 90 percent confidence level that has been used in the previous chapters.[2]

B. THE RELATIONSHIP AMONG UI PAYMENT ERROR RATES, DENIAL RATES, AND STATE WORK-SEARCH RULES

In this section, we examine the determinants of Random Audit or payment error rates using the first analytic approach outlined in the previous section. This approach is to estimate a model which explains

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[1] The first type of error described here is often referred to as a Type I error, and the second type as a Type II error.

[2] If we were examining whether a characteristic that was binary had a impact on the error rate, the decision to decrease the confidence level from 90 to 80 percent would increase the power of the test (i.e. the probability of avoiding a type II error) by approximately 15 percentage points. The calculation assumes that the true difference in error rates was the critical value for the 90 percent confidence level test, that the value of the binary variable was .5, and that the sample of states was split evenly between having the characteristic and not having it.

error rates as a function of the characteristics of programs, claimants, and labor markets to determine the extent to which error rates are affected by these characteristics. In this analysis, we are particularly interested in the effect of work-search rules on payment error rates. As illustrated by the example in Section A.2, it is possible that state work-search laws and regulations may have a perverse effect on error rates, unless stricter rules produce behavioral effects on claimants that are large enough to counteract this perverse effect. That is, higher error rates may be associated with stricter and more clearly defined rules rather than with less effective administration. Clearly, if we find such a relationship, comparisons of payment error rates among states could be quite misleading.

We examine this relationship between payment error rates and state laws and regulations in two ways. As a first exploratory step, we use the benefit denial rate (the rate at which UI claimants who are truly ineligible for benefits are detected and denied benefits) to characterize state laws, regulations, and administrative practices. We adopted this approach because previous research suggested that higher denials were associated with strict and clearly defined rules and effective administrative practices. This research (Corson, Hershey, and Kerachsky, 1985 and 1986) used process analysis methods to determine which factors associated with state UI administration led to high UI benefit denial rates. High denial rates seem to be the result of administrative practices that include:

    o Formal work-search requirements combined with requirements for documenting search activities

    o Purposeful and frequent questioning of ongoing eligibility by agencies, perhaps through ERIs

o   Rigorous and consistent reviews of claimant reports by
    agencies

o   Detailed, clear, and specific policies and procedures to
    guide both claimants and agency staff

o   A fact-finding and adjudication process that relies on
    information from all interested parties and that offers
    all such parties a chance to participate if it appears
    that their interests are at stake

Since benefit denial rates may thus be viewed as a summary measure for

strict and clearly defined rules, as well as for effective administrative

practices, our first method of evaluating the determinants of error rates

was to regress the nonseparation-issue error rates of states on denial

rates in the same period.[1]

As a second approach, we defined a set of variables that describe

the work-search-rule and administrative practices of states, and we

attempted to relate these variables directly to the payment error rate. We

used this approach to test whether strict and clearly defined rules and

specific administrative practices could be tied explicitly to error rates

rather than implicitly through the denial rate.

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[1] The earlier discussion of what we termed the "administrative error
rate" may have implied that the payment error rate and the denial rate are
determined simultaneously, suggesting that this model is incorrectly
specified. However, the two rates are determined sequentially: program
rules, claimant characteristics, and labor-market characteristics initially
determine the denial rate; these same factors, together with the denial
rate, then determine the error rate (see Figure I.1). In the longer-run,
the error rate may affect program rules and administrative practices and,
ultimately, the denial rate. However, these affects would occur only with
a lag, and this study is based on early Random Audit Program data.

1. <u>The Relationship between UI Payment Error Rates and Denial Rates</u>

In this section we first describe the specification of the payment error rate and the independent variables. We then present the results of the analysis.

a. Dependent Variables

As stated previously, our analysis of error rates focuses on errors that can be attributed to eligibility issues associated with the UI work test, since this focus provides a natural extension to the topics addressed previously in this report. Such errors represent almost 30 percent of all errors that are identified (as shown in Table V.1), although these errors are considerably more important when measured in dollar terms.[1]

Four work-test eligibility issues are identified as the cause of overpayments. As shown in Table V.1, they are (1) the ability to work, (2) the availability for work, (3) active work search, and (4) the refusal of suitable work. For our analysis, we have combined the first two issues into one category, both because they are similar in nature and because the individual error rates for these two reasons are quite small. We have also constructed a total work-test error rate as the sum of the four individual error rates. As shown by the data in the table, the active-work-search error rate is by far the most important of these errors, accounting for 79 percent of the total.

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[1] In the Random Audit pilot test (Burgess, Kingston, and St. Louis, 1982), 68 percent of dollar overpayments were attributed to eligibility issues associated with the UI work test.

TABLE V.1

ERROR RATES BY CAUSE

Cause	Mean	Standard Deviation	Minimum Value	Maximum Value
Work Test Overpayments				
Ability to work	0.004	0.003	0.000	0.012
Availability for work	0.014	0.036	0.000	0.222
Subtotal	0.018	0.036	0.000	0.225
Active work search	0.077	0.051	0.002	0.215
Refusal of suitable work	0.003	0.003	0.000	0.010
Total Work Test	0.098	0.055	0.013	0.241
Total Overpayments[a]	0.258	0.100	0.101	0.508
Total Over- and Underpayments[a]	0.338	0.137	0.161	0.665

NOTES: The means are for 36 states for the 1984.2 to 1985.1 period. The error data come from the Random Audit Program. Each observation is a state, and the data are the proportion of cases that are in error.

[a] These total error rates are reported for comparison purposes. They are not used in the analysis.

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Several other points about the error-rate data used for the analysis should be mentioned:

o   The data cover the latest one-year period (1984.2 through 1985.1) for which Random Audit data were available at the time we collected the data for our study. This period was also the point at which the maximum number of states were participating in the Random Audit Program.

o   The data for this period are aggregated into single annual measures of the error rates of each state, so as to reduce some of the variability in error rates associated with the quarterly data. For each state, the annual sample used to compute the error rates is approximately 400 benefit payments.[1]

o   All errors regardless of type are included. That is, both errors where fraud was detected and errors where it was not are included.

o   Thirty-six states are used for the analysis, although 46 states have Random Audit data. The potential sample was reduced from 46 to 36 because data on work-test procedures were available only for 37 states and because we chose to exclude Pennsylvania from the analysis. We excluded Pennsylvania because its work-search error rate was, by definition, zero, and we thought that the inclusion of this state would potentially obscure the relationships among the variables for the other states. This was a particular concern for an analysis of the "administrative error rate" (in the next section), for which the transformation of the data accentuates the uniqueness of Pennsylvania. We did, however, perform an analysis both with and without data for Pennsylvania, which, with the exception of an analysis of the administrative error rate, had little impact on the results.

o   The distribution of work-test error rates among states, as shown in Table V.2, is basically clustered relatively narrowly around the 9.8 percent mean value, with 69 percent of the states having error rates between 5 and 15 percent.

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[1] For several states in the sample, the error rates are computed over three rather than four quarters, because data were not available for one quarter.

TABLE V.2

DISTRIBUTION OF WORK-TEST OVERPAYMENT
ERROR RATES AMONG STATES

Error Rate	States	
	Percent	Number
Fewer than 5 percent	19	7
5 to 10 percent	36	13
10 to 15 percent	33	12
15 to 20 percent	6	2
More than 20 percent	6	2

b. Independent Variables

For the initial analysis of work-test payment error rates, we constructed a single denial rate for each state that included denials for able and available, reporting, and refusal of suitable work issues. Denial rates are usually expressed as the number of denials per 1,000 claimant contacts, but the number of denials per claimant contact is used here so as to define the denial rate consistently with the payment error rate.

The theoretical analysis in Section A suggests that denial rates (as a proxy for program rules and practices) and error rates could be either positively or negatively correlated. Thus, we have no specific expectation about this correlation. Nevertheless, we are particularly concerned with testing whether a positive correlation exists, because a positive correlation would imply that stricter, more clearly defined rules are associated with higher error rates.

To help ensure that the denial rate variable serves as a proxy for the desired UI rules and practices, the model must control explicitly for the characteristics of the claimant population and the labor market which may also be correlated with the denial rate. The model includes three characteristics of the claimant population and the labor market, as follows:[1,2]

> Proportion Construction. We have used the proportion of the unemployed population in construction, since

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[1] We have used data for 1984, since the error rates cover the 1984.2 to 1985.1 period.

[2] Little theoretical foundation exists to guide the selection of variables for the model, and the final selection was the result of an informed trial-and-error process.

individuals in construction are likely to rely on union hiring halls to find work and, hence, are often excused from work-test requirements. Consequently, we expected that the higher the proportion in construction, the lower the error rate associated with work-test issues.

Proportion Manufacturing. We have used the proportion of the unemployed population in manufacturing, since individuals in manufacturing are more likely than individuals in other industries to be on temporary layoff. Since individuals on temporary layoff are often excused from work-search requirements, a higher proportion of individuals in manufacturing is expected to reduce error rates.

Total Unemployment Rate. We have used the total unemployment rate, since work-search requirements often change with the unemployment rate, and since the nature of the claimant population often changes. Specifically, work-search requirements often fall when unemployment rates rise, which suggests that an increase in the unemployment rate will reduce error rates. However, higher unemployment rates may also lead to less honest compliance by claimants, leading instead to an increase in error rates. Thus, we have no strong hypothesis about the direction in which this variable affects error rates.

The means and standard deviations of the independent variables are reported in Table V.3.

c. Relationships between UI Error Rates and Denial Rates

The most important finding from the analyses, as shown in Table V.4, is the positive correlation between the UI benefit denial rate and each type of error rate, a correlation that is significant at the 80 percent level for the refusal of suitable work and total error rate regressions. If, as we believe, the denial rate is a good summary measure for strict and clearly defined rules, as well as for good administrative practices, it appears that the rules and practices that allow states to deny benefits to a relatively high percentage of truly ineligible claimants would also lead to a relatively high rate of error detection.

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TABLE V.3

INDEPENDENT VARIABLES USED IN THE ERROR-RATE ANALYSIS

Variable	Mean	Standard Deviation
Nonseparation Denial Rate[a]	0.01	0.01
Proportion Construction	0.13	0.04
Proportion Manufacturing	0.23	0.08
Total Unemployment Rate	7.15	2.30
Work Test Characteristics[b]		
ES registration	0.56	0.50
ERI application	0.78	0.43
Days available	0.72	0.45
Number of employer contacts	0.81	0.40
Verification	0.22	0.42
Regular contact	0.75	0.43
Other Administrative Characteristics[b]		
Wage request state	0.19	0.40
Single bypass state	0.50	0.50
Double bypass state	0.39	0.49

[a] This denial rate is the sum of able and available, reporting, and refusal of suitable work denials per claimant contact.

[b] The values of these variables are reported by state in Appendix C.

TABLE V.4

THE DETERMINANTS OF WORK-TEST ERROR RATES:
ANALYSIS BASED ON DENIAL RATES

Explanatory Variables	Work-Test Error			
	Able and Available	Active Work Search	Refusal of Suitable Work	Total
Denial Rate	0.600	1.140	0.101*	1.840*
Proportion Construction	-0.109	-0.315	0.007	-0.416*
Proportion Manufacturing	0.048	-0.088	-0.003	-0.043
Unemployment Rate	0.006**	-0.007*	-0.000	-0.001
Constant	-0.029	0.173**	0.002	0.145**
Adjusted R^2	0.13	0.14	0.08	0.02
F-Statistic for All Variables	1.17	2.41	1.71	1.21
Degrees of Freedom	(4,31)	(4,31)	(4,31)	(4,31)

NOTE: The models were estimated by ordinary least squares.

**Coefficient estimate is significantly different from zero at the 90 percent confidence level for a two-tailed test.
*Coefficient estimate is significantly different from zero at the 80 percent confidence level for a two-tailed test.

2. The Relationship between UI Payment Error Rates and Specific State UI Rules

While the positive and significant correlation between UI denial and error rates is suggestive, conclusive evidence of the effects of strict and clearly defined rules and good administrative practices must be based on an analysis that includes those rules and practices explicitly. This section describes such an analysis. We first describe the rules and practices (i.e., the independent variables) that are used, and then present the results of the analysis.

a. Independent Variables

Several considerations guided our selection of independent variables for this phase of the analysis. First, unlike the state sample-size constraints imposed on the analyses presented in Chapters III and IV, the state sample size is large enough that it is possible to parameterize state laws and regulations. Nevertheless, the number of observations is not great, and it is necessary to use only a limited number of independent variables.

In thinking about how state rules and practices should be parameterized, we wanted to include measures of the clarity and comprehensiveness of the rules and administrative practices. Unfortunately, without extensive site visits, it was not possible to obtain information that enabled us to classify a state's practices according to these dimensions. Due to the manner in which information was collected for the majority of states (from forms that had been filled out by regional administrators), our measures of the work-search practices of states are generally limited to more objective, straightforward measures. Thus, it is unclear whether

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our measures capture the important distinctions among states in terms of the impacts of these characteristics on error rates.

Based on the information that we obtained from the survey of state work-search practices, we defined the following binary variables for this analysis:

ES Registration
: = 1 if registration is required at the start of the UI claims spell;
= 0 otherwise.

ERI Application
: = 1 if an eligibility review is performed around the time of the initial filing for UI, or if some other substantial contact is made with each claimant at that time;
= 0 otherwise.

Days Available
: = 1 if claimants must be available for work 5 or more days a week;
= 0 if a smaller number of days available is permitted.

Number of Employer Contacts
: = 1 if two or more employer contacts are required for most claimants;
= 0 if one or no employer contacts are required.

