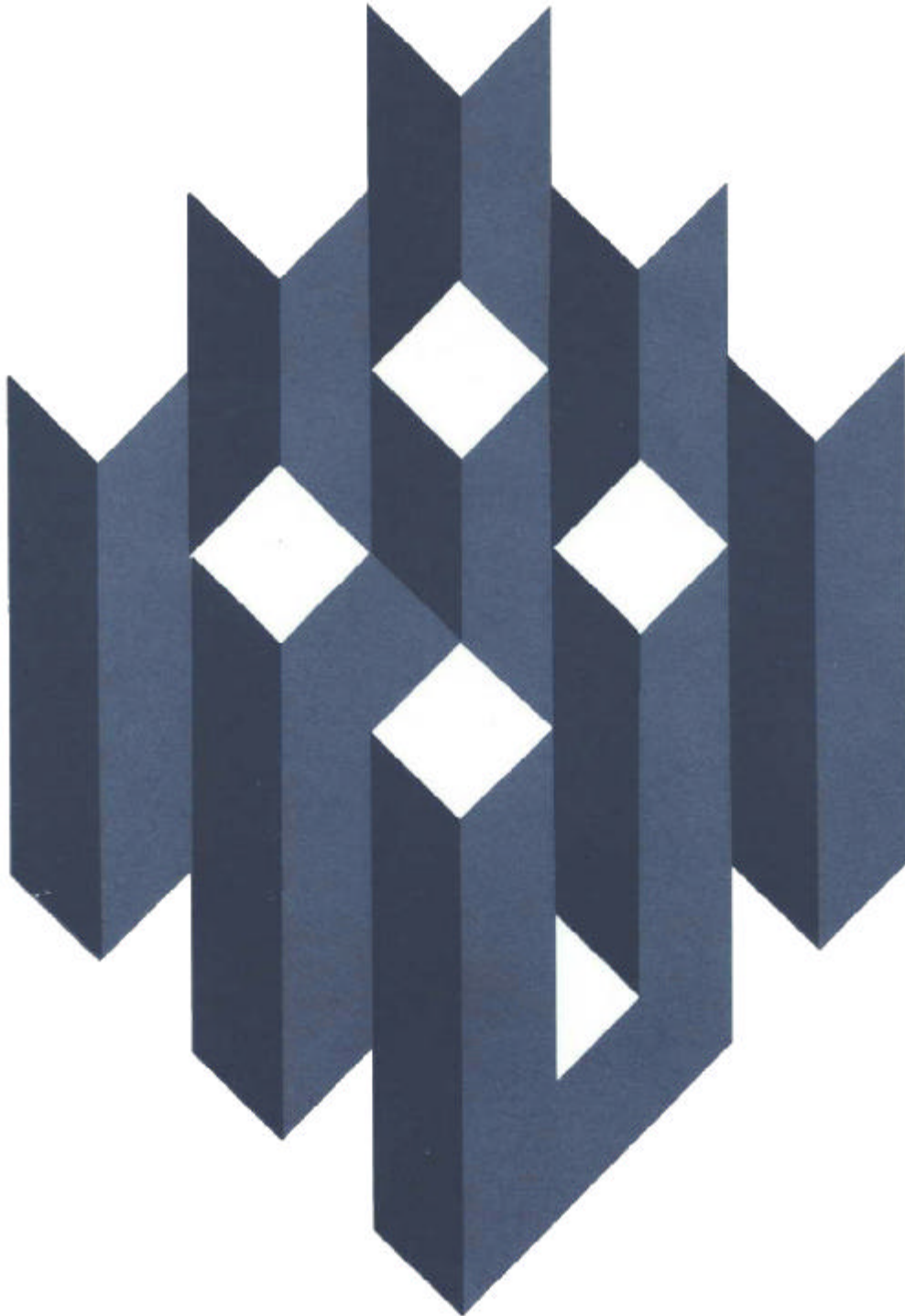


The Adequacy of Unemployment Insurance Benefits: An Analysis of Adjustments Undertaken Through Thirteen and Twenty-five Weeks of Unemployment



U. S. Department of Labor
Employment and Training Administration



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U.S. Department of Labor
Ray Marshall, Secretary
Employment and Training Administration
Ernest G. Green
Assistant Secretary for Employment and Training
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This report was prepared by Jerry L. Kingston and Paul L. Burgess, Associate Professors of Economics, Arizona State University, and Chris Walters, Director of Contract Research, Unemployment Insurance Bureau, Arizona Department of Economic Security, under sponsorship of the Unemployment Insurance Service of the Employment and Training Administration, U.S. Department of Labor. Because researchers are encouraged to express their own viewpoints, the opinions offered in this document do not necessarily represent the official position or policy of the Department of Labor.

PREFACE

This is the second in a series of reports based on the Arizona Benefit Adequacy (ABA) Study. Whereas the first report focused on measurement of the differing degrees of benefit adequacy achieved under the prevailing and certain hypothetical benefit formulas, the present report emphasizes the types and magnitudes of adjustments undertaken by the insured unemployed during the compensated spell of unemployment. Adjustments to unemployment are analyzed over two intervals: from the onset of compensated unemployment to the thirteenth week of unemployment (for the subset of the total sample that experienced thirteen consecutive weeks of compensated unemployment) and from the onset of compensated unemployment to the twenty-fifth week of unemployment (for the subset of the total sample that experienced twenty-five consecutive weeks of compensated unemployment). For the latter group, an analysis of intertemporal adjustments (that is, from the fifth to the thirteenth week, and from the thirteenth to the twenty-fifth week) also is provided. The job search/reemployment experiences of the subset of the total sample that had obtained reemployment by the time of the twenty-fifth week interview also are investigated in this report. Each aspect of the analysis summarized above is conducted for the relevant component of the total sample, and for subsets of this group classified by the extent of benefit adequacy recorded for them during the preunemployment (employed) month. The post-exhaustion experiences of the study claimants will be the subject of an additional report to be prepared at a later date.

It should be emphasized that this report is closely related to its companion study: *The Adequacy of Unemployment Insurance Benefits: An Analysis of Weekly Benefits Relative to Preunemployment Expenditure Levels*. Persons who have access to this earlier report may wish to review it before proceeding into the present one. A minimal summary of the more basic aspects of the earlier report is provided in this report, however, for persons who do not have access to the companion volume (see Appendix A-1).

The organization of this report reflects an emphasis in the text itself on the findings and the implications of the empirical analysis. However, a number of appendixes have been utilized to provide detail on design and method or to present additional empirical evidence not emphasized in the text.

Numerous individuals have contributed to the overall development of this report. The important contributions of Mr. Roger Rossi, Ms. Helen Manheimer and Dr. Robert Crosslin, all of the Unemployment Insurance Service, Employment and Training Administration, are greatly appreciated. Appreciation is expressed to the dedicated research staff of the Unemployment Insurance Bureau of the Arizona Department of Economic Security: especially to Ms. Peg Szendendreii, and Mr. Joseph Sloane. Ms. Maryanne Mowen, a doctoral candidate in the Department of Economics at Arizona State University, did an outstanding job of supervising the computer work for the report. Dr. Robert St. Louis, Manager of the Research and Reports Section of the Unemployment Insurance Bureau of the Arizona Department of Economic Security, also provided valuable assistance during the study. Also, Mr. Vince Cullinane of the Arizona Department of Economic Security provided strong leadership, especially in the developmental phases of this study. The final report was improved because of the valuable comments on an earlier draft provided by: Ms. Helen Manheimer, Mr. Roger Rossi, Mr. Paul Mackin, all of the Unemployment Insurance Service, Employment and Training Administration; and Mr. Thomas Vaughn and Mr. Joseph Anderson of the Unemployment Insurance Bureau of the Arizona Department of Economic Security. Mrs. Lynnette Winkelman expertly typed the various drafts of the manuscript and thereby reduced the burden of preparing the report.

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SUMMARY OF
PRINCIPAL FINDINGS

1. Approximately 85 percent of those in both the thirteenth and twenty-fifth week claimant samples did not change household type from the employed month to the month prior to the thirteenth (twenty-fifth) week interview. ~~The most frequent change~~ undertaken by the thirteenth week sample was for one-earner--multi-person households to add an additional earner; ~~the most frequent adjustment~~ for the twenty-fifth week sample was a change from the multi-earner--multi-person household group to the one-earner--multi-person household unit. More households in lower vs. higher benefit adequacy categories reported these changes in household composition.

2. Approximately one-third (two-fifths) of the thirteenth (twenty-fifth) week claimant sample reported some increase in nonbeneficiary household income (including any nonwage income attributable to the beneficiary) from the employed month to the month prior to the thirteenth (twenty-fifth) week interview. A greater proportion of the households for which benefits were less vs. more adequate reported increases in non-beneficiary household income.

3. Approximately two-thirds of the thirteenth (twenty-fifth) week claimant sample made some cut in paid necessary and obligated expenses from the employed month to the month prior to the thirteenth (twenty-fifth) week interview. The percentage of households that made large reductions in paid expenses was substantial for both samples. A greater proportion of the households for which benefits were less vs. more adequate undertook specified (large) expense reductions.

4. Increases in the due-but-not-paid component of necessary and obligated expenses were not pronounced for either the thirteenth or twenty-fifth week claimant samples; hence, the decline in *paid* necessary and obligated expenses closely approximated the decline in consumption levels (as approximated by paid + due-but-not-paid expenses) among the beneficiary households.

5. Approximately two-fifths of the beneficiaries in the thirteenth (twenty-fifth) week sample had reservation wage rates the week prior to the thirteenth (twenty-fifth) week interview that were 5 percent or more *below* their wage rates on the preunemployment job. In contrast, about one-fifth (one-fourth) of the thirteenth (twenty-fifth) week sample had reservation wage rates that exceeded their preunemployment wage rates.

6. Fewer than 4 percent of the beneficiaries in either the thirteenth or twenty-fifth week samples obtained partial employment during their unemployment spells through the months prior to the respective interviews.

7. About three-fourths of the beneficiary households with savings at the beginning of the unemployment spell had used some of these savings by the end of the month prior to the thirteenth (twenty-fifth) week interviews. Approximately one-fourth (one-third) of the beneficiary households with savings in the thirteenth (twenty-fifth) week sample had exhausted these savings by the end of the month prior to the thirteenth (twenty-fifth) week interview.

8. The principal sources of cash used by those in the two samples to help meet household expenses other than savings were loans from friends and relatives, the sale of personal property, and loans from banks. Generally, a greater proportion of the households for which benefits were less vs. more adequate utilized these (and all other sources) of additional cash.

9. The most frequent type of public/private assistance received by the beneficiary households was free food; approximately one-tenth of both the thirteenth and twenty-fifth week interview samples received free food during the beneficiary's unemployment spell. Less than 10 percent of each sample had received an increase in the value of food stamps/welfare payments from the preunemployment month to the month prior to the thirteenth (twenty-fifth) week interview; most households received no such support, either before or after unemployment.

10. Approximately one-fifth of the thirteenth (twenty-fifth) week sample had one or more nonbeneficiary household members who began to work more hours following the onset of the beneficiary's unemployment spell. In over one-fifth (one-fourth) of the thirteenth (twenty-fifth) week sample households one or more nonbeneficiary household members began to look for work following the onset of the beneficiary's unemployment spell; approximately one-tenth (one-seventh) of the thirteenth (twenty-fifth) week sample had at least one nonbeneficiary household member who began working following the onset of the beneficiary's unemployment spell. The adjustments which involved a nonbeneficiary household member either seeking or obtaining work tended to be undertaken more frequently by those households for which benefits tended to be less vs. more adequate.

11. Analysis of the timing of adjustments undertaken by the twenty-fifth week sample indicated that most of their adjustments to unemployment had been made by the time of the thirteenth week interview. Typically, most households that made adjustments had done so by the end of the month prior to the thirteenth week interview, and then maintained those adjustments at about the same level through the next three months of the beneficiary's unemployment. No systematic pattern between the *timing* of adjustments (before/after the thirteenth week interview) and the extent of benefit adequacy was apparent.

12. Over one-fourth of those known to have returned to work had been out of work 21 weeks or more prior to reemployment, and over two-fifths of this group had been without work for at least 17 weeks prior to reemployment. No pattern is apparent between the level of benefit adequacy and weeks out of work prior to reemployment.

13. Approximately one-fourth of the reemployment claimant sample obtained their new jobs through employer recall. Direct employer contacts and information provided by friends/relatives also were important sources of job leads that resulted in reemployment. The Arizona Job Service provided the job leads for only five percent of those who were reemployed.

14. Compared with preunemployment jobs, reemployment jobs tended to provide about the same rates of pay but slightly fewer hours of work; overall, there is some indication that commutation time tended to be somewhat greater on new jobs, relative to preunemployment jobs. Over two-thirds of the reemployment claimant sample obtained jobs that required the same type of work as done on preunemployment jobs. About half of those reemployed reported no change in job satisfaction (compared with that on preunemployment jobs); of the remainder, over twice as many beneficiaries indicated an increase in job satisfaction as the number indicating a decrease in satisfaction in their new jobs (compared with preunemployment jobs). There is some indication that a greater percentage of the beneficiaries for whom benefits were more vs. less adequate experienced increases in job satisfaction.

CHAPTER I
INTRODUCTION

The Arizona Benefit Adequacy (ABA) Study was initiated in the summer of 1975 to investigate the adequacy of unemployment insurance (UI) benefits relative to the preunemployment standard of living established by the beneficiary, and to assess adjustments undertaken by beneficiaries during their unemployment spell. Three waves of household interviews were conducted. The first occurred after five consecutive weeks of compensated unemployment, and was designed to obtain information on the beneficiary's preunemployment income and expenditure levels. The second and third interview waves occurred following thirteen and twenty-five consecutive weeks of compensated unemployment, and were designed to obtain information on the adjustments undertaken by the beneficiary in response to the beneficiary's unemployment. A follow-up mail questionnaire was employed to determine the labor force status and reemployment experiences (if any) of those beneficiaries who did not continue to file for consecutive weeks of compensated unemployment for the entire twenty-five week period following their initial claims for UI benefits.

The purpose of this report is to present the results of the analysis based upon the thirteenth and twenty-fifth week interviews. The data obtained from these interviews, in conjunction with information obtained at the fifth week interview (analyzed in a prior report entitled *The Adequacy of Unemployment Insurance Benefits: An Analysis of Weekly Benefits Relative to Preunemployment Expenditure Levels*), provide the basis for a detailed analysis of the types and amounts of adjustments undertaken during continuous unemployment spells of thirteen and twenty-five weeks in duration. The overall orientation of the entire ABA study emphasizes the concept and measurement of benefit adequacy.

The adjustments undertaken in response to the beneficiary's unemployment provide information on the kind and extent of hardships beneficiaries actually incur at specified periods during the receipt of unemployment benefits. In this report, adjustments are analyzed for the sample as a

whole and also for groups of beneficiary households, classified by the adequacy measure used in the first report. That measure is the degree to which the weekly benefit amount covers the beneficiary's share of the household preunemployment necessary and obligated expenses.

A basic hypothesis of this analysis is that the frequency with which groups of beneficiary households undertake adjustments in response to the beneficiary's unemployment, and the magnitude of such adjustments, are inversely related to the relative degree of UI benefit adequacy recorded for the beneficiaries who reside in these household groups. An assumption is that the pressures on the beneficiary household to undertake adjustments in response to the beneficiary's unemployment were greater, on average, for those households in which the beneficiary's weekly benefit payment was less vs. more adequate. This may be more clearly indicated by considering the specific components of the benefit adequacy measure utilized in this study.¹ This measure is given by:

$$\text{BENAD} = \frac{\text{WBA}}{(\text{EXPENSES}) \times (\text{BEN. SHARE})} \quad \text{where:}$$

BENAD is the measure of the adequacy of the weekly benefit payment for an individual beneficiary;

WBA is the UI weekly benefit amount to which the beneficiary is entitled on the basis of earnings in the high quarter of the base period;

EXPENSES is the total of (weekly) necessary and obligated expenses of the beneficiary household during the preunemployment month;

BEN. SHARE is the ratio of the beneficiary's gross wages in the preunemployment month to total gross recurring household income during the same month; this ratio defines the beneficiary's "proportionate share" of the necessary and obligated expenses of the beneficiary household.

It is important to emphasize that this measure of benefit adequacy is defined for each beneficiary within the context of his/her household circumstances. These circumstances are reflected by the total of necessary/obligated expenses for the entire household and the (recurring) income available to meet these expenses from sources other than the beneficiary's prior earnings.

In effect, then, it is hypothesized that a reasonable index of the pressures experienced by the entire beneficiary household to adjust to the beneficiary's unemployment is provided by the extent to which weekly UI benefits cover the proportion of household (necessary/obligated) expenses previously covered by the beneficiary's earnings. At a general level, this expectation certainly appears to be a reasonable one. For example, the hypothesis implies that the pressures experienced by the beneficiary household to adjust to the beneficiary's unemployment were greater, on average, for households in which the beneficiary's WBA covered only one-third of his/her "proportionate share" of the necessary/obligated expenses of the household, compared with households in which this WBA covered 100 percent of these prior expenses.²

It should be emphasized that the basic hypothesis described above is appropriate for the "average" household in a particular benefit adequacy category. However, two beneficiaries with the same measured level of benefit adequacy could reside in households in which quite different pressures to adjust to the beneficiary's unemployment would be experienced. Even if the two beneficiaries had the same level of UI benefit adequacy, the level of total recurring household income replaced by UI benefits could be greater for one beneficiary than for the other. This may occur because one household spent more of its household income on necessary/obligated expenses than did the other, or because one household had less nonbeneficiary earnings than another. However, across the households analyzed, it is assumed that these other factors essentially can be ignored as long as adjustments are analyzed only for *groups* of households, classified by the level of benefit adequacy experienced by the individual beneficiaries who reside in these households. Thus, differences in the levels of benefit adequacy for the beneficiaries who reside in two particular *groups of households* (classified by the adequacy of benefits for individual claimants) may be used as an indication of differences in the pressures experienced by these two groups of households to adjust to the beneficiary's unemployment.

Another important point to recognize in the subsequent analysis of adjustments to unemployment experienced by groups of households (classified into different benefit adequacy categories) is that adjustments undertaken in response to the beneficiary's unemployment very likely are directly related to the capability of the households to make a

variety of adjustments. This point may be clarified by referring to the formula for the benefit adequacy measure provided above. Four variables interact to determine the level of benefit adequacy. These variables are:

- (1) the size of the weekly UI benefit payment;
- (2) the (weekly) total of necessary/obligated expenditures of the beneficiary household during the preunemployment month;
- (3) the beneficiary's gross wages in the preunemployment month;
and
- (4) the gross recurring income of the beneficiary household during the preunemployment month.

Because each of these four variables has an influence on the degree of measured benefit adequacy, it is likely that a fairly strong (simple) correlation between the benefit adequacy measure and any one of these variables will be found. To illustrate this point, Appendix A-2 contains a cross tabulation of the beneficiary's gross earnings in the preunemployment month by benefit adequacy category (for claimants who received benefits for thirteen consecutive weeks). This cross tabulation indicates a strong, negative correlation between the level of benefit adequacy and the beneficiary's monthly earnings, as would be expected (the WBA is constrained by a statutory maximum of \$85/week, whereas earnings are unconstrained); for example, just over 60 percent of the households classified into the lowest benefit adequacy category had gross monthly earnings of at least \$1000. The comparable percentage of beneficiaries with earnings of this much *declines* sharply as successively higher benefit adequacy categories are examined, and only 5 percent of the household units in the highest benefit adequacy category had beneficiary earnings of at least \$1000 in the preunemployment month. As would be expected, the measure of benefit adequacy also is related inversely to both the level of *total* household recurring income and to the level (and the beneficiary's share) of total necessary/obligated expenses for the household during the preunemployment month.³ Households with lower levels of benefit adequacy for the beneficiary tended (very strongly) to have higher levels of necessary/obligated expenses and tended (less strongly) to have higher levels of total gross recurring household income. Combined with the information provided above, these relationships indicate that households

classified into lower (vs. higher) benefit adequacy categories tended to have: (1) higher gross *beneficiary* earnings in the preunemployment month; (2) higher gross recurring *household* income during the preunemployment month; and (3) higher levels of necessary/obligated expenses, both for the entire household and for the beneficiary's share of the household total of such expenses. Presumably, the capability of households to make a number of adjustments to unemployment--especially financial adjustments such as borrowing money or liquidating assets--tends to increase directly with income (and wealth). Thus, the results above suggest that the households with relatively low benefit adequacy also tended to be household units that had a relatively greater capability to undertake selected types of (financial) adjustments (because of higher past beneficiary or household income). It might also be argued that the households with higher vs. lower absolute expenditure levels have more room to cut expenses--if so, those in the lower benefit adequacy categories also were more able to make these adjustments because their prior expenditure levels tended to be higher than was the case for those in the higher benefit adequacy categories.⁴

The above discussion indicates that the adjustments actually undertaken by a group of households likely would reflect the pressures to make adjustments (because of the degree of benefit adequacy for the group) and/or the capability of that group to make adjustments (because of prior earnings of the beneficiary, for example). Obviously, it is *not* possible to determine whether a *particular* adjustment was undertaken by a group of households primarily because of pressures on the household living standard or because of the relative ease with which that particular type of adjustment could be made. Furthermore, it should be noted that the adjustments to unemployment analyzed in the remainder of this report each are considered separately. The total pattern of adjustments undertaken by each household is not analyzed. Hence, whether a particular household (or even a group of households) undertakes a particular adjustment depends upon the overall pressures to undertake adjustments and/or the relative ease with which a particular adjustment may be made. Given the relevant constraints on household behavior, households settle on an "adjustment package" that is based on the benefits/costs of alternative adjustment strategies.

Given the above background, the separate adjustments undertaken by the total sample and by groups of households, classified by benefit adequacy category, are outlined below. The basic questions addressed are to what extent did beneficiary households make any of the following adjustments during a continued spell of unemployment of thirteen (or twenty-five) consecutive weeks of compensated unemployment.

- (1) Changes in household composition/size from the preunemployment month to the month prior to the thirteenth (twenty-fifth) week interview;
- (2) Changes in the amount of nonbeneficiary household income from the preunemployment month to the month prior to the thirteenth (twenty-fifth) week interview;
- (3) Changes in "necessary and obligated" expenditures from the preunemployment month to the month prior to the thirteenth (twenty-fifth) week interview;
- (4) Changes in the minimum (reservation) wage rates that the beneficiary would accept as a condition for reemployment;
- (5) Acceptance of part-time employment by beneficiaries;
- (6) Selected financial adjustments (e.g., the withdrawal of savings on the part of the beneficiary household) and the amount of cash from these financial adjustments used to help meet household expenses;
- (7) Resort to increases in the amount of public/private assistance received relative to that recorded during the preunemployment month; and
- (8) Changes in the labor force activity of nonbeneficiary household members from the preunemployment month to the month prior to the thirteenth (twenty-fifth) week interview.

A second dimension of the present study focuses on the timing of household adjustments during the period of unemployment. This is accomplished by investigating the proportion of beneficiary households that had undertaken a specific adjustment during the first thirteen consecutive weeks of unemployment vs. the first twenty-five consecutive weeks of the unemployment spell. This analysis could be undertaken only for the subset of the total sample that experienced twenty-five consecutive weeks of compensated unemployment.

The final aspect of the labor market experiences of the beneficiaries considered in this report focuses on the characteristics of the new jobs

obtained by those workers who had become reemployed by the time that the twenty-fifth week interviews had been completed. Included in this portion of the report are analyses of the reemployment wage rate (compared with the preunemployment wage rate) and other dimensions of the reemployment options selected (e.g., hours worked and commutation time). Emphasis is placed on the overall (relative) quality of the new jobs that these beneficiaries obtained, as well as on the relationship between the amount of measured benefit adequacy which was recorded for each beneficiary household during the preunemployment month and the characteristics of the reemployment option selected.

Chapter II contains an analysis of the above adjustments during the first thirteen weeks of compensated unemployment. A similar analysis, based upon adjustments during twenty-five consecutive weeks of compensated unemployment, is presented in Chapter III, together with an analysis of the timing of these adjustments during the unemployment spell. The relationship between benefit adequacy and new job characteristics for those beneficiaries who obtained reemployment by the time of the twenty-fifth week interview is examined in Chapter IV. In Chapter V, the principal findings of this study are presented.

FOOTNOTES FOR CHAPTER I

¹The measure of adequacy utilized is developed in detail in the prior report referenced above. Also, a brief discussion of the measure is provided in Appendix A-1.

²Moreover, the pressure to adjust in terms of total necessary/obligated expenses for the household generally would be reflective of the pressure to adjust in terms of total household expenses. For example, necessary/obligated expenses amounted to at least 80% of total household expenses for about two-thirds of the sample analyzed during the preunemployment month (see The Adequacy of Unemployment Insurance Benefits: An Analysis of Weekly Benefits Relative to Preunemployment Expenditure Levels, p. 43.) This prior report provides a discussion of the differences between the two expense concepts and why only necessary/obligated expenses were included in calculating the relative degree of benefit adequacy.

³These results are not shown but are available upon request.

⁴Another dimension of the capability of the beneficiary households to make certain types of adjustments is related to the possibility of other household members obtaining a job or increasing work effort on an existing job as a result of the beneficiary's unemployment. Obviously, the possibilities for making such adjustments depend importantly on the composition of the beneficiary household. Furthermore, there is a fairly strong relationship between household type and benefit adequacy (results are not shown but are available upon request). For example, one-person households accounted for only 9 percent of the household units classified into the lowest benefit adequacy category; in contrast, one-person households accounted for 41 percent of the household units classified into the highest benefit adequacy category. Since one-person households cannot adjust to the beneficiary's unemployment by having an additional household member seek work or work more hours (at least not without first acquiring an additional household member), these results suggest that those beneficiary households with a low degree of benefit adequacy also tended to have greater capability to offer such adjustments because of their household compositions. This point also may be seen by examining household groups comprised of a single earner and three or more household members. Over half of the beneficiaries in the lowest benefit adequacy category lived in this type of household, but this percentage declines for each successively higher benefit adequacy category (with only 3 percent of the beneficiaries in the highest benefit adequacy category in households of this type). If it is assumed that beneficiary households of this type have a relatively greater capability to adjust to the beneficiary's unemployment spell through an additional household member seeking work, then the capability of the households to undertake this type of adjustment is inversely related to the degree of benefit adequacy.