Verification
: = 1 if a sample of reported employer contacts is verified;[1]
= 0 if no contacts are verified.

Regular Contact
: = 1 if regular contact for work-search activities is maintained with claimants either through weekly or bi-weekly reporting[2] or through regularly scheduled eligibility reviews;

= 0 otherwise.

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[1]Excluded here are verifications that are performed as part of the Random Audit or Quality Control Programs.

[2]Such reporting need not be made in person.

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As can be seen, each variable is defined so that a "1" identifies states that impose more stringent requirements or more intensive monitoring than states with a "0." Based on our theoretical discussion, we expect that these variables will have positive signs if the definitional influence of program characteristics on error rates predominates, and negative signs if the behavioral impacts predominate.

We also included several other variables in the analysis that describe administrative practices which might affect work-test error rates.[1] These variables are:

Wage Request State. Wage-request states are not likely to obtain base-period earnings information as accurately and timely as do wage-reporting states. In addition, we believe that wage-request states may be generally less automated, and hence less able to monitor adherence to work-test standards. Consequently, we expect that error rates will be higher in wage-request than in wage-reporting states.

Single Bypass State. In a single bypass state, claimants generally mail claims to their local office and receive their checks by mail from the central office. Relative to states that require in-person reporting, there is less contact with claimants in which work-test issues may be detected, and thus we expect that the error rate may be higher in such states than in states with in-person reporting.

Double Bypass State. In a double bypass state, claimants mail claims directly to the central office and receive their checks by return mail. Hence, for the same reason as for single bypass states, we expect the error rate to be higher in these states than in states with in-person reporting. The error rate may also be higher than in states with a single bypass system because local office staff may be in a better position to detect potential

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[1] Variables which we experimented with but ultimately rejected include the number of UI offices, the number of UI offices per capita, the UI administrative time cost (minutes per unit, or MPU) of processing a new claim, and the MPU of processing a continuing claim.

issues even in a mail claim than the central office staff of the double bypass state.

The means and standard deviations of each of these variables are reported in Table V.3.

Before reporting the results of the second step in our analysis, one further issue must be addressed. This issue concerns whether or not the denial rate should be included as an independent variable together with the work-test and other administrative variables. Our theoretical discussion suggested that the inclusion of the denial rate is important. However, we also view the denial rate as a proxy for the other administrative variables. Hence, because including both the denial rate and the other administrative variables might obscure the independent effects of each variable, excluding the denial rate might be a better approach. However, since neither approach is, in theory, superior, we estimated the model using both methods, and found relatively few differences in the results.[1] We report the results that exclude the denial rate.

b. The Impacts of UI Rules and Practices on Error Rates

Table V.5 reports the results of estimating the previously described models that attempt to explain error rates as a function of the characteristics of programs, claimants, and labor-market conditions. In addition to reporting the estimated coefficients and statistical signifi-

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[1] The only difference pertained to the active work-search error rate regression in which the combination of both the denial rate and the other administrative variables appeared to fit the data less well than when the denial rate was excluded.

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TABLE V.5

THE DETERMINANTS OF WORK-TEST PAYMENT ERROR RATES: ANALYSIS BASED ON PROGRAM RULES

Explanatory Variables	Work-Test Error			
	Able and Available	Active Work Search	Refusal of Suitable Work	Total
Work-Test Characteristics				
ES registration	0.030**	-0.025*	-0.000	0.005
ERI application	-0.035**	0.023	-0.002*	-0.014
Days available	0.004	-0.022	-0.001	-0.019
Number of employer contacts specified	0.026*	-0.059**	0.002*	-0.031
Verification	-0.011	0.021	-0.002	0.008
Regular contact	-0.021*	0.021	0.000	0.000
Administrative Characteristics				
Wage request state	0.030**	0.055**	0.003**	0.088**
Single bypass state	-0.009	0.060**	0.000	0.051*
Double bypass state	-0.003	0.070**	0.001	0.068**
Proportion construction	0.076	-0.348	0.032**	-0.239
Proportion manufacturing	0.130	-0.196	0.009	-0.058
Unemployment rate	0.006**	-0.011**	-0.000*	-0.006*
Constant	-0.058	0.218**	-0.002	0.157*
Adjusted R^2	0.19	0.34	0.13	0.20
F-Statistic for All Variables	1.69	2.52	1.45	1.73
Degrees of Freedom	(12,23)	(12,23)	(12,23)	(12,23)

TABLE V.5 (continued)

Explanatory Variables	Able and Available	Active Work Search	Refusal of Suitable Work	Total
F-Statistic for Work Test Characteristic Variables	1.98	1.67	1.01	0.51
Degrees of Freedom	(6,23)	(6,23)	(6,23)	(6,23)

NOTE: The models were estimated by ordinary least squares.

**Coefficient estimate is significantly different from zero at the 90 confidence level for a two-tailed test.
 *Coefficient estimate is significantly different from zero at the 80 percent confidence level for a two-tailed test.

cance of each variable, the table also reports the results of significance tests of the state work-test characteristics taken as a whole. An examination of the results leads to several findings.

o The state work-test characteristic variables appear to have a statistically significant impact on the able and available error rate and on the active work-search error rate. In the first case, not only are several of the coefficient estimates significant, but the overall F-statistic of the joint significance of these variables is 1.98, which for the degrees of freedom available is significant at the 0.11 level. For the second case, the overall F-statistic is significant at the 0.17 level. Despite these findings for two of the work-test error rate components, the work-test variables are not significant in the regression on the total work-search error rate. This occurs because the effects of the work-test characteristics on the able and available and active work-search errors tend to be opposite in sign. Thus, no effect is observed for the total error measure.

o The results suggest no strong evidence about the sign of the work-test variables. When they are significant, they are not always of the same sign for all types of errors, nor are the signs consistent for any single error-rate component.

o The wage-request state variable is statistically significant in each of the error-rate regressions. Moreover, its positive coefficient is in accordance with the hypothesis that wage-request states are less able to monitor adherence to work-test standards, and thus exhibit higher error rates. The single and double bypass variables are also significant and positive as hypothesized in two of the regressions, including the total error-rate regression.

o Only one of the industry variables is statistically significant and in only one regression. Although we argued that these variables would have a negative impact on error rates, the only significant coefficient is positive. Nevertheless, this positive coefficient for the construction variable for the refusal of suitable work regression seems plausible, since construction workers may be exposed to job offers more frequently than is true of other laid-off workers.

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o   The unemployment rate is also statistically significant
    in all the regressions but not always with the same
    sign.

These results provide more evidence that state work-test rules affect payment error rates. However, these results are not overwhelmingly conclusive, nor is much evidence available to suggest that the impact of program characteristics is perverse, in the sense that states whose rules and practices are more stringent or more precise appear to exhibit higher error rates. These findings do show more strongly that work-test payment error rates are sensitive to other administrative program characteristics and to the characteristics of claimants and labor markets.[1] They suggest that it is inadvisable to compare unadjusted state-level error rates.

The implication of these findings for state-by-state comparisons can be illustrated by adjusting the error rates to control for the effect of differences among states in terms of programs, claimants, and labor-market conditions and comparing the resulting adjusted error-rate estimates with the unadjusted data. We did so for the total error rate by estimating a new model that contains only the unemployment rate and the wage-request and single and double bypass variables, since they are the only significant variables. We then computed predicted error rates for each state that hold

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[1] As another exercise, we examined the quality of the rule parameterizations and the overall consistency of the results by estimating a model that includes the denial rate as the dependent variable and using the same set of independent variables used in the regressions reported in Table V.5. The only variable that was statistically significant was the unemployment rate, which was negatively correlated with the denial rate. In particular, none of the program rule variables was statistically significant, again suggesting that the particular parameterization of program rules available for the analysis might not capture the relevant ways in which these rules affect denial and error rates.

the effect of these variables constant. A comparison of the adjusted and unadjusted error-rate state rankings by quartile is reported in Table V.6. As shown in the table the ranking of a number of states would change substantially if error rates were adjusted. Although 53 percent (19 states) are in the same quartile for both error-rate measures (on the diagonal in the table results), 14 percent (5 states) change their rankings by more than one quartile if this particular error-rate adjustment were used.

This exercise provides an example of how important it may be to adjust error rates before making state-by-state comparisons, although analysts might reject the specific adjustments used here. In particular, administrative practices (i.e., wage-request versus wage-reporting and single and double bypass versus in-person reporting), which we have held constant to calculate the adjusted error rate, are factors which are under the control of state administrators, and it may be more appropriate not to control for these factors when making state-by-state comparisons. Conversely, the effect of these administrative practices on the error rate is measured directly by the model, and it may be useful to compare the states according to the residual error associated with other administrative practices. Regardless of which decision is made, this analysis illustrates that plausible adjustments to error rates could easily change a state's relative error-rate ranking substantially.

C. THE INELIGIBILITY AND ADMINISTRATIVE ERROR RATES

In the theoretical discussion in Section A, we argued that the Random Audit payment error rate may not be the best measure of error for comparisons among states. As a substitute we defined a new error rate

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TABLE V.6

COMPARISON OF MEASURED AND ADJUSTED WORK-TEST
PAYMENT ERROR RATES BY QUARTILE
(Number of States = 36)

Payment Error	Adjusted Payment Error Rate Quartile			
Rate Quartile	1	2	3	4
1	4	2	2	1
2	4	3	1	1
3	0	4	5	0
4	1	0	1	7

NOTE: Quartiles are numbered from the lowest (1) to the highest (4). The adjusted error rates are predicted error rates from a regression that controls for the unemployment rate and the wage request state, single bypass state, and double bypass state variables.

measure termed the "administrative error rate," which is intended to measure the percentage of ineligible claims for which benefits are paid incorrectly. It was argued that this measure of error should not be affected by program laws and regulations, and that it could be compared directly among states or within states over time. Nevertheless, it is possible that this measure is also affected by the characteristics of claimants or the labor market or by UI administrative variables, and that direct comparisons among or within states over time may not be meaningful. In this section, we examine this approach to error-rate comparisons. In the first subsection, we define this variable more completely and describe the proposed analysis. In the second subsection, we report the results of our analysis.

1. Definitions of the Ineligibility Rate and Administrative Error Rate

We would like the administrative error rate to measure the percentage of ineligible claims for which benefits are paid incorrectly. Ideally, the administrative error rate would be calculated from the number of denials and the number of claims paid in error according to the formula presented in Section V.A.3. However, only data for denial rates and payment error rates are available for analysis. The administrative error rate could be computed directly from these error rates if the numerators and denominators of the Random Audit work-test error rate and the work-test denial rate were defined similarly. It would be calculated by dividing the Random Audit error rate by the sum of the error and denial rates. If we use the total work-test error rate, the numerators of the two rates are defined roughly the same for the same sets of work-test issues. However, since the denominator for the Random Audit error rate is payments and the

denominator for the denial rate is claimant contacts (all continuing claims plus monetarily eligible initial claims), calculating an administrative error rate necessitates making an assumption about the error rate for claims which are not paid. There are two possibilities: we can assume that the error rate for claims which are not paid is the same as for claims that are, or we can assume that the error rate for these claims is zero. Obviously, neither assumption is probably correct, and either one could be adopted. We examined both options and found that there was no substantive difference for the analysis. Thus, we report only one of the options, which is to assume that the error rate for these claims is zero.[1] To implement this assumption, we deflate the Random Audit payment error rate by the ratio of weeks paid to claimant contacts. We then add the denial rate to this adjusted payment error rate. The sum of these two rates is a measure of the ineligibility rate, which is then divided into the deflated error rate to equal the administrative error rate.

The means of these ineligibility and administrative error rates are, respectively, .083 and .845 for our sample of states.[2] Thus, about 8 percent of the claims are ineligible in the average state, the range is 1 to 18 percent. The majority of such ineligible claims are not denied benefits: 85 percent are paid benefits in error in the average state (the range is 44 to 98 percent).

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[1] We believe that this assumption is closer to the truth because the majority of initial claims which are not paid occur because claimants drop out of the UI system before filing continuing claims rather than because the claim leads to a denial.

[2] The standard deviations are 0.043 and 0.109, respectively.

2. Factors That Affect the Ineligibility and Administrative Error Rates

In this section, we show the results of models estimated on the basis of the same independent variables reported in Table V.5 to examine payment error rates. We present the results for both the ineligibility rate and the administrative error rate, and we include a version which excludes the work-test rule variables. We expect that, although work-test rules will not affect the administrative error rate, these rules may affect the ineligibility rate for the same reasons that we expected work-test rules to affect payment error rates.

The results, which are reported in Table V.7, are as follows:

o   The regression for the ineligibility rate is quite similar to the total error rate regression reported earlier in Table V.5. However, the model fits the data slightly better in this case, as expected, because the ineligibility rate takes into account the denial rate.

o   The work-test characteristics are not significant for either dependent variable, although we had expected that they might be significant for the ineligibility rate regression.

o   The other administrative characteristics--the wage-request and single and double bypass variables--all have positive and statistically significant effects on both the ineligibility rate and the administrative error rate.

o   The unemployment rate seems to affect the ineligibility rate but not the administrative error rate.