CHAPTER II

ANALYSIS OF ADJUSTMENTS THROUGH THIRTEEN CONSECUTIVE
WEEKS OF COMPENSATED UNEMPLOYMENT

The purpose of this chapter is to present the results of the analysis of the thirteenth week interview data; a copy of the household survey questionnaire utilized to obtain these data has been placed in Appendix B-1. Of the 3196 respondents to the fifth week's interview, analyzed in the prior report referenced in Chapter I, a total of 2074 (or 64.9%) experienced thirteen consecutive weeks of compensated unemployment and therefore were eligible for potential inclusion in the thirteenth week sample. Of this total group, 19 persons moved out of state and therefore were not eligible for an interview; nonrespondents to the interview totaled 325, so completed questionnaires were obtained for 1730 persons.¹ For each of these questionnaires, the total income of the beneficiary household during the first full calendar month prior to the interview was compared with the total of itemized expenditures for the same period. The interval limits for the "balancing differences" test ranged from 0.75 to 1.25, and any questionnaire with a ratio of expenditures to income that fell outside of these limits was subjected to additional verification by the project staff. Once such follow-up procedures were exhausted (including both mail and personal contact), it was necessary to remove 96 cases (5.5% of the completed questionnaires) from the data base for the analysis contained in this chapter. The total sample upon which the analysis presented in this chapter is based therefore totals 1634 persons.

CHARACTERISTICS OF THE CLAIMANT SAMPLE

Appropriate statistical tests were conducted to determine if the characteristics of respondents to the thirteenth week questionnaire were significantly different from the characteristics of nonrespondents. Such tests are necessary to investigate the presence of any nonresponse bias which would limit the implications of the results of this analysis for a

broader population of unemployment insurance beneficiaries. The characteristics examined included the following: sex, age, ethnic group, potential duration of weekly benefits, the weekly UI benefit amount, household type, gross weekly wages in the employed month and net weekly wages in the employed month. The percentage distributions of respondents and non-respondents by these characteristics are presented in Appendix Table B-2; also included is a coefficient for each comparison which indicates the probability of obtaining a difference between the two sample proportions as large or larger than one actually observed due to chance alone, if the two samples had been drawn from the same population.

The information presented in Appendix Table B-2 indicates the absence of any important bias in the respondent sample upon which the analysis presented in this chapter is based. No statistically significant differences between respondents and nonrespondents were found with respect to the following characteristics: sex, age, ethnic group, potential benefit duration, weekly benefit amount and household type. Few statistically significant differences were apparent between respondents and nonrespondents for the two measures of weekly wages in the preunemployment month. The conclusion drawn from this comparison of respondent vs. nonrespondent characteristics is that the adjustments to unemployment data analyzed in this chapter are not subject to significant nonresponse biases which would limit the implications of this analysis.

ANALYSIS OF ADJUSTMENTS TO UNEMPLOYMENT

The onset of a period of thirteen consecutive weeks of compensated unemployment could induce a multitude of adjustments on the part of the beneficiary household. The type and magnitude of such adjustments obviously would depend upon the options available to individual households and the relative severity of the pressures created by the beneficiary's unemployment. The adjustments investigated in this chapter include the following:

- (1) changes in household type;
- (2) changes in nonbeneficiary household income;
- (3) changes in "necessary and obligated" expenses;
- (4) changes in reservation wage rates and other dimensions of the reemployment option;
- (5) changes in partial earnings;

- (6) changes in savings levels;
- (7) other selected financial adjustments undertaken;
- (8) amounts of cash used to help meet expenses obtained from these selected financial adjustments;
- (9) changes in the amounts of public/private assistance received; and
- (10) changes in the labor force activity of household members other than the beneficiary.

For each adjustment, emphasis first is placed on the magnitude of adjustments undertaken by the total thirteenth week sample. As noted in Chapter I, each adjustment also is analyzed for the sample grouped by the following benefit adequacy categories utilized in the analysis of the fifth week interview data:²

<u>Benefit Adequacy Category</u>	<u>Values for Benefit Adequacy Measure (%)</u>
BENAD35	35% or less
BENAD3650	36% to 50%
BENAD5165	51% to 65%
BENAD6685	66% to 85%
BENAD8699	86% to 99%
BENAD100	100% or more

As is apparent, the numerical sequencing of the benefit adequacy categories is from the interval of least adequacy (35% or less, for BENAD35) to the interval of greatest benefit adequacy (100% or more, for BENAD100).

Changes in Household Type

Thirteen consecutive weeks of compensated unemployment could be expected to induce some changes in the composition of the beneficiary household from the employed month to the month prior to the thirteenth week interview. For the purpose of this analysis, three household types are considered:

- (1) households in which the beneficiary is the only household member (one-earner--one person HH);
- (2) households in which the beneficiary resides with one or more additional (nonearner) individuals (one-earner--multi-person HH);

- (3) households in which the beneficiary resides with one or more additional persons, at least one of whom also was an earner (multi-earner--multi person HH).

The changes in household type from the employed month to the month prior to the thirteenth week interview are indicated in Table II-1. Two sets of numbers appear in each cell of this (and subsequent) cross tabulations. The upper number is denoted as the "row percentage" and indicates the percentage of persons included in the entire row that are classified into that particular cell. For example, in Table II-1 the 93.9 value in the upper left-hand cell indicates that 93.9 percent of the 394 households classified as one-earner--one-person households during the preunemployment month (see the row total of 394 at the far right-hand edge of this row) also were classified as one-earner--one-person households during the month prior to the thirteenth week interview. The other row percentages may be interpreted in an analogous manner. Typically, row percentages are emphasized in the report. The lower number which appears in each cell of the cross tabulation is denoted as the "column percentage." This number indicates the percentage of persons in that column of the cross tabulation accounted for by that particular cell. For example, the 93.7 value (in parentheses) in the upper left-hand cell of the cross tabulation indicates that 93.7 percent of the 395 households classified into the one-earner--one-person household category during the month prior to the thirteenth week interview (see the column total of 395 at the bottom of the first column) also were classified into the one-earner--one-person household category during the preunemployment month.

Results for the Total Sample. The information contained in Table II-1 suggests that the great majority of the household units did not change their household type status over the relevant time interval. In fact, 85.7 percent of the 1597 households encompassed by the cross tabulation were in the same household type category during the month prior to the thirteenth week interview as they were during the employed month.³ There were, however, some important differences in the proportion of households making such adjustments among the three household types considered. Whereas only 6.1 percent of the one-earner--one-person households changed

TABLE II-1

CROSS TABULATION OF HOUSEHOLD TYPE DURING THE EMPLOYED MONTH
BY HOUSEHOLD TYPE DURING THE MONTH PRIOR TO THE THIRTEENTH
WEEK INTERVIEW

Household Type During Employed Month	Household Type at Thirteenth Week Interview			Row Total Row Pct.
	One-Earner-- One-Person HH	One-Earner-- Multi-Person HH	Multi-Earner-- Multi-Person HH	
One-Earner-- One-Person HH	93.9 (93.7)	3.6 (2.4)	2.5 (1.6)	394 24.7
One-Earner-- Multi-Person HH	2.3 (3.8)	79.4 (87.3)	18.3 (19.5)	650 40.7
Multi-Earner-- Multi-Person HH	1.8 (2.5)	11.0 (10.3)	87.2 (78.9)	553 34.6
Column Total	395	591	611	1597
Column Pct.	24.7	37.1	38.2	100.0

Number of missing observations = 37.

household type over the relevant period, 20.6 percent of one-earner--multi-person household types changed to a different classification; in this latter instance, almost all of these changes were into the multi-earner--multi-person households (i.e., another earner besides the beneficiary was added during the beneficiary's spell of unemployment). This type of adjustment--an increase in the number of earners--would, of course, be easier to implement for the one-earner--multi-person household than for the remaining household types.

Table II-1 also indicates that 12.8 percent of the beneficiary households originally classified into the multi-earner--multi-person household category changed their household type status from the employed month to month prior to the thirteenth week interview. Apparently, most of these latter changes resulted from circumstances in which some household member besides the beneficiary went from earning to nonearning status during the beneficiary's unemployment. Hence, the financial pressures experienced by these beneficiary households were increased even more because of the loss of the earnings of a nonbeneficiary household member, in addition to the earnings loss associated with the beneficiary's unemployment spell. Presumably, such changes in earnings status of other household members is involuntary in most cases, because of the pressure on household living standards that resulted from the beneficiary's unemployment. Clearly, unemployment of the beneficiary does not preclude the possibility that other household members also might become unemployed. Other reasons for the loss of earnings of a household member other than the beneficiary were extremely varied, including labor force withdrawal due to a birth and retirement due to disability.

Results for Benefit Adequacy Subgroups. Insight into the household type adjustments undertaken by household groups, classified by benefit adequacy status, is provided by the information contained in Table II-2. The three benefit adequacy categories utilized here represent a consolidation of the six discussed earlier in this report, and are defined as follows:⁴

TABLE II-2

CROSS TABULATION OF HOUSEHOLD TYPE DURING THE EMPLOYED MONTH
BY HOUSEHOLD TYPE DURING THE MONTH PRIOR TO THE THIRTEENTH
WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Household Type During Employed Month	Household Type at Thirteenth Week Interview			Row Total Row Pct.
	One-Earner-- One-Person HH	One-Earner-- Multi-Person HH	Multi-Earner-- Multi-Person HH	
<i>PART A: BENAD50</i>				
One-Earner-- One-Person HH	90.6 (86.6)	9.4 (2.7)	0.0 (0.0)	64 14.5
One-Earner-- Multi-Person HH	1.8 (7.5)	75.2 (91.6)	23.0 (42.0)	274 62.0
Multi-Earner-- Multi-Person HH	3.8 (6.0)	12.5 (5.8)	83.7 (58.0)	104 23.5
Column Total	67	225	150	442
Column Pct.	15.2	50.9	33.9	100.0
<i>PART B: BENAD5185</i>				
One-Earner-- One-Person HH	96.8 (94.2)	1.1 (0.7)	2.2 (1.4)	185 24.4
One-Earner-- Multi-Person HH	2.6 (4.2)	81.6 (86.7)	15.8 (17.1)	304 40.2
Multi-Earner-- Multi-Person HH	1.1 (1.6)	13.4 (12.6)	85.4 (81.5)	268 35.4
Column Total	190	286	281	757
Column Pct.	25.1	37.8	37.1	100.0
<i>PART C: BENAD86</i>				
One-Earner-- One-Person HH	91.7 (96.4)	4.1 (7.5)	4.1 (3.3)	145 36.4
One-Earner-- Multi-Person HH	2.8 (1.4)	86.1 (77.5)	11.1 (4.4)	72 18.1
Multi-Earner-- Multi-Person HH	1.7 (2.2)	6.6 (15.0)	91.7 (92.2)	181 45.5
Column Total	138	80	180	398
Column Pct.	34.7	20.1	45.2	100.0

Number of missing observations = 37.

<u>Benefit Adequacy Category</u>	<u>Values for Benefit Adequacy Measure (%)</u>
BENAD50	50% or less
BENAD5185	51% to 85%
BENAD86	86% or more

The evidence presented in Table II-2 indicates that changes in household type were more likely among the households for which benefits were least adequate (BENAD50), and less likely among the households for which benefits were most adequate (BENAD86). For example, the proportion of households within each benefit adequacy category that changed household type status from the employed month to the month prior to the thirteenth week interview is as follows:⁵

<u>Benefit Adequacy Category</u>	<u>Proportion that Changed Household Type Status</u>
BENAD50	20.6%
BENAD5185	13.3%
BENAD86	9.3%

Thus, about twice as many of the households in the lowest adequacy category (BENAD50) changed household types, compared with the percentage of changers in the top adequacy category (BENAD86). Furthermore, it is apparent from Table II-2 that the most important type of adjustment in household status was a movement from the one-earner--multi-person to the multi-earner--multi-person classification. For example, for the BENAD50 group, 23 percent of the households that originally were classified into the one-earner--multi-person category had moved, by the month prior to the thirteenth week interview, into the multi-earner--multi-person household classification. The analogous movements for the BENAD5185 and BENAD86 groups were 15.8 percent and 11.1 percent, respectively. Thus, the evidence is consistent with the hypothesis that the incidence of adjustments in household type would be more likely among households for which the level of weekly UI support is less vs. more adequate.

Changes in Nonbeneficiary Household Income

As indicated in the prior section, the loss of the beneficiary's wages due to unemployment could be compensated for by an increase in the labor market earnings of other household members. Other sources of household income, including any nonwage income received by the beneficiary, also could be available to help meet household expenses during the beneficiary's unemployment. The measure of the change in household income *not due to changes in the beneficiary's earnings or UI support* used in this analysis was constructed in the following manner. From the total of gross recurring household income during the employed month, the beneficiary's gross wages were subtracted. Similarly, from the total of gross recurring household income during the first full calendar month prior to the thirteenth week interview, any wages which the beneficiary may have received and the amount of UI benefits received were subtracted. The value of nonbeneficiary household income computed above for the employed month was subtracted from the amount computed for the month prior to the thirteenth week interview, and this difference was expressed as a percentage of the beneficiary's gross earnings in the employed month. Positive percentages indicate the proportion of the beneficiary's gross wages in the employed month replaced by an increase in nonbeneficiary household income (plus any increase in nonwage income received by the beneficiary) from the employed month to the month prior to the thirteenth week interview.

Results for the Total Sample. The appropriate detail on the change in nonbeneficiary household income is provided in Table II-3. The results for the total sample are contained in the bottom row (denoted as the "column percent") of the table. One-half (50.3%) of the total sample had no change in the flow of nonbeneficiary household income from the employed month to the month prior to the thirteenth week interview. In contrast, about one-sixth (16.3%) of these households experienced an increase of 20 percent or more, and an additional one-seventh (14.6%) experienced an increase of from 1 percent through 19 percent. Thus, almost one-third of the total sample experienced *some increase* in the flow of nonbeneficiary household income (including any nonwage income attributable to the beneficiary) from the employed month to the month prior to the thirteenth week

TABLE II-3

CROSS TABULATION OF THE DIFFERENCE BETWEEN NONBENEFICIARY HOUSEHOLD INCOME (INCLUDING ANY NONWAGE INCOME ATTRIBUTABLE TO THE BENEFICIARY) IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Nonbeneficiary Household Income				Row Total Row Pct.
	Less than 0%	0%	1%-19%	20% or more	
35% or less	14.3 (6.9)	48.3 (8.8)	10.9 (6.8)	26.5 (14.8)	147 9.1
36% - 50%	12.9 (12.9)	49.3 (18.4)	18.2 (23.4)	19.5 (22.4)	302 18.7
51% - 65%	17.0 (21.8)	51.7 (24.8)	14.7 (24.3)	16.7 (24.7)	389 24.1
66% - 85%	21.2 (26.1)	51.6 (23.7)	13.4 (21.3)	13.7 (19.4)	372 23.1
86% - 99%	26.2 (14.5)	44.6 (9.3)	14.9 (10.6)	14.3 (9.1)	168 10.4
100% or more	23.2 (17.8)	52.4 (15.1)	13.7 (13.6)	10.7 (9.5)	233 14.5
Column Total	303	810	235	263	1611
Column Pct.	18.8	50.3	14.6	16.3	100.0

Number of missing observations = 23.

interview. In contrast, nearly one-fifth of the sample experienced a loss in nonbeneficiary household income, in addition to the loss of the beneficiary's earnings; a number of factors could account for the decrease in other household income (including the unemployment of other household members as noted in the prior section). As would be expected, fewer of the one-earner--one-person households recorded any change in nonbeneficiary household income (including nonwage income of the beneficiary) than was the case for the multi-person households; for a more detailed investigation of nonbeneficiary income changes within each of the three household types, the reader is referred to Appendix Table B-3.

Results for Benefit Adequacy Subgroups. The results of the analysis of changes in nonbeneficiary household income for households classified by benefit adequacy category also are included in Table II-3. These data suggest that beneficiary households for which UI benefits were less vs. more adequate were more likely to compensate for lost earnings through the receipt of relatively greater amounts of nonbeneficiary household income. For example, the following percentages of households in various benefit adequacy categories experienced some increase in the receipt of nonbeneficiary household income:

<u>Benefit Adequacy Category</u>	<u>Percentage of Households Receiving Increases in Nonbeneficiary Household Income Equal to Specified Percentages of the Beneficiary's Gross Wages in the Employed Month</u>		
	<u>1%-19%</u>	<u>+ 20% or more</u>	<u>= 1% or more</u>
BENAD35	10.9	26.5	37.4
BENAD3650	18.2	19.5	37.7
BENAD5165	14.7	16.7	31.4
BENAD6685	13.4	13.7	27.1
BENAD8699	14.9	14.3	29.2
BENAD100	13.7	10.7	24.4

The percentage of households which received nonbeneficiary household income equal to 20 percent or more of the beneficiary's gross wage in the employed month generally falls as the level of benefit adequacy increases. A similar

but less pronounced pattern is evident for the percentage of households that received nonbeneficiary household income of 1 percent or more of the beneficiary's gross wages in the employed month.

Changes in Paid Expenses

The pressures experienced by beneficiary households during the beneficiary's unemployment spell would be expected to result in a reduction in payments for necessary and obligated expenses in many households, especially those in the lower benefit adequacy categories. The measure of the change in the total of paid necessary/obligated expenses utilized in this analysis was constructed in the following manner. The total *paid* (not charged) for purchases of necessary/obligated goods and services during the employed month were *subtracted from* the total of those expenses paid (not charged) during the month prior to the thirteenth week interview, and this difference was expressed as a percentage of paid necessary and obligated expenses in the employed month. Hence, the measure utilized reflects the percentage change in these expenditures *from* the employed month *to* the month prior to the thirteenth week interview.

Results for the Total Sample. The results for the total sample in Table II-4 indicate that substantial changes in the level of paid necessary/obligated expenditures occurred between the employed month and the month prior to the thirteenth week interview (see the bottom row of the table denoted as the "column total"). For example, two-thirds of the households recorded some decline in the total of paid necessary and obligated expenses, and almost one-fifth of these households experienced declines of 40 percent or more of the level of expenses recorded in the employed month. Over two-fifths of the total sample experienced declines in these paid expenditures of at least 20 percent from the preunemployment month to the month prior to the thirteenth week interview. (One-third experienced no change or an increase in these paid expenses during this period.) Although numerous other types of adjustments may be undertaken by beneficiary households as a result of the beneficiary's prolonged unemployment spell, the evidence presented here strongly indicates that substantial adjustments were undertaken by many of these households in the form of reductions in the total of paid necessary and obligated expenses.

TABLE II-4

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Paid Expenses				Row Total Row Pct.
	-40% or less	-39% to-20%	-19% to -1%	0% or more	
35% or less	42.8 (20.3)	29.7 (11.3)	11.7 (4.5)	15.9 (4.3)	145 9.1
36% - 50%	35.2 (34.4)	29.5 (23.1)	18.5 (14.5)	16.8 (9.4)	298 18.7
51% - 65%	18.3 (23.3)	30.2 (30.7)	28.2 (28.7)	23.3 (17.0)	387 24.2
66% - 85%	10.8 (13.1)	24.1 (23.4)	27.1 (26.3)	37.9 (26.4)	369 23.1
86% - 99%	6.5 (3.6)	15.4 (6.8)	31.4 (13.9)	46.7 (14.9)	169 10.6
100% or more	7.0 (5.2)	7.9 (4.7)	20.2 (12.1)	64.9 (27.9)	228 14.3
Column Total	305	381	380	530	1596
Column Pct.	19.1	23.9	23.8	33.2	100.0

Number of missing observations = 38.

Results for Benefit Adequacy Subgroups. A much larger proportion of the households for which benefits were less vs. more adequate undertook large reductions in paid expenses for goods and services included in the necessary and obligated category. This pattern is evident in the following summary table constructed from the information contained in Table II-4:

<u>Benefit Adequacy Category</u>	<u>Percentage of Households Making Specified Percentage Reductions in Paid Necessary and Obligated Expenditures</u>		
	<u>40% or more</u>	<u>+ 20% to 39%</u>	<u>= 20% or more</u>
BENAD35	42.8	29.7	72.5
BENAD3650	35.2	29.5	64.7
BENAD5165	18.3	30.2	48.5
BENAD6685	10.8	24.1	34.9
BENAD8699	6.5	15.4	21.9
BENAD100	7.0	7.9	14.9

Almost three-fourths of the households in the lowest benefit adequacy category reduced these paid expenses by *20% or more*, compared with an adjustment of this magnitude by only about one-seventh of the households in the highest benefit adequacy category. Perhaps even more striking is the fact that over two-fifths of the households in the lowest benefit adequacy category (BENAD35) reduced these paid expenses by *40% or more*, whereas fewer than one of fourteen of the households in the top two benefit adequacy categories undertook such a large cut in paid expenses.

Additional Analysis of Paid Expense Adjustments. Additional detail on the adjustments in paid necessary and obligated expenses is provided in Appendix B-4 in which the adjustments are presented by benefit adequacy category for each of the three basic household types (one-earner--one person, one-earner--multi-person, and multi-earner--multi-person) discussed earlier in this report. The general pattern which may be observed in these data is the tendency for expenditure reductions to be more pronounced for the one-earner--one-person households and the one-earner--multi-person households than for the multi-earner--multi-person household units. Patterns similar to those described above for the different benefit

adequacy categories also may be observed for each of the three household types.

Adjustments in paid necessary and obligated expenses for each of the ten items which comprise the necessary and obligated group is provided in Appendix B-5. These items are:

- (1) housing (including utilities and necessary maintenance);
- (2) food purchased in grocery stores;
- (3) medical care (including prescriptions and payments on past medical care);
- (4) credit and loan payments;
- (5) clothing;
- (6) transportation (including gasoline and maintenance);
- (7) insurance (including union dues);
- (8) services and other regular payments;
- (9) continuing and regular support of persons outside of the home;
- (10) property and income taxes.

For each category, paid expenses in the employed month were *subtracted from* paid expenses during the month prior to the thirteenth week interview, and this difference was expressed as a percentage of the *total* of necessary and obligated expenses in the employed month (to avoid division by zero for some households for individual expense items). Analysis of the information contained in Appendix B-5 indicates that a somewhat larger proportion of households made reductions in paid expenditures for food, housing, credit and loan payments, medical care and transportation expenses than for the remaining expense categories. Generally, the magnitude of spending cuts in these individual expense categories is larger for the households for which benefits were less vs. more adequate, consistent with the pattern reported above for total necessary/obligated expenditures. The interested reader may wish to examine the magnitudes of these individual expenditure adjustments in more detail.

Changes in Paid + Due-But-Not-Paid Expenses

The reductions in paid expenses described in the previous section may not accurately reflect the overall change in the standard of living experienced by the beneficiary household. In particular, due-but-not-paid necessary and obligated expenses could have risen during the period of the beneficiary's unemployment, so that consumption levels would not have declined proportionately with the reduction in paid expenses. To investigate this possibility, the total of paid + due-but-not-paid necessary/obligated expenses during the employed month were subtracted from the analogous total of expenses for the month prior to the thirteenth week interview, and this difference was expressed as a percentage of total paid (necessary/obligated) expenses during the employed month.⁶

Results for the Total Sample. The pattern of changes in the sum of paid + due-but-not-paid expenditures (see Table II-5) for the total sample closely corresponds to the pattern reported above for changes in paid expenditures. For example, whereas 19.1 percent of the total sample experienced declines in *paid expenses* of 40 percent or more from the employed month to the month prior to the thirteenth week interview, (see Table II-4), 19.7 percent of the households experienced a decline of 40 percent or more in the *sum of paid + due-but-not-paid expenses* over this time period. Overall, 67 percent of the total sample experienced some decline in *paid expenses* (see Table II-4), whereas 60 percent of the total sample experienced some decline in the *sum of paid + due-but-not-paid expenses*. The slightly lower percentage of households with some decline in paid + due-but-not-paid expenses is due, of course, to partially offsetting increases in due-but-not-paid expenses for some households. Nonetheless, the conclusion is warranted that the pattern of decline in paid expenses discussed above for the total sample closely mirrors the pattern of decline in the total standard of living (as measured by the sum of paid + due-but-not-paid expenses).

Results for Benefit Adequacy Subgroups. The decline in paid expenses recorded for those in each of the benefit adequacy categories reflects a similar decline in the "basic" standard of living (as measured by the sum of paid + due-but-not-paid expenses), as is evident from the following

TABLE II-5

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID + DUE-BUT-NOT-PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Paid + Due-But-Not-Paid Expenses					Row Total Row Pct.
	-40% or less	-39% to -20%	-19% to -1%	0% to 19%	20% or more	
35% or less	40.3 (18.5)	25.7 (12.5)	13.2 (5.4)	11.1 (5.7)	9.7 (4.0)	144 9.1
36% - 50%	31.1 (29.4)	22.0 (21.9)	20.6 (17.3)	11.1 (11.7)	15.2 (13.0)	296 18.6
51% - 65%	19.0 (23.3)	21.6 (27.9)	25.5 (27.8)	15.9 (21.7)	18.0 (19.9)	384 24.2
66% - 85%	14.4 (16.9)	18.2 (22.6)	22.0 (23.0)	22.6 (29.5)	22.8 (24.3)	368 23.2
86% - 99%	9.5 (5.1)	15.4 (8.8)	27.2 (13.1)	23.1 (13.9)	24.9 (12.1)	169 10.6
100% or more	9.2 (6.7)	8.3 (6.4)	20.6 (13.4)	21.5 (17.4)	40.4 (26.6)	228 14.3
Column Total	313	297	352	281	346	1589
Column Pct.	19.7	18.7	22.2	17.7	21.8	100.0

Number of missing observations = 45.

comparison of the information presented in Tables II-4 and II-5:

<u>Benefit Adequacy Category</u>	<u>Percentage of Households With a Decline of 20% or More in Paid Expenses</u>	<u>Percentage of Households With a Decline of 20% or More in Paid + Due-But-Not-Paid Expenses</u>
BENAD35	72.5	66.0
BENAD3650	64.7	53.1
BENAD5165	48.5	40.6
BENAD6685	34.9	32.6
BENAD8699	21.9	24.9
BENAD100	14.9	17.5

It may be noted that by either measure of the expenditure adjustments undertaken, the proportion of households that experienced declines in expenditures of 20% or more is inversely and strongly related to the extent of benefit adequacy. Overall, these results indicate that the decline in paid expense adjustments analyzed in the previous section provides a good indication of the reduction in the "basic" standard of living (as measured by paid + due-but-not-paid expenses). Thus, reductions in paid expenses were offset only slightly by increases in due-but-not-paid expenses for this group of households.