These results imply that the administrative error rate is not affected by state work-search requirements nor by the characteristics of claimants or the labor market. Thus, this measure of the error rate might be better for comparisons among states than is the payment error rate, for which we did find some evidence that work-search requirements and labor-

TABLE V.7

THE DETERMINANTS OF THE WORK-TEST INELIGIBILITY RATE AND ADMINISTRATIVE ERROR RATE

Explanatory Variables	Ineligibility Rate (1)	Ineligibility Rate (2)	Administrative Error Rate (1)	Administrative Error Rate (2)
Work-Test Characteristics				
ES registration	--	0.002	--	-0.030
ERI application	--	-0.006	--	-0.027
Days available	--	-0.020	--	-0.017
Number of employer contacts specified	--	-0.025	--	-0.042
Verification	--	0.004	--	0.055
Regular contact	--	0.002	--	-0.012
Administrative Characteristics				
Wage request state	0.071**	0.072**	0.111**	0.105**
Single bypass state	0.030*	0.034**	0.106**	0.109*
Double bypass state	0.039*	0.047*	0.173**	0.164**
Proportion construction	-0.005	-0.132	-0.347	-0.490
Proportion manufacturing	-0.013	-0.068	0.312	0.173
Unemployment rate	-0.007**	-0.006**	0.009	0.011
Constant	0.089**	0.142**	0.608**	0.728**
Adjusted R^2	0.33	0.27	0.19	0.08
F-Statistic for All Variables	3.84	2.07	2.39	1.25
Degrees of Freedom	(6,29)	(12,23)	(6,29)	(12,23)

Table continued on next page.

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TABLE V.7 (continued)

Explanatory Variables	Able and Available	Active Work Search	Refusal of Suitable Work	Total
F-Statistic for Work Test				
Characteristic Variables	--	0.61	--	0.40
Degrees of Freedom	--	(6,23)	--	(6,23)

NOTE: The models were estimated by ordinary least squares.

**Coefficient estimate is significantly different from zero at the 90
  confidence level for a two-tailed test.
 *Coefficient estimate is significantly different from zero at the 80
  percent confidence level for a two-tailed test.

market characteristics matter. However, these results for the payment error rate were quite weak and were least strong for the total error rate, which is the measure directly comparable to the administrative error rate used here. In addition, there is reasonably strong evidence that other program administrative characteristics (the wage-request and single and double bypass variables) affect both the payment and administrative error rates for programmatic differences. Thus, one might want to adjust either measure of error for programmatic differences before drawing comparisons among states.

As a final indication of the importance both of which error rate measure is used and of the impact of adjusting the error rate, Table V.8 reports state rankings by quartile under alternative measures of the error rate. The first panel of the table compares the ranking for the unadjusted payment and administrative error rates. As shown in the table, the alternative measures lead to quite different rankings for some states. For example, the data in the first column of the table show that two states which rank in the highest quartile (number 4) by the payment error rate rank in the lowest quartile (number 1) by the administrative error rate. In all, the rankings of 7 states differ by more than one quartile for the measures. Similarly, the bottom panel in the table shows that adjusting the administrative error rate for the impact of various programmatic and labor-market characteristics (see our discussion for Table V.6) also changes the state rankings considerably. As we mentioned before, we might not want to adjust for programmatic characteristics that are under the state's control when making comparisons, such as how claims are processed. Nevertheless, this example illustrates the sensitivity of

TABLE V.8

COMPARISON OF WORK-TEST ERROR RATES BY QUARTILE
(Number of States = 36)

Payment Rate Quartile	Administrative Error Rate Quartile			
	1	2	3	4
1	5	1	2	1
2	2	5	1	1
3	0	3	4	2
4	2	1	2	4

Administrative-Error Rate Quartile	Adjusted Administrative Error Rate Quartile			
	1	2	3	4
1	2	4	3	0
2	4	2	2	1
3	1	2	3	3
4	2	1	1	5

NOTE: Quartiles are numbered from the lowest (1) to the highest (4). The adjusted error rates are predicted error rates from a regression that controls for the unemployment rate and the wage request state, single bypass state, and double bypass state variables.

error-rate measures to both the choice of the measure and the effect of programmatic, claimant, and labor-market characteristics that differ among the states.

D. SUMMARY AND CONCLUSIONS

Our theoretical analysis suggested that work-search payment error rates could be affected by the work-search rules of states, and our empirical analysis provided some support for this hypothesis. Moreover, there was some evidence that payment error rates are higher in states whose work-search rules are stricter or more clearly defined, a finding which is particularly troubling for drawing comparisons of error rates among states. However, this conclusion is based primarily on the analysis that uses denial rates as a proxy for strict and clearly defined rules, as well as for effective administrative practices. That is, if, as we believe, higher denial rates are associated with relatively strict work-test rules and the degree to which those rules are clear and comprehensive, then the positive relationship between denial and error rates suggests that these factors may also be associated with higher error rates. The evidence is far less clear when we analyze error rates directly with our specifications of work-search rules. These results do not contradict those obtained with denial rates, but they also do not strongly reinforce them.

Conceptually, an analysis based on specific UI rules is more definitive than one based on a single proxy measure of all such rules. However, this may not be true in our study. The selection and parameterization of the rules used in this study were governed by considerations of which rules seem to vary more among states than within states and of what types of information could be collected through mail

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surveys. Thus, we may well not be focusing on the rules that most often affect error rates, nor can we measure all relevant aspects of the rules on which we did focus.

An alternative measure of error, the administrative error rate, was also defined and analyzed. This error rate, which is the percentage of ineligible claims for which benefits are paid incorrectly, is conceptually a better measure for drawing comparisons among the states, since it adjusts for differences among states in terms of the percentage of claims that are ineligible. Thus, this measure should provide a better picture of the relative ability (or, more precisely, the inability) of each state to detect and deny benefits to ineligible claimants. Our empirical analysis indicated that this administrative error rate is not affected by state work-search rules and, thus, that it might be better than the payment error rate for drawing state-to-state comparisons. However, the empirical evidence that the payment error rate is affected by work-search requirements is weak, and the argument for using the administrative error rate for comparisons is based primarily on the theoretical discussion.

In our empirical analyses of both the payment error rate and the administrative error rate, we did find relatively strong evidence that some state administrative practices affect errors. The positive coefficient found for the wage-request variable is difficult to interpret, since differences between the wage-request and wage-reporting process should have little direct effect on work-search errors. This variable may instead be a proxy for the accuracy of data, the timeliness of data collection, or, more generally, the degree of automation in states. As a greater number of

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states convert to wage-reporting, the effect of this variable on errors should be less of a factor. The positive correlation found between error rates and single and double bypass claims systems can be interpreted more easily. Clearly, there is less contact with claimants in these systems than in an in-person reporting system, and it is not surprising that the errors rate is higher. These systems are also less expensive administratively than in-person reporting, and the cost of the increased errors associated with these systems may be offset by the reduction in administrative costs.

The conclusion of both the theoretical and empirical analysis is that payment-error-rate comparisons among states should be viewed with great caution. Our finding that labor-market characteristics (i.e., the unemployment rate) also affect payment error rates implies that within-state comparisons may be suspect, particularly when labor-market conditions change. While we argued that the administrative error rate is conceptually better for purposes of comparison, it should also be viewed with caution, since it is also affected by some programmatic characteristics. As additional data become available from the Quality Control Program, further analysis of these issues will clearly be necessary.

differences requires that we focus on rules which meet these criteria of distinctiveness.

Ultimately, the analysis provided us with two perspectives of state work-search rules—one from our own discussions with state UI officials and reviews of state materials, and the other from reports of claimants about their perceptions and experience. These two perspectives provided quite similar pictures of the operational work-search rules of the study states, and enabled us to categorize those states according to whether their work-search policies are generally strict, moderate, or lenient. (Strictness is defined on the basis of the existence and extent of work-search requirements, the frequency with which claimants are required to report their work-search activities, and the timing with which claimants are required to register with the state employment service.) The main analysis was based on this categorization, since the number of study states was too small to permit analysis based on specific work-search rules. However, our analysis of error rates, which focused on a larger number of states, is based in part on specific state rules.

The following three sections briefly summarize our conclusions about the effects of work-search rules on the search behavior of claimants, their job-finding success, and benefit error rates, respectively. The fourth section presents some summary observations.

A. WORK-SEARCH BEHAVIOR

Our analysis of the effects of work-search rules on the work-search behavior of claimants tends to provide the expected pattern of results. Claimants from states whose work-search rules are strict are generally more likely to search for work, devote more hours to work search, and contact

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VI. CONCLUSIONS

This study was undertaken to identify the effects of state UI work-search rules on the actual work-search activities and job-finding success of claimants, as well as on UI payment error rates. Work-search rules are defined in the laws, regulations, and administrative procedures of specific states, and thus vary among all states. The study was designed to exploit that natural interstate variation in rules to determine the effects of alternative rules. Of course, states exhibit variation in many more ways, including their industrial composition, the health of their economies, their policy climate, and even the characteristics of their labor force. Unless this interstate variation along additional dimensions can be controlled for statistically, it seriously complicates an analysis that focuses on any single dimension of such variation (i.e., the states' UI work-search rules). Thus, a primary challenge for this analysis was to attempt to isolate the effects these work-search rules.

Another challenge for the analysis was to document the true operational work-search rules for each study state. The rules as they are applied to claimants often differ substantially from how they are actually written in law or regulation. In addition, different operational rules may be used at different points in time, in different parts of the state, or for different sets of claimants. Consequently, we sought to focus only on those rules that distinguished the sample states, and for which the interstate variation seemed to dominate the intrastate variation. Other rules may be equally or even more important in determining the work-search activities of claimants, but the nature of analysis based on state

The inconsistent results for the effects of work-search rules on job-finding success (see the next section) suggest an alternative explanation for the search results. One concern in interpreting the results is that in the sample of states a negative correlation appears to exist between the strictness of the work-search rules and the health of the labor markets (i.e., the reemployment prospects of claimants). Since those economic differences are not controlled for completely, it may be the case that the measures of strictness are reflecting economic conditions. Hence, what appears to be a response to strict rules may be a response to coincidentally poor labor-market conditions.

B. REEMPLOYMENT AND EARNINGS OUTCOMES

The analysis of the effects of work-search rules on the job-finding success of claimants produces the unexpected result that claimants from states whose work-search rules are the strictest are less successful at leaving the UI rolls and becoming reemployed. In addition, once they become reemployed, claimants from states whose work-search rules are strict are less likely to work full time, less likely to work for their former employers, and more likely to earn less than claimants from states whose rules are moderate or lenient.

These results appear to stem from the more serious labor-market problems found in the sample states whose work-search rules are strict. We could not control completely for those economic differences, and it seems that the effects of economic conditions on job-finding success dominate the effects of work-search rules. Nevertheless, we did find some indirect evidence that the extra search effort that is prompted by stricter rules

more employers than is true of claimants from moderately strict and lenient states. Conversely, claimants from states whose work-search rules are lenient are the least likely to search, devote the fewest hours to work search, and contact the fewest number of employers. Thus, it would appear that differences in the work-search rules, or perhaps the overall work-search policy or climate, of states do influence the work-search behavior of claimants.

An unexpected pattern of results emerges when we divide the sample into those claimants who expected to be recalled to their former jobs and those who did not. The results for the latter group of claimants, who are typically the primary job searchers, do not consistently show the expected relationship between the strictness of work-search rules and work-search behavior. Instead, the pattern found for the entire sample appears to be due to the effects of work-search rules on the behavior of claimants who regard themselves as job-attached. It may be that claimants who are not job-attached are sufficiently self-motivated to search fairly rigorously regardless of state rules, but those who expect to be recalled are likely to fail to search rigorously unless they are compelled to do so by state rules.

The inconsistent results for the effects of work-search rules on job-finding success (see Section B) suggest an alternative explanation for the work-search results. One concern in interpreting the results is that in our sample of states a negative correlation appears to exist between the strictness of the work-search rules and the health of the labor markets (i.e., the reemployment prospects of claimants). Since we were unable to control completely for those economic differences, it might be the case that our measures of strictness are reflecting economic conditions.

Despite the fact that these results are somewhat inconclusive, they do suggest that many factors may affect error rates and that they should be taken seriously, since incorrectly concluding that state rules do not matter has more serious consequences than incorrectly concluding that these rules do matter. Thus, error-rate comparisons among states (or over time within a state if the rules change) should be viewed with great caution, at least until this issue can be investigated further.

D. SUMMARY OBSERVATIONS

While this study illuminates a great many issues, it also stops somewhat short of definitively answering several of the major questions that were posed. It is useful to reflect on the study methodology to help guide future research efforts. The major methodological lesson is that natural variation among states is a much more limiting basis for analysis than is deliberately controlled variation, as in an experimental design.

The limitations imposed by relying on natural variation are most evident in two aspects of the study. The first is the choice and specification of UI work-search rules. By necessity, this study focused only on those aspects of the rules that exhibited both sufficiently great interstate variation and sufficiently limited intrastate variation. Only in that way could we characterize states and focus on the differences among them. However, because some of the most important policy variables may not have met these criteria, the possibility exists that the analysis failed to consider important influences on the behavior of claimants or on the success of agencies at applying the rules.

The second aspect of the study which demonstrates the limitations imposed by relying on natural variation is the apparently dominant

has a small positive effect on employment- and earnings-related outcomes for claimants who are not job-attached.

C. QUALITY CONTROL ERROR RATES

The evidence on the effects of work-search rules on payment error rates is suggestive, though somewhat inconclusive. A positive and statistically significant relationship exists between work-search-related UI benefit denial rates and error rates. If, as is believed, higher denial rates are associated with relatively strict work-search rules, the degree to which those rules are clear and comprehensive, and effective administrative practices, then this positive relationship between denial and error rates would suggest that the strictness of the rules and the effectiveness of the administrative practices may also be associated with higher error rates. Our efforts to capture this association with specific UI rules and practices failed to provide more definitive evidence that the strictness of the rules affects errors. However, our analysis did establish the influence of administrative practices on payment error rates.

The analysis also considered an alternative measure of error rate-- the percent of ineligible claimants who are not denied benefits and are therefore paid in error. Conceptually, this measure has some advantage over the commonly constructed payment error rate, since it abstracts from differences in state rules that affect the ineligibility rate. As expected, the analysis showed that this error rate is not affected by the work-search rules of states but is affected by their administrative practices. However, while this measure of error rate is superior to the payment error rate conceptually, the empirical results were only marginally different.

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influence of labor-market characteristics that could not be captured and controlled for statistically in the analysis. While these limitations could undoubtedly be mitigated by a much more ambitious data collection effort and a larger sample of states, our experience in this project and in others indicates that they cannot realistically be reduced to levels that policymakers and researchers would find satisfactory.

In summary, the findings from this study are suggestive of how differences in UI work-search rules affect the work-search behavior of claimants, their job-finding success, and the ability of agencies to administer their work-search standards. However, definitive assessments can be made only through an experimental design that enables analysts to modify carefully specified aspects of policy in a deliberate manner, while holding constant all other aspects of policy and the environment in which the policy operates. The experimental approach has been used successfully in other studies of the unemployment insurance and other programs.

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APPENDIX A

INDEPENDENT VARIABLES, COEFFICIENT ESTIMATES
AND SIGNIFICANCE TEST RESULTS

TABLE A.1

DEFINITIONS OF INDEPENDENT VARIABLES USED IN
REGRESSIONS

Independent Variable Names	Description of Variable
Intercept	Intercept
AGE	Age of claimant
AGESQ	Age squared
FEMALE	Claimant is female*
MARRIED	Claimant is married*
PARTNERW	Claimant has working partner*
DEPKIDS	Claimant has dependent children*
HISPANIC	Claimant is Hispanic*
BLACK	Claimant is black*
OTHRACE	Claimant is of Asian or Native American descent*
EARNWKO	Claimant's average weekly earnings from pre-UI job, in hundreds
LASTDUR	Claimant's pre-UI job lasted at least three years*
LNOWORK	Pre-UI job ended due to lack of work*
TEMPOFF	Claimant expects to get old job back*
RECALL	Claimant got a definite recall date from pre-UI employer*
TRADEIMP	Pre-UI job was in trade-impacted industry*
Q4DRMFG	Pre-UI job was in durable manufacturing*
Q4NDRMFG	Pre-UI job was in non-durable manufacturing*
Q4CONSTR	Pre-UI job was in construction*
Q4AGMINE	Pre-UI job was in agriculture or mining*
Q5WHITEC	Pre-UI job classified as white collar*
WBAMT	UI weekly benefit amount, in hundreds
MBENDUR	Potential benefit duration, in weeks
URMNUIDT	State unemployment rate for month benefits began
IDAHO	State providing name of claimant was Idaho*
IOWA	State providing name of claimant was Iowa*
MARY	State providing name of claimant was Maryland*
NCAR	State providing name of claimant was North Carolina (omitted category)
PENNA	State providing name of claimant was Pennsylvania*
SCAR	State providing name of claimant was South Carolina*
TEXAS	State providing name of claimant was Texas*
UTAH	State providing name of claimant was Utah*
WISC	State providing name of claimant was Wisconsin*
IDTEMPOF	Interaction between TEMPOFF and IDAHO
IOTEMPOF	Interaction between TEMPOFF and IOWA
MDTEMPOF	Interaction between TEMPOFF and MARY

TABLE A.1 (continued)

Independent Variable Names	Description of Variable
PATEMPOF	Interaction between TEMPOFF and PENNA
NCTEMPOF	Interaction between TEMPOFF and NCAR
SCTEMPOF	Interaction between TEMPOFF and SCAR
TXTEMPOF	Interaction between TEMPOFF and TEXAS
UTEMPOF	Interaction between TEMPOFF and UTAH
WITEMPOF	Interaction between TEMPOFF and WISC

NOTE: In regressions of the four post-UI quarterly job description variables, the unemployment rate for the middle of that quarter (URQUART1-4) was substituted for URMNUIDT.

*Dichotomous variable that equals 1 if claimant has the characteristic, 0 if not.

TABLE A.2

COEFFICIENT ESTIMATES FOR REGRESSIONS OF WEEKLY HOURS
LOOKING FOR WORK, WHETHER REEMPLOYED WITHIN
SIX MONTHS, AND WEEKS RECEIVING UI BENEFITS

Independent	Dependent Variables		
Variables	LOOKHRS	REEMPL6	UIWEEKS
Intercept	10.736**	0.721***	6.178**
AGE	0.250**	-0.001	0.134
AGESQ	-0.003**	-0.000	-0.001
FEMALE	-2.863***	-0.043*	0.557
MARRIED	0.378	0.011	-0.171
PARTNERW	-0.504	0.006	-0.081
DEPKIDS	-0.692	0.063***	-1.090**
HISPANIC	0.943	-0.014	-0.174
BLACK	1.840***	-0.100***	0.067
OTHERACE	-1.489	-0.002	-0.896
EARNWKO	0.225	0.007	0.064
LASTDUR	-1.837***	-0.029	0.447
LNOWORK	-0.268	0.045*	0.730
RECALL	-4.196***	0.142***	-5.783***
TRADEIMP	-0.966	0.074**	-0.495
Q4DRMFG	-1.402***	-0.059*	0.998
Q4NDRMFG	-0.929	0.035	-0.376
Q4CONSTR	-2.346***	0.030	-0.615
Q4AGMINE	-0.673	-0.055	3.378***
Q5WHITEC	0.700	0.069**	0.232
WBAMT	0.111	0.028	0.495
MBENDUR	-0.061	-0.003	0.220***
URMNUIDT	-0.053	-0.010	0.152
IDAHO	0.854	0.082	-3.483**
IOWA	1.386	-0.066	-1.005
MARY	6.995***	0.147***	-5.933***
PENNA	-0.533	0.029	-2.044
SCAR	2.125*	-0.022	-2.108*
TEXAS	4.032***	0.020	-4.098***
UTAH	0.808	0.123	-5.829***
WISC	0.128	0.033	-3.233***
IDTEMPOF	-3.084**	0.080	-3.282***
IOTEMPOF	-1.905	0.122*	-3.355**
MDTEMPOF	-6.012***	0.052	-2.726
PATEMPOF	-3.335***	0.119**	-4.590***
NCTEMPOF	-0.528	0.074	-4.550***
SCTEMPOF	0.083	0.197***	-0.988
TXTEMPOF	-0.444	-0.022	-2.939**
UTTEMPOF	-6.709***	0.071	-0.948
WITEMPOF	-4.306***	0.168***	-2.801**
Adjusted R^2	.23	.10	.18
Sample Size	2072	2112	2094

Note: See Table A.1 for definitions of variable names.

***Coefficient estimate is significantly different from zero at the 99 percent
   confidence level for a two-tailed test.
 **Coefficient estimate is significantly different from zero at the 95 percent
   confidence level for a two-tailed test.
  *Coefficient estimate is significantly different from zero at the 90 percent
   confidence level for a two-tailed test.

TABLE A.3

COEFFICIENT ESTIMATES FOR REGRESSIONS OF
AVERAGE WEEKLY HOURS WORKED PER QUARTER FOR
FIRST FOUR QUARTERS FOLLOWING
START OF UI BENEFITS

Independent	Dependent Variables			
Variables	QTRHRS1	QTRHRS2	QTRHRS3	QTRHRS4
Intercept	14.010***	13.963**	23.059***	15.165**
AGE	-0.041	-0.032	0.142	0.272
AGESQ	-0.001	-0.002	-0.005	-0.007**
FEMALE	-1.420*	-2.968***	-3.794***	-4.744***
MARRIED	0.859	0.792	0.409	1.256
PARTNERW	-0.689	0.047	-0.573	-0.443
DEPKIDS	1.044	2.009**	2.354**	2.255**
HISPANIC	1.293	0.582	-0.642	-3.604
BLACK	-2.254**	-3.244**	-5.017***	-4.784***
OTHERACE	0.314	-0.280	-2.823	-0.470
EARNWKO	-0.235	0.132	0.154	-0.072
LASTDUR	-0.509	-0.519	-1.285	-2.479**
LNOWORK	-0.506	0.730	1.073	1.998
RECALL	10.845***	8.183***	5.862***	5.803***
TRADEIMP	1.793*	3.240**	2.581*	1.944
Q4DRMFG	-1.138	-3.324**	-3.611***	-1.841
Q4NDRMFG	1.372	0.795	0.856	1.647
Q4CONSTR	-1.374	-1.093	-0.420	-1.003
Q4AGMINE	-3.603*	0.811	-0.775	2.365
Q5WHITEC	0.346	1.680	2.324**	3.357**
WBAMT	3.356***	3.648***	3.737***	5.226***
MBENDUR	-0.045	0.021	0.167*	0.212*
URQUART1-4	-1.413***	-0.063	-0.807*	0.099
IDAHO	9.059***	7.630**	2.712	-0.940
IOWA	4.206**	-0.341	-4.609*	-5.965**
MARY	5.160***	8.660***	3.891	6.152**
PENNA	5.803***	2.283	-1.219	-3.104
SCAR	3.331*	2.331	0.666	-0.011
TEXAS	5.631***	3.740	-0.780	-0.952
UTAH	6.009**	6.643*	-0.700	-5.798
WISC	6.064***	2.958	-1.483	-2.934
IDTEMPOF	1.306	5.357**	7.928***	6.422*
IOTEMPOF	3.732*	5.930**	3.139	-1.337
MDTEMPOF	3.071	-3.908	-3.264	-1.412
PATEMPOF	4.928**	4.812*	2.400	0.619
NCTEMPOF	5.003***	5.306**	2.148	3.686
SCTEMPOF	1.833	7.555***	5.886**	0.639
TXTEMPOF	2.394	1.494	1.176	0.033
UTTEMPOF	2.122	4.756	4.760	9.323*
WITEMPOF	2.663	6.274***	8.884***	4.852*
Adjusted R^2	.14	.11	.11	.14
Sample Size	2136	2123	2040	1383

NOTE: See Table A.1 for definitions of variable names.

***Coefficient estimate is significantly different from zero at the 99 percent confidence level for a two-tailed test.
**Coefficient estimate is significantly different from zero at the 95 percent confidence level for a two-tailed test.
*Coefficient estimate is significantly different from zero at the 90 percent confidence level for a two-tailed test.

TABLE A.4

COEFFICIENT ESTIMATES FOR REGRESSIONS OF WHETHER OR NOT THE POST-UI
JOB WAS FULL-TIME, WHETHER OR NOT IT WAS WITH THE SAME EMPLOYER,
AND WEEKLY EARNINGS, FOR CLAIMANTS WHO
WERE REEMPLOYED WITHIN SIX MONTHS

Independent	Dependent Variables		
Variables	FTIME6	SAMEEMP6	EARN6
Intercept	0.736***	0.096	-15.788
AGE	-0.001	-0.004	0.969
AGESQ	-0.000	0.000	-0.013
FEMALE	-0.050**	-0.020	-33.604***
MARRIED	0.015	0.002	-7.717
PARTNERW	-0.050*	-0.004	-5.468
DEPKIDS	0.009	0.008	4.974
HISPANIC	-0.081*	0.022	-8.379
BLACK	0.010	0.051	9.678
OTHERACE	0.059	0.056	91.130***
EARNWKO	-0.001	-0.012	55.935***
LASTDUR	-0.006	0.102***	5.323
LNOWORK	0.054*	-0.001	32.475***
RECALL	0.040	0.202***	16.704
TRADEIMP	0.015	0.034	6.870
Q4DRMFG	0.019	0.032	-1.970
Q4NDRMFG	0.060	0.023	0.454
Q4CONSTR	0.000	-0.048	45.868***
Q4AGMINE	0.054	0.020	10.800
Q5WHITEC	-0.073***	-0.104***	17.485
WBAMT	0.145***	-0.015	55.365***
MBENDUR	-0.002	0.004*	0.839
URMNUIDT	-0.005	0.013	-5.013
IDAHO	-0.024	-0.006	28.550
IOWA	-0.110*	-0.086	-11.014
MARY	0.060	-0.089	75.346***
PENNY	-0.025	0.002	26.217
SCAR	0.039	-0.031	21.945
TEXAS	0.094	-0.070	18.462
UTAH	-0.029	0.128	-14.091
WISC	-0.013	0.084	20.643
IDTEMPOF	0.035	0.421***	10.666
IOTEMPOF	0.020	0.252***	21.019
MDTEMPOF	-0.003	0.508***	-7.741
PATEMPOF	0.006	0.475***	8.625
NCTEMPOF	0.023	0.333***	4.175
SCTEMPOF	0.066	0.313***	0.371
TXTEMPOF	-0.015	0.299***	5.644
UTTEMPOF	0.087	0.645***	57.214*
WITEMPOF	-0.032	0.331***	24.023
Adjusted R^2	.08	.46	.48
Sample Size	1477	1491	1462

NOTE: See Table A.1 for definitions of variable names.

***Coefficient estimate is significantly different from zero at the 99 percent
confidence level for a two-tailed test.
**Coefficient estimate is significantly different from zero at the 95 percent
confidence level for a two-tailed test.
*Coefficient estimate is significantly different from zero at the 90 percent
confidence level for a two-tailed test.