Changes in Reservation Wage Rates and Other Reemployment Dimensions

Unemployment insurance claimants must, of course, be able and available for work, and they are expected to actively engage in job search. The "suitable work" provisions of the Employment Security law, however, permit the beneficiary to search for work consistent with his/her abilities and experience, so that individuals may be reemployed in "suitably productive" jobs. This orientation provides one basis for the existence of the Unemployment Insurance Program: weekly UI benefit payments permit the beneficiary to resist immediate reemployment in jobs beneath his/her skill and productivity levels that might otherwise be accepted because of the financial pressures associated with the unemployment spell.

As unemployment continues, however, financial and other pressures begin to mount for the individual to return to work; these pressures may tend to cause the beneficiary's concept of suitable work to change. To enhance the probability of reemployment (per period of job search), the beneficiary may begin to reduce his/her reemployment expectations. These expectations may relate to the wage rate, the expected period of reemployment, commutation time or numerous other factors which interact to determine total job satisfaction. Adjustments in the reservation wage rate, as they relate to the adequacy of the weekly UI benefit payment, are examined in this section. Changes in the reservation reemployment stability aspirations of the beneficiary and changes in the willingness to commute are given less attention in the text, but information on these adjustments is provided in Appendix Tables B-7 and B-8.

The decline in the minimum wage rate that the beneficiary would be willing to accept is expressed in this analysis as the wage rate received on the preunemployment job less the reservation wage rate established by the beneficiary during his job search one week prior to the thirteenth week interview, expressed as a percentage of the preunemployment wage rate. Hence, positive *percentage* values indicate that the reservation wage rate one week prior to the thirteenth week interview was *less than* the preunemployment wage rate.

Results for the Total Sample. The data in Table II-6 reveal that one-third of the total sample had not changed reservation wage rates by more than four percentage points above or below the wage rate received on the preunemployment job. Just over two-fifths of the total sample (44.1%) had set reservation wage rates five percentage points or more *below* the wage rate received on the preunemployment job, and almost one-sixth of these beneficiaries offered wage rate *reductions* greater than or equal to 25 percent of their preunemployment wage rates. In contrast, over one-fifth of the total sample actually had set reservation wage rates at 5 percent or more *above* the preunemployment wage rate. This finding could be due, at least in some part, to an increase in the federal minimum wage rate that took effect during this period.⁷ Overall, these findings indicate that somewhat less than half of these persons who had experienced thirteen

TABLE II-6

CROSS TABULATION OF THE DIFFERENCE BETWEEN THE PREUNEMPLOYMENT WAGE RATE AND THE RESERVATION WAGE RATE ONE WEEK PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE PREUNEMPLOYMENT WAGE RATE, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in the Reservation Wage Rate ^a						Row Total Row Pct.
	-5% or less	-4% to 4%	5% to 14%	15% to 24%	25% to 34%	35% or more	
35% or less	14.0 (5.6)	27.3 (7.2)	10.7 (5.7)	19.8 (14.7)	6.6 (7.8)	21.5 (24.8)	121 8.9
36% - 50%	19.7 (16.2)	33.3 (18.2)	16.5 (17.8)	10.8 (16.6)	8.0 (19.6)	11.6 (27.6)	249 18.3
51% - 65%	22.8 (24.8)	32.5 (23.5)	16.1 (23.0)	11.9 (23.9)	9.7 (31.4)	7.0 (21.9)	329 24.2
66% - 85%	22.5 (23.1)	35.7 (24.3)	18.6 (25.2)	11.9 (22.7)	6.4 (19.6)	4.8 (14.3)	311 22.9
86% - 99%	25.0 (12.2)	35.1 (11.4)	17.6 (11.3)	10.1 (9.2)	8.8 (12.7)	3.4 (4.8)	148 10.9
100% or more	27.4 (18.2)	34.8 (15.4)	19.4 (17.0)	10.4 (12.9)	4.5 (8.8)	3.5 (6.7)	201 14.8
Column Total	303	456	230	163	102	105	1359
Column Pct.	22.3	33.6	16.9	12.0	7.5	7.7	100.0

Number of missing observations = 275.

^aPositive percentage values reflect declines in the reservation wage rate, and negative values represent increases in the reservation wage rate.

weeks of compensated unemployment offered reductions in reservation wage rates of 5 percent or more of the wage received during the preunemployment month. The remaining 56 percent of the sample made even smaller downward adjustments in reservation wages or actually had increased them, relative to the preunemployment month wage.

Results for Benefit Adequacy Subgroups. Interestingly, there appears to be little relation between the degree of benefit adequacy and the percentage of households in which the beneficiary would accept wage cuts of 5-24 percent (see Table II-6). However, reductions in reservation wage rates (relative to preunemployment wages) of 25 percent or more were offered by a much higher percentage of the beneficiaries for whom benefits were less vs. more adequate. Some comparisons for these latter reservation wage reductions are provided in the following summary table, which was constructed on the basis of information contained in Table II-6:

<u>Benefit Adequacy Category</u>	<u>Percentage of Beneficiaries Willing to Accept Wage Reductions of 25-34% of the Preunemployment Wage</u>	<u>Percentage of Beneficiaries Willing to Accept Wage Reductions of 35% or More of the Preunemployment Wage</u>	<u>Percentage of Beneficiaries Willing to Accept Wage Reductions of 25% or More of the Preunemployment Wage</u>
BENAD35	6.6	21.5	28.1
BENAD3650	8.0	11.6	19.6
BENAD5165	9.7	7.0	16.7
BENAD6685	6.4	4.8	11.2
BENAD8699	8.8	3.4	12.2
BENAD100	4.5	3.5	8.0

The percentage of beneficiaries willing to accept wage cuts of "25% or more" or "35% or more" generally declines as increasing levels of benefit adequacy for household groups are examined. Indeed, 21.5 percent of those in the lowest adequacy category offered reductions in reservation wage rates of 35% or more, compared with only 3.5 percent of those in the highest adequacy category. Moreover, 28 percent of those in the bottom adequacy category but only 8 percent of those in the top adequacy category had reduced reservation wage rates by at least one-fourth of their preunemployment wage rates.

Changes in Other Reemployment Dimensions. As noted above, other important dimensions of the reemployment option considered by the unemployed job seeker include the expected duration of the new job and the commutation time required to accept this job. Indeed, if the worker attempts to maximize the present value of his/her future net earnings with a given firm, the expected duration of reemployment may be as important as the reemployment wage rate in determining the suitability of a job offer. In most empirical studies of job search behavior, however, this dimension of the reemployment option has not been analyzed because of data limitations. At the time of the thirteenth week interview, each beneficiary was asked the minimum length of reemployment that he/she would have accepted one week prior to the thirteenth week interview, on the assumption that the wage rate for the job offer received at that time would have been equal to the reservation wage rate established by the worker at that time. Similarly, the beneficiary was asked the maximum amount of time that he/she would have been willing to commute to this job, on the assumption that it paid a wage rate equal to the reservation wage rate established by the beneficiary one week prior to the thirteenth week interview. Information on these reemployment stability and commutation expectations is provided in Appendixes B-7 and B-8. Most beneficiaries were willing to accept jobs of quite short duration--one-fifth stated they would accept jobs lasting one month or less, and three-fifths would accept jobs lasting six months or less. Also, most of these beneficiaries were willing to increase commutation time as a condition of reemployment--over half of the sample was willing to increase commutation time by 50 percent or more above that on their jobs in the employed month. No clear patterns of differential reemployment stability demands or commutation time adjustments for those in the various benefit adequacy categories are apparent, with the exception that those in the lowest adequacy category were much more willing to accept jobs lasting only one month than was the case for those in the higher adequacy categories (66% or more).

Partial Earnings Adjustments

One type of labor market adjustment that the beneficiary could undertake to reduce some of the financial pressures associated with a prolonged unemployment spell would be to obtain a part-time job while continuing to search for full-time employment.⁸ For each of the beneficiaries included in the thirteenth week sample, the amount of partial earnings (net of payroll and income taxes) received during the first full calendar month prior to the thirteenth week interview was determined, and these earnings were expressed as a percentage of the beneficiary's net wages during the employed month (see Appendix Table B-9). The main finding is that relatively few beneficiaries adjusted to unemployment in this manner: only 2.5 percent of these beneficiaries had any earnings in the month prior to the thirteenth week interview. Because of the relatively few individuals who undertook this type of adjustment, no analysis of the partial earnings adjustments among those in the different benefit adequacy categories is warranted.

Changes in Savings

A prolonged spell of unemployment would be expected to have a pronounced impact on the net asset position of the beneficiary household. Although this impact obviously could be cushioned by other types of adjustments to the beneficiary's unemployment, it is expected that those adjustments would not be sufficient in most instances to allow the net asset/financial position of the household to remain unchanged. In this section, the percentage of households which reduced savings is examined. First, the proportion of households with savings at the beginning of unemployment is discussed. Then the percentage of these households that both had savings and withdrew some savings (amount unspecified) to help meet household expenses during the beneficiary's unemployment is examined. Finally, the proportion of households which still had savings at the end of the month prior to the thirteenth week interview is examined.

Results for the Total Sample. Information on the existence of household savings and their use during the beneficiary's unemployment is provided in Table II-7. Just over three-fifths of these households had some savings (amount unspecified) at the onset of the beneficiary's unemployment spell. During the first thirteen weeks of the beneficiary's (compensated) unemployment, just over three-fourths of those households with savings relied on their savings to help meet household expenses. Also, just over three-fourths of the households with savings at the beginning of the beneficiary's unemployment still had some savings at the end of the month prior to the thirteenth week interview. Hence, approximately one-fourth of the households with savings at the beginning of the unemployment spell had exhausted their savings during the first thirteen weeks of the beneficiary's unemployment spell.

Results for Benefit Adequacy Subgroups. The information contained in Table II-7 also indicates the availability and use of savings by households, classified by benefit adequacy categories. It is interesting to note that no pronounced differences are apparent among the percentage of households from these different benefit adequacy categories that had some savings at the onset of the beneficiary's unemployment spell; these percentages range from 57.3 percent (for BENAD5165) to 67.7 percent (for BENAD8699). However, the percentage of households that withdrew savings during this period tended to be greater for those in lower vs. higher benefit adequacy categories. Also, the percentage of households with some savings left after the beneficiary had been unemployed for thirteen consecutive weeks tended to be somewhat higher for those in higher vs. lower benefit adequacy categories.

Other Selected Financial Adjustments

Information on other selected financial adjustments undertaken by beneficiary households during the thirteen consecutive weeks of unemployment experienced by the beneficiary also was obtained at the time of the thirteenth week interview. These data include the percentage of households that:

TABLE II-7

CROSS TABULATION OF SAVINGS LEVELS AND USAGE BY BENEFICIARY HOUSEHOLDS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Savings Levels and Usage			Row Total Row Pct. ^a
	Percentage of Households that Had Savings at The Onset of Unemployment ^a	Percentage of Households with Savings that Withdrew Savings ^b	Percentage of Households with Savings that Had Savings Left ^b	
35% or less	66.9	84.7	72.4	147 9.1
36% - 50%	64.3	82.1	67.7	303 18.8
51% - 65%	57.3	79.3	74.3	388 24.1
66% - 85%	60.0	76.8	76.8	373 23.1
86% - 99%	67.7	67.5	79.8	169 10.5
100% or more	60.8	60.6	88.0	233 14.4
Column Total	995	754	757	1613
Column Pct. ^c	61.7	75.8	76.1	100.0

Number of missing observations = 21.

^aPercentage of the total sample of 1613 persons.

^bPercentage of the 995 persons who had savings at the onset of the beneficiary's unemployment.

^cColumn percent does not sum to 100% because a single household may appear in more than one column.

- (1) received loans from banks;
- (2) received loans from friends and relatives;
- (3) sold bonds/securities;
- (4) sold personal property;
- (5) sold real estate;
- (6) borrowed against life insurance policies; and
- (7) received funds from other sources.

For each of these financial adjustments, however, the *amount* of funds received is *unknown*. Furthermore, no information is available on the number of households that did *not* have bonds/securities, real estate, etc. available to be liquidated for additional funds to cover household expenses. As a result, each percentage value computed in this section is based on the total number of households in the thirteenth week sample.

Results for the Total Sample. The information related to these financial adjustments is summarized in Table II-8. Examination of the bottom row of the cross tabulation reveals that the most common source of funds for the study group was loans from friends and relatives; 15.0 percent of the households included in the total sample obtained funds from this source. The next most common sources of funds were the sale of personal property (undertaken by 9.5 percent of the households) and loans from banks (5.7 percent of the households). No other source of funds was utilized by as many as 3 percent of the households included in the thirteenth week sample.

Results for Benefit Adequacy Subgroups. The most striking pattern among persons in the various benefit adequacy categories is the general tendency for a greater proportion of those in the lower adequacy categories to utilize all sources of cash identified in the table than was the case for those in higher adequacy categories. A relatively small proportion of households in the top two adequacy categories tended to use any of these sources of additional funds.

TABLE II-8

CROSS TABULATION OF THE PERCENTAGE OF BENEFICIARY HOUSEHOLDS UNDERTAKING SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Selected Financial Adjustments						Received Funds From Other Sources	Row Total Row Pct.
	Received Loans From Banks	Received Loans From Friends/ Relatives	Sold Bonds/ Securities	Sold Personal Property	Sold Real Estate	Borrowed Against Insurance Policies		
35% or less	9.5	18.4	4.1	18.4	2.0	3.4	5.4	147 9.1
36% - 50%	7.6	15.9	1.3	10.9	1.7	3.0	4.0	303 18.8
51% - 65%	6.7	20.7	4.1	10.6	0.3	1.0	3.6	388 24.1
66% - 85%	5.1	18.0	3.5	7.8	0.0	1.1	1.9	373 23.1
86% - 99%	3.6	4.7	3.0	5.3	0.0	0.6	0.6	169 10.5
100% or more	1.7	5.2	0.9	6.4	0.0	0.4	2.1	233 14.4
Column Total	92	242	46	154	9	24	47	1613
Column Pct. ^a	5.7	15.0	2.9	9.5	0.6	1.5	2.9	100.0

35

Number of missing observations = 21.

^aColumn percent does not sum to 100% because a single household may appear in more than one column, and households that made no adjustments are not shown in a separate column.

Amounts of Cash Used From Selected Financial Adjustments

The types but not the amounts of financial adjustments undertaken by beneficiary households were discussed in the prior two sections. This section deals with the amount of cash used from all of these sources to help meet household expenses from the onset of unemployment through the month prior to the thirteenth week interview. Excluded from consideration in this analysis, therefore, are any funds received from these sources but not used to meet household expenses over this time interval. Although the absolute dollar amounts of such funds are emphasized here, similar calculations for the monthly average of such dollar flows (relative to the beneficiary's gross wages in the employed month) are provided in Appendix B-10.

Results for the Total Sample. The amounts of cash used to meet household expenses from the sources included above in Tables II-7 and II-8 are reported in Table II-9. These amounts were quite substantial for some households. For example, 7.8 percent of the total sample used \$2000 or more to meet household expenses and an additional 9.7 percent of these beneficiary households used between \$1000-\$1999. Overall, one-third of the sample used cash from these sources of \$500 or more, and an additional one-fourth used between \$1 and \$499 for such expenses.

Results for Benefit Adequacy Subgroups. The percentage of households in each benefit adequacy category that utilized at least \$1000 to meet household expenses is summarized below:

<u>Benefit Adequacy Category</u>	<u>Percentage of Households Which Used \$1000-\$1999 for Household Expenses Since Unemployment</u>	<u>Percentage of Households Which Used \$2000 or More for Household Expenses Since Unemployment</u>	<u>Percentage of Households Which Used \$1000 or More for Household Expenses Since Unemployment</u>
BENAD35	18.2	22.4	40.6
BENAD3650	16.9	11.5	28.4
BENAD5165	8.1	6.3	14.4
BENAD6685	7.9	6.3	14.2
BENAD8699	6.0	3.6	9.6
BENAD100	3.5	1.7	5.2

TABLE II-9

CROSS TABULATION OF THE AMOUNTS OF CASH USED FROM SAVINGS AND FROM OTHER SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Amount of Cash Used					Row Total Row Pct.
	\$0	\$1-\$499	\$500-\$999	\$1000-\$1999	\$2000 or more	
35% or less	27.3 (6.2)	18.9 (6.2)	13.3 (7.8)	18.2 (16.9)	22.4 (26.0)	143 9.0
36% - 50%	33.1 (15.6)	19.9 (13.5)	18.6 (22.5)	16.9 (32.5)	11.5 (27.6)	296 18.7
51% - 65%	35.9 (21.8)	32.2 (28.2)	17.5 (27.5)	8.1 (20.1)	6.3 (19.5)	382 24.1
66% - 85%	40.2 (23.5)	32.9 (27.8)	12.8 (19.3)	7.9 (18.8)	6.3 (18.7)	368 23.2
86% - 99%	45.8 (12.1)	30.1 (11.5)	14.5 (9.8)	6.0 (6.5)	3.6 (4.9)	166 10.5
100% or more	56.7 (20.8)	24.2 (12.8)	13.9 (13.1)	3.5 (5.2)	1.7 (3.3)	231 14.6
Column Total	629	436	244	154	123	1586
Column Pct.	39.7	27.5	15.4	9.7	7.8	100.0

Number of missing observations = 48.

The percentage of beneficiary households which used at least \$1,000 or at least \$2000 to meet household expenses declines markedly for households in successively higher benefit adequacy categories. For example, the percentage of households that used \$2000 or more (from the sources discussed above) for household expenses was 22.4 percent for those in the lowest benefit adequacy category but only 1.7 percent for those in the highest adequacy category. Similarly, 40.6 percent of those in the lowest adequacy category but only 5.2 percent of those in the highest adequacy category utilized at least \$1000 from these sources during the first thirteen weeks of compensated unemployment. Patterns similar to those discussed above also are found for the ratio of the monthly average amount of cash used during the beneficiary's spell of unemployment to the beneficiary's gross wages in the employed month (see Appendix Table B-10).

Changes in Public/Private Assistance Received

Another type of adjustment that may be undertaken by beneficiary households in response to the unemployment of the beneficiary is the receipt of free or reduced cost goods and services. This type of adjustment is similar to those considered in earlier studies of benefit adequacy in which one measure of benefit adequacy was whether the receipt of UI benefits enabled households to avoid the welfare rolls. At the time of the thirteenth week interview, it was determined whether the beneficiary household had received any free (or reduced cost) goods or services since the onset of the beneficiary's unemployment spell through the month prior to the thirteenth week interview. The types of goods and services considered were as follows:

- (1) free food;
- (2) free clothing;
- (3) free medical care;
- (4) free or reduced cost housing;
- (5) free transportation; and
- (6) other free goods and services received.

Results for the Total Sample. The proportions of the total sample that received these types of public/private assistance are reported in Table II-10. The most frequent assistance of this type was free food, which was received by 9.4 percent of the total sample. The only other types of free/reduced cost assistance received by as many as 3 percent of the beneficiary households were free medical care (3.4% of the total sample) and free or reduced cost housing (3.0% of the total sample).

Results for Benefit Adequacy Subgroups. As noted above, the predominant type of public/private assistance received by the total sample was provided in the form of free food. Moreover, the proportion of households that received such assistance was inversely related to the extent of benefit adequacy. For example, 11.6 percent of the households in the lowest two benefit adequacy categories received this type of assistance, but only 5.3 percent and 6.0 percent of those in the highest two adequacy categories received such assistance. For the remaining types of public/private assistance considered, too few households received any single type of assistance to identify any meaningful pattern among the different benefit adequacy categories.

Change in the Value of Public Welfare and Food Stamps Received

An alternative dimension of the amount of assistance received during unemployment is based upon the difference in the value of public assistance and food stamps received in the employed month and in the month prior to the thirteenth week interview. In this analysis, the employed month's value is subtracted from the latter month's value and this difference is expressed as a percentage of the total of necessary and obligated expenses in the employed month (to avoid division by zero in some instances). Almost 90 percent of the beneficiary households experienced no change in the amount of public welfare or food stamp assistance received over this period (see Table II-11); in almost all of these instances, no assistance was received during either time period.

Of the 9 percent of the total sample that did receive an increase in such assistance, however, a rather clear pattern emerges: a greater proportion of the households for which benefits were less vs. more adequate

TABLE II-10

CROSS TABULATION OF THE PERCENTAGE OF BENEFICIARY HOUSEHOLDS THAT HAD RECEIVED FREE/REDUCED COST GOODS AND SERVICES FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Free/Reduced Cost Goods Received						Row Total Row Pct.
	Free Food	Free Clothing	Free Medical Care	Free/Reduced Cost Housing	Free Transportation	Other Free Goods/Services	
35% or less	11.6	0.7	1.4	1.4	1.4	0.0	147 9.1
36% - 50%	11.6	0.7	3.0	2.0	0.0	0.0	303 18.8
51% - 65%	10.3	1.3	2.6	2.3	1.3	0.0	387 24.0
66% - 85%	9.9	0.5	4.6	3.5	1.1	0.5	372 23.1
86% - 99%	5.3	1.2	4.7	3.0	1.2	0.0	169 10.5
100% or more	6.0	0.4	3.4	6.0	1.3	1.3	232 14.4
Column Total	152	13	54	49	16	5	1610
Column Pct. ^a	9.4	0.8	3.4	3.0	1.0	0.3	100.0

40

Number of missing observations = 24.

^aColumn percent does not sum to 100% because a single household may appear in any of the columns, and households that received no free assistance of any type are not shown separately.

TABLE II-11

CROSS TABULATION OF THE DIFFERENCE BETWEEN THE VALUE OF WELFARE AND FOOD STAMP ASSISTANCE RECEIVED IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Value of Assistance Received			Row Total Row Pct.
	Less than 0%	0%	More than 0%	
35% or less	1.4 (11.8)	82.3 (8.4)	16.3 (16.1)	147 9.1
36% - 50%	1.7 (29.4)	88.1 (18.5)	10.2 (20.8)	303 18.8
51% - 65%	0.5 (11.8)	87.4 (23.4)	12.1 (31.5)	388 24.1
66% - 85%	1.3 (29.4)	90.3 (23.2)	8.3 (20.8)	372 23.1
86% - 99%	1.2 (11.8)	95.3 (11.1)	3.6 (4.0)	169 10.5
100% or more	0.4 (5.9)	95.3 (15.4)	4.3 (6.7)	233 14.5
Column Total	17	1446	149	1612
Column Pct.	1.1	89.7	9.2	100.0

Number of missing observations = 22.

received increased amounts of such assistance. For example, 16.3 percent of those in the lowest benefit adequacy category recorded an increase in this type of assistance, compared with only about 4 percent of those in the top two adequacy categories.

Changes in Labor Force Activity of Household Members

The final dimension of adjustments undertaken by beneficiary households in response to the continued unemployment of the beneficiary considered for the thirteenth week sample focuses on changes in the labor force status or activities of nonbeneficiary household members. At the time of the thirteenth week interview, it was determined if one or more nonbeneficiary household members had undertaken one or more of the following adjustments since the onset of the beneficiary's unemployment spell through the month prior to the thirteenth week interview: (1) an increased number of hours worked by a nonbeneficiary household member; (2) the initiation of job search activities on the part of a nonbeneficiary household member; and (3) the acceptance of a job on the part of a nonbeneficiary household member.

Results for the Total Sample. The results for the total sample are found in Table II-12. An increased number of hours worked on the part of a nonbeneficiary household member(s) was an adjustment undertaken by 17.8 percent of the total sample. Over one-fifth of the total sample (21.8%) of households had one or more household members begin to search for work since the onset of the beneficiary's unemployment spell, and 11.8% of the total sample of households had one or more nonbeneficiary household members that had begun working. Collectively, these findings suggest that changes in labor force activity on the part of nonbeneficiary household members constituted rather common adjustments to the beneficiary's unemployment.

Results for Benefit Adequacy Subgroups. The information contained in Table II-12 provides little evidence of any pattern of adjustment among the various benefit adequacy subgroups with respect to an increase in the number of hours worked by nonbeneficiary household members.⁹ Between one-fifth and one-sixth of the households in each of the six benefit adequacy categories recorded this type of adjustment to the beneficiary's unemploy-

TABLE II-12

CROSS TABULATION OF CHANGES IN LABOR FORCE ACTIVITY OF NON-BENEFICIARY HOUSEHOLD MEMBERS FROM THE ONSET OF UNEMPLOYMENT TO THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Percentage of Households in Which Someone Worked More Hours	Percentage of Households in Which Someone Began to Look for Work	Percentage of Households in Which Someone Began Working	Row Total Row Pct
35% or less	14.3	34.7	25.2	147 9.1
36% - 50%	18.8	30.7	11.9	303 18.8
51% - 66%	18.3	25.2	14.9	389 24.1
66% - 85%	19.3	16.4	8.6	373 23.1
86% - 99%	18.3	13.0	8.3	169 10.5
100% or more	15.0	11.6	5.6	233 14.4
Column Total	1614	1614	1614	1614
Column Pct. ^a	17.8	21.8	11.8	100.0

Number of missing observations = 20.

^aThe column percent indicates the proportion of the total sample of households in which the specified adjustment was undertaken. The column percentages do not total to 100% because a single household may not have undertaken any of these adjustments, or may have undertaken more than one of these adjustments.

ment spell. In contrast, a rather clear pattern emerges among the household groups, classified by benefit adequacy category, for the second type of labor market adjustment considered. For example, three times as many households in the lowest adequacy group (BENAD35) had one or more household members begin to look for work, compared with households classified into the highest benefit adequacy category (34.7% vs. 11.6%). Furthermore, the percentage of households in which one or more nonbeneficiary household members began to look for work consistently declines as household groups in successively higher benefit adequacy categories are examined.

The results presented in Table II-12 exhibit even a more striking pattern with respect to the proportion of households in which a nonbeneficiary household member began to work. Almost five times as many households in the lowest (vs. the highest) benefit adequacy category had one or more nonbeneficiary household members begin to work (25.2% vs. 5.6%). Furthermore, with one minor variation, the proportion of households which undertook this type of adjustment declines as household groups for which benefits were successively more adequate are examined.

FOOTNOTES FOR CHAPTER II

¹The reasons for nonresponse to the thirteenth week interviews were as follows: moved, can't locate (41); refusals and breakoffs (137); not at home (60); unavailable (5); and other (82).

²In those instances in which three-way cross tabulations are employed, these six benefit adequacy categories are collapsed to three categories, with two of the six categories in each classification.

³The proportion was computed by weighting the row percentages along the diagonal of the cross tabulation by the number of beneficiary households encompassed by each row.

⁴Only three BENAD groups are utilized here because of the large number of cells involved in this three-way cross tabulation: (household type during employed month) by (household type at the thirteenth week interview) by (benefit adequacy category). Use of the six-fold BENAD classification would have resulted in too few observations in some cells of the cross tabulation.

⁵Similar to the procedure followed in the analysis of the total sample, these proportions were constructed by weighting the row percentages in the appropriate cells of each cross tabulation by the number of beneficiary households encompassed by the row in which that cell falls.

⁶Similar calculations were undertaken for just due-but-not-paid expenses during this same period. These results are reported in Appendix B-6.

⁷An amendment to the Fair Labor Standards Act in 1974 provided for a three-step increase in the minimum wage rate to \$2.30 per hour for workers covered prior to 1966, and a slower progression for workers covered for the first time in 1966 or 1974. Thus, the former group would reach the new minimum on January 1, 1976 and the latter group would achieve it in two steps, one and two years later. As a result, some of the workers included in this sample may have increased their reservation wage rate as a result of this increase in the federal minimum wage rate.

⁸The Arizona benefit formula permits a \$15 earnings disregard in the calculation of the weekly benefit amount. Beyond this earnings level, weekly benefits are reduced by \$1 for each \$1 in weekly earnings. Hence, a beneficiary who qualified for an \$85 WBA would lose entitlement to all of this weekly UI support if earnings during the week for which a claim was filed totaled \$100 or more. These statutory provisions therefore discourage partial earnings because of the high implicit marginal tax rate (100%) on weekly earnings between \$15 and \$100.

⁹In assessing the pattern of labor force activity adjustments on the part of nonbeneficiary household members among the different benefit adequacy household groups, it should be recalled from the discussion in Chapter I that fewer of the households in the highest adequacy category could utilize these types of adjustments because relatively fewer large households and relatively more one-person households were in the highest adequacy category than in the lower adequacy categories.

CHAPTER III
ANALYSIS OF ADJUSTMENTS THROUGH TWENTY-FIVE
CONSECUTIVE WEEKS OF COMPENSATED UNEMPLOYMENT

The purpose of this chapter is to summarize the analysis of the twenty-fifth week interview data. These data were obtained from household interviews with beneficiaries who had experienced twenty-five consecutive weeks of compensated unemployment; a copy of the questionnaire is provided in Appendix C-1. As in the prior chapter (which summarized the analysis of the thirteenth week interview data), the emphasis of this analysis is on the different types (and amounts) of adjustments undertaken by beneficiary households during the extended unemployment period. These adjustments are analyzed both for the total sample and for subgroups of the total sample, classified by benefit adequacy (BENAD) status. As explained in Chapter I, it is expected that the proportion of households that would undertake these adjustments during the unemployment period would vary inversely with the degree of benefit adequacy.

The first part of the analysis presented in this chapter closely follows the treatment of adjustments to unemployment presented in the previous chapter. In the latter portion of the chapter the focus is on the timing of certain adjustments made during the beneficiary's unemployment spell. Information obtained for the twenty-fifth week sample is utilized to determine the extent of adjustments made by the time of the thirteenth and twenty-fifth week interviews. A basic question in this intertemporal analysis is whether most of the adjustments to unemployment undertaken by the beneficiary households (by the time of the twenty-fifth week interview) had occurred prior to or following the time of the thirteenth week interview. It should be emphasized that these intertemporal comparisons are based only on the twenty-fifth week interview sample, and are *not* based on comparisons of the proportions of households within the thirteenth and twenty-fifth week samples that undertook a specific type of adjustment. (This latter type of comparison would involve comparisons across samples

of different sizes and characteristics, so that the possibility of developing useful inferences would be quite limited.)

A total of 735 beneficiaries, or 23 percent of the 3196 claimants who were analyzed in the report based on the fifth week interview data, experienced twenty-five consecutive weeks of compensated unemployment. Of this total group, five persons moved out of state and therefore could not be interviewed; nonrespondents to the interview totaled 105 and an additional 26 persons failed the "balancing differences" test for the consistency of the income and expenditure data obtained.¹ The final sample upon which the analysis of the twenty-fifth week interview data is based totals 599 persons.

CHARACTERISTICS OF THE CLAIMANT SAMPLE

Appropriate statistical tests were conducted to investigate the possibility of nonresponse biases in the interview data. These tests were conducted on the basis of personal and labor market characteristics such as sex, age, ethnic group, potential duration of weekly benefits, the weekly UI benefit amount, household type, and gross (and net) weekly wages in the employed month. These percentage distributions for both respondents and nonrespondents are presented in Appendix C-2, together with a coefficient for each comparison which indicates the probability of obtaining a difference between the two sample proportions as large or larger than the one actually observed due to chance alone, on the assumption that the two samples had been drawn from the same population.

The information presented in Appendix C-2 indicates that the characteristics of the respondent group did not differ importantly from the characteristics of the nonrespondent group. Of the 32 independent proportions tests conducted, in only one case was a statistically significant difference found between respondents and nonrespondents. Overall, these tests suggest no nonresponse bias which would affect the interpretation of the analysis based upon the twenty-fifth week interview data.

ANALYSIS OF ADJUSTMENTS TO UNEMPLOYMENT

The adjustments to unemployment considered in this section are exactly the same as those considered in the comparable section of the prior chapter in which the thirteenth week interview data were analyzed. The analysis focuses on the following adjustments:

- (1) changes in household type;
- (2) changes in nonbeneficiary household income;
- (3) changes in "necessary and obligated" expenditures;
- (4) changes in reservation wage rates and other dimensions of the reemployment option;
- (5) changes in partial earnings;
- (6) changes in savings levels;
- (7) other selected financial adjustments undertaken;
- (8) amounts of cash used to help meet household expenses from these selected financial adjustments;
- (9) changes in the amounts of public/private assistance received; and
- (10) changes in the labor market status of household members other than the beneficiary.

In each case, the measure of the adjustment undertaken by the beneficiary households is precisely the same as that employed in the prior chapter, except that the relevant time period for such adjustments encompasses twenty-five (not thirteen) consecutive weeks of compensated unemployment. The results of the analysis for each of these adjustments also are presented in the same format used in the prior chapter. First, emphasis is placed on the magnitude of adjustment undertaken by the total (twenty-fifth week) sample. Then consideration is given to the adjustments undertaken by households which were classified into different benefit adequacy (BENAD) categories.²

Changes in Household Type

Twenty-five consecutive weeks of compensated unemployment could be expected to induce some changes in the household type status from the employed month to the month prior to the twenty-fifth week interview. Three household types are considered in this analysis:

- (1) one-earner--one-person households;
- (2) one-earner--multi-person households;
- (3) multi-earner--multi-person households.³

Results for the Total Sample. A cross tabulation of household type status during the employed month by household status at the time of the twenty-fifth week interview is provided in Table III-1. The values of the "row percentages"⁴ along the diagonal of the cross tabulation indicate relatively little change in household type status for one-earner--one-person and one-earner--multi-person households from the employed month to the month prior to the twenty-fifth week interview; approximately 90 percent of the households in each of these two categories did not change household type status over this time period. In contrast, only about three-fourths of the households originally classified into the multi-earner--multi-person household type during the employed month remained in that category during the month prior to the twenty-fifth week interview. Interestingly, almost all of the changes in household type status for this group were into the one-earner--multi-person household group. This finding suggests that the financial pressures experienced by the beneficiary households as a result of the beneficiary's unemployment were aggravated even more by the loss of yet another household earner during the unemployment period.

Results for Benefit Adequacy Subgroups. The changes in household type status for those in the BENAD50 and BENAD5185 categories over this period were fairly similar, as shown in Table III-2 and as summarized in part below:

<u>Benefit Adequacy Category⁵</u>	<u>Proportion of Households That Did Not Change Household Type Status⁶</u>
BENAD50	82.2%
BENAD5185	81.3%
BENAD86	89.9%

In fact, just over four-fifths of the beneficiary households in each of the lower two adequacy categories did *not* change household type status over the unemployment period. Household type changes were, however, even less common for those in the BENAD86 category; 90 percent of these households did not change household status over this period. Stated differently, 18-19 percent of the households in the lower two adequacy categories did change household

TABLE III-1
 CROSS TABULATION OF HOUSEHOLD TYPE DURING THE EMPLOYED MONTH
 BY HOUSEHOLD TYPE DURING THE MONTH PRIOR TO THE TWENTY-FIFTH
 WEEK INTERVIEW

Household Type During Employed Month	Household Type at Twenty-fifth Week Interview			Row Total Row Pct.
	One-Earner-- One-Person HH	One-Earner-- Multi-Person HH	Multi-Earner-- Multi-Person HH	
One-Earner-- One-Person HH	88.8 (89.5)	8.8 (4.4)	2.4 (1.4)	125 21.4
One-Earner-- Multi-Person HH	2.9 (4.8)	90.0 (74.6)	7.2 (7.2)	209 35.7
Multi-Earner-- Multi-Person	2.8 (5.7)	21.1 (21.0)	76.1 (91.4)	251 42.9
Column Total Column Pct.	124 21.2	252 43.1	209 35.7	585 100.0

Number of missing observations = 14.

TABLE III-2

CROSS TABULATION OF HOUSEHOLD TYPE DURING THE EMPLOYED MONTH
BY HOUSEHOLD TYPE DURING THE MONTH PRIOR TO THE TWENTY-FIFTH
WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Household Type During Employed Month	Household Type at Twenty-fifth Week Interview			Row Total Row Pct.
	One-Earner-- One-Person HH	One-Earner-- Multi-Person HH	Multi-Earner-- Multi-Person HH	
<i>PART A: BENAD50</i>				
One-Earner-- One-Person HH	81.3 (86.7)	18.8 (3.0)	0.0 (0.0)	16 10.5
One-Earner-- Multi-Person HH	1.3 (6.7)	98.7 (75.2)	0.0 (0.0)	77 50.7
Multi-Earner-- Multi-Person HH	1.7 (6.7)	37.3 (21.8)	61.0 (100.0)	59 38.8
Column Total	15	101	36	152
Column Pct.	9.9	66.4	23.7	100.0
<i>PART B: BENAD5185</i>				
One-Earner-- One-Person HH	88.4 (91.0)	8.7 (5.1)	2.9 (2.0)	69 24.3
One-Earner-- Multi-Person HH	3.1 (4.5)	85.7 (71.2)	11.2 (11.1)	98 34.5
Multi-Earner-- Multi-Person HH	2.6 (4.5)	23.9 (23.7)	73.5 (86.9)	117 41.2
Column Total	67	118	99	284
Column Pct.	23.6	41.5	34.9	100.0
<i>Part C: BENAD86</i>				
One-Earner-- One-Person HH	92.5 (88.1)	5.0 (6.1)	2.5 (1.4)	40 26.8
One-Earner-- Multi-Person HH	5.9 (4.8)	82.4 (84.8)	11.8 (5.4)	34 22.8
Multi-Earner-- Multi-Person HH	4.0 (7.1)	4.0 (9.1)	92.0 (93.2)	75 50.3
Column Total	42	33	74	149
Column Pct.	28.2	22.1	49.7	100.0

Number of missing observations = 14.

type from the employed month to the time of the twenty-fifth week interview, compared with only 10 percent for the group for whom benefits were most adequate (BENAD86). Interestingly, none of the one-earner--multi-person households in the BENAD50 category acquired an additional earner during this period, whereas 11-12 percent of the one-earner--multi-person households in the higher two adequacy categories acquired an additional earner. Also, the loss of earners (as of the employed month) from multi-earner--multi-person households was much more common among those in the lowest adequacy category than among those in the higher two adequacy categories; the loss of an earner was recorded for 37 percent of these households in the lowest adequacy category, compared with 24 percent of these households in the intermediate adequacy category (51%-85%) and only 4 percent of these households in the highest adequacy category.

Changes in Nonbeneficiary Household Income

The loss of the beneficiary's wage income during the period of unemployment could have been compensated for, at least in part, by increases in the amount of nonbeneficiary household income (including increases in non-wage income received by the beneficiary). To investigate this type of adjustment, the change in nonbeneficiary household income (as defined in the prior chapter) from the employed month to the month prior to the twenty-fifth week interview was computed. In the analysis presented below, this measure is expressed as a percentage of the beneficiary's gross wages in the employed month.

Results for the Total Sample. The information presented in Table III-3 indicates that 43 percent of the total sample experienced no change in non-beneficiary household income (as defined above) over the relevant time period. In contrast, 39 percent of the households did experience some increase in this type of income, and 18 percent of the households recorded some decline in the receipt of income from these sources.

Results for Benefit Adequacy Subgroups. The evidence presented in Table III-3 provides some indication that a greater proportion of the households for which benefits were less adequate tended to experience some increase in nonbeneficiary household income, compared with the households

TABLE III-3

CROSS TABULATION OF THE DIFFERENCE BETWEEN NONBENEFICIARY HOUSEHOLD INCOME (INCLUDING ANY NONWAGE INCOME ATTRIBUTABLE TO THE BENEFICIARY) IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Nonbeneficiary Household Income			Row Total Row Pct.
	Less than .0%	0%	More than 0%	
35% or less	8.3 (3.7)	50.0 (9.4)	41.7 (8.7)	48 8.1
36% - 50%	12.0 (12.0)	40.7 (17.3)	47.2 (22.3)	108 18.3
51% - 65%	15.2 (19.4)	38.4 (20.9)	46.4 (27.9)	138 23.4
66% - 85%	22.3 (30.6)	45.3 (26.4)	32.4 (21.0)	148 25.0
86% - 99%	24.2 (14.8)	37.9 (9.8)	37.9 (10.9)	66 11.2
100% or more	25.3 (19.4)	49.4 (16.1)	25.3 (9.2)	83 14.0
Column Total	108	254	229	591
Column Pct.	18.3	43.0	38.7	100.0

Number of missing observations = 8.

for which benefits were more adequate. For example, 42-47 percent of the households in the lower three adequacy categories reported some increase in nonbeneficiary household income during the beneficiary's unemployment period, compared with 38 and 25 percent, respectively, for the households in the top two adequacy categories.

Additional information on the receipt of nonbeneficiary household income by the three different household types (discussed above) is presented in Appendix C-3. These cross tabulations indicate that the receipt of nonbeneficiary household income (or nonwage income attributable to the beneficiary) was much more common among the multi-person than among the one-person household types, as would be expected. For example, only 15 percent of the one-earner--one-person households experienced any increase in household income from these sources, but two-fifths of the one-earner--multi-person households had an increase in income from these sources, and over half of the multi-earner--multi-person households recorded some increase in nonbeneficiary household income over the period. Furthermore, the general tendency noted above for a greater proportion of households for which benefits were less adequate to record some increases in nonbeneficiary household income also is apparent for each of the household type classifications analyzed in Appendix C-3.

Changes in Paid Expenses

The financial pressures experienced by beneficiary households as a result of the twenty-five consecutive weeks of compensated unemployment experienced by the beneficiary would be expected to induce at least some decreases in the amount of paid necessary and obligated expenses. The measure employed in this analysis is the percentage change in the total of paid necessary and obligated expenses from the employed month to the month prior to the twenty-fifth week interview.

Results for the Total Sample. Information related to these percentage changes in the total of necessary and obligated expenses is presented in Table III-4. These data indicate that almost two-thirds of the total sample reported some decline in the total of paid necessary and obligated expenses from the employed month to the month prior to the twenty-fifth week interview. Furthermore, for nearly one-third of the total sample, these declines

TABLE III-4

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Paid Expenses			Row Total Row Pct.
	-30% or less	-29% to -1%	0% or more	
35% or less	55.1 (14.8)	24.5 (6.0)	20.4 (4.8)	49 8.3
36% - 50%	52.3 (30.6)	25.2 (13.6)	22.4 (11.5)	107 18.1
51% - 65%	35.5 (26.8)	42.8 (29.6)	21.7 (14.4)	138 23.4
66% - 85%	27.0 (21.9)	35.8 (26.6)	37.2 (26.4)	148 25.1
86% - 99%	7.6 (2.7)	40.9 (13.6)	51.5 (16.3)	66 11.2
100% or more	7.3 (3.3)	25.6 (10.6)	67.1 (26.4)	82 13.9
Column Total	183	199	208	590
Column Pct.	31.0	33.7	35.3	100.0

Number of missing observations = 9.

amounted to at least a 30 percent reduction in the total of paid expenses. In contrast, no decline or even an increase in these expenses was recorded for about one-third of the sample. Overall, however, these findings provide strong evidence that an important adjustment undertaken by a large percentage of the beneficiary households in response to the beneficiary's unemployment was to reduce the level of paid expenditures for necessary/obligated goods and services.

Results for Benefit Adequacy Subgroups. Analysis of the pattern of adjustments in the total of paid necessary/obligated expenses undertaken by those in the alternative benefit adequacy categories reveals that the extent of such adjustments was strongly and inversely related to the adequacy of weekly UI benefits. This pattern is evident in the following summary table constructed from Table III-4.

<u>Benefit Adequacy Category</u>	<u>Percentage of Households Making Specified Percentage Reductions in Paid Necessary/Obligated Expenses</u>		
	<u>30% or more</u>	<u>1% to 29%</u>	<u>1% or more</u>
BENAD35	55.1	24.5	79.6
BENAD3650	52.3	25.2	77.5
BENAD5165	35.5	42.8	78.3
BENAD6685	27.0	35.8	62.8
BENAD8699	7.6	40.9	48.5
BENAD100	7.3	25.6	32.9

Over one-half of those in the lowest two benefit adequacy categories (50% or less) made expenditure cuts of 30 percent or more, but less than 8 percent of those in the highest two adequacy categories (86% or more) made such large expenditure reductions. Similarly, the proportion of households that reported *any decline* in the total of paid necessary and obligated expenses was much higher for the households for which benefits were less vs. more adequate.

Adjustments in Other Expenditure Categories. As noted in the prior chapter, adjustments in the total of paid expenses for necessary and obligated goods and services would not mirror adjustments in the overall standard of living of the beneficiary household if these adjustments were offset by increases in the due-but-not-paid component of expenses for

necessary and obligated goods and services. Indeed, the overall consumption level could remain unchanged if *reductions* in paid expenses were offset by *increases* in due-but-not-paid expenses. To investigate this possibility, a cross tabulation for the sum of paid + due-but-not-paid expenses is presented in Table III-5. These results closely resemble the pattern reported above in Table III-4 for the total of only paid expenses. Furthermore, the pattern of adjustments by benefit adequacy category noted above--that a greater proportion of the household for which benefits were less vs. more adequate made large cuts in these expenditures--also is apparent in the results reported for the paid + due-but-not-paid expenditures in Table III-5. Hence, it is appropriate to conclude that the reductions in paid expenses closely approximated the reductions in the "basic" standard of living experienced by the beneficiary households from the employed month to the month prior to the twenty-fifth week interview. Similar results were obtained in the analysis of the thirteenth week sample presented in the prior chapter.

Changes in Reservation Wage Rates and Other Reemployment Dimensions

Twenty-five consecutive weeks of unemployment also might tend to induce certain types of adjustments with respect to the characteristics of the new job that the unemployed job seeker would be willing to accept. The adjustment emphasized in this section is the difference between the wage rate on the preunemployment job and the wage rate that the worker would have accepted one week prior to the twenty-fifth week interview (expressed as a percentage of the wage rate received on the preunemployment job). Hence, in this analysis, *declines* in reservation wage rates would be expressed as *positive percentage changes*.

Results for the Total Sample. That an important component of the total sample was willing to accept work at a wage rate below the preunemployment wage rate is evident from the data presented in Table III-6. In fact, beneficiaries in two-fifths of the households had minimum-acceptable reemployment wage rates that were at least 5 percent below the preunemployment wage rate. In contrast, it is interesting to note that 23 percent of the total sample actually had established a reservation wage rate one week prior to

TABLE III-5

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID + DUE-BUT-NOT-PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Paid + Due-But-Not-Paid Expenses			Row Total Row Pct.
	-30% or less	-29% to -1%	0% or more	
35% or less	53.1 (15.9)	20.4 (5.1)	26.5 (5.7)	49 8.3
36% - 50%	45.8 (29.9)	27.1 (14.7)	27.1 (12.7)	107 18.1
51% - 65%	26.8 (22.6)	45.7 (32.0)	27.5 (16.6)	138 23.4
66% - 85%	23.6 (21.3)	35.8 (26.9)	40.5 (26.2)	148 25.1
86% - 99%	10.6 (4.3)	34.8 (11.7)	54.5 (15.7)	66 11.2
100% or more	12.2 (6.1)	23.2 (9.6)	64.6 (23.1)	82 13.9
Column Total	164	197	229	590
Column Pct.	27.8	33.4	38.8	100.0

Number of missing observations = 9.

TABLE III-6

CROSS TABULATION OF THE DIFFERENCE BETWEEN THE PREUNEMPLOYMENT WAGE RATE AND THE RESERVATION WAGE RATE ONE WEEK PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE PREUNEMPLOYMENT WAGE RATE, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Reservation Wage Rate ^a			Row Total Row Pct.
	-5% or less	-4% to + 4%	5% or more	
35% or less	13.2 (4.3)	28.9 (6.2)	57.9 (10.8)	38 7.6
36% - 50%	19.8 (15.5)	38.5 (19.8)	41.8 (18.6)	91 18.3
51% - 65%	33.9 (34.5)	29.7 (19.8)	36.4 (21.1)	118 23.7
66% - 85%	20.7 (21.6)	37.2 (25.4)	42.1 (25.0)	121 24.4
86% - 99%	17.5 (8.6)	40.4 (13.0)	42.1 (11.8)	57 11.5
100% or more	25.0 (15.5)	38.9 (15.8)	36.1 (12.7)	72 14.5
Column Total	116	177	204	497
Column Pct.	23.3	35.6	41.1	100.0

Number of missing observations = 102.

^aPositive percentage values reflect declines in the reservation wage rate, and negative percentage values reflect increases in the reservation wage rate.

the twenty-fifth week interview that was 5 percent or more *above* the pre-unemployment wage rate; such increases could be explained partly by increases in the legal minimum wage during the relevant period or, for union claimants, by an increase in the union scale. For the remaining two-fifths of the sample, the reservation wage rate varied by less than 5 percent above or below the preunemployment wage rate. Hence, the pattern which emerges from consideration of the total sample is one which suggests that reservation wage rate declines characterized a significant minority of this group.

Results for Benefit Adequacy Subgroups. The pattern of reservation wage rate adjustments for those in the alternative benefit adequacy categories is less consistent than the pattern found for the thirteenth week sample. In the latter instance, a rather clear (inverse) relationship was found between the extent of benefit adequacy and the proportion of beneficiaries who had reservation wage rates below the preunemployment wage rate. For the twenty-fifth week sample, however, the only marked difference found is between those in the lowest adequacy category and all remaining claimants. Nearly three-fifths of those for whom benefits were least adequate (BENAD35) had established reservation wage rates which represented reductions of 5 percent or more of the preunemployment wage rate; for the remaining beneficiaries, the comparable percentage was from 36-42 percent. No other generalizations about reservation wage rate adjustments for this group appear warranted.

Changes in Other Reemployment Dimensions. Other important dimensions of the reemployment option include the expected duration of the new job and the required commutation time. Information on the minimum duration necessary for a new job to be acceptable, and on the percentage change in the amount of required commutation time (compared with commutation time on the preunemployment job) is provided in Appendixes C-4 and C-5. The beneficiary's responses in each case were based on the assumption that the new job would offer a rate of pay equal to the reservation wage rate established by the beneficiary one week prior to the twenty-fifth week interview.

The principal findings of the analysis of reservation reemployment stability aspirations are that many beneficiary households were willing to accept very short-duration jobs, and that the willingness of beneficiaries

to accept such positions was inversely related to the extent of benefit adequacy. Over one-third of the beneficiaries were willing to accept a job that would last one month or less, and an additional one-third of the beneficiaries would have accepted a job expected to last for more than one but less than six months. For the shortest-duration jobs (one month or less), the pattern by benefit adequacy category is very clear: a much larger proportion of the beneficiaries in households for which benefits were less adequate were willing to accept such positions than beneficiaries in households for which benefits were more adequate. For the remaining job-length categories, however, no clear pattern among those in the different benefit adequacy categories is apparent.

The evidence presented in Appendix C-5 does suggest a willingness of beneficiaries to increase commutation time as a condition for reemployment. Almost two-thirds of the total sample indicated a willingness to increase commutation time by 5 percent or more of that on the preunemployment job. However, no strong pattern for the willingness to change commuting time is apparent among those in the different benefit adequacy categories.

Partial Earnings Adjustments

Another type of potential adjustment for workers who receive unemployment benefits is to obtain partial employment while continuing to search for more permanent (or remunerative) reemployment. The amount of these partial earnings (net of income and payroll taxes) received by the beneficiary during the month prior to the twenty-fifth week interview was determined, and expressed as a percentage of the beneficiary's net wages in the preunemployment month (see Appendix C-6). The results show that 97 percent of the beneficiaries *did not receive* any partial earnings during the month prior to the twenty-fifth week interview. Because so few beneficiaries received partial earnings, no meaningful analysis by benefit adequacy category is possible.

Changes in Savings

Twenty-five consecutive weeks of unemployment would be expected to result in substantial changes in the net asset position of the beneficiary household. One dimension of such adjustments would entail the utilization

of any savings that the beneficiary household had accumulated by the onset of the beneficiary's unemployment spell. In this section the availability of savings at the beginning of unemployment, the use of such savings during unemployment and the presence of any savings through the month prior to the twenty-fifth week interview are examined.

Results for the Total Sample. The information presented in Table III-7 indicates that 71 percent of the beneficiary households had some savings at the beginning of the unemployment spell. Of these households, over three-fourths had withdrawn some savings by the end of the month prior to the twenty-fifth week interview in order to meet household expenses. Two-thirds of the households that had savings at the beginning of the unemployment spell still had some savings during the month prior to the twenty-fifth week interview. Thus, one-third of those households with savings (at the onset of unemployment) had exhausted their savings by the end of the month prior to the twenty-fifth week interview.