TABLE A.5

COEFFICIENT ESTIMATES FOR FULL SAMPLE COMPARED WITH SAMPLE
EXCLUDING CLAIMANTS FROM MARYLAND AND UTAH, FOR WEEKLY
HOURS LOOKING FOR WORK AND WHETHER REEMPLOYED
WITHIN SIX MONTHS AFTER START OF UI BENEFITS

| Independent Variables | Dependent Variables | | | |
| | LOOKHRS | | REEMPL6 | |
	With MD, UT	Without MD, UT	With MD, UT	Without MD, UT
Intercept	10.736***	9.482***	0.721***	0.831***
AGE	0.250**	0.361***	-0.001	-0.007
AGESQ	-0.003**	-0.005***	-0.000	0.000
FEMALE	-2.863***	-2.825***	-0.043*	-0.054**
MARRIED	0.378	0.389	0.011	0.018
PARTNERW	-0.540	-0.417	-0.006	0.009
DEPKIDS	-0.692	-0.689	0.063***	0.067***
HISPANIC	0.943	0.161	-0.014	-0.011
BLACK	1.840***	1.427*	-0.100***	-0.086**
OTHERACE	-1.489	-1.128	-0.002	0.055
EARNWKO	0.225	0.166	0.007	0.008
LASTDUR	-1.837***	-1.986***	-0.029	-0.028
LNOWORK	-0.268	-0.482	0.045*	0.035
RECALL	-4.196***	-4.439***	0.142***	0.167***
TRADEIMP	-0.966	-1.000	0.074**	0.076**
Q4DRMFG	-1.402**	-1.560**	-0.059*	-0.066*
Q4NDRMFG	-0.929	-1.242*	0.035	0.034
Q4CONSTR	-2.356***	-2.810***	0.030	0.029
Q4AGMINE	-0.673	-0.603	-0.055	-0.054
Q5WHITEC	0.700	0.674	0.069**	0.059**
WBAMT	1.106	1.650	2.278	0.342
MBENDUR	-0.061	-0.063	-0.003	-0.004
URMNUIDT	-0.053	-0.092	-0.010	-0.009
IDAHO	0.854	0.860	0.082	0.085
IOWA	1.386	1.264	-0.066	-0.058
MARY	6.995***	-	0.147***	-
PENNA	-0.533	-0.489	0.029	0.033
SCAR	2.215*	2.210*	-0.022	-0.019
TEXAS	4.032***	4.171***	0.020	0.023
UTAH	0.808	-	0.123	-
WISC	0.128	0.073	-0.033	0.038
IDTEMPOF	-3.084**	-2.889**	0.080	0.074
IOTEMPOF	-1.905	-1.731	0.122*	0.116
MDTEMPOF	-6.012***	-	0.052	-
PATEMPOF	-3.335***	-3.151**	0.119**	0.109*
NCTEMPOF	-0.528	-0.277	0.074	0.068
SCTEMPOF	0.083	0.236	0.197***	0.194***
TXTEMPOF	-0.444	-0.095	-0.022	-0.028
UTTEMPOF	-6.709***	-	0.071	-
WITEMPOF	-4.306***	-4.047	0.168***	0.155***
Adjusted R^2	.23	.19	.10	.08
Sample Size	2072	1708	2112	1740

Note: Table A.1 for full definitions of variable names.

***Coefficient estimate is significantly different from zero at the 99 percent
  confidence level for a two-tailed test.
 **Coefficient estimate is significantly different from zero at the 95 percent
  confidence level for a two-tailed test.
  *Coefficient estimate is significantly different from zero at the 90 percent
  confidence level for a two-tailed test.

TABLE A.6

SIGNIFICANCE TEST RESULTS FOR ALTERNATE DEFINITIONS OF
STRICTNESS OF STATE UI RULES, FOR SELECTED OUTCOMES

Groups of States	LOOKHRS	REEMPL6	UIWEEKS
	All Claimants		
Definition 2			
Moderate-lenient	1.029	-0.039	1.203**
Strict-moderate	-0.323	-0.045	0.096
Strict-lenient	0.706	-0.084***	1.299***
Definition 3			
Moderate-lenient	1.694**	-0.107**	4.086***
Strict-moderate	-0.679	0.023	-3.175***
Strict-lenient	0.997*	-0.085***	0.793*
	Claimants Not Expecting Old Job Back		
Definition 2			
Moderate-lenient	-0.872	-0.059	1.295
Strict-moderate	0.225	-0.025	0.497
Strict-lenient	-0.647	-0.084***	1.793***
Definition 3			
Moderate-lenient	-1.046	-0.088**	2.683***
Strict-moderate	1.361	0.000	-1.668**
Strict-lenient	0.315	-0.088***	1.015

NOTE: Definition 2: States are characterized according to information collected from state agency sources and are categorized as follows: strict states are Iowa, Texas, Utah; moderate states are North Carolina and South Carolina; and lenient states are Idaho, Maryland, Pennsylvania, and Wisconsin.

Definition 3: Same as definition 2 except that it uses an alternative characterization of strictness of ES registration in which simultaneous ES and UI registration is considered strict. As a result, North Carolina moves to the strict group, and Idaho moves to the moderate group.

*** Difference is significant at the 99 percent level of statistical confidence.
** Difference is significant at the 95 percent level of statistical confidence.
* Difference is significant at the 90 percent level of statistical confidence.

TABLE A.7

COMPARISON OF COEFFICIENT ESTIMATES FROM OLS REGRESSIONS AND
PROBIT REGRESSIONS FOR THE PROBABILITY OF SEARCHING
FOR WORK AND THE PROBABILITY OF BEING REEMPLOYED
WITHIN SIX MONTHS

Independent Variables	Dependent Variables			
	SEARCH		REEMPL6	
	OLS	PROBIT[a]	OLS	PROBIT[a]
Intercept	1.092***	0.540***	0.721***	0.200
AGE	0.001	-0.000	-0.001	-0.001
AGESQ	-0.000	-0.000	-0.000	-0.000
FEMALE	-0.026	-0.024	-0.043*	-0.042*
MARRIED	-0.044**	-0.043*	0.011	0.010
PARTNERW	0.012	0.012	0.006	0.007
DEPKIDS	-0.013	-0.010	0.063***	0.065***
HISPANIC	-0.015	-0.021	-0.014	-0.015
BLACK	0.045*	0.066**	-0.100***	-0.089***
OTHRACE	0.064	0.053	-0.002	-0.004
EARNWKO	0.005	0.003	0.007	0.007
LASTDUR	-0.033**	-0.026*	-0.029	-0.029
LNOWORK	0.029	0.045*	0.045*	0.042*
RECALL	-0.363***	-0.191***	0.142***	0.189***
TRADEIMP	-0.015	-0.015	0.074**	0.068**
Q4DRMFG	-0.037	-0.056**	-0.059*	-0.053*
Q4NDRMFG	-0.096***	-0.098***	0.035	0.042
Q4CONSTR	-0.022	-0.032	0.030	0.030
Q4AGMINE	-0.011	-0.040	-0.055	-0.053
Q5WHITEC	0.039**	0.046**	0.069**	0.067**
WBAMT	-0.043**	-0.038*	0.028	0.025
MBENDUR	-0.002	-0.004**	-0.003	-0.003
URMNUIDT	-0.000	-0.001	-0.010	-0.011
IDAHO	-0.114**	-0.149***	0.082	0.076
IOWA	0.022	0.122*	-0.066	-0.050
MARY	0.000	0.054	0.147***	0.138**
PENNA	-0.073	-0.099*	0.029	0.031
SCAR	-0.002	0.034	-0.022	-0.015
TEXAS	-0.017	-0.028	0.020	0.020
UTAH	-0.098	-0.152**	0.123	0.112
WISC	-0.042	-0.061	0.033	0.032
IDTEMPOF	-0.089**	-0.060	0.080	0.076
IOTEMPOF	0.003	-0.100	0.122*	0.097
MDTEMPOF	-0.209***	-0.249***	0.052	0.078
PATEMPOF	-0.237***	-0.139***	0.119**	0.098*
NCTEMPOF	-0.172***	-0.184***	0.074	0.056
SCTEMPOF	0.050	-0.014	0.197***	0.168***
TXTEMPOF	-0.070	-0.085*	-0.022	-0.024
UTTEMPOF	-0.272***	-0.210***	0.071	0.135
WITEMPOF	-0.255***	-0.185***	0.168***	0.175***

TABLE A.7 (continued)

NOTE: See Table A.1 for definitions of independent variable names.

a
 Marginal impacts evaluated at the mean value of the dependent variable.

***Coefficient estimate is significantly different from zero at the 99 percent
    confidence level for a two-tailed test.
 **Coefficient estimate is significantly different from zero at the 95 percent
    confidence level for a two-tailed test.
   *Coefficient estimate is significantly different from zero at the 90 percent
    confidence level for a two-tailed test.

APPENDIX B

CLAIMANT SURVEY RESULTS

CLAIMANT SURVEY RESULTS

The goal of the survey was to complete 300 interviews with claimants in each of the ten states. The original study design assumed that the survey would attain a 70 percent completion rate, so that 430 names would be required for 300 completions. This design necessitated that we draw the sample from individuals who applied for UI benefits during September and October 1985, and begin interviewing in March 1986 (i.e., six months later). This interval is important to the success of the survey since it represents the age of most of the contact information (i.e., the addresses and telephone numbers) given to us by the UI agencies. However, the design was subsequently changed, which forced a downward adjustment in the expected survey completion rates. The first change was a decision to draw the sample from a longer time period so as to increase the seasonal representativeness of the sample. The sample was actually drawn from individuals who applied for benefits between April and December 1985. The second change was caused by delays in the interview clearance process, which in turn delayed the start of the survey until almost July 1986. Thus, claimants were interviewed an average of 12 months, but up to 16 months, after they applied for benefits.

Despite these changes, we reached the originally decided 70 percent target in two states, and reached completion rates well above 60 percent in four more states, as shown in Table B.1. The experience in these six states compares favorably with previous efforts of this type. It is noteworthy that the refusal rate is consistently low--under 5 percent for

TABLE B.1

CLAIMANT SURVEY FINAL STATUS REPORT

	AZ		ID		IA		MD		NC		PA		SC		TX		UT		WI		Total	
Total Sample Released	530		430		430		431		430		500		431		530		430		430		4,572	
Never collected benefits/ deceased	14		12		6		12		15		24		12		14		2		8		119	
Eligible Sample	516	(%)	418	(%)	424	(%)	419	(%)	415	(%)	476	(%)	419	(%)	516	(%)	428	(%)	422	(%)	4,453	(%)
Completes	134	(26.0)	267	(63.9)	270	(63.7)	186	(44.4)	277	(66.8)	265	(55.7)	260	(62.1)	285	(55.2)	300	(70.1)	312	(73.9)	2,556	(57.4)
Partials	1	(0.2)	0	(0.0)	1	(0.2)	1	(0.2)	1	(0.2)	2	(0.4)	1	(0.2)	2	(0.4)	0	(0.0)	0	(0.0)	9	(0.2)
Refusals	18	(3.5)	19	(4.6)	33	(7.8)	17	(4.1)	8	(1.9)	14	(2.9)	18	(4.3)	28	(5.4)	21	(4.9)	27	(6.4)	203	(4.6)
Cannot locate	355	(68.8)	112	(26.8)	103	(24.3)	195	(46.5)	119	(28.7)	184	(38.7)	124	(29.6)	171	(33.1)	89	(20.8)	44	(10.4)	1,496	(33.6)
Out of area/unavailable	2	(0.4)	4	(1.0)	8	(1.9)	3	(0.7)	1	(0.2)	2	(0.4)	5	(1.2)	8	(1.6)	8	(1.9)	4	(1.0)	45	(1.0)
Retired case (10+ attempts)	5	(1.0)	16	(3.8)	8	(1.9)	16	(3.8)	9	(2.2)	7	(1.5)	11	(2.6)	18	(3.5)	9	(2.1)	35	(8.3)	134	(3.0)
Other	1	(0.2)	0	(0.0)	1	(0.2)	1	(0.2)	0	(0.0)	2	(0.4)	0	(0.0)	4	(0.8)	1	(0.2)	0	(0.0)	10	(0.2)

most states. Our inability to locate sample members at all accounts for the majority of the cases that did not reach completion. This "cannot locate" group consists of individuals who had no current telephone number in the area of their last known address and did not respond to letters which requested that a telephone number be sent back to us by prepaid mail or, alternatively, that a call be returned on a toll-free line.

The survey results in the remaining four states are disappointing, extremely so in one case. The completion rates in Pennsylvania and Texas were only 55 to 56 percent; the rate in Maryland was 44 percent, while the rate in Arizona was only 26 percent. Once again, the problem was our inability to locate a large number of the sample members. Our analysis of the causes of the low completion rates in these states showed two specific factors. The first was that mobility in the Southwest is high, so that even when we had a telephone number it was often disconnected and the person had moved by the time we called. This affected our samples in Texas and, less directly for the reason discussed below, Arizona. Moreover, the problem was exacerbated by the long time interval between UI application and our survey. The second contributing factor was that the UI data we obtained from some states were much less complete than we had expected. Three states--Arizona, Maryland, and Pennsylvania--could not provide telephone numbers. (A few other states could not provide telephone numbers for parts of the sample.) The situation was further complicated in Maryland, because the state could not provide the first names of sample members, which would have been very helpful for using directory assistance or mailing letters to solicit contact information.

Our assessment of these survey results is that they range from acceptable to good for eight of the states, and that, in these cases, they present no problems for the analysis. The results for Maryland are marginal, but after some sensitivity testing we concluded that the Maryland sample could be used in the analysis. The results for Arizona present a higher degree of analytical risk, and that state is generally omitted from comparative analyses based on claimant data.