Results for the Benefit Adequacy Subgroups. The proportion of households with some savings (amounts unspecified) at the onset of the unemployment spell was greater (77-84%) for those in the lowest two benefit adequacy categories (50% or less) than for those in the other adequacy categories. For the remaining benefit adequacy categories, the proportion with savings was about the same (66-69%). Approximately four-fifths of the households (with savings) in the bottom four benefit adequacy categories had withdrawn some savings to meet household expenses by the end of the month prior to the twenty-fifth week interview, whereas only about two-thirds of those in the highest two benefit adequacy categories had withdrawn any savings. Also, a relatively weak, but direct relationship was found between the level of benefit adequacy and the percentage of households with savings left at the end of the month prior to the twenty-fifth week interview.

Other Selected Financial Adjustments

Information on other types of financial adjustments undertaken by beneficiary households also was obtained at the time of the twenty-fifth week interview. These adjustments included the following:

TABLE III-7

CROSS TABULATION OF SAVINGS LEVELS AND USAGE BY BENEFICIARY HOUSEHOLDS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Savings Levels and Usage			Row Total Row Pct. ^a
	Percentage of Households that Had Savings at The Onset of Unemployment ^a	Percentage of Households with Savings that Withdrew Savings ^b	Percentage of Households with Savings that Had Savings Left ^b	
35% or less	84.1	78.0	63.4	49 8.3
36% - 50%	76.7	80.7	60.2	108 18.2
51% - 65%	69.1	81.1	68.4	138 23.3
66% - 85%	65.9	76.5	69.4	148 25.0
86% - 99%	69.3	68.1	68.1	67 11.3
100% or more	66.5	67.3	74.5	83 14.0
Column Total	419	319	282	593
Column Pct. ^c	70.7	76.1	67.3	100.0

Number of missing observations = 6.

^aPercentage of the total sample of 593 persons.

^bPercentage of the 419 persons who had savings at the onset of unemployment

^cColumn percents do not sum to 100% because a single household may appear in more than one column.

- (1) loans from banks;
- (2) loans from friends and relatives;
- (3) sale of bonds/securities;
- (4) sale of personal property;
- (5) sale of real estate;
- (6) borrowings against life insurance policies; and
- (7) receipt of funds from other sources (not including savings).

In each instance, the amount of funds received from these sources is unspecified; the analysis focuses on the percentage of households which utilized each of these sources of additional cash to meet household expenses from the onset of the beneficiary's unemployment through the month prior to the twenty-fifth week interview.

Results for the Total Sample. The percentage of households which undertook any of these specified financial adjustments is indicated in Table III-8. For the total sample, the most frequently used sources of additional cash were loans from friends and relatives (16%), the sale of personal property (12%), and bank loans (8%). No other type of financial adjustment was utilized by even 5 percent of the total sample.

Results for Benefit Adequacy Subgroups. The principal finding of the analysis of these selected financial adjustments for the different benefit adequacy categories is the generally greater utilization of all sources by the households for which benefits were less adequate, compared with households for which benefits were more adequate (especially those in the highest adequacy category). For example, the percentages of households in the lowest vs. the highest benefit adequacy categories that made use of selected sources were 8 vs. 2 percent for bank loans, 14 vs. 7 percent for loans from friends or relatives and 29 vs. 7 percent for sale of personal property.

Amounts of Cash Used From Selected Financial Adjustments

In the prior two sections, the types (but not the amounts) of financial adjustments undertaken by beneficiary households during the first 25 weeks of the beneficiary's unemployment spell were considered. The amount of cash from these sources actually used to meet household expenses during this same period is considered here. Related calculations (based on the

TABLE III-8

CROSS TABULATION OF THE PERCENTAGE OF BENEFICIARY HOUSEHOLDS UNDERTAKING SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Selected Financial Adjustments							Row Total Row Pct.
	Received Loans From Banks	Received Loans From Friends/ Relatives	Sold Bonds/ Securities	Sold Personal Property	Sold Real Estate	Borrowed Against Insurance Policies	Received Funds From Other Sources	
35% or less	8.2	14.3	10.2	28.6	4.1	4.1	10.2	49 8.3
36% - 50%	12.0	23.1	5.6	13.0	3.7	4.6	7.4	108 18.2
51% - 65%	8.0	17.4	5.1	15.9	0.7	0.0	1.4	138 23.3
66% - 85%	8.1	16.9	5.4	7.4	0.7	2.0	3.4	148 25.0
86% - 99%	9.0	10.4	3.0	9.0	0.0	1.5	1.5	67 11.3
100% or more	2.4	7.2	0.0	7.2	0.0	1.2	3.7	83 14.0
Column Total	48	94	28	73	8	12	24	593
Column Pct. ^a	8.1	15.9	4.7	12.3	1.3	2.0	4.0	100.0

89

Number of missing observations = 6.

^aColumn percents do not sum to 100% because a single household may appear in more than one column, and the households that made none of these adjustments are not shown in any column.

ratio of the monthly average amounts of cash used over the unemployment period to the beneficiary's gross wages in the employed month) have been placed in Appendix C-7.

Results for the Total Sample. The amount of cash used to meet household expenses from the sources identified in Tables III-7 and III-8 is reported in Table III-9. Thirty-one percent of the total sample utilized no funds from these sources to meet household expenses over this time period, 53 percent utilized \$1-\$299 and 16 percent used \$300 or more from these sources to meet household expenses. These findings, together with those in the prior chapter, may indicate that the households which comprise the twenty-fifth week sample had less access to funds from these sources than the larger group of households that comprised the thirteenth week sample. For example, the information presented in Table II-10 (in the previous chapter) indicated that almost one-third of the thirteenth week sample had used \$500 or more from these sources to help meet household expenses during the first thirteen weeks of compensated unemployment. In the present instance (for the twenty-fifth week sample), the analysis reveals that only about one-sixth of the total sample had used \$300 or more during the first twenty-five weeks of compensated unemployment.

Results for the Benefit Adequacy Subgroups. The analysis of the individual benefit adequacy categories reveals that the amount utilized from these sources is much greater for those in the lower than higher adequacy categories. For example, 43 percent of those in the lowest benefit adequacy category utilized \$300 or more from these sources, but only 6 percent of the households in the highest adequacy category utilized this much to help meet household expenses during the unemployment period. In contrast, only 17 percent of those in the bottom adequacy category but 46 percent of those in the top category utilized no money from these sources to meet household expenses. A similar pattern is found in Appendix C-7, which contains the results for the monthly average of the use of such funds as a percent of the beneficiary's gross earnings in the employed month.

TABLE III-9

CROSS TABULATION OF THE AMOUNTS OF CASH USED FROM SAVINGS AND FROM OTHER SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Amount of Cash Used			Row Total Row Pct.
	\$0	\$1 - \$299	\$300 or more	
35% or less	17.0 (4.4)	40.4 (6.2)	42.6 (21.7)	47 8.1
36% - 50%	23.3 (13.2)	52.4 (17.6)	24.3 (27.2)	103 17.8
51% - 65%	26.7 (19.8)	62.2 (27.5)	11.1 (16.3)	135 23.3
66% - 85%	33.6 (26.9)	52.7 (25.2)	13.7 (21.7)	146 25.2
86% - 99%	40.9 (14.8)	48.5 (10.5)	10.6 (7.6)	66 11.4
100% or more	45.8 (20.9)	48.2 (13.1)	6.0 (5.4)	83 14.3
Column Total	182	306	92	580
Column Pct.	31.4	52.8	15.9	100.0

Number of missing observations = 19.

Changes in Public/Private Assistance Received

The beneficiary's prolonged unemployment spell also could have caused beneficiary households to resort to either free or reduced cost goods and services from private or public sources. For the period from the onset of unemployment through the month prior to the twenty-fifth week interview, it was determined whether the beneficiary household had received any of the following types of assistance:

- (1) free food;
- (2) free clothing;
- (3) free medical care;
- (4) free or reduced cost housing;
- (5) free transportation; and
- (6) other free or reduced costs goods or services.

The proportion of households which received each of these types of public/private assistance is indicated in Table III-10. The type of assistance received by the largest proportion of households (12%) was free food. No other type of assistance was received by even 5 percent of the total sample. No general pattern for the percentage of households that received these types of assistance is evident among those in the various adequacy categories, perhaps in part because so few households received any of these types of assistance.

Change in the Value of Public Welfare and Food Stamps Received

Another aspect of assistance received by the beneficiary household encompasses any changes in the amounts of public welfare or food stamp assistance received by the beneficiary household during the prolonged unemployment period. The measure employed in this analysis is the difference in the value recorded for the month prior to the twenty-fifth week interview and the value recorded for the employed month; this difference is expressed as a percentage of the household's necessary and obligated expenses in the employed month. As shown in Table III-11, only 7 percent of the total sample reported any change in the amount of welfare and food stamp assistance received (and most of those reporting no change had no support during either month). Because so few households reported any

TABLE III-10

CROSS TABULATION OF THE PERCENTAGE OF BENEFICIARY HOUSEHOLDS THAT HAD RECEIVED FREE/REDUCED COST GOODS AND SERVICES FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Free/Reduced Cost Goods Received						Row Total Row Pct.
	Free Food	Free Clothing	Free Medical Care	Free/Reduced Cost Housing	Free Transportation	Other Free Goods/Services	
35% or less	12.2	2.0	0.0	0.0	0.0	0.0	49 8.3
36% - 50%	16.7	0.0	3.7	1.9	0.0	0.0	108 18.2
51% - 65%	9.4	0.0	2.9	2.9	2.2	0.7	138 23.3
66% - 85%	15.5	2.0	3.4	3.4	0.7	0.0	148 25.0
86% - 99%	7.5	1.5	6.0	3.0	3.0	0.0	67 11.3
100% or more	9.6	0.0	4.8	4.8	1.2	1.2	83 14.0
Column Total	73	5	21	17	7	2	593
Column Pct. ^a	12.3	0.8	3.5	2.9	1.2	0.3	100.0

70

Number of missing observations = 6.

^aColumn percent does not sum to 100% because most households do not appear in any of the columns.

TABLE III-11

CROSS TABULATION OF THE DIFFERENCE BETWEEN THE VALUE OF WELFARE AND FOOD STAMP ASSISTANCE RECEIVED IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Value of Assistance Received		Row Total Row Pct.
	0% or less	Greater than 0%	
35% or less	91.8 (8.2)	8.2 (9.3)	49 8.3
36% - 50%	89.8 (17.6)	10.2 (25.6)	108 18.2
51% - 65%	94.2 (23.6)	5.8 (18.6)	138 23.3
66% - 85%	90.5 (24.4)	9.5 (32.6)	148 25.0
86% - 99%	97.0 (11.8)	3.0 (4.7)	67 11.3
100% or more	95.2 (14.4)	4.8 (9.3)	83 14.0
Column Total Column Pct.	550 92.7	43 7.3	593 100.0

Number of missing observations = 6.

change in support, patterns among those in the different benefit adequacy categories should not be emphasized. Nonetheless, the percentages that reported an increase in the highest two adequacy categories were 3 and 5 percent, compared with 8 and 10 percent for those in the lowest two adequacy categories.

Changes in Labor Force Activity of Household Members

Another dimension of adjustments undertaken by beneficiary households in response to the beneficiary's prolonged unemployment spell relates to changes in the labor force activities of household members other than the beneficiary. At the twenty-fifth week interview, respondents were asked whether the beneficiary's unemployment had caused one or more nonbeneficiary household members to undertake any of the following adjustments since the onset of the beneficiary's unemployment spell: (1) an increase in the number of hours worked; (2) a decision to begin to look for work; and (3) the acceptance of a job.

Results for the Total Sample. The percentage of households in which someone (other than the beneficiary) had undertaken each of these three types of adjustments is reported in Table III-12. Because of the beneficiary's unemployment, in over one-fifth (23.3%) of these households a nonbeneficiary household members had begun to work more hours, and in over one-fourth (27.5%) of these households one or more nonbeneficiary household members had begun to look for work. In one-seventh (14.4%) of these households, one or more nonbeneficiary household members had actually started to work because of the beneficiary's unemployment spell. Overall, these types of labor market adjustments evidently represented a major way of coping with the beneficiary's unemployment.

Results for Benefit Adequacy Subgroups. Approximately one-fourth of the households in each of the lowest five benefit adequacy categories had a nonbeneficiary household member working more hours since the onset of the beneficiary's unemployment spell. In contrast, only 14 percent of the households for which benefits were most adequate (BENAD100) had a nonbeneficiary household member working more hours.⁷

TABLE III-12

CROSS TABULATION OF CHANGES IN LABOR FORCE ACTIVITY OF NONBENEFICIARY HOUSEHOLD MEMBERS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Percentage of Households in Which Someone Worked More Hours	Percentage of Households in Which Someone Began to Look For Work	Percentage of Households in Which Someone Began Working	Row Total Row Pct.
35% or less	28.6	49.0	34.7	49 8.3
36% - 50%	26.2	32.7	12.1	107 18.2
51% - 65%	22.6	38.0	16.8	137 23.3
66% - 85%	23.8	21.1	12.9	147 25.0
86% - 99%	25.4	13.4	11.9	67 11.4
100% or more	14.6	13.4	6.1	82 13.9
Column Total	589	589	589	589
Column Pct. ^a	23.3	27.5	14.4	100.0

Number of missing observations = 10.

^aThe column percent indicates the proportion of the total sample of households in which the specified adjustment was undertaken. The column percentages do not total to 100% because a single household may not have undertaken any of these adjustments, or may have undertaken more than one of these adjustments.

A much stronger adjustment pattern is evident among the household groups, classified by benefit adequacy status, for the remaining two types of labor force adjustments considered. Almost one-half (49.0%) of the households in the lowest benefit adequacy group (BENAD35) had one or more household members who had begun to look for work through the month prior to the twenty-fifth week interview; in contrast, only 13.4 percent of the households in the highest two benefit adequacy categories had one or more nonbeneficiary household members who had begun to look for work. Similarly, a much larger proportion of the households for which benefits were least adequate had one or more household members who had started to work, compared with the households for which benefits were less adequate. In fact, almost 35 percent of all of the households in the BENAD35 group had at least one household member who had begun working, compared with only 6.1 percent in the BENAD100 classification. Overall, these findings strongly indicate a much greater frequency of these labor force adjustments among the households for which benefits were less adequate (especially least adequate) compared with those for which benefits were more adequate (especially most adequate).

ANALYSIS OF INTERTEMPORAL ADJUSTMENTS

As noted in the introductory portion of this chapter, the variety and magnitude of adjustments undertaken by the twenty-fifth week beneficiary sample are not directly comparable with the adjustments undertaken by the thirteenth week sample, at least in terms of determining the timing of adjustments made in response to prolonged unemployment, because of the different samples involved. What is required to assess the timing of adjustments for the study group is an intertemporal analysis of adjustments undertaken by the twenty-fifth week sample (which totals 599 households) after thirteen consecutive weeks of unemployment and after twenty-five consecutive weeks of unemployment. In this section, the percentage of these households that had undertaken specified adjustments after thirteen weeks of unemployment are compared with the percentage of these same households that had made the same types of adjustments after twenty-five consecutive weeks of compensated unemployment. The selected adjust-

ments considered are:

- (1) changes in nonbeneficiary household income;
- (2) changes in paid necessary and obligated expenses;
- (3) changes in paid + due-but-not-paid necessary and obligated expenses;
- (4) selected financial adjustments (including savings withdrawn or exhausted); and
- (5) changes in the labor market status of household members other than the beneficiary.

The pattern of these intertemporal adjustments is considered both for the total (twenty-fifth week) sample, and subsets of this total sample classified by benefit adequacy category.

Changes in Nonbeneficiary Household Income

Specified changes in nonbeneficiary household income (or changes in the nonwage income of the beneficiary) from the employed month to the month prior to the thirteenth (twenty-fifth) week interview are reported in Table III-13 for the twenty-fifth week sample. The upper number in each cell of the cross tabulation indicates the percentage of households that reported the specified change in the receipt of nonbeneficiary household income (including any nonwage income received by the beneficiary) from the employed month to the month prior to the thirteenth week interview (expressed as a percentage of the beneficiary's gross wages in the employed month). The lower number in each cell of the cross tabulation indicates the percentage of households that had the same specified change in the receipt of nonbeneficiary household income from the employed month to the month prior to the twenty-fifth week interview (also expressed as a percentage of the beneficiary's gross wages in the employed month).

Thirty-four percent of the households reported some increase in nonbeneficiary income from the employed month to the month prior to the thirteenth week interview, and 38 percent reported an increase in such income from the employed month to the month prior to the twenty-fifth week interview. In addition, the percentage of households that received no income from this source and the percentage of households that experienced some decline are very similar over the two time periods considered. These findings suggest that most of the beneficiary households which had undertaken such adjustments to the beneficiary's unemployment spell had already

TABLE III-13

CROSS TABULATION OF THE DIFFERENCE BETWEEN NONBENEFICIARY HOUSEHOLD INCOME (INCLUDING ANY NONWAGE INCOME ATTRIBUTABLE TO THE BENEFICIARY) IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Nonbeneficiary Household Income ^a			Row Pct.
	Less than 0%	0%	More than 0%	
35% or less	12.2	46.9	40.8	8.3
	8.3	50.0	41.7	8.2
36% - 50%	10.3	49.5	40.2	18.2
	12.1	41.1	46.7	18.2
51% - 65%	13.9	53.3	32.8	23.3
	14.6	38.7	46.7	23.3
66% - 85%	21.8	47.6	30.6	25.0
	22.4	44.9	32.7	25.0
86% - 99%	28.8	37.9	33.3	11.2
	24.2	37.9	37.9	11.2
100% or more	24.4	48.8	26.8	13.9
	24.4	50.0	25.6	14.0
Column Pct.	18.2	48.3	33.5	588
	18.1	43.1	38.3	587

Number of missing observations = $\frac{7}{8}$.

^aThe upper number in each cell indicates the percentage of households located in the cell for the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in the cell for the month prior to the twenty-fifth week interview.

done so by the time of the thirteenth week interview; few additional households undertook this adjustment between the thirteenth and twenty-fifth week interviews. No strong pattern of *differential intertemporal adjustments* in terms of the receipt of nonbeneficiary household income among those in the different benefit adequacy categories is apparent in the results reported in Table III-13. That is, nearly all of the households in any category that made any adjustment through twenty-five weeks of unemployment had undertaken the adjustment by the month prior to the thirteenth week interview. (Information related to these changes in the receipt of nonbeneficiary household income over the two time periods for those in each of the three different household types is provided in Appendix C-8 for the interested reader.)

Changes in Paid Expenses. The basic issue addressed in this section is the timing of adjustments in paid expenses for necessary and obligated goods and services (relative to the level recorded during the preunemployment month). The results reveal little difference in the percentage of households that made specified adjustments in these expenses during the month prior to the thirteenth week interview and during the month prior to the twenty-fifth week interview (see Table III-14). For example, 28 percent of the total sample had reduced paid expenses by at least 30 percent (of the level in the employed month) during the month prior to the thirteenth week interview, and 31 percent of the households cut paid expenses by this much during the month prior to the twenty-fifth week interview. Furthermore, the proportion of households that did *not* reduce total paid necessary and obligated expenditures from the employed month to the month prior to the thirteenth week interview was almost precisely the same as the percentage of households that did *not* reduce these paid expenditures from the employed month to the month prior to the twenty-fifth week interview. As a result, it appears that the principal paid expenditure adjustments made by beneficiary households normally had been undertaken by the time of the thirteenth week interview, and thereafter these reduced expenditure levels were maintained by the beneficiary household through the extended (twenty-five week) unemployment period.

TABLE III-14

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Paid Expenses ^a			Row Pct.
	-30% or less	-29% to -1%	0% or more	
35% or less	56.3	22.9	20.8	8.2
	55.1	24.5	20.4	8.4
36% - 50%	49.1	33.0	17.9	18.2
	52.8	25.5	21.7	18.1
51% - 65%	29.4	45.6	25.0	23.3
	35.8	43.1	21.2	23.4
66% - 85%	21.9	40.4	37.7	25.0
	27.2	35.4	37.4	25.1
86% - 99%	11.9	38.8	49.3	11.5
	7.6	40.9	51.5	11.3
100% or more	3.7	24.7	71.6	13.9
	6.2	25.9	67.9	13.8
Column Pct.	27.7	36.5	35.8	584
	31.1	33.8	35.2	586

Number of missing observations = $\frac{15}{13}$.

^aThe upper number in each cell indicates the percentage of households located in the cell for the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in a cell for the month prior to the twenty-fifth week interview.

Although larger expenditure cuts were made by those in the lower benefit adequacy categories, the percentage within each category that made a given adjustment was quite similar for the month prior to the thirteenth week interview and for the month prior to the twenty-fifth week interview. Thus, for all benefit adequacy categories, the extent of adjustment made during the month prior to the thirteenth week interview generally was quite representative of the adjustment made during the month prior to the twenty-fifth week interview. Additional detail on the adjustments in paid necessary and obligated expenses undertaken by subsets of the total sample, classified by household type, is provided in Appendix C-9.

Changes in Paid + Due-But-Not-Paid Expenses. As emphasized earlier in this chapter, adjustments undertaken by the beneficiary households in terms of reductions of paid expenses tended to reflect quite accurately the changes in the total of paid + due-but-not-paid expenses from the employed month to the month prior to the twenty-fifth week interview. The extent to which this total of paid + due-but-not-paid expenses (a proxy for the "basic" standard of living) changed over the unemployment period is investigated in this section. The results for the total sample indicate that 25 percent of the beneficiary households had experienced declines of 30 percent or more in the total of paid + due-but-not-paid expenses from the employed month to the month prior to the thirteenth week interview, compared with the slightly larger percentage (28%) of the households that had undertaken this level of adjustment during the month prior to the twenty-fifth week interview (see Table III-15). The percentage of households that reported no decline in the sum of paid + due-but-not-paid expenses over these two time intervals also was quite similar--43 percent and 39 percent, respectively, for the months prior to the thirteenth and twenty-fifth week interviews.

The information provided in Table III-15 does not indicate a systematic relationship between the *timing* of paid + due-but-not-paid expense adjustments and the extent of benefit adequacy experienced by the beneficiary households. Overall, the principal conclusion to be drawn from the data presented in Table III-15 is that a large proportion of beneficiary households did reduce their basic standard of living from the employed month to the month prior to the thirteenth week interview, and thereafter generally maintained (or slightly reduced) this modified standard of living through the period encompassed by twenty-five consecutive weeks of unemployment.

TABLE III-15

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID + DUE-BUT-NOT-PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Paid + Due-But-Not-Paid Expenses ^a			Row Pct.
	-30% or less	-29% to -1%	0% or more	
35% or less	52.1	20.8	27.1	8.2
	53.1	20.4	26.5	8.4
36% - 50%	40.6	34.9	24.5	18.2
	46.2	27.4	26.4	18.1
51% - 65%	25.0	37.5	37.5	23.3
	27.0	45.3	27.7	23.4
66% - 85%	20.5	33.6	45.9	25.0
	23.1	36.1	40.8	25.1
86% - 99%	17.9	31.3	50.7	11.5
	10.6	34.8	54.5	11.3
100% or more	4.9	24.7	70.4	13.9
	<u>11.1</u>	<u>23.5</u>	<u>65.4</u>	<u>13.8</u>
Column Pct.	25.3	32.2	42.5	584
	27.6	33.4	38.9	586

Number of missing observations = $\frac{15}{13}$

^aThe upper number in each cell indicates the percentage of households located in the cell for the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in a cell for the month prior to the twenty-fifth week interview.

Changes in Savings Levels. The financial pressures that resulted from the beneficiary's continued unemployment would be expected to cause beneficiary households to reduce (and possibly exhaust) savings levels during the unemployment period. The extent to which beneficiary households tended to utilize and exhaust these savings (amount unspecified) from the onset of unemployment through the months prior to the thirteenth and twenty-fifth week interviews is indicated in Table III-16.

The results show that 71 percent of the beneficiary households had some savings at the onset of unemployment. Of the units with savings, 69 percent had relied on these savings to meet household expenses through the month prior to the thirteenth week interview; thereafter, only an additional 8 percent had resorted to savings to meet household expenses through the month prior to the twenty-fifth week interview. The proportion of households with savings (at the onset of unemployment) that had savings left during the month prior to the thirteenth week interview was 70 percent compared with 67 percent during the month prior to the twenty-fifth week interview. No differential *intertemporal pattern* of withdrawal (or exhaustion) of savings is apparent among those classified into the different benefit adequacy categories.

Other Selected Financial Adjustments. The proportion of households that had received cash from selected financial adjustments other than changes in savings levels from the onset of unemployment through the months prior to the thirteenth (twenty-fifth) week interview is indicated in Table III-17. The adjustments considered include:

- (1) loans from banks;
- (2) loans from friends and relatives;
- (3) sale of bonds/securities;
- (4) sale of personal property;
- (5) sale of real estate;
- (6) borrowings against life insurance policies; and
- (7) funds received from other sources (excluding savings).

The most frequently used of these sources of cash, both by the end of the month(s) prior to the thirteenth and twenty-fifth week interviews, was loans from friends and relatives (for 11 and 16 percent of the sample, respec-

TABLE III-16

CROSS TABULATION OF SAVINGS LEVELS AND USAGE BY BENEFICIARY HOUSEHOLDS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Percentage of Households that Had Savings at The Onset of Unemployment ^b	Savings Usage ^a		Row Pct.
		Percentage of Households with Savings that Withdrew Savings ^c	Percentage of Households with Savings that Had Savings Left ^c	
35% or less	84.1	63.4	68.3	8.3
		78.0	63.4	8.3
36% - 50%	76.7	74.7	59.0	18.2
		80.7	60.2	18.2
51% - 65%	69.1	76.8	74.7	23.3
		81.1	68.4	23.3
66% - 85%	65.9	67.3	69.4	25.0
		76.5	69.4	25.0
86% - 99%	69.3	57.5	74.5	11.3
		68.1	68.1	11.3
100% or more	66.5	60.0	78.2	14.0
		67.3	74.5	14.0
Column Total	419	68.5	70.2	593
Column Pct. ^d	70.7	76.1	67.3	593

Number of missing observations = 6.

^aThe upper number in each cell indicates the percentage of households in that cell through the month prior to the thirteenth week interview. The lower number in each cell indicates the percentage of households in that cell through the month prior to the twenty-fifth week interview.

^bPercentage of the total of 593 persons.

^cPercentage of the 419 persons who had savings at the onset of unemployment.

^dColumn percent may not sum to 100% because a single household may appear in more than one column.

TABLE III-17

CROSS TABULATION OF THE PERCENTAGE OF BENEFICIARY HOUSEHOLDS
 UNDERTAKING SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF
 UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH
 (TWENTY-FIFTH) WEEK INTERVIEW BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Selected Financial Adjustments ^a						Received Funds From Other Sources	Row Pct.
	Received Loans From Banks	Received Loans From Friends/ Relatives	Sold Bonds/ Securities	Sold Personal Property	Sold Real Estate	Borrowed Against Insurance Policies		
35% or less	6.1	12.2	8.2	20.4	2.0	4.1	6.1	8.3
	8.2	14.3	10.2	28.6	4.1	4.1	10.2	8.3
36% - 50%	9.3	14.0	2.8	10.3	1.9	2.8	4.7	18.2
	12.0	23.1	5.6	13.0	3.7	4.6	7.4	18.2
51% - 65%	5.8	15.3	3.6	12.4	0.7	0.0	1.5	23.3
	8.0	17.4	5.1	15.9	0.7	0.0	1.5	23.3
66% - 85%	5.4	12.9	4.1	6.1	0.0	2.0	2.7	25.0
	8.1	16.9	5.4	7.4	0.7	2.0	3.4	25.0
86% - 99%	6.0	4.5	3.0	7.5	0.0	1.5	1.5	11.4
	9.0	10.4	3.0	9.0	0.0	1.5	1.5	11.3
100% or more	2.4	3.7	0.0	7.3	0.0	0.0	3.7	13.9
	2.4	7.2	0.0	7.3	0.0	1.2	3.7	14.0
Column Pct. ^b	5.9	11.4	3.4	9.8	0.7	1.5	3.1	589
	8.1	15.9	4.7	12.3	1.3	2.0	4.0	593

Number of missing observations = $\frac{10}{6}$.

^aThe upper number in each cell indicates the percentage of households located in the cell through the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in the cell through the month prior to the twenty-fifth week interview.

^bColumn percent may not sum to 100% because not all households made any of these adjustments.

tively). Sale of personal property and loans from banks were the next most frequently used of these sources, both before and after the thirteenth week interview. The general pattern apparent in Table III-17 is that most households which ultimately utilized these sources of cash by the end of the month prior to the twenty-fifth week interview already had done so by the end of the month prior to the thirteenth week interview. No differential *intertemporal pattern* of adjustment with respect to these various cash sources is apparent among the alternative benefit adequacy categories considered in this analysis.

Changes in Labor Force Activity of Household Members

Another dimension of the intertemporal adjustments undertaken by beneficiary households in response to the prolonged unemployment spell of the beneficiary relates to changes in the labor force activity of household members other than the beneficiary. Respondents were asked whether the beneficiary's unemployment had caused some other household member to undertake any of the following adjustments through the month prior to the thirteenth (twenty-fifth) week interview: (1) an increase in the number of hours worked; (2) a decision to begin to look for work; and (3) the acceptance of a job.

The results for the total sample indicate that most of the households in which these adjustments had been undertaken through the month prior to the twenty-fifth week interview had already done so by the month prior to the thirteenth week interview (see Table III-18). For example, 19 percent of the beneficiary households had one or more nonbeneficiary household members who had worked more hours through the month prior to the thirteenth week interview, compared with 23 percent through the month prior to the twenty-fifth week interview. Similarly, through the month prior to the thirteenth week interview, 24 percent of the beneficiary households had one or more household members who had begun to look for work; this proportion increased to 28 percent during the next three months. Finally, 12 percent of the beneficiary households had one or more nonbeneficiary household member who had begun to work through the month prior to the thirteenth week interview, and this proportion had increased to only 14 percent during the next three months. Overall, these findings for the total sample suggest

TABLE III-18

CROSS TABULATION OF CHANGES IN LABOR FORCE ACTIVITY OF NONBENEFICIARY HOUSEHOLD MEMBERS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Percentage of Households in Which Someone Worked More Hours	Percentage of Households in Which Someone Began to Look For Work	Percentage of Households in Which Someone Began Working	Row Total Row Pct.
35% or less	16.3	40.8	30.6	49
	28.6	49.0	34.7	8.3
36% - 50%	21.5	29.9	10.3	107
	26.2	32.7	12.1	18.2
51% - 65%	19.0	34.3	13.9	137
	22.6	38.0	16.8	23.3
66% - 85%	22.4	15.6	8.8	147
	23.8	21.1	12.9	25.0
86% - 99%	22.4	11.9	9.0	67
	25.4	13.4	11.9	11.4
100% or more	11.0	12.2	4.9	82
	14.6	13.4	6.1	13.9
Column Pct. ^b	19.4	23.8	11.5	589
	23.3	27.5	14.4	589

Number of missing observations = 10.

^aThe upper number in each cell indicates the percentage of households located in the cell for the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in the cell for the month prior to the twenty-fifth week interview.

^bThe column percent indicate the proportion of the total sample of households in which the specified adjustment was undertaken. The column percentages do not total to 100% because a single household may not have undertaken any of these adjustments, or may have undertaken more than one of these adjustments.

that labor force adjustments by nonbeneficiary household members constituted an extremely important adjustment to the continued unemployment of the beneficiary. However, most of the households that made these changes had undertaken them within the first three months of the beneficiary's unemployment, and relatively few additional households made such adjustments during the next three months of the beneficiary's unemployment. Examination of these intertemporal changes among the households, classified by benefit adequacy category, reveals that a somewhat larger percentage of households for which benefits were least adequate (BENAD35) offered these types of adjustments following the thirteenth week interview, compared with those in the other benefit adequacy categories. No other *intertemporal pattern* of adjustment among the households in the alternative benefit adequacy categories is apparent.

FOOTNOTES FOR CHAPTER III

¹The reasons for nonresponse to the twenty-fifth week questionnaire were as follows: moved, can't locate (11); refusals and breakoffs (23); not at home (12); unavailable (2); and other (57).

²The same six benefit adequacy classifications employed in Chapter II are employed in this analysis. They are: BENAD35; BENAD3650; BENAD5165; BENAD6685; BENAD8699, and BENAD100. For a further discussion of these classifications, the reader is referred to Chapter II.

³These are the same three household type classifications employed in the prior chapter.

⁴The row percentage indicates the proportion of the total of persons encompassed by a single row (measured horizontally) of the cross tabulation classified into a specific cell within that row.

⁵Only three benefit adequacy classifications (rather than the six described above) are employed in those instances in which a three-way cross tabulation is presented.

⁶The number of households that did not change household type status from the employed month to the time of the twenty-fifth week interview was determined by multiplying the row percentage for each cell along the diagonal of the cross tabulation by the number of observations represented by that row. These products were then summed (for a single cross tabulation), and expressed as a percentage of the total number of households encompassed by the cross tabulation.

⁷It should be recalled from the discussion in Chapter I, however, that fewer of the households in the highest adequacy category could utilize this or the other labor force adjustments by nonbeneficiary household members because relatively fewer large households and relatively more one-person households were in the highest adequacy category than in the lower adequacy categories.

CHAPTER IV
NEW JOB CHARACTERISTICS OF REEMPLOYED WORKERS

The purpose of this chapter is to investigate the characteristics of the jobs obtained by beneficiaries who reported they had returned to work by the time of the twenty-fifth week interview. The emphasis is on various dimensions of these new jobs, compared with the same dimensions of the jobs held during the preunemployment month. Results are reported for the sample as a whole, as well as for those in each of the benefit adequacy categories.

THE REEMPLOYMENT CLAIMANT SAMPLE

As noted, the beneficiaries encompassed by this analysis are those known to have returned to work by the time that the twenty-fifth week interviews were completed. Entry into this sample could have occurred in a number of ways. For example, at the time of the fifth, thirteenth, and twenty-fifth week interviews, the labor market status of each beneficiary was assessed. If, at any one of these interviews, it was determined that the individual had returned to work, the beneficiary was placed in the reemployment claimant sample and information about the new job was obtained in the household interview. For those beneficiaries who were unemployed at the time of the fifth (thirteenth) week interview but were not part of the thirteenth (twenty-fifth) week interview sample, a mail questionnaire was sent to determine the individual's labor market status at the time that the beneficiary discontinued filing for UI benefits. Claimants who responded to this questionnaire and indicated that they had discontinued filing for benefits to return to work also were included in the reemployment claimant sample. It should be emphasized, however, that the beneficiaries who were added to the reemployment claimant sample through the mail questionnaire constitute only those who had returned to work *and responded to the mail questionnaire*. Hence, some beneficiaries who terminated filing for UI benefits to accept a new job but who did *not* respond to the mail question-

naire are *not encompassed* by the reemployment claimant sample. These non-response problems, of course, were not encountered in those instances in which the beneficiary indicated his/her reemployment at the time of the fifth, thirteenth, or twenty-fifth week household interviews. Nonetheless, the sample upon which the analysis presented in this chapter is based is comprised of the beneficiaries *known to have terminated UI claims filing to return to work* by the time that the twenty-fifth week interviews were completed. The personal and labor market characteristics of the 1502 beneficiaries included in the reemployment claimant sample are presented in Appendix D-1, together with the characteristics of the entire ABA study sample (3196 persons) from which the reemployment claimant sample was drawn.¹ It should be emphasized that the characteristics of the individuals known to have returned to work are *very* similar to the characteristics of the total study group, as is indicated by the information presented in Appendix D-1.

UNEMPLOYMENT EXPERIENCE OF THE REEMPLOYMENT SAMPLE

Two dimensions of the unemployment experience are considered in this analysis. First, the actual number of weeks without work experienced by this group of workers is analyzed. Knowledge of the reemployment date and the job separation date (which began the spell of unemployment for study purposes) was utilized to determine the actual period of time that the individual was without work. Hence, the duration analyzed here *includes* as a part of the total any time between the job separation date and the date that the individual first filed for UI benefits. As a result, weeks without work measured here may extend from as little as six weeks (a minimum of five consecutive weeks of compensated unemployment plus the waiting week was required for inclusion in the ABA study sample) to as long as 26 weeks or more (for individuals who were identified as reemployed at the time of the twenty-fifth week interview, even though they had been unemployed for 26 consecutive weeks or more). The other dimension of the unemployment experience centers on the technique used by the beneficiary to obtain the new job.

Weeks Without Work

The distribution (in weeks) of the actual number of weeks without work for those in the claimant sample who became *reemployed* is presented in Table IV-1. The bottom row of this table, denoted as the "Column Pct.," indicates that over one-fourth of the total sample was without work before reemployment for 21 weeks or more, and two-fifths of the total sample was without work for a period of 17 weeks or more. About one-sixth of the total sample was without work for a period of eight weeks or less, and the remaining 44 percent of the sample was out of work for from 9-16 weeks.

Analysis of the subgroups of the total sample, classified by benefit adequacy category, reveals no systematic relationship between the adequacy of unemployment insurance benefits and weeks without work prior to reemployment. The lack of such a relationship is indicated by the following calculations derived from the information contained in Table IV-1.

Benefit Adequacy Category	Percentage of Beneficiaries Out of Work 13 Weeks or More	Percentage of Beneficiaries Out of Work 17 Weeks or More	Percentage of Beneficiaries Out of Work 21 Weeks or More
BENAD35	58.6	38.7	20.4
BENAD3650	52.6	36.3	25.3
BENAD5165	63.9	42.3	31.2
BENAD6685	64.6	41.5	28.9
BENAD8699	63.9	47.5	31.1
BENAD100	60.4	38.4	27.4

Approximately the same proportion of beneficiaries from each benefit adequacy category fell into each of the three out-of-work intervals. Although this analysis does not control for many other factors which may exert strong influences on the period out of work prior to reemployment, the findings here suggest that the adequacy of weekly UI benefits is not importantly related to the duration of this interval.

TABLE IV-1
 CROSS TABULATION OF WEEKS WITHOUT WORK FOR THOSE REEMPLOYED
 BY THE TWENTY-FIFTH WEEK INTERVIEW, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Weeks Without Work					Row Total Row Pct.
	0-8 wks	9-12 wks	13-16 wks	17-20 wks	21 wks or more	
35% or less	17.2 (14.7)	24.2 (13.6)	19.9 (13.2)	18.3 (19.1)	20.4 (9.9)	186 13.4
36% - 50%	20.3 (28.1)	27.0 (24.4)	16.3 (17.5)	11.0 (18.5)	25.3 (19.8)	300 21.6
51% - 65%	13.6 (20.3)	22.5 (22.0)	21.6 (25.0)	11.1 (20.2)	31.2 (26.4)	324 23.3
66% - 85%	12.9 (17.5)	22.4 (19.9)	23.1 (24.3)	12.6 (20.8)	28.9 (22.2)	294 21.1
86% - 99%	9.0 (5.1)	27.0 (9.9)	16.4 (7.1)	16.4 (11.2)	31.1 (9.9)	122 8.8
100% or more	18.9 (14.3)	20.7 (10.2)	22.0 (12.9)	11.0 (10.1)	27.4 (11.7)	164 11.8
Column Total	217	332	280	178	383	1390
Column Pct.	15.6	23.9	20.1	12.8	27.6	100.0

Number of missing observations = 112.

Source of Lead for New Job

Numerous sources of job leads exist for UI beneficiaries. For each of the beneficiaries included in the sample, information was obtained as to the type of job lead that actually resulted in reemployment. The sources utilized included the following:

- (1) newspaper advertisements;
- (2) friends and relatives;
- (3) private employment agency;
- (4) Arizona Job Service;
- (5) unions;
- (6) direct application;
- (7) recall by former employer; and
- (8) other.

The results in Table IV-2 reveal that the principal job lead sources that resulted in reemployment included recall by former employers (27%), direct application to employers (20%), information provided by friends and relatives (19%), and unions (12%). It is interesting to note that employment agencies--both public and private--each constituted the source of information for the new jobs of less than five percent of these workers.

Few patterns of relationship between the extent of benefit adequacy and the source of job leads are apparent in Table IV-2. It should be noted, however, that a much larger percentage of the beneficiaries from households for which UI benefits tended to be less adequate obtained their new jobs through union sources, compared with the percentage of beneficiaries from households for which benefits tended to be more adequate. For example, 29 percent of the beneficiaries in the lowest adequacy category obtained their new jobs through union-related sources of job information, compared with only 2 percent of the beneficiaries from the highest two benefit adequacy categories; undoubtedly, this simply reflects the fact that union beneficiaries typically had relatively high paying jobs in the preunemployment month and thus fell in the lowest adequacy category. Interestingly, the Arizona Job Service was the source of the new job lead for 10 percent of those in the highest category, and this percentage is about double that for any other adequacy category. On the other hand, beneficiaries from

TABLE IV-2
 CROSS TABULATION OF THE JOB LEAD SOURCE WHICH RESULTED
 IN REEMPLOYMENT, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Newspaper	Friends	Private Employment Agency	Arizona Job Service	Union	Direct Application	Recalled	Other	Row Total Row Pct.
35% or less	6.0 (9.0)	11.9 (8.5)	2.6 (10.3)	5.3 (14.5)	28.5 (31.4)	21.9 (14.7)	19.2 (9.5)	23.8 (10.0)	151 13.2
36% - 50%	7.6 (19.0)	17.7 (20.8)	2.0 (12.8)	4.4 (20.0)	19.3 (35.0)	19.7 (21.8)	23.7 (19.3)	5.6 (20.0)	249 21.8
51% - 65%	7.9 (21.0)	21.3 (26.9)	3.4 (23.1)	3.0 (14.5)	12.0 (23.4)	18.4 (21.8)	24.7 (21.6)	9.4 (35.7)	267 23.4
66% - 85%	11.1 (26.0)	20.5 (22.6)	2.6 (15.4)	3.4 (14.5)	3.8 (6.6)	21.4 (22.2)	31.2 (23.9)	6.0 (20.0)	234 20.5
86% - 99%	14.2 (15.0)	19.8 (9.9)	6.6 (17.9)	5.7 (10.9)	1.9 (1.5)	20.8 (9.8)	29.2 (10.2)	1.9 (2.9)	106 9.3
100% or more	7.4 (10.0)	17.6 (11.3)	5.9 (20.5)	10.3 (25.5)	2.2 (2.2)	16.2 (9.8)	34.6 (15.4)	5.9 (11.4)	136 11.9
Column Total Column Pct.	100 8.7	212 18.6	39 3.4	55 4.8	137 12.0	225 19.7	305 26.7	70 6.1	1143 100.0

Number of missing observations = 359.

the households for which benefits were least adequate made less use of friends in obtaining their new jobs than was the case for those in any other adequacy category. Additional information on the different sources of job information which led to the new job for the sample classified by benefit adequacy level *and* the duration of the unemployment spell, is provided in Appendix D-2.

REEMPLOYMENT EXPERIENCES OF THE REEMPLOYMENT CLAIMANT SAMPLE

The principal dimensions of the reemployment option included in this analysis are the following:

- (1) the reemployment wage rate, expressed as a percentage of the wage rate received on the preunemployment job;
- (2) the number of hours worked on the new job, expressed as a percentage of the number of hours worked on the preunemployment job;
- (3) the commutation time required for the new job, expressed as a percentage of the commutation time required on the preunemployment job.

In addition, some information on the type of work required by the new job (same/different) and a measure of new job satisfaction is presented.

Reemployment Wage Rate

For the total sample, reemployment wage rates were nearly identical (within plus or minus 4%) to preunemployment wage rates for one-third of the total sample (see Table IV-3). Approximately one-fifth of the total sample reported *increases* in their wage rates of 5-24 percent (relative to the preunemployment wage rate), and nearly the same percentage of workers had wage rate *decreases* of the same magnitude. A slightly greater proportion of the total sample (14%) reported *increases* in reemployment wages of one-fourth or more, compared with the percentage (12%) that reported *decreases* in the reemployment wage rates of one-fourth or more. Thus, one-third of the sample was reemployed at wage rates 5 percent or more below their preunemployment wage rate, one-third had essentially no change in their wage rates and one-third obtained jobs that paid at least 5 percent above their previous jobs.

TABLE IV-3

CROSS TABULATION OF THE CHANGE IN THE WAGE RATE FROM THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF THE WAGE RATE ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Wage Rate					Row Total Row Pct.
	-25% or less	-24% to -5%	-4% to 4%	5% to 24%	25% or more	
35% or less	9.7 (11.3)	13.0 (8.5)	30.8 (12.3)	24.9 (16.4)	21.6 (20.8)	185 13.4
36% - 50%	10.8 (20.1)	20.5 (21.6)	31.3 (20.1)	20.2 (21.4)	17.2 (26.6)	297 21.6
51% - 65%	12.6 (25.2)	20.4 (23.0)	34.3 (23.6)	19.2 (21.8)	13.5 (22.4)	318 23.1
66% - 85%	12.5 (23.3)	19.9 (20.8)	34.8 (22.3)	20.6 (21.8)	12.2 (18.8)	296 21.5
86% - 99%	11.7 (8.8)	30.0 (12.7)	31.7 (8.2)	19.2 (8.2)	7.5 (4.7)	120 8.7
100% or more	11.2 (11.3)	23.7 (13.4)	38.7 (13.4)	18.1 (10.4)	8.1 (6.8)	160 11.6
Column Total	159	283	462	280	192	1376
Column Pct.	11.6	20.6	33.6	20.3	14.0	100.0

Number of missing observations = 126.

The pattern of these wage rate changes among beneficiaries, classified by benefit adequacy status, is strikingly different from the distribution for the sample as a whole. The information presented in Table IV-3 indicates that wage rate gains more frequently were enjoyed by beneficiaries for whom benefits were less adequate, and that wage rate losses were more common among beneficiaries for whom benefits were more adequate. For example, 22 percent of the beneficiaries in the lowest adequacy category experienced wage rate increases of 25 percent or more, compared with only 8 percent of the beneficiaries in the highest benefit adequacy category. Consistent with this pattern, the results show that a smaller proportion of the beneficiaries for whom benefits were less vs. more adequate experienced wage rate declines. For example, 23 percent of those in the bottom adequacy category had wage cuts of 5 percent or more, compared with 35 percent of those in the top adequacy category.² Additional information on the percentage changes in wage rates from the preunemployment to the reemployment period for beneficiaries classified by benefit adequacy category *and* the duration of unemployment is provided in Appendix D-3.

Changes in Hours Worked

In addition to wage rate adjustments, an unemployment spell could induce some beneficiaries to accept reemployment in jobs that would offer fewer hours of work. The percentage changes in the number of hours worked from the preunemployment to the reemployment jobs are reported in Table IV-4. The findings for the total sample indicate that one-half of this group experienced no significant change in the number of hours worked (plus or minus 4 percent of the hours worked on the preunemployment job), with an almost symmetrical distribution of the remainder of the total sample about the "no change" interval. About 24 percent of the total sample experienced an increase of 5 percent or more in the number of hours worked, whereas 26 percent experienced a decrease in hours worked of this magnitude.

In contrast to the findings reported above for the level of (relative) reemployment wage rates, the relationship between benefit adequacy and changes in the number of hours worked generally is quite similar for those in each benefit adequacy category. Beneficiaries for whom benefits

TABLE IV-4

CROSS TABULATION OF THE CHANGE IN HOURS WORKED FROM THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF THE HOURS WORKED ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Hours Worked					Row Total Row Pct.
	-25% or less	-24% to -5%	-4% to 4%	5% to 24%	25% or more	
35% or less	13.2 (13.3)	11.7 (13.5)	50.8 (14.0)	14.2 (13.1)	10.2 (14.8)	197 13.8
36% - 50%	12.5 (19.9)	9.9 (18.1)	54.5 (23.8)	13.5 (19.7)	9.6 (22.2)	312 21.8
51% - 65%	14.6 (24.5)	13.4 (25.7)	45.1 (20.7)	17.7 (27.2)	9.1 (22.2)	328 23.0
66% - 85%	11.8 (18.4)	10.2 (18.1)	53.0 (22.5)	15.8 (22.5)	9.2 (20.7)	304 21.3
86% - 99%	13.8 (8.7)	19.5 (14.0)	48.0 (8.3)	10.6 (6.1)	8.1 (7.4)	123 8.6
100% or more	18.2 (15.3)	10.9 (10.5)	46.1 (10.6)	14.5 (11.3)	10.3 (12.6)	165 11.5
Column Total	196	171	714	213	135	1429
Column Pct.	13.7	12.0	50.0	14.9	9.4	100.0

Number of missing observations = 73.

were more or less adequate tended to experience approximately equal changes in hours worked from the preunemployment to the reemployment job. A cross tabulation of the percentage changes in hours worked from the preunemployment to the reemployment period for beneficiaries, classified by benefit adequacy category and the duration of unemployment, is provided in Appendix D-4.

Changes in Commutation Time

Changes in commutation time represent another important dimension of the reemployment option considered by many workers. In this analysis, the percentage changes in commutation time are measured as commuting time on the preunemployment job less commuting time on the reemployment job, expressed as a percentage of commuting time on the preunemployment job. Hence, negative percentage changes represent *increases* in commutation time in this analysis.

The results reveal that about one-third of the total sample (29.6%) experienced no significant change in commutation time from the preunemployment to the reemployment job (see Table IV-5). In contrast, over one-fourth of the total sample experienced an *increase* in commutation time of at least one-half, and an additional 9 percent of the beneficiaries experienced an increase in commutation time of between 5-49 percent. In contrast, 18 percent of these workers cut their commutation time by at least one-half and 17 percent reduced this time by 5-49 percent. Overall, almost an equal proportion of the total sample (approximately one-third) experienced either a decrease or an increase in commutation time. No systematic relationship between changes in commutation time and the extent of benefit adequacy is apparent from these data. A cross tabulation of changes in commutation time for beneficiaries classified by BENAD category *and* the duration of unemployment is provided in Appendix D-5.

Same Vs. Different Type of Work

Information also was obtained as to the type of work required by the reemployment job, relative to the type of work performed by the beneficiary in the job held immediately prior to the onset of the unemployment spell (see Table IV-6). Overall, the results indicate that about one-third of the beneficiaries were reemployed in work that, in their opinion, was

TABLE IV-5

CROSS TABULATION OF THE CHANGE IN COMMUTATION TIME FROM THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF THE COMMUTATION TIME ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Commutation Time ^a					Row Total Row Pct.
	-50% or less	-49% to -5%	-4% to 4%	5% to 49%	50% or more	
35% or less	27.6 (13.8)	4.4 (6.7)	27.1 (12.1)	18.8 (14.3)	22.1 (16.5)	181 13.2
36% - 50%	28.8 (23.4)	9.5 (23.3)	25.4 (18.5)	16.9 (21.1)	19.3 (23.5)	295 21.6
51% - 65%	23.2 (19.8)	10.0 (25.8)	30.2 (23.2)	16.1 (21.1)	20.6 (26.3)	311 22.7
66% - 85%	25.8 (21.2)	8.7 (21.7)	33.6 (24.7)	18.5 (23.2)	13.4 (16.5)	298 21.8
86% - 99%	34.5 (11.3)	8.4 (8.3)	24.4 (7.2)	16.8 (8.4)	16.0 (7.8)	119 8.7
100% or more	23.2 <u>(10.5)</u>	10.4 <u>(14.2)</u>	35.4 <u>(14.3)</u>	17.1 <u>(11.8)</u>	14.0 <u>(9.5)</u>	164 12.0
Column Total	363	120	405	237	243	1368
Column Pct.	26.5	8.8	29.6	17.3	17.8	100.0

Number of missing observations = 134.

^aNegative values indicate an increase in commutation time, and positive values indicate a decrease in commutation time.

TABLE IV-6

CROSS TABULATION OF THE PERCENTAGE OF BENEFICIARIES WHO ACQUIRED THE SAME OR DIFFERENT TYPE OF WORK FROM THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY

<u>Benefit Adequacy Category</u>	<u>Type of Work</u>		<u>Row Total Row Pct.</u>
	<u>Same</u>	<u>Different</u>	
35% or less	69.1 (13.6)	30.9 (13.1)	194 13.4
36% - 50%	71.7 (23.1)	28.3 (19.7)	318 22.0
51% - 65%	70.1 (23.7)	29.9 (21.9)	334 23.1
66% - 85%	67.0 (20.7)	33.0 (22.1)	306 21.2
86% - 99%	59.5 (7.3)	40.5 (10.7)	121 8.4
100% or more	66.9 (11.6)	33.1 (12.5)	172 11.9
Column Total	988	457	1445
Column Pct.	68.4	31.6	100.0

Number of missing observations = 57.

different from the work performed on the preunemployment job. There is, however, no systematic relationship between the adequacy of UI benefits and whether the work performed on the preunemployment job was the same or different as that performed following unemployment.