APPENDIX C

CLAIMANT SURVEY INSTRUMENT

EXPIRES: 9/30/86   BENEFIT YEAR BEGIN DATE: |___|___|-|___|___|-|___|___|

MPRI #: 893   CURRENT STATE OF
                           RESIDENCE: _____ |___|___|

WORK SEARCH AMONG
UNEMPLOYMENT INSURANCE CLAIMANTS
TELEPHONE QUESTIONNAIRE

```
+--------------------------------------------+
|  INTERVIEW DATE:                           |
|                                            |
|  |___|___|  |___|___|  |___|___|           |
|    MONTH      DAY         YEAR             |
+--------------------------------------------+
```

UPON CONTACTING DESIGNATED SAMPLE MEMBER:

My name is _____ and I'm calling from Mathematica Policy
Research in Princeton, New Jersey. We are conducting a survey for the United
States Department of Labor. The purpose of the survey is to improve services
to people who collect unemployment insurance. The interview takes about 15
minutes. We could do it right now or I could call you back at a more
convenient time.

CONTINUE IF NECESSARY:

        We are calling people who established claims for unemployment benefits
during the past year. That's why we contacted you.

ADDITIONAL INFORMATION. READ ONLY IF SAMPLE MEMBER REQUESTS MORE INFORMATION.

I DON'T COLLECT ANYMORE/I COLLECTED FOR A VERY SHORT TIME:
        We are calling a group of people who collected benefits during the
last year. The interview goes very quickly.

I'M NOT INTERESTED:

        Let me reassure you that we are not selling anything. Your
participation in the survey is very important. Any information you give me
will be held in the strictest confidence.

IF DISSATISFIED WITH LOCAL UNEMPLOYMENT AGENCIES SAY:
        I understand. Your comments will be especially important to the
research. The United States Department of Labor wants to have feedback from
people who were satisfied and people who were dissatisfied with their
experiences.

HOW SAMPLE MEMBER'S NAME WAS SELECTED: Your name has been selected as part of
a random sample of individuals in your county who filed for unemployment
benefits during the past year.

CONFIDENTIALITY:

        Any information you give me will be held in the strictest confidence
by my company and will be used only for the purposes of this study. Your name
will never be used in reporting the results of the study and your answers to
questions will not affect your eligibility for any public program.

1. According to (STATE) Unemployment Insurance records, you established a claim for unemployment benefits on or about (BENEFIT YEAR BEGIN DATE).

   Did you actually begin to collect any unemployment insurance benefits on or about (BENEFIT YEAR BEGIN DATE)?

                                         YES. . . . (SKIP TO Q.4) 01

                                         NO 00

2. Have you collected any unemployment benefits within the last eighteen months, that is, since (MONTH AND YEAR EIGHTEEN MONTHS AGO)?

Today	18 Mos. Ago	
		YES. 01
June	Dec. 84	NO . .(INTERVIEWER, CONFIRM
July	Jan. 85	RESPONDENT IS THE CORRECT
August	Feb. 85	SAMPLE MEMBER AND
		TERMINATE INTERVIEW). . . .00

3. When did you begin to collect unemployment benefits after (MONTH AND YEAR, EIGHTEEN MONTHS AGO)? If you received benefits more than once during the last eighteen months, please tell me about the first time you collected benefits during that period.

   o INTERVIEWER: DATE MUST FOLLOW DATE EIGHTEEN MONTHS AGO.

   o THIS DATE BECOMES BENEFIT YEAR BEGIN DATE, REPLACING DATE PRINTED ON CONTACT SHEET.

                            |__|__| |__|__| |__|__|
                              MONTH   DAY   YEAR

4. I'd like to ask you about the job you had just before you filed for unemployment benefits at that time.

   o PROBE, IF NECESSARY: The job you had that made you eligible to collect unemployment insurance benefits.

   o IF DON'T KNOW: Then tell me about the longest job you had in the 12 months before you filed your claim around (BENEFIT YEAR BEGIN DATE).

   What kind of company did you work for? What did they make or do?

   FOR EXAMPLE: TV AND RADIO MANUFACTURER, RETAIL SHOE STORE, DAIRY FARM.

   _____

   _____

   _____ |__|__|__|
                                                                CODERS ONLY

5. What did you do there—what was your job?

    FOR EXAMPLE: ELECTRICAL ENGINEER, STOCKCLERK, DAIRY FARMER.

    o **PROBE FOR CLEAR AND DESCRIPTIVE JOB TITLE.**

    _____

    _____

    _____|__|__|__|__|
                                                    CODERS ONLY

6. When did you start working for that employer? If you worked there more
    than once, tell me the first time you started before you applied for
    unemployment insurance around (BENEFIT YEAR BEGIN DATE).

    o **INTERVIEWER: DATE MUST BE BEFORE BENEFIT YEAR BEGIN DATE.**

                           |__|__| |__|__| |__|__|
                            MONTH   DAY   YEAR

7. How many hours per week did you usually work on that job? Please include
    regular overtime hours.

                                      |__|__|__|
                                    # HOURS PER WEEK

8. How much were your usual weekly earnings when you left that job, before
    taxes and other deductions? Please include tips, commissions, and
    regular overtime.

    o **INTERVIEWER: IF NECESSARY, CONFIRM PAY PERIOD.**

                         $|__|__|__|,|__|__|__|

                         PER WEEK. 01

                         ONCE EVERY TWO WEEKS. 02

                         TWICE A MONTH 03

                         PER MONTH 04

                         PER YEAR. 05

                         IN-KIND ONLY. . . . . -4

3

9. What was the last date that you worked on that job before you applied for unemployment insurance benefits around (BENEFIT YEAR BEGIN DATE).

   o **INTERVIEWER: DATE MUST BE BEFORE BENEFIT YEAR BEGIN DATE.**

   |___|___| |___|___| |___|___|
   MONTH   DAY   YEAR

                              NEVER LEFT JOB. .(SKIP TO Q.88) . -4

10. Which of the following best describes the way that job ended: You were laid off for lack of work, you quit for health or personal reasons, you quit because of unsatisfactory working arrangements, you were fired, or was there some other reason?

    o **PROBE, IF NECESSARY:** The time just before you filed for unemployment benefits around (BENEFIT YEAR BEGIN DATE).

    o **PROBE IF "OTHER REASON":** What was the reason?

                     LAID OFF FOR LACK OF WORK 01

                     QUIT FOR HEALTH OR PERSONAL
                     REASONS . . . . . (SKIP TO Q.15). 02

                     QUIT BECAUSE OF UNSATISFACTORY
                     WORKING ARRANGEMENTS. . (SKIP TO Q.15). . . 03

                     FIRED . . . . . . (SKIP TO Q.15). 04

                     LABOR DISPUTE 05

                     OTHER-SPECIFY . . (SKIP TO Q.15). 06

                     _____

                     _____

                     _____|___|___|
                                                        CODERS ONLY

                     NEVER LEFT JOB .(SKIP TO Q.88) . . . .-4

4

11. At the time that you were laid off, did you expect to go back to that job?

    o **PROBE, IF NECESSARY:** Did you think it would be a temporary layoff?

                                    YES 01

                                    NO. . . . .(SKIP TO Q.13) 00

12. When you were laid off, did you get a definite recall date?

                                    YES 01

                                    NO. 00

13. Did you go back to that job?

                                    YES . . . . .(SKIP TO Q.15) 01

                                    NO. 00

14. Do you expect to go back to that job?

                                    YES 01

                                    NO. 00

15. Now, I'd like to ask about the period of time when you were collecting unemployment benefits after (BENEFIT YEAR BEGIN DATE). (While you were collecting benefits/before you were recalled to work), did you look for work?

                                    YES 01

                                    NO. . . . .(SKIP TO Q.34) 00

16. I'm going to read a list of a number of things people sometimes do when looking for work. I'd like you to tell me whether you did any of these things <u>while you were collecting</u> unemployment benefits.

Did you. . .

<div align="right">
CIRCLE
YES OR NO FOR EACH
</div>

		YES	NO
a.	check with the state Job Service?	01	00
b.	check with any private employment agency?	01	00
c.	ask friends or relatives about job openings?	01	00
d.	look at want ads?	01	00
e.	<u>answer</u> any ads?	01	00
f.	<u>place</u> any ads in newspapers or other publications?.	01	00
g.	apply directly with possible employers?	01	00
h.	check with your union, if you are a member?.	01	00
i.	do anything else to try to find a job?.	01	00

SPECIFY:_____

_____

_____ |___|___|___|
<div align="right">CODERS ONLY</div>

17. Either when you applied for or while you were collecting benefits, did you register with the state Job Service?

YES (INCLUDES YES,
REQUIRED FOR
UNSPECIFIED REASON) 01

YES, REQUIRED IN ORDER TO
BECOME ELIGIBLE FOR OR
TO CONTINUE TO RECEIVE
BENEFITS (SKIP TO Q.19) 02

NO . . . . (SKIP TO Q.25) 00

18. Did the unemployment insurance agency <u>require</u> you to register with the Job Service in order to receive unemployment insurance benefits?

YES 01

NO. . . . . .(SKIP TO Q.20) 00

19. Were you required to register with the Job Service within the <u>first</u> month after you applied for benefits around (BENEFIT YEAR BEGIN DATE), or was it at some later time?

FIRST MONTH 01

LATER 02

```
┌──────────────────────────────────────────────────────────┐
│                                                            │
│   o  INTERVIEWER, SKIP TO QUESTION 21.                     │
│                                                            │
└──────────────────────────────────────────────────────────┘
```

20. Did you register with the Job Service within the <u>first</u> month after you applied for benefits around (BENEFIT YEAR BEGIN DATE), or was it at some later time?

FIRST MONTH. 01

LATER. 02

21. Did you. . .

	CIRCLE YES OR NO FOR EACH	
	YES	NO
a. go to the state Job Service in person?.	01	00 (SKIP TO Q.2)
b. attend a group session which taught you how to find jobs?.	01	00
c. receive any one-on-one counseling about improving your job search techniques?	01	00
d. use the job listings?	01	00

22. When you went to the Job Service, were you referred to any employers?

o **IF YES, ASK:** How many employers were you referred to?

YES . . . .|___|___|
EMPLOYERS
REFERRED TO

NO. . . . .(SKIP TO Q.27) 00

23. Did you get any job offers as a result of referrals by the Job Service?

    o **IF YES, ASK:** How many job offers did you get?

YES . . . .|___|___|
                        # JOB OFFERS

NO. . . . .(SKIP TO Q.27) 00

24. Did you accept any of those offers?

YES 01

NO. 00

```
┌─────────────────────────────────────────────────────────────┐
│                                                               │
│    o   INTERVIEWER, SKIP TO QUESTION 27.                      │
│                                                               │
└─────────────────────────────────────────────────────────────┘
```

25. Did the unemployment insurance agency tell you that you had to register with the Job Service in order to receive unemployment insurance benefits?

YES 01

NO. . . . .(SKIP TO Q.27) 00

26. Were you told to register with the Job Service within the <u>first</u> month after you applied for benefits around (BENEFIT YEAR BEGIN <u>DATE)</u>, or was it at some later time?

FIRST MONTH 01

LATER 02

27. How many weeks were you actively looking and available for work while you were collecting benefits after (BENEFIT YEAR BEGIN DATE)?

|___|___|
   # WEEKS

28. And about how many hours per week on the average would you say you spent looking for work during that period?

|___|___|
 # HOURS PER WEEK

29. On the average, about how many different employers did you visit, in-person, each week while you were collecting unemployment benefits? Please do not include telephone and mail contacts.

|__|__|
EMPLOYERS VISITED IN
PERSON PER WEEK

NONE. 00

30. And about how many other employers did you contact each week by mail during that period?

|__|__|
EMPLOYERS CONTACTED BY
MAIL PER WEEK

NONE. 00

31. Were there any others that you contacted just by telephone?

o IF "YES", ASK: How many?

YES . . . .|__|__|
EMPLOYERS CONTACTED BY
PHONE PER WEEK

NO. 00

32. Did you stop looking for work after that period, or are you still looking?

STOPPED LOOKING 01

STILL LOOKING . (SKIP TO Q.45). . 02

33. Ok, now I'd like to know why you stopped looking for a job during the time after you began to collect unemployment benefits around (BENEFIT YEAR BEGIN DATE). Was it because you started working again or was there some other reason?

o **PROBE IF "OTHER REASON"**: What was the reason?

CIRCLE ALL
THAT APPLY

REEMPLOYED 01

EXPECTED TO GET OLD JOB BACK 01

RETIRED. 01

COULDN'T FIND ANY WORK 01

LACKED NECESSARY SCHOOLING,
TRAINING, SKILLS OR EXPERIENCE 01

EMPLOYERS THINK TOO YOUNG OR TOO OLD 01

OTHER PERSONAL HANDICAP IN FINDING JOB,
INCLUDING RACIAL OR SEXUAL DISCRIMINATION. 01

COULDN'T ARRANGE CHILD CARE. 01

OTHER FAMILY RESPONSIBILITY. 01

IN SCHOOL OR OTHER TRAINING 01

ILL HEALTH, OR PHYSICAL DISABILITY 01

OTHER-SPECIFY: 01

_____

_____

_____| | | |
CODERS ONLY

o **INTERVIEWER, SKIP TO QUESTION 45.**

10

34. Why didn't you look for work?

   o **PROBE IF "OTHER REASON"**: What was the reason?