Job Satisfaction

A final dimension of the reemployment option included in this analysis is the beneficiary's perception of whether he/she was more or less satisfied with the reemployment job, relative to the job held immediately prior to the onset of unemployment (see Table IV-7). These data indicate that about half (47.3%) of the total sample was equally satisfied with the reemployment and preunemployment jobs. Interestingly, well over one-third of the beneficiaries indicated that they were more satisfied with the reemployment job, whereas only about one-sixth of the beneficiaries indicated less job satisfaction with the reemployment job than with the job held immediately prior to the onset of unemployment.

Job satisfaction perceptions varied somewhat among the beneficiaries in the different benefit adequacy categories. A somewhat greater proportion of beneficiaries for whom benefits were more vs. less adequate believed that the reemployment job was preferable to the preunemployment job. For example, only 25 percent of the beneficiaries in the lowest benefit adequacy category stated that they preferred the reemployment to the preunemployment job, whereas 39 percent of the beneficiaries in the highest adequacy category stated that the reemployment job was preferable to the job held immediately prior to the onset of unemployment. This pattern may be partly explained by the fact that, as explained in Chapter I, a relatively large proportion of those in the highest adequacy category had held low wage jobs; experience on their prior jobs very likely helped many of them to move up the job ladder on their new jobs. Those who had previously held high wage jobs probably were less likely to obtain significantly better new jobs. Additional detail on job satisfaction level for beneficiaries, classified by benefit adequacy category and the actual duration of unemployment is contained in Appendix D-6.

TABLE IV-7

CROSS TABULATION OF THE CHANGE IN JOB SATISFACTION FROM
THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, BY
BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Job Satisfaction			Row Total Row Pct.
	More	Less	Same	
35% or less	25.4 (9.4)	20.2 (16.9)	54.3 (15.5)	173 13.5
36% - 50%	33.3 (19.4)	19.0 (25.1)	47.6 (21.4)	273 21.3
51% - 65%	41.5 (26.7)	15.0 (21.7)	43.5 (21.6)	301 23.5
66% - 85%	36.9 (20.7)	14.8 (18.8)	48.3 (20.9)	263 20.5
86% - 99%	43.3 (11.1)	13.3 (7.7)	43.3 (8.6)	120 9.4
100% or more	38.8 (12.6)	13.2 (9.7)	48.0 (12.0)	152 11.9
Column Total	468	207	607	1282
Column Pct.	36.5	16.1	47.3	100.0

Number of missing observations = 220.

FOOTNOTES FOR CHAPTER IV

¹The 1502 claimants included in the reemployment claimant sample are, of course, a subset of the 3196 beneficiaries who comprised the total sample for the Arizona Benefit Adequacy Study. Of the remaining 1694 beneficiaries (3196 - 1502) which constituted the fifth week sample, it is known that approximately 700 had experienced twenty-five consecutive weeks of compensated unemployment. The other 994 claimants may have withdrawn from the labor force, exhausted benefits, been disqualified from benefits or returned to work (but failed to respond to the sub-sample questionnaire). It should be emphasized that it was not possible to account for the labor force status of all of the 3196 beneficiaries by the time that the twenty-fifth week interviews were completed.

²One possible explanation for this pattern may be the higher proportion of union claimants in the lower vs. higher adequacy categories; such beneficiaries would have obtained any contractual wage gains that went into effect during their spell of unemployment. Also, it is possible that the quality of reemployment opportunities (relative to preunemployment jobs) for this group were positively correlated with the preunemployment wage rate level (partly because union members had relatively high earnings and union workers typically do not return to work at a lower wage). If so, the relationship shown in Table IV-3 would be the expected one because, as explained in Chapter I, there was a very *strong* and *inverse* relationship between the level of preunemployment earnings and the degree of benefit adequacy.

CHAPTER V
PRINCIPAL FINDINGS

The Arizona Benefit Adequacy Study was a two-year study of the unemployment and reemployment experiences of a random sample of UI claimants who filed new, initial claims in their benefit years and who experienced at least five consecutive weeks of compensated unemployment. The standard of benefit adequacy utilized was defined as each beneficiary's weekly benefit amount divided by his/her (weekly) "share" of the "necessary/obligated" household expenses that were paid during the preunemployment month.

The purpose of this report was to analyze the adjustments undertaken by beneficiary households during the beneficiary's unemployment spell. Household interviews were conducted following thirteen and twenty-five consecutive weeks of compensated unemployment, and a follow-up questionnaire was utilized to obtain information on the labor market status (and new job characteristics, if reemployed) of each of the beneficiaries who did not remain unemployed for at least 13 consecutive weeks. The unemployment and reemployment experiences of the beneficiary and the adjustments made by beneficiary households were analyzed for the total sample, and for subgroups of the total sample classified by benefit adequacy categories. It was expected that households for which benefits were less vs. more adequate would make larger adjustments to the beneficiary's unemployment, both because of greater pressure on the household living standard and because (as explained in Chapter I) of greater capability to undertake a number of the adjustments considered in this analysis.

Although an extended period of compensated unemployment could be expected to induce a large variety of adjustments on the part of the beneficiary and other household members, the analysis presented in this report focused on the following:

- (1) changes in household type;
- (2) changes in nonbeneficiary household income (including any nonwage income of the beneficiary);
- (3) changes in necessary and obligated expenses;

- (4) changes in reservation wage rates and other dimensions of the reemployment option;
- (5) changes in partial earnings;
- (6) changes in savings levels;
- (7) other selected financial adjustments;
- (8) the amount of cash used to meet household expenses from savings and other sources of cash;
- (9) changes in the amounts of public/private assistance received; and
- (10) labor market adjustments of household members other than the beneficiary.

Analysis of each of these types of adjustments was conducted for the beneficiary sample that experienced thirteen consecutive weeks of compensated unemployment, and for the sample that experienced twenty-five consecutive weeks of compensated unemployment. Analysis of the timing of a few of these adjustments (before/after the thirteenth week interview) also was conducted for those in the twenty-fifth week sample.

An analysis of the reemployment experiences of that portion of the total sample *known* (by the time the twenty-fifth week interviews were completed) to have terminated continuous UI claims filing to return to work also is provided in this study. The focus is on the job search method which resulted in the new job, and various characteristics of the new job (e.g., wage rate, hours worked, etc.), relative to the job held immediately prior to the onset of the unemployment spell.

ANALYSIS OF THIRTEENTH WEEK INTERVIEW DATA

The principal findings that emerged from the analysis of the thirteenth week interview data, based on 1634 beneficiaries, are as follows:

1. The great majority of the beneficiary households (86%) did not change household type status from the employed month to the month prior to the thirteenth week interview (see Table II-1). The most frequent change that did occur, however, was from the one-earner--multi-person household to the multi-earner--multi-person household classification. This adjustment suggests a tendency for beneficiary households to add an additional contributor to the earnings of the beneficiary household during the beneficiary's unemployment spell. Interestingly, however, 11 percent of the multi-earner

households (as of the preunemployment month) had lost the earnings of the other household members (who worked in the preunemployment month) by the month prior to the thirteenth week interview; that is, the problem of the beneficiary's unemployment had been compounded by the loss of the earnings of other household members. These changes in household type occurred more frequently among those households for which benefits were less vs. more adequate (see Table II-2).

2. Approximately one-third (31%) of the beneficiary households recorded some increase in the amount of nonbeneficiary household income (including any nonwage income attributable to the beneficiary) from the employed month to the month prior to the thirteenth week interview (see Table II-3). Expressed as a percentage of the beneficiary's gross earnings in the employed month, about one-sixth of the total sample experienced an increase in income from these sources of 20 percent or more. Also, a greater proportion of the households for which benefits were less vs. more adequate had increases in nonbeneficiary household income, especially for increases of 20 percent or more of the beneficiary's gross earnings in the employed month.

3. Two-thirds of the households included in the thirteenth week sample reduced their *paid* necessary and obligated expenses from the employed month to the month prior to the thirteenth week interview (see Table II-4). Almost one-fifth of the total sample reduced these expenses by 40 percent or more and over two-fifths of the total sample cut expenses by 20 percent or more. The pattern of adjustment by benefit adequacy category is very pronounced: a much greater proportion of the households for which benefits were less vs. more adequate undertook specified reductions in these expenses (e.g., 40% or more). Analysis of the changes in the sum of paid + due-but-not-paid expenses (an approximation to the "basic" standard of living as it related to the consumption of goods and services) reveals a pattern of adjustment similar to that described above for paid expense adjustments (see Table II-5). Thus, for most households, reductions in paid expenses were not offset by increases in due-but-not-paid expenses from the employed month to the month prior to the thirteenth week interview. Rather, adjustments in paid expenses, both for the total sample and for the

alternative benefit adequacy categories analyzed, closely approximated the adjustments in consumption (as measured by the change in the sum of paid + due-but-not-paid expenses) over the relevant time interval.

4. More than two-fifths of the total sample had reservation wage rates that were 5 percent or more below their preunemployment wage rates by the week prior to the thirteenth week interview (see Table II-6). Furthermore, almost one-sixth of the total sample had reservation wage rates 25 percent or more below their preunemployment wage rates. In contrast, one-third of the total sample had reservation wage rates that were nearly equal to their preunemployment wage rates, and one-fifth of the sample had wage rates that exceeded their preunemployment wage rates. The pattern of reservation wage rate adjustments offered by the beneficiaries, classified into the alternative benefit adequacy categories, is quite clear: a larger proportion of the beneficiaries in households for which benefits were less vs. more adequate had reservation wage rates below their preunemployment wage rates; this pattern is especially pronounced for those with reservation wage rates 35 percent or more below their preunemployment wage rates.

5. A resort to part-time employment apparently was not a common adjustment undertaken by these beneficiaries (see Appendix B-9). Only 2.5 percent of the total sample experienced any earnings attributable to this source during the month prior to the thirteenth week interview.

6. Approximately three-fifths of the total sample had some savings at the onset of the beneficiary's unemployment spell, and about three-fourths of these households utilized some of these savings to help meet household expenses during the beneficiary's spell of unemployment (see Table II-7). About one-fourth of these households (with savings) had exhausted their savings by the end of the month prior to the thirteenth week interview. Furthermore, there is some evidence to suggest that a greater proportion of those for whom benefits were less vs. more adequate tended to utilize (and exhaust) these savings.

7. The principal sources of cash (other than savings) that the beneficiary households utilized to meet household expenses were loans from friends and relatives and the sale of personal property, each of which

was utilized by one-tenth or more of the households (see Table II-8). An additional 6 percent of the beneficiary households obtained loans from banks. The most striking pattern among the alternative benefit adequacy categories was the tendency for a larger proportion of the beneficiary households for which benefits were less vs. more adequate to obtain funds from these and the other sources analyzed.

8. The amount of cash used from savings and other sources to help meet household expenses during the beneficiary's unemployment spell was quite substantial for a number of these households (see Table II-9). Over one-sixth of the total sample used \$1000 or more and one-third of the total group used \$500 or more from the onset of unemployment through the month prior to the thirteenth week interview. A much larger percentage of the households for which benefits were less vs. more adequate used specified amounts of these funds to help meet household expenses.

9. The only types of public/private assistance utilized by 3 percent or more of the sample during the beneficiary's unemployment spell (see Table II-10) were free food (9%), free medical care (3%), and free/reduced cost housing (3%). There is some evidence that a larger percentage of the households for which benefits were less vs. more adequate received free food. It also was found that only about one-tenth of the total sample reported any increase in the value of welfare and food stamp assistance received from the employed month to the month prior to the thirteenth week interview (see Table II-11); for those beneficiary households that did experience some increase, however, the analysis suggests that a greater proportion of the households for which benefits were less vs. more adequate received this type of assistance.

10. Approximately one-fifth (18%) of the beneficiary households had one or more nonbeneficiary household members who began to work more hours from the onset of the beneficiary's unemployment to the month prior to the thirteenth week interview (see Table II-12). A slightly larger proportion (22%) of the households had one or more nonbeneficiary household members who began to look for work during this interval, and about one-twelfth of the total sample had one or more nonbeneficiary household members who began working during this period. The labor market adjustments by nonbeneficiary

household members that involved either seeking or accepting a job occurred more frequently in those households for which benefits tended to be less vs. more adequate.

ANALYSIS OF THE TWENTY-FIFTH WEEK INTERVIEW DATA

The principal findings of the analysis of the twenty-fifth week interview data, based on 599 beneficiaries, are as follows:

1. Approximately four-fifths of the total sample did not change household type status from the employed month to the time of the twenty-fifth week interview (see Table III-1). The most frequent change observed was from the multi-earner--multi-person household group to the one-earner--multi-person household category. This change suggests that any financial pressures which resulted from the beneficiary's unemployment spell were aggravated for these households by the loss of an additional earner during the six month unemployment spell of the beneficiary. A somewhat larger percentage of the household units for which benefits were less vs. more adequate reported changes in household status (see Table III-2).

2. Approximately two-fifths (43%) of the beneficiary households reported no change in nonbeneficiary household income (including any non-wage income attributable to the beneficiary) from the employed month to the month prior to the twenty-fifth week interview (see Table III-3). Almost an equal proportion (39%), however, reported increases in income from these sources. A greater proportion of households for which benefits were less vs. more adequate reported some increase in income from these sources.

3. Reductions in paid necessary and obligated expenses constituted one of the main adjustments undertaken by the beneficiary households in response to the beneficiary's unemployment spell. Two-thirds of the total sample reported some decline in these expenditures; these reductions amounted to 30 percent or more of the level of paid necessary/obligated expenses in the employed month for almost one-third of the total sample. The pattern of adjustment among those in the alternative benefit adequacy categories is that a much greater proportion of households in lower vs.

higher adequacy categories made large cuts in these expenditures. Furthermore, the evidence suggests that these declines in paid expenses were not offset by increases in due-but-not-paid necessary and obligated expenses, so that the decline in paid expenses closely approximated the decline in the "basic" standard of living experienced by the beneficiary households (see Table III-5).

4. Just over two-fifths (41%) of the beneficiaries encompassed by the twenty-fifth week sample had reservation wage rates that were 5 percent or more below their preunemployment wage rate by the week prior to the twenty-fifth week interview (see Table III-6). In contrast, nearly one-fourth of this total sample had reservation wage rates that were 5 percent or more above their preunemployment wage. The results provide only weak evidence that a larger proportion of the beneficiaries from households for which benefits were less vs. more adequate had reservation wage rates that were below their preunemployment wage rates.

5. Only 3.5 percent of the total sample had received any partial earnings during the month prior to the twenty-fifth week interview (see Appendix C-6).

6. About seven-tenths of the household units included in the twenty-fifth week sample had some savings at the onset of the beneficiary's unemployment spell (see Table III-7). Of the households with savings, approximately three-fourths drew on these savings levels to help meet household expenses and one-third had exhausted these savings by the end of the month prior to the twenty-fifth week interview. The results indicate some tendency for a greater proportion of the households for which benefits were less vs. more adequate to have utilized (and exhausted) these savings during the beneficiary's unemployment spell.

7. The principal sources of cash (other than savings) that the beneficiary households used to meet household expenses were loans from friends and relatives (16% of the sample) and the sale of personal property (12%); an additional 8 percent of the total sample had received loans from banks during the beneficiary's compensated unemployment period of six months (see Table III-8). The general pattern of usage of these sources of additional cash among the alternative benefit adequacy categories was that a

greater proportion of the households for which benefits were less vs. more adequate tended to use all sources of additional cash to help meet household expenses.

8. Over two-thirds of the beneficiary households obtained some cash from savings and other financial sources to meet household expenses during the beneficiary's six-month unemployment period (see Table III-9). Moreover, one-sixth of the sample received an amount of \$300 or more. A greater proportion of the households in the lower vs. higher adequacy categories tended to utilize any specified amounts from these sources.

9. The only types of public/private assistance received by even one-tenth of the beneficiary households was free food, which was received by 12 percent of the sample (see Table III-10). A greater percentage of those households for which benefits were less vs. more adequate received free food. Only 7 percent of the total sample reported an increase in the value of public welfare or food stamp assistance from the preunemployment month to the month prior to the twenty-fifth week interview (see Table III-11); most households received no such support, either prior to unemployment or during the month prior to the twenty-fifth week interview.

10. Over one-fifth (23%) of the twenty-fifth week sample had one or more nonbeneficiary household members who had begun to work more hours since the onset of the beneficiary's unemployment spell. In addition, 28 percent of the total sample had one or more nonbeneficiary household members who had begun to look for work over this interval. In about one-seventh of the household units, one or more nonbeneficiary household members had actually started to work in response to the beneficiary's spell of unemployment. These adjustments in the labor force status/activities of nonbeneficiary household members tended to occur more frequently among those households for which benefits were less vs. more adequate. This pattern is especially pronounced for those adjustments which entailed the search for work or the acceptance of employment.

TIMING OF ADJUSTMENTS FOR TWENTY-FIFTH WEEK SAMPLE

The timing and magnitude of adjustments undertaken by household units in which the beneficiary had experienced 25 consecutive weeks of compensated unemployment also were investigated in this analysis. The percentages of households that had undertaken selected adjustments before and after 13 consecutive weeks of unemployment were calculated. The principal findings of this analysis were:

1. Little change was found in the proportion of households that had received increases in nonbeneficiary household income (including any non-wage income of the beneficiary) from the employed month to the months prior to the thirteenth and the twenty-fifth week interviews (see Table III-13). Thirty-four percent of the beneficiary households reported some increase in nonbeneficiary household income by the month prior to the thirteenth week interview, and this percentage increased only to 38 percent during the next three months of the beneficiary's unemployment. These findings suggest that most of the households that made such adjustments to the beneficiary's unemployment spell likely had done so by the time of the thirteenth week interview.

2. Evidently, most households that made reductions in paid (and paid + due-but-not-paid) necessary and obligated expenses had done so by the time of the thirteenth week interview (see Tables III-14 and III-15). Whereas 28 percent of the beneficiary households reduced paid expenses by 30 percent or more (of the level in the employed month) during the month prior to the thirteenth week interview, 31 percent of the households made a reduction of this magnitude during the month prior to the twenty-fifth week interview. These findings suggest that most of the paid expense adjustments made by the beneficiary households had been undertaken by the time of the thirteenth week interview, and that these adjustments then were sustained by the household through the month prior to the twenty-fifth week interview.

3. Most of the households that reduced savings during the beneficiary's unemployment had already begun to do so by the time of the thirteenth week interview (see Table III-16). By the end of the month prior to the

thirteenth week interview, 69 percent of the households with savings had begun to utilize this source of cash to meet household expenses, whereas 76 percent of these households had begun to utilize this cash source by the end of the month prior to the twenty-fifth week interview.

4. A pattern similar to the one described above for savings was found for the percentage of households that obtained additional cash from sources other than savings (see Table III-17). Although the amount of funds acquired is not known, the proportion of households that utilized any source (e.g., loans from friends and relatives, loans from banks, etc.) did not increase markedly during the three months following the thirteenth week interview. Hence, it appears that nearly all of those households that acquired additional cash from these sources had done so by the time of the thirteenth week interview.

5. Labor force adjustments by household members other than the beneficiary represented an extremely important adjustment to the beneficiary's unemployment for these households. As was found for each of the adjustments summarized above, most households that made adjustments of this nature, because of the beneficiary's unemployment, had done so by the end of the month prior to the thirteenth-week interview. During the next three months relatively few households had members (other than the beneficiary) who responded to the beneficiary's unemployment by working more hours on a job already held, initiating a search for work or accepting a job. The only pattern found for the timing of these adjustments by households in the six benefit adequacy categories was that somewhat larger increases in the percentage of households that made these adjustments following the thirteenth week interview were found for those in the lowest adequacy category, compared with those in the other five adequacy groupings.

ANALYSIS OF THE REEMPLOYMENT CLAIMANT SAMPLE

The principal findings of the analysis of the reemployment claimant sample, based on the 1502 beneficiaries known to have returned to work by the twenty-fifth week interview, are as follows:

1. Over one-fourth of the reemployment claimant sample had been out of work 21 weeks or more prior to reemployment, and over two-fifths of this sample had been without work for 17 weeks or more before reemployment (see Table IV-1). Approximately one-sixth of those reemployed were out of work for eight weeks or less. No systematic pattern between the level of benefit adequacy and the number of weeks without work is apparent in the results.

2. Approximately one-fourth (27%) of the reemployment claimant sample obtained employment through employer recall (see Table IV-2). Direct employer application and friends/relatives each accounted for the job leads that resulted in reemployment for about one-fifth of the sample. The Arizona Job Service provided the job lead for the new jobs obtained by only 5 percent of the sample.

3. Beneficiaries who experienced no change, increases or decreases in the reemployment wage rate, relative to the wage rate received on the preunemployment job, each comprised about one-third of the total sample (see Table IV-3). A larger proportion of the beneficiaries for whom benefits were less vs. more adequate experienced wage rate gains.

4. One-half of the total sample experienced virtually no change in the number of hours worked on the reemployment vs. preunemployment job (see Table IV-4). The remaining half of the sample was quite evenly divided between those who obtained jobs with increases or decreases in hours worked. Whether hours worked increased or decreased apparently was not related to the recorded degree of benefit adequacy.

5. Only about one-third of the total sample (30%) did not experience some change in the amount of commutation time required for the new job vs. the preunemployment job (see Table IV-5). Examination of the entire distribution of changes in commutation time indicates some tendency for commutation time to have increased on the reemployment job over that recorded for the preunemployment job.

6. Over two-thirds of the total sample obtained reemployment in jobs that required the same type of work that the beneficiary had performed in the preunemployment job (see Table IV-6). No systematic pattern is apparent between the level of benefit adequacy and whether the same or different work was performed in the reemployment job.

7. Approximately one-half of the total sample perceived no change in job satisfaction from the preunemployment job to the job acquired following the unemployment spell (see Table IV-7). Over twice as many beneficiaries, however, indicated an increase in job satisfaction as opposed to a decrease in job satisfaction from the preunemployment to the reemployment job (37% vs. 16%). There is some indication that a greater percentage of the beneficiaries for whom benefits were more vs. less adequate found their new jobs (relatively) more satisfying.

APPENDIX A

APPENDIX MATERIALS FOR CHAPTER I

APPENDIX A-1

OVERVIEW OF THE ARIZONA BENEFIT ADEQUACY STUDY

Sample Design

The ABA study claimant sample was drawn over a twelve-month period beginning in September of 1975. Only regular Arizona beneficiaries who filed new, initial claims in their respective benefit years were considered for potential inclusion in the study. Excluded were transitionals, UCFE, UCX, interstate and "true Partial" claims, as were all persons who delayed filing for benefits for more than 21 days. Approximately seven weeks following this initial screening, the sample was reexamined to identify persons who had experienced five consecutive weeks of compensated unemployment. A total of 4468 persons satisfied all screening criteria and were therefore selected for participation in the ABA study; completed and validated fifth week interviews were obtained for 3196 persons; the implied response rate was approximately 72 percent. A detailed comparison of the personal, labor market and UI-related characteristics of the fifth week claimant sample with those of all Arizona UI claimants during the study period revealed a close correspondence between the two groups.

Measurement of Benefit Adequacy

The principal objectives of the analysis based on the fifth week interview data were to develop an operational measure of benefit adequacy and to utilize that measure to assess the extent of benefit adequacy achieved with the existing and alternative benefit formulas. Because the analysis presented in this report hinges importantly on the concept of benefit adequacy developed, it is reviewed in some detail below.

The size of the weekly benefit payment to which the beneficiary is entitled depends on the individual's prior earnings in covered employment. This wage income, combined with the earnings of other household members and any nonwage income that the household may receive, provides for a certain level and pattern of monthly expenditures to which the beneficiary household becomes accustomed prior to the onset of the unemployment spell.

Previous studies of the adequacy of UI benefits consistently have been oriented toward a measure of benefit adequacy based upon a comparison of the weekly benefit payment with expenses associated with the consumption of specific types of goods and services. Which expenses should form the benchmark against which the WBA is to be compared has been a matter of judgment. The larger is this expenditure set, the less adequate UI benefits would appear to be, unless some offsetting reduction in the proportion of these expenditures that the WBA "should" replace is considered. For the purposes of this study, the relevant expenditure set encompasses paid expenses during the preunemployment (employed) month for "necessary and obligated" goods or services. The concept of necessary and obligated expenses is one which encompasses the "necessary" expenditures for goods or services acquired and consumed on a regular basis and those expenses that are expected to be met on a regular basis because of established commitments, legal or otherwise. The rationale for this definition is rooted in the concept of the standard of living established by the beneficiary's household. Expenses which meet one or more of the criteria defined above are assumed to constitute the "core" component of the household's standard of living. Generally, the household unit becomes accustomed and financially obligated to this living standard, and rapid downward adjustments in it are difficult to make. The items included in the necessary and obligated expense definition are the following:

- (1) housing (including utilities and necessary maintenance);
- (2) food purchased at grocery stores;
- (3) medical care (including prescriptions and payments on past medical care);
- (4) credit and loan payments;
- (5) clothing;
- (6) transportation (including gasoline and maintenance);
- (7) insurance (including union dues);
- (8) services and other regular payments;
- (9) continuing and regular support of persons outside the household;
and
- (10) lump-sum payments for property and income taxes.

It should be emphasized that the beneficiary's share of these necessary and obligated expenses may be considerably less than the total for the household. Because UI benefits are wage related, it reasonably can be argued that the weekly UI benefit payment should be expected to sustain (at most) only that share of the total of necessary and obligated expenses that the beneficiary's wages sustained while the beneficiary was employed. Hence, the total of the beneficiary household's necessary and obligated expenses in the preunemployment month was adjusted by the ratio of the beneficiary's gross wage in the employed month to the total of gross recurring household income in the employed month. The measure of benefit adequacy employed in the analysis of the fifth week interview data, therefore, was the ratio of WBA to the beneficiary's "proportionate share" of the (weekly) necessary and obligated household expenses that were paid during the preunemployment month.

This measure of benefit adequacy requires the development of a definition of the beneficiary household to determine whose expenses and income should/should not be included in calculating the total of necessary and obligated expenses and the adjustment ratio to determine the beneficiary's "proportionate share" of these expenses. The definition of the beneficiary household employed in this study revolves around the beneficiary. The household includes the beneficiary and, if present, spouse plus nonrelated persons who received half or more of their monthly support from the beneficiary and spouse. As noted above, the purpose in developing the household concept was to provide an objective basis for the appropriate measure of the income and expenses of the beneficiary household.