NEW JOB TO START 01

EXPECTED TO GET OLD JOB BACK/TEMPORARY LAYOFF. 01

EXPECTED UNION TO PROVIDE JOB. 01

RETIRED. 01

BELIEVED NO WORK AVAILABLE IN LINE OF WORK OR AREA . . 01

LACKED NECESSARY SCHOOLING, TRAINING, SKILLS,
EXPERIENCE 01

TOO YOUNG, TOO OLD 01

OTHER PERSONAL HANDICAP IN FINDING A JOB,
INCLUDING RACIAL OR SEXUAL DISCRIMINATION. 01

COULDN'T ARRANGE CHILD CARE. 01

OTHER FAMILY RESPONSIBILITY. 01

IN SCHOOL OR OTHER TRAINING. 01

ILL HEALTH, PHYSICAL DISABILITY. 01

OTHER-SPECIFY: 01

_____

_____

_____|___|___|
                                          CODERS ONLY

35. Either when you applied for or while you were collecting benefits, did
     you register with the state Job Service?

                              YES (INCLUDES YES,
                              REQUIRED FOR
                              UNSPECIFIED REASON) 01

                              YES, REQUIRED IN ORDER TO
                              BECOME ELIGIBLE FOR OR
                              TO CONTINUE TO RECEIVE
                              BENEFITS (SKIP TO Q.37) 02

                              NO . . . . (SKIP TO Q.43) 00

36. Did the unemployment insurance agency <u>require</u> you to register with the Job Service in order to receive unemployment insurance benefits?

YES 01

NO. . . . . .(SKIP TO Q.38) 00

37. Were you required to register with the Job Service within the <u>first</u> month after you applied for benefits around (BENEFIT YEAR BEGIN DATE), or was it at some later time?

FIRST MONTH 01

LATER 02

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┌──────────────────────────────────────────────────────┐
│                                                        │
│   o  INTERVIEWER, SKIP TO QUESTION 39.                 │
│                                                        │
└──────────────────────────────────────────────────────┘
```

38. Did you register with the Job Service within the <u>first</u> month after you applied for benefits around (BENEFIT YEAR BEGIN DATE), or was it at some later time?

FIRST MONTH. 01

LATER. 02

39. Did you. . .

<div align="right">

CIRCLE
YES OR NO FOR EACH

</div>

		YES	NO
a.	go to the state Job Service in person?.	01	00 (SKIP TO Q.4:
b.	attend a group session which taught you how to find jobs?.	01	00
c.	receive any one-on-one counseling about improving your job search techniques?	01	00
d.	use the job listings?	01	00

40. When you went to the Job Service, were you referred to any employers?

o IF YES, ASK: How many employers were you referred to?

YES . . . .|___|___|
EMPLOYERS
REFERRED TO

NO. . . . .(SKIP TO Q.45) 00

12

50. Why were you disqualified?

(AGENCY SAID) SAMPLE MEMBER DID NOT LOOK FOR WORK. . . 01

(AGENCY SAID) SAMPLE MEMBER NOT ABLE TO WORK
OR NOT AVAILABLE FOR WORK. 01

(AGENCY SAID) SAMPLE MEMBER TURNED DOWN JOB. 01

OTHER - SPECIFY. 01

_____

_____

_____

_____|___|___|_|___|___|
                                   CODERS ONLY

51. During the period when you collected unemployment benefits, did the
unemployment insurance agency require you to look for work <u>every week</u> in
order to continue to receive the benefits?

YES 01

NO. 00

DON'T KNOW. . . . . -1

52. During that period, did the unemployment insurance agency require you to
contact several different employers each week in order to continue to
receive the benefits?

YES 01

NO. . . . . .(SKIP TO Q.64) . . . 00

DON'T KNOW. .(SKIP TO Q.64) . . . -1

53. How many different employers were you required to contact <u>each week</u>?

|___|___|
EMPLOYERS REQUIRED

DON'T KNOW. . . . . -1

15

46. How many weeks did you collect unemployment benefits before you went back to work?

|___|___|
WEEKS

```
o  INTERVIEWER, RECORD # WEEKS AND SKIP TO Q.48.
```

47. How many weeks did you collect unemployment benefits after (BENEFIT YEAR BEGIN DATE)?

|___|___|
WEEKS

48. How much did you usually receive per week during that period?

o INTERVIEWER: CONFIRM THAT AMOUNT IS
   FOR WEEKLY RECEIPT.

$|___|___|___|
AMOUNT PER WEEK

o INTERVIEWER: USE ONLY IF
   SAMPLE MEMBER RECEIVED   ----------------->
   ONE LUMP SUM PAYMENT.

$|___|,|___|___|___|
LUMP SUM PAYMENT

49. Why did you stop collecting?

o INTERVIEWER: IF MORE THAN ONE RESPONSE GIVEN,
   CIRCLE THE CODE THAT COMES FIRST ON THE LIST.

CIRCLE ONLY
ONE CODE

REEMPLOYED. . . . . . .(SKIP TO Q.51). . 01

EXHAUSTED BENEFITS. . .(SKIP TO Q.51). . 02

DISQUALIFIED 03

STOPPED VOLUNTARILY – NOT
BECAUSE REEMPLOYED. . .(SKIP TO Q.51). . 04

OTHER-SPECIFY:. . . . .(SKIP TO Q.51). . 05

_____

_____

_ _____|___|___|

STILL COLLECTING. . . .(SKIP TO Q.51). . 06

14

59. In your opinion, are the states's requirements for contacting employers in order to collect unemployment benefits reasonable, or are they unreasonable?

                              REASONABLE. 01

                              UNREASONABLE. 00

                              DON'T KNOW. . . . . -1

60. When you collected unemployment benefits after (BENEFIT YEAR BEGIN DATE), were you ever denied or did you ever lose your benefits for one or more weeks because the unemployment insurance agency said that you didn't adhere to the requirements for contacting employers?

                              YES 01

                              NO. . . . . .(SKIP TO Q.62) 00

61. For how many weeks were you denied unemployment benefits during that period for not adhering to the requirements for contacting employers?

                                              |___|___|
                                        # WEEKS DENIED BENEFITS

                              DISQUALIFIED ENTIRELY/
                              BENEFITS STOPPED. . . . . -4

62. When you collected unemployment benefits after (BENEFIT YEAR BEGIN DATE), were you ever denied or did you ever lose your benefits for one or more weeks because the unemployment insurance agency said that you turned down a job?

                              YES. 01

                              NO . . . . .(SKIP TO Q.64) 00

63. For how many weeks were you denied unemployment benefits during that period for turning down a job?

                                              |___|___|
                                        # WEEKS DENIED BENEFITS

                              DISQUALIFIED ENTIRELY/
                              BENEFITS STOPPED. . . . . -4

64. **INTERVIEWER: CODE WITHOUT ASKING, IF KNOWN.**

    Have you done any work for pay since (BENEFIT YEAR BEGIN DATE)?

                              YES 01

                              NO. . . . . .(SKIP TO Q.79) 00

number of employers that you contacted each week in order to continue to receive unemployment benefits?

CODE REQUIREMENTS TO REPORT A MINIMUM NUMBER BUT NOT THE TOTAL NUMBER OF EMPLOYERS CONTACTED EACH WEEK AS "01", YES.	YES . . . . 01 NO. . . . . . .(SKIP TO Q.60) . . . 00 DON'T KNOW. .(SKIP TO Q.60) . . . -1

55. Did the unemployment insurance agency also require you to report to them. . .

CIRCLE, YES, NO, OR
SOMETIMES FOR EACH

	YES	NO	SOME TIMES
a. the addresses of the employers that you contacted each week?	01	00	02
b. the telephone numbers of those employers?.	01	00	02
c. the names or titles of the people you spoke to at those employers?.	01	00	02
d. the dates on which you contacted those employers?.	01	00	02

56. Did the state's requirements for contacting employers in order to receive benefits cause you to contact more employers than you would have without the requirements?

YES 01

NO. 00

57. Did the state's requirements for contacting employers cause you to contact the same employers more than once, or to contact the same employers more often than you would have without the requirements?

YES 01

NO. 00

58. In your opinion, were the state's requirements for contacting employers helpful to you in looking for work, or were they not helpful?

HELPFUL. 01

NOT HELPFUL. 00

DON'T KNOW . . . .-1

41. Did you get any job offers as a result of referrals by the Job Service?

   o **IF YES, ASK:** How many job offers did you get?

                                        YES . . . .|___|___|
                                                              # JOB OFFERS

                                        NO. . . . .(SKIP TO Q.45) 00

42. Did you accept any of those offers?

                                        YES 01

                                        NO. 00

+--+
| |
| o **INTERVIEWER, SKIP TO QUESTION 45.** |
| |
+--+

43. Did the unemployment insurance agency tell you that you had to register
    with the Job Service in order to receive unemployment insurance benefits?

                                        YES 01

                                        NO . . . . (SKIP TO Q.45) 00

44. Were you told to register with the Job Service within the <u>first</u> month
    after you applied for benefits around (BENEFIT YEAR BEGIN <u>DATE</u>), or was
    it at some later time?

                                        FIRST MONTH 01

                                        LATER 02

45. **INTERVIEWER: CODE WITHOUT ASKING, IF KNOWN:**

    After you began to receive benefits around (BENEFIT YEAR BEGIN DATE), did
    you go back to work for a former or new employer?

                                        YES. 01

                                        NO . . . .(SKIP TO Q.47) 00

13

including any part-time or self-employed jobs you may have had since (BENEFIT YEAR BEGIN DATE), beginning with the first.

o   PROBE: Any others?

o   IF MORE THAN FIVE JOBS, LIST FIRST FOUR AND CURRENT OR MOST RECENT.

FOR EACH EMPLOYER, ASK:

a.   When did you start working for (NAME OF EMPLOYER)?

    o   PROBE FOR BEGINNING, MIDDLE, OR END OF MONTH IF SAMPLE MEMBER
       CANNOT GIVE EXACT DATES.

b.   o   INTERVIEWER, IF UNKNOWN, ASK: When did that job end?

    o   IF STILL WORKING, CIRCLE CODE FOR "STILL AT JOB".   RECORD DATE OF
       INTERVIEW IN END DATE ONLY IF JOB TERMINATED ON DATE OF INTERVIEW.

c.   Did you work on that job continuously from (START DATE) to (END DATE)?

IF NO, SAY: I need to find out the dates of each time you worked for (EMPLOYER).   When was the first time you stopped working there after (START DATE)?   And when were the other times you worked for (EMPLOYER) since (BENEFIT YEAR BEGIN DATE)?

TREAT A JOB INTERRUPTED BY TWO OR MORE UNPAID WEEKS AS SEPARATE JOBS.

JOB NUMBER	EMPLOYER NAME	DATES EMPLOYED	
		START DATE	END DATE
|__|	_____	|__|__| |__|__| |__|__| MONTH DAY YEAR	|__|__| |__|__| |__|__| MONTH DAY YEAR STILL AT JOB. . . . . . . -4
|__|	_____	|__|__| |__|__| |__|__| MONTH DAY YEAR	|__|__| |__|__| |__|__| MONTH DAY YEAR STILL AT JOB. . . . . . . -4
|__|	_____	|__|__| |__|__| |__|__| MONTH DAY YEAR	|__|__| |__|__| |__|__| MONTH DAY YEAR STILL AT JOB. . . . . . . -4
|__|	_____	|__|__| |__|__| |__|__| MONTH DAY YEAR	|__|__| |__|__| |__|__| MONTH DAY YEAR STILL AT JOB. . . . . . . -4
|__|	_____	|__|__| |__|__| |__|__| MONTH DAY YEAR	|__|__| |__|__| |__|__| MONTH DAY YEAR STILL AT JOB. . . . . . . -4

NUMBER JOBS ACCORDING TO START DATE FROM FIRST JOB AFTER BENEFIT YEAR BEGIN DATE TO MOST RECENT, AND ASK ABOUT JOBS IN THIS ORDER

JOB #1   =   FIRST JOB AFTER BENEFIT YEAR BEGIN DATE
JOB #2   =   SECOND JOB AFTER BENEFIT YEAR BEGIN DATE
JOB #3   =   THIRD JOB AFTER BENEFIT YEAR BEGIN DATE,
            OR CURRENT OR MOST RECENT JOB IF MORE THAN 3.

Now I'd like to ask some questions about (this job/[some of] these jobs).

18

66.	Let's talk about the job you (have/had) at (EMPLOYER), (where you worked between [DATES OF PERIOD]/where you are working now).	FROM: ⌊⌊⌋ ⌊⌊⌋ ⌊⌊⌋ MONTH DAY YEAR TO: ⌊⌊⌋ ⌊⌊⌋ ⌊⌊⌋ MONTH DAY YEAR STILL AT JOB . . . -4	FROM: ⌊⌊⌋ ⌊⌊⌋ ⌊⌊⌋ MONTH DAY YEAR TO: ⌊⌊⌋ ⌊⌊⌋ ⌊⌊⌋ MONTH DAY YEAR STILL AT JOB . . . -4	FROM: ⌊⌊⌋ ⌊⌊⌋ ⌊⌊⌋ MONTH DAY YEAR TO: ⌊⌊⌋ ⌊⌊⌋ ⌊⌊⌋ MONTH DAY YEAR STILL AT JOB . . . -4
67.	CODE WITHOUT ASKING IF KNOWN: Is this the same employer as the one you had on the job which ended before (BENEFIT YEAR BEGIN DATE)?	YES .(GO TO Q.70) . 01 NO. 00	YES .(GO TO Q.70) . 01 NO. 00	YES .(GO TO Q.70) . 01 NO. 00
68.	FOR JOB #2 OR 3, IF THIS IS SAME EMPLOYER AS JOB #1, CIRCLE CODE 01 WITHOUT ASKING. How did you find this job?	RECALL BY FORMER EMPLOYER. . . . . . 01 PRIVATE EMPLOYMENT AGENCY. . . . . . . 02 STATE EMPLOYMENT AGENCY/STATE JOB SERVICE . . . . . 03 FRIENDS AND RELATIVES . . . . . 04 WANT ADS. . . . . 05 UNION HALL. . . . . 06 DIRECTLY WITH EMPLOYER. . . . . 07 OTHER--SPECIFY: . . 08 ⌊⌊⌋⌋	RECALL BY FORMER EMPLOYER. . . . . . 01 PRIVATE EMPLOYMENT AGENCY. . . . . . . 02 STATE EMPLOYMENT AGENCY/STATE JOB SERVICE . . . . . 03 FRIENDS AND RELATIVES . . . . . 04 WANT ADS. . . . . 05 UNION HALL. . . . . 06 DIRECTLY WITH EMPLOYER. . . . . 07 OTHER--SPECIFY: . . 08 ⌊⌊⌋⌋	RECALL BY FORMER EMPLOYER. . . . . . 01 PRIVATE EMPLOYMENT AGENCY. . . . . . . 02 STATE EMPLOYMENT AGENCY/STATE JOB SERVICE . . . . . 03 FRIENDS AND RELATIVES . . . . . 04 WANT ADS. . . . . 05 UNION HALL. . . . . 06 DIRECTLY WITH EMPLOYER. . . . . 07 OTHER--SPECIFY: . . 08 ⌊⌊⌋⌋
69.	What kind of company is (EMPLOYER)? What (do/did) they make or do?	_____ _____ _____ ⌊⌊⌋⌋⌋	_____ _____ _____ ⌊⌊⌋⌋⌋	_____ _____ _____ ⌊⌊⌋⌋⌋
70.	What (do/did) you do there--what (is/was) your job? o PROBE FOR CLEAR AND DESCRIPTIVE JOB TITLE.	_____ _____ _____ ⌊⌊⌋⌋⌋	_____ _____ _____ ⌊⌊⌋⌋⌋	_____ _____ _____ ⌊⌊⌋⌋⌋
71.	How many hour per week (do/did) you usually work on that job (between [DATES OF PERIOD])? Please include regular overtime hours.	⌊⌊⌋⌋ # HOURS PER WEEK	⌊⌊⌋⌋ # HOURS PER WEEK	⌊⌊⌋⌋ # HOURS PER WEEK

		(FIRST JOB AFTER DATE IN Q.9)	(SECOND JOB AFTER DATE IN Q.9)	(MOST RECENT JOB IF MORE THAN 3)
72.	How much (are/were) your usual weekly earnings (on this/ when you left that) job, before taxes and other deductions? Please include tips, commissions, and regular overtime. o IF NECESSARY, CONFIRM PAY PERIOD.	$|_|_|_|,|_|_|_| PER WEEK. . . . . . 01 ONCE EVERY TWO WEEKS . . . . 02 TWICE A MONTH . . . 03 PER MONTH . . . . . 04 PER YEAR. . . . . . 05 IN-KIND ONLY. . . . -4	$|_|_|_|,|_|_|_| PER WEEK. . . . . . 01 ONCE EVERY TWO WEEKS . . . . 02 TWICE A MONTH . . . 03 PER MONTH . . . . . 04 PER YEAR. . . . . . 05 IN-KIND ONLY. . . . -4	$|_|_|_|,|_|_|_| PER WEEK. . . . . . 01 ONCE EVERY TWO WEEKS . . . . 02 TWICE A MONTH . . . 03 PER MONTH . . . . . 04 PER YEAR. . . . . . 05 IN-KIND ONLY. . . . -4
73.	IF THIS IS A CURRENT JOB, CIRCLE CODE 03 WITHOUT ASKING. Did you look for work at all after this job ended?	YES . . . . 01 NO. .(GO TO Q.75) . 00 CURRENT JOB . . . . .(GO TO Q.78) . 03	YES . . . . 01 NO. .(GO TO Q.75) . 00 CURRENT JOB . . . . .(GO TO Q.78) . 03	YES . . . . 01 NO. .(GO TO Q.75) . 00 CURRENT JOB . . . . .(GO TO Q.79) . 03
74.	How many weeks were you actively looking and available for work after this job ended?	|_|_| # WEEKS WHOLE PERIOD. . . . -4	|_|_| # WEEKS WHOLE PERIOD. . . . -4	|_|_| # WEEKS WHOLE PERIOD. . . . -4
75.	Did you collect any unemployment benefits after this job ended?	YES . . . . 01 NO. .(GO TO Q.78) . 00	YES . . . . 01 NO. .(GO TO Q.78) . 00	YES . . . . 01 NO. .(GO TO Q.79) . 00
76.	How many weeks did you collect unemployment benefits during this time?	|_|_| # WEEKS WHOLE PERIOD. . . . -4	|_|_| # WEEKS WHOLE PERIOD. . . . -4	|_|_| # WEEKS WHOLE PERIOD. . . . -4
77.	Why did you stop collecting benefits this time?	REEMPLOYED. . . . . 01 EXHAUSTED BENEFITS. . . . . . 02 DISQUALIFIED. . . . 03 STOPPED VOLUNTARILY-NOT REEMPLOYED. . . . . 04 OTHER--SPECIFY: . . 05 _____ _____|_|_| STILL COLLECTING. . 06	REEMPLOYED. . . . . 01 EXHAUSTED BENEFITS. . . . . . 02 DISQUALIFIED. . . . 04 STOPPED VOLUNTARILY-NOT REEMPLOYED. . . . . 04 OTHER--SPECIFY: . . 05 _____ _____|_|_| STILL COLLECTING. . 06	REEMPLOYED. . . . . 01 EXHAUSTED BENEFITS. . . . . . 02 DISQUALIFIED. . . . 04 STOPPED VOLUNTARILY-NOT REEMPLOYED. . . . . 04 OTHER--SPECIFY: . . 05 _____ _____|_|_| STILL COLLECTING. . 06
78.	SEE Q.65. ARE THERE MORE JOBS TO BE ASKED ABOUT?	YES . .(GO TO Q.66, ... JOB #2) . . 01 NO. 00	YES . .(GO TO Q.66, ... JOB #3) . . 01 NO. 00	* GO TO Q.79 *

What is your birthdate, when were you born?

|___|___| |___|___| |___|___|
MONTH   DAY   YEAR

80. **INTERVIEWER, CODE SEX. (ASK IF NOT OBVIOUS)**

MALE. 01

FEMALE. 02

81. Are you currently married, separated, divorced, widowed, or have you never been married?

MARRIED/COMMON LAW. . , ... 01

LIVING TOGETHER UNMARRIED 02

SEPARATED . . .(SKIP TO Q.83) . . 03

DIVORCED. . . .(SKIP TO Q.83) . . 04

WIDOWED . . . .(SKIP TO Q.83) . . 05

NEVER MARRIED .(SKIP TO Q.83) . . 06

82. Is your (husband/wife/friend) currently working for pay, either part-time or full-time?

YES 01

NO. 00

83. <u>Not</u> counting yourself, how many people currently live with you?

|___|___|
OTHER PEOPLE
IN HOUSEHOLD

84. Do you have any children who are <u>under 18</u> years of age? Please include any under 18 who do not live with you.

o   **INTERVIEWER: INCLUDE ADOPTED AND STEP-CHILDREN; EXCLUDE FOSTER CHILDREN.**

o   **IF "YES", ASK:** How many children do you have who are under 18?

YES . . . .|___|___|
CHILDREN UNDER
18 YEARS

NO. . . . .(SKIP TO Q.86) 00

85. Do you currently provide any financial support for (that child/those [NUMBER IN Q.84] children)?

o **INTERVIEWER: IF "YES" AND ANSWER IS NOT OBVIOUS, ASK:** For how many children do you provide financial support?

YES . . . .|___|___|
CHILDREN
SUPPORTED

NO. 00

86. What is your racial background?

o **INTERVIEWER: READ CATEGORIES IF NECESSARY.**

WHITE 01

BLACK 02

AMERICAN INDIAN OR
ALASKAN INDIAN. 03

ASIAN OR PACIFIC ISLANDER 04

87. Do you come from a Spanish-speaking background?

YES 01

NO. 00

This is the end of the interview. Thank you very much for you time and cooperation.

_____
INTERVIEWER NAME

|___|___|___|___|
INTERVIEWER ID#

88. **INTERVIEWER, FOR SKIPS FROM Q.9 AND Q.10 ONLY.**

Thank you very much for your cooperation. Since the remainder of this survey is for people who lost their jobs entirely, I won't need to ask you any more questions. Thank you very much for your time.

TERMINATE AND CODE FINAL STATUS ON CONTACT SHEET.

APPENDIX D

STATE WORK-SEARCH PROGRAM RULES AND
ADMINISTRATIVE PRACTICES

TABLE D.1

STATE UI WORK-SEARCH PRACTICES

State	ES Registration	ERI Application	Days Available	Number of Employer Contacts	Verification	Regular Reporting	Inflexible ERIs
Alabama	0	1	0	1	0	1	0
Arizona	1	1	0	1	0	0	0
Arkansas	0	1	1	1	1	1	0
California	0	1	1	1	0	0	0
Colorado	0	1	1	1	0	0	0
Connecticut	1	1	0	1	0	0	0
Delaware	1	1	1	0	0	1	1
Georgia	0	0	1	1	0	0	0
Idaho	1	0	1	1	0	1	0
Illinois	1	1	1	1	0	1	0
Iowa	1	1	0	1	1	1	0
Kansas	0	1	1	1	0	1	0
Louisiana	1	1	1	0	0	1	0
Maine	0	1	1	1	0	1	0
Maryland	0	0	1	1	0	1	0
Michigan	1	0	1	1	0	0	1
Minnesota	0	1	1	1	0	0	0
Mississippi	1	1	0	0	0	0	0
Missouri	1	1	1	1	0	0	1
Nebraska	1	1	0	1	0	1	0
New Hampshire	1	1	1	0	0	1	1
New Jersey	0	1	1	1	1	1	0
New Mexico	0	0	0	1	0	1	0
North Carolina	1	1	1	1	1	1	0
Ohio	1	1	1	1	0	1	0
Oklahoma	1	1	1	1	0	1	0
Pennsylvania	0	1	0	0	0	0	1
Rhode Island	0	1	1	0	0	0	1
South Carolina	1	0	1	1	0	1	0
South Dakota	1	0	0	1	1	1	0
Tennessee	0	1	1	1	1	0	0
Texas	1	1	0	1	1	1	1
Utah	1	1	1	1	0	1	1
Virginia	1	1	0	1	1	1	0
West Virginia	0	1	1	1	0	1	0
Wisconsin	0	0	1	0	0	1	0
Wyoming	0	1	1	1	0	0	0

NOTES: The variables describing state UI work-search practices are defined as follows:

ES Registration
=1 if registration is required at the start of the UI claims spell;
=0 otherwise.

ERI Application
=1 if an eligibility review is performed around the time of the initial filing for UI, or if some other substantial contact is made with each claimant at that time;
=0 otherwise.

Days Available
=1 if claimants must be available for work 5 or more days per week;
=0 if a smaller number of days available is permitted.

Number of Employer Contacts
=1 if two or more employer contacts are required for most claimants;
=0 if one or no employer contacts are required.

Verification
=1 if a sample of reported employer contacts are verified (apart from the Quality Control program);
=0 if no contacts are verified.

Regular Reporting
=1 if employer contacts must be reported weekly or biweekly;
=0 otherwise.

Inflexible ERIs
=1 if regular contact for work-search activities is maintained through regularly scheduled eligibility reviews;
=0 otherwise.

TABLE D.2

STATE ADMINISTRATIVE PRACTICES

State	Wage Request State	Single Bypass State	Double Bypass State
Alabama	0	1	0
Arizona	0	0	1
Arkansas	0	1	0
California	0	0	1
Colorado	0	0	1
Connecticut	0	0	0
Delaware	0	1	0
Georgia	0	0	1
Idaho	0	1	0
Illinois	0	1	0
Iowa	0	1	0
Kansas	0	0	1
Louisiana	0	0	1
Maine	0	1	0
Maryland	0	1	0
Michigan	1	1	0
Minnesota	1	1	0
Mississippi	0	1	0
Missouri	0	1	0
Nebraska	1	1	0
New Hampshire	0	0	0
New Jersey	1	0	0
New Mexico	0	0	1
North Carolina	0	1	0
Ohio	1	1	0
Oklahoma	0	0	1
Pennsylvania	0	1	0
Rhode Island	1	0	0
South Carolina	0	1	0
South Dakota	0	0	1
Tennessee	0	0	1
Texas	0	1	0
Utah	0	0	1
Virginia	0	0	1
West Virginia	0	0	1
Wisconsin	1	1	0
Wyoming	0	0	1

NOTE: These variables represent state characteristics as of early 1984. They were collected through a survey of regional offices conducted as part of a study of the feasibility of developing cost standards for the UI program. For a discussion of the method used to collect the data, see Technical Assistance and Training Corporation and Mathematica Policy Research, Inc., An Evaluation of the Feasibility of Developing and Appling Cost Standards in Allocating Unemployment Insurance Administrative Costs. Boston, MA: June 1984.

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