APPENDIX A-2

CROSS TABULATION OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH BY BENEFIT ADEQUACY CATEGORY, THIRTEENTH WEEK SAMPLE*

Benefit Adequacy Category	Less than \$400	\$400-\$599	\$600-\$799	\$800-\$999	\$1000-\$1399	\$1400 or more	Row Total Row Pct.
35% or less	6.8 (5.3)	14.3 (5.0)	8.8 (3.4)	8.8 (6.4)	12.2 (8.4)	49.0 (34.3)	147 9.1
36% - 50%	6.3 (10.2)	15.5 (11.2)	13.9 (11.0)	17.2 (25.7)	23.4 (33.2)	23.8 (34.3)	303 18.8
51% - 65%	7.5 (15.5)	20.6 (19.1)	25.4 (25.8)	16.5 (31.7)	20.8 (37.9)	9.3 (17.1)	389 24.1
66% - 85%	13.9 (27.8)	31.1 (27.8)	30.3 (29.5)	10.7 (19.8)	8.3 (14.5)	5.6 (10.0)	373 23.1
86% - 99%	17.2 (15.5)	32.0 (12.9)	37.9 (16.7)	7.1 (5.9)	4.7 (3.7)	1.2 (1.0)	169 10.5
100% or more	20.6 (25.7)	42.9 (23.9)	22.3 (13.6)	9.0 (10.4)	2.1 (2.3)	3.0 (3.3)	233 14.4
Column Total	187	418	383	202	214	210	1614
Column Pct.	11.6	25.9	23.7	12.5	13.3	13.0	100.0

*Each cell contains a row percentage (without parentheses) and a column percentage (with parentheses).
Number of missing observations = 20.

APPENDIX A-3

CROSS TABULATION OF HOUSEHOLD TYPE (AT THE FIFTH WEEK)
BY BENEFIT ADEQUACY CATEGORY, THIRTEENTH WEEK SAMPLE*

Benefit Adequacy Category	(1) 1E-1HH-NR	(2) 1E-1HH-REL	(3) 1E-2HH-SP	(4) 2E-2HH-SP	(5) 1E-3+HH-SP	(6) 1+E-3+HH-SA	(7) 1+E-2HH-SA	Row Total Row Pct.
35% or less	7.7 (4.2)	1.4 (1.5)	13.3 (10.9)	2.1 (1.7)	51.7 (21.6)	14.0 (5.6)	9.8 (9.5)	143 9.0
36% - 50%	13.4 (15.3)	3.7 (8.3)	14.4 (24.6)	6.4 (10.7)	31.8 (27.8)	19.1 (15.8)	11.4 (23.0)	299 18.7
51% - 65%	16.8 (24.9)	4.4 (12.8)	10.1 (22.3)	9.6 (20.8)	26.1 (29.5)	24.0 (25.8)	9.0 (23.6)	387 24.2
66% - 85%	20.3 (28.7)	7.6 (21.1)	10.8 (22.9)	12.4 (25.8)	14.9 (16.1)	22.7 (23.3)	11.4 (28.4)	370 23.2
86% - 99%	20.8 (13.4)	8.9 (11.3)	7.1 (6.9)	18.5 (17.4)	6.0 (2.9)	29.2 (13.6)	9.5 (10.8)	168 10.5
100% or more	15.2 (13.4)	26.1 (45.1)	9.6 (12.6)	18.3 (23.6)	3.0 (2.0)	24.8 (15.8)	3.0 (4.7)	230 14.4
Column Total	261	133	175	178	342	360	148	1597
Column Pct.	16.3	8.3	11.0	11.1	21.4	22.5	9.3	100.0

*Each cell contains a row percentage (without parentheses) and a column percentage (with parentheses).

Number of missing observations = 37.

APPENDIX B
APPENDIX MATERIALS FOR CHAPTER II

Arizona Department of Economic Security
Phoenix, Arizona

TX-166 (1-76)

APPENDIX B-1
THIRTEENTH WEEK HOUSEHOLD QUESTIONNAIRE

UNEMPLOYMENT INSURANCE STUDY QUESTIONNAIRE

CONFIDENTIAL

Name _____

Address _____

Part I

Job Search and Unemployment Information

1. How do you find out about new jobs? (See list below and enter number)

Main way _____ 2nd way _____ 3rd way _____

- 1 - Newspaper and magazine ads
2 - Friends and relatives
3 - Private employment agencies
4 - Arizona State Employment Service
5 - Union
6 - Go to employer directly
7 - Other

(specify)

2A. Is transportation a problem for you in looking for a job? Yes No

B. How do you usually get around to look for a job? (circle one)

- 1 - Own car
2 - Borrow a car
3 - Ride with friends & relatives
4 - Bus
5 - Other

(specify)

3A. Are you still filing for unemployment insurance benefits?

Yes (go to 5)

No

B. Why not? (circle one)

- 1 - Returned to work (go to 4)
2 - No longer looking for work
3 - Disqualified
4 - Other (specify)

(go to 5)

4A. On what date did you return to work? Mo. Day Yr.

B. What wage are you making now? (check one)

- hour
week
month

\$

C. How long do you think your job will last? (check one)

- weeks
months
years

D. How many minutes do you travel one-way daily to your job? About minutes

E. Is this the same type of work you had during your employed month? Yes No

F. About how many hours per week do you work? About hours per week

G. Is this job a recall to the employer you had before you started to collect unemployment benefits? Yes No

H. Compare this job with the last regular job you had before you started to collect unemployment benefits. Do you like the job more, less, or the same as the earlier job? (go to 8)

5. Last Week:

A. what was the lowest wage you would accept for a new job? (check one)

- hour
week
month

\$

(please go to reverse side of page)

B. at that wage rate, how long would a job have to last for you to accept it?

- weeks
- months
- years

C. at that wage rate, how many minutes would you travel one-way daily to a job?

About _____ minutes

6. How long do you think it will take to find a suitable job? (check one)

- weeks
- months

7. How much do you expect to make when you start working regularly again? (check one)

- hour
- week
- month

\$ _____

8A. What is the average amount of money you spend each week looking for work? (For example, money spent for transportation, clothing, babysitter, care of disabled persons living with you, postage, and typing.)

About \$ _____ per week

B. About how much of the above is for transportation?

About \$ _____

9. Last month, did you look for work: (check those that apply)

- in your local community
- outside your local community
- outside the county you live in
- outside Arizona

10. Has your unemployment caused anyone in your household: (since we last talked to you). (check)

- A. to work more hours? Yes No
- B. start working? Yes No
- C. to look for work? Yes No

11. Please check below the fringe benefits you lost when you became unemployed:

- | | |
|--|--|
| A. <input type="checkbox"/> Hospital or medical insurance | J. <input type="checkbox"/> Savings Plan (other than credit union) |
| B. <input type="checkbox"/> Automobile insurance | K. <input type="checkbox"/> Educational leave with pay |
| C. <input type="checkbox"/> Life insurance | L. <input type="checkbox"/> Books and/or tuition for job related education |
| D. <input type="checkbox"/> Disability insurance (other than workmen's compensation) | M. <input type="checkbox"/> Employee-merchant discounts |
| E. <input type="checkbox"/> Deferred compensation | N. <input type="checkbox"/> Vacation leave |
| F. <input type="checkbox"/> Retirement fund (other than Social Security) | O. <input type="checkbox"/> Sick leave |
| G. <input type="checkbox"/> Stock options | P. <input type="checkbox"/> Child care |
| H. <input type="checkbox"/> Profit sharing | Q. <input type="checkbox"/> Other (please specify) _____ |
| I. <input type="checkbox"/> Credit union | |

Part II

HOUSEHOLD COMPOSITION AND INCOME INFORMATION

12. Please complete items A through J for all persons, including yourself, who had your address as their permanent address last month. Exclude roomers and boarders. Be careful not to omit persons who were away on business, on vacation, at school, or in a hospital, etc.

		HOUSEHOLD MEMBERS															
		1		2		3		4		5		6		7		8	
A.	Relationship to yourself (for example, child, parent)	Self		Spouse													
B.	Age on last birthday																
C.	Marital Status (Check (✓), married or single)	M	S	M	S	M	S	M	S	M	S	M	S	M	S	M	S
				✓													
D.	For those over 16, check (✓) if not able to work because of a physical disability or mental infirmity.																
E.	For those over 16, check (✓) if a full-time student.																
F.	Which persons receive 50% or more of their support from you and/or your spouse. Check (✓).	✓		✓													
G.	Which persons contributed 100% (all) of their income to the expenses that you &/or your spouse normally pay. (✓)	✓															
H.	Wages, salaries, tips, and commissions received last month (before any payroll deductions & taxes) for person(s) checked in G.	\$	per	\$	per	\$	per	\$	per	\$	per	\$	per	\$	per	\$	per
I.	Wage, salaries, & tips received last month after federal income taxes, state income taxes, and Social Security contributions for person(s) checked in G.	\$	per	\$	per	\$	per	\$	per	\$	per	\$	per	\$	per	\$	per
J.	Amount contributed by person(s) not checked in G, if any, to the expenses that you &/or your spouse paid in your employed <i>last</i> month.	NOT APPLI- CABLE		NOT APPLI- CABLE		\$		\$		\$		\$		\$		\$	

(please go to reverse side of page)

13. If you are a member of a multi-person household, please go to No. 14.

If you are a member of a one-person household, please indicate whether you:

- live alone
- live with non-related persons
- live with related persons

14. Since you became unemployed:

A. Has anyone in your household contributed more to meet your household expenses?

No

Yes

Who? _____

Was this because you stopped working?

Yes No

B. Has anyone in your household moved somewhere else?

No

Yes

Who? _____

Was this because you stopped working?

Yes No

C. Has anyone moved into your household?

No

Yes

Who? _____

Was this because you stopped working?

Yes No

15. Last month, did anyone checked in G of question 12 receive regular monthly income from sources such as alimony and child support, cash contributions from persons not living in your household, dividends, interest, rents, self-employed income, social security, and welfare payments? (Please specify type and record the amount received)

Please ✓ if the amount increased because of your unemployment.

Unemployment Insurance Benefits \$ _____ for _____ weeks

_____ \$ _____

_____ \$ _____

_____ \$ _____

16. Last month, did anyone checked in G receive any other revenue not normally received each month such as, cash settlements from accidents or legal matters, income tax refunds and rebates, workmen's compensation, illness, and accident benefits over what was needed for expenses? (Please specify type and record the amount received.)

_____ \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

(please go to next page)

17. You or other members of your household may have received cash from any of the following sources to help meet expenses. Please record cash received and cash used since you became unemployed. Also record the amount received and used for last month.

Source	Cash received since becoming unemployed	Cash used since becoming unemployed	Cash received last month	Cash used last month
A. Withdrawal or use of savings or other money set aside	\$ _____ <i>If an amount recorded above, do you or anyone in your household have any savings left?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If no amount recorded above, did you or anyone in your household have any savings at the beginning of your unemployment?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	\$ _____ <i>If an amount recorded above, do you or anyone in your household have any savings left?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>If no amount recorded above, did you or anyone in your household have any savings at the beginning of last month?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____
B. Loans from a bank or finance company	\$ _____	\$ _____	\$ _____	\$ _____
C. Loans from friends or relatives	\$ _____	\$ _____	\$ _____	\$ _____
D. Sale or cashing in of bonds, or other securities	\$ _____	\$ _____	\$ _____	\$ _____
E. Sale or pawning of personal property (e.g. car, bike, guns)	\$ _____	\$ _____	\$ _____	\$ _____
F. Sale of real estate (e.g. house, lot)	\$ _____	\$ _____	\$ _____	\$ _____
G. Cashing in of insurance policy	\$ _____	\$ _____	\$ _____	\$ _____
H. Other source of cash not already listed (please specify)	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____	\$ _____

(please go to reverse side of page)

18. You or other members of your household may have received free or reduced cost goods or services. Check whether you received each of the following kinds of goods or services since you became unemployed. Also check those you received last month.

Free or reduced cost goods and services	Received since becoming unemployed		Received last month	
	Yes	No	Yes	No
A. Free food				
B. Free clothing				
C. Free medical care				
D. Free or reduced cost housing				
E. Free or reduced cost transportation				
F. Other (<i>specify</i>)				

19. Last month, did anyone in your household purchase food using food stamps?

No

Yes

A. How much did you pay for the stamps? \$ _____

B. How much was this amount of stamps worth when it came to buying food?

\$ _____

20. Did you save and/or invest any money from your income last month?

No

Yes

If yes, about how much? \$ _____

(please go to next page)

Part III

HOUSEHOLD EXPENDITURE INFORMATION

This section of the questionnaire lists several expenses. Please record the cash paid or the amount due but not paid last month. The questions refer to the expenses normally paid by you, your spouse and anyone else checked in G of question 12. We realize this section is very detailed, and you may not have all these expenses. The detail is included to help you organize your expenditures and thus insure more accurate responses. Complete and accurate responses are required if the study is to be used to improve the present unemployment insurance system.

	Cash Paid Last Month	Due Last Month But Not Paid
21. Rent or mortgage payment. <i>If interest, taxes, and insurance are included in your mortgage payment, include them in the amount you specify here. Also if you must pay a fixed maintenance fee in addition to your mortgage payment as a condition for living at your place of residence, include that amount here.</i>	\$ _____	\$ _____
22. Payments for utilities:		
gas/electricity	\$ _____	\$ _____
water, sewage and garbage collection	\$ _____	\$ _____
telephone (including long distance)	\$ _____	\$ _____
other (e.g., fuel oil)	\$ _____	\$ _____
23. Total payments on purchases made on installment plans, charge accounts, such as payments on appliances and others.	\$ _____	\$ _____
24. Total payments made on loans. These might include: car loans, business loans, student loans, etc.	\$ _____	\$ _____
25. Payments for food and other household items bought in grocery stores or delivered to your door, exclude cigarettes and liquor (include cost of food stamps, if used)	\$ _____	\$ _____
26. Payments for gasoline, parking fees, taxi, bus fare.	\$ _____	\$ _____
27. Payments for necessary automobile maintenance and repairs.	\$ _____	\$ _____

(please go to reverse side of page.)

	Cash Paid Last Month	Due Last Month But Not Paid
28. Payments for necessary services such as barber, laundry, cleaners, child care, and care of disabled members living with you.	\$ _____	\$ _____
29. Payments for clothing.	\$ _____	\$ _____
30. Payments for continuing and regular support of persons living outside your dwelling unit. These might include child support, alimony, care of aged persons, room and board for a student, or other such items.	\$ _____	\$ _____
31. Payments for past hospital, doctor, dentist, or medical bills.	\$ _____	\$ _____
32. Payments for prescription drugs or other health needs.	\$ _____	\$ _____
33. Payments for medical and dental services, including hospital expenses.	\$ _____	\$ _____
34. Payments for necessary house repair <i>(Do not include sums spent to remodel or otherwise improve, as opposed to repair, your house.)</i>	\$ _____	\$ _____

35. Since you became unemployed did you or anyone in your household lose or cancel any items bought on time?

No

Yes

What item(s)?

What was the monthly payment?

\$ _____
\$ _____
\$ _____

36. Since you became unemployed did you or anyone in your household lose or cancel any insurance policy? *(other than those provided by employer)*

No

Yes

What kind? _____

35. For the expenses listed below, please enter the amount you and other members of your household paid per year and the amount paid or due but not paid last month. Report the total amount, including any payroll deductions.

	Amount Paid Per Year	Amount of Cash Paid Last Month	Amount Due Last Month But Not Paid
A. Payments for hospital or medical insurance.	\$ _____	\$ _____	\$ _____
B. Automobile Insurance	\$ _____	\$ _____	\$ _____
C. Homeowners Insurance, if not included in rent or mortgage payment.	\$ _____	\$ _____	\$ _____
D. Life insurance	\$ _____	\$ _____	\$ _____
E. Disability insurance	\$ _____	\$ _____	\$ _____
F. Any other types of insurance <i>(Specify)</i> _____ _____	\$ _____	\$ _____	\$ _____
G. Union or professional dues	\$ _____	\$ _____	\$ _____
H. Payments for education including books, tuition, and supplies.	\$ _____	\$ _____	\$ _____
I. Property tax not included in mortgage.	\$ _____	\$ _____	\$ _____
J. Income tax not deducted from wages.	\$ _____	\$ _____	\$ _____

(please go to reverse side of page)

- | | Cash Paid
Last Month | Due Last Month
But Not Paid |
|--|-------------------------|--------------------------------|
| 38. Payments for meals and snacks eaten away from home, exclude cigarettes and liquor. | \$ _____ | \$ _____ |
| 39. Payments for entertainment and recreation activities such as movies, sports, and social clubs, reading materials, tobacco items, and liquor. | \$ _____ | \$ _____ |
| 40. Payments for travel or vacations. | \$ _____ | \$ _____ |
| 41. Contributions to churches and charities. | \$ _____ | \$ _____ |
| 42. Payments for gifts. | \$ _____ | \$ _____ |
| 43. Did you buy any major household items last month? <i>(Such as a car or washing machine.)</i> | _____ | _____ |

No
(go to No. 44)

Yes
B. Please specify the item(s) and the down payment. If you paid for the item in full, enter the purchase price.

Item	Down Payment or Purchase Price	Check one (✓)	
		Replaced	Never Owned Before
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____
	\$ _____	\$ _____	\$ _____

- | | Paid
Last Month | Due Last Month
But Not Paid |
|---|--------------------|--------------------------------|
| 44. Any other <i>regular</i> monthly payments you made last month. <i>(Please specify and record the amount)</i> | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| 45. Any other important payments during last month that you do not normally pay each month. <i>(Please specify and record the amount)</i> | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |

(please go to next page)

We might need to get in touch with you again.

Please list the name, address, and telephone number of someone who will always be able to forward mail to you.

Name _____

Address _____
Number *Street*

_____ *City* *State* Phone _____

What is your mailing address?

_____ *Number* *Street*

_____ *City*

_____ *ZIP Code*

What is your telephone number?

Telephone Number _____

Thank you very much for your cooperation.

APPENDIX B-2
CHARACTERISTICS OF THIRTEENTH WEEK INTERVIEW
RESPONDENTS AND NONRESPONDENTS

Classification	Percentage Distribution		Probability of Obtaining Observed Difference Due to Chance ^c
	Nonrespondents ^a	Respondents ^b	
<u>Sex:</u>			
Male	68.2	63.9	59.6
Female	31.8	36.1	59.6
<u>Age:</u>			
Under 25 years	22.1	20.3	43.5
25-34 years	31.3	30.0	61.0
35-44 years	21.4	18.1	13.6
45-54 years	13.8	17.9	3.4
55 years and older	11.4	13.7	19.4
<u>Ethnic:</u>			
White	83.5	83.3	92.1
Spanish surname	10.5	13.6	7.2
Other ethnic	6.0	3.1	1.8
<u>Potential Duration:</u>			
12-15 weeks	11.4	6.4	27.0
16-18 weeks	9.3	6.9	9.1
19-21 weeks	8.8	8.0	60.3
22-25 weeks	11.2	12.5	45.9
26 weeks	59.3	66.2	1.0
<u>Weekly Benefit Amount:</u>			
\$15-\$44	14.5	10.1	1.9
\$45-\$54	10.0	8.3	29.4
\$55-\$64	10.9	10.1	63.8
\$65-\$74	8.8	10.2	37.3
\$75-\$84	7.4	11.3	1.0
\$85	48.4	50.0	56.2
<u>Household Type:^d</u>			
1E-1HH-NR	16.2	16.3	96.0
1E-1HH-REL	7.0	8.4	32.7
1E-2HH-SP	10.2	11.0	63.1
2E-2HH-SP	10.2	11.1	58.9
1E-3+HH-SP	26.8	21.3	2.1
2E-3+HH-SP	17.6	22.7	1.6
1+E-2+HH-SA	12.0	9.2	10.7

(continued)

APPENDIX B-2 (continued)

Classification	Percentage Distribution		Probability of Obtaining Observed Difference Due to Chance ^c
	Nonrespondents ^a	Respondents ^b	
<u>Gross Weekly Wage in Employed Month:</u>			
\$74 or less	15.6	5.8	0.0*
\$75-\$124	22.3	24.7	29.4
\$125-\$174	20.7	26.9	0.6
\$175-\$224	11.5	14.9	5.7
\$225-\$299	9.8	11.5	30.3
\$300 or more	20.1	16.2	7.0
<u>Net Weekly Wage in Employed Month:</u>			
\$74 or less	20.6	9.9	0.0*
\$75-\$124	32.6	38.1	3.3
\$125-\$174	15.8	23.7	0.0*
\$175-\$224	10.3	11.1	89.7
\$225-\$299	10.1	10.7	7.9
\$300 or more	10.6	6.5	1.1

^aTotal nonrespondents equal 421. This group is comprised of 325 nonrespondents and 96 persons eliminated from the analysis on the basis of the balancing differences test.

^bTotal respondents equal 1634.

^cThese values indicate the probability of obtaining a difference between the two sample proportions as large or larger than the one actually observed due to chance alone, if the two samples had been drawn from the same population. The probability is .05 that one or more of the 32 independent probability values would be less than 0.156% (.05/32) due to chance alone. Hence, only those probability coefficients which exhibit values of 0.156% or smaller are identified with an asterisk in the table.

^dThe household type notation indicates the number of earners (E), the number of household members (HH), and the presence (SP) or absence (SA) of a spouse (for all but the first two categories). NR refers to a situation where the beneficiary lived with non-related persons, and REL indicates that the beneficiary lived with related persons. These are the 7 basic household types considered in the analysis of the fifth week interview data.

APPENDIX B-3

CROSS TABULATION OF THE DIFFERENCE BETWEEN NONBENEFICIARY HOUSEHOLD INCOME (INCLUDING ANY NONWAGE INCOME ATTRIBUTABLE TO THE BENEFICIARY) IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY AND BY HOUSEHOLD TYPE

Benefit Adequacy Category	Change in Nonbeneficiary Household Income				Row Total Row Pct.
	Less than 0%	0%	1% to 19%	20% or more	
<i>PART A. ONE-EARNER--ONE-PERSON HH</i>					
50% or less	3.1 (13.3)	81.3 (15.3)	9.4 (37.5)	6.3 (16.7)	64 16.2
51% - 85%	6.5 (80.0)	85.9 (46.9)	2.7 (31.3)	4.9 (37.5)	185 47.0
86% or more	0.7 (6.7)	88.3 (37.8)	3.4 (31.3)	7.6 (45.8)	145 36.8
Column Total	15	339	16	24	394
Column Pct.	3.8	86.0	4.1	6.1	100.0
<i>PART B. ONE-EARNER--MULTI-PERSON HH</i>					
50% or less	5.9 (26.2)	56.0 (41.4)	12.5 (42.0)	25.6 (51.9)	273 42.2
51% - 85%	9.9 (49.2)	58.7 (48.1)	12.2 (45.7)	19.1 (43.0)	303 46.8
86% or more	21.1 (24.6)	54.9 (10.5)	14.1 (12.3)	9.9 (5.2)	71 11.0
Column Total	61	370	81	135	647
Column Pct.	9.4	57.2	12.5	20.9	100.0
<i>PART C. MULTI-EARNER--MULTI-PERSON HH</i>					
50% or less	40.4 (18.8)	10.6 (11.7)	29.8 (22.5)	19.2 (20.6)	104 18.8
51% - 85%	38.4 (46.0)	19.8 (56.4)	24.3 (47.1)	17.5 (48.5)	268 48.5
86% or more	43.6 (35.3)	16.6 (31.9)	23.2 (30.4)	16.6 (30.9)	181 32.7
Column Total	224	94	138	97	553
Column Pct.	40.5	17.0	25.0	17.5	100.0

Number of missing observations = 40.

APPENDIX B-4

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY AND BY HOUSEHOLD TYPE

Benefit Adequacy Category	Change in Paid Expenses				Row Total Row Pct.
	-40% or less	-39% to -20%	-19% to -1%	0% or more	
<i>PART A: ONE-EARNER--ONE PERSON HH</i>					
50% or less	54.7 (36.1)	25.0 (17.8)	9.4 (7.3)	10.9 (5.8)	64 16.4
51% - 85%	26.1 (49.5)	29.3 (60.0)	21.2 (47.6)	23.4 (35.5)	184 47.2
86% or more	9.9 (14.4)	14.1 (22.2)	26.1 (45.1)	50.0 (58.7)	142 36.4
Column Total	97	90	82	121	390
Column Pct.	24.9	23.1	21.0	31.0	100.0
<i>PART B: ONE-EARNER--MULTI-PERSON HH</i>					
50% or less	35.1 (68.6)	28.7 (44.0)	17.2 (34.6)	19.0 (25.6)	268 41.6
51% - 85%	12.2 (27.0)	29.6 (51.4)	24.0 (54.9)	34.2 (52.3)	304 47.2
86% or more	8.3 (4.4)	11.1 (4.6)	19.4 (10.5)	61.1 (22.1)	72 11.2
Column Total	137	175	133	199	644
Column Pct.	21.3	27.2	20.7	30.9	100.0
<i>PART C: MULTI-EARNER--MULTI-PERSON HH</i>					
50% or less	35.0 (52.9)	33.0 (30.6)	18.4 (11.6)	13.6 (6.9)	103 18.9
51% - 85%	9.8 (38.2)	23.1 (55.0)	36.7 (59.1)	30.3 (39.4)	264 48.4
86% or more	3.4 (8.8)	8.9 (14.4)	26.8 (29.3)	60.9 (53.7)	179 32.8
Column Total	68	111	164	203	546
Column Pct.	12.5	20.3	30.0	37.2	100.0

Number of missing observations = 54.

APPENDIX B-5

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID EXPENSES FOR EACH OF THE TEN CATEGORIES WHICH COMPRISE THE TOTAL OF NECESSARY AND OBLIGATED EXPENSES FROM THE EMPLOYED MONTH TO THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE TOTAL OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Housing Expenditures			Change in Food Expenditures			Row Total Row Pct.
	-3% or less	-2% to +2%	2% or more	-3% or less	-2% to +2%	2% or more	
35% or less	46.9 (11.1)	36.1 (9.0)	17.0 (6.2)	58.9 (11.4)	28.1 (8.3)	13.0 (5.2)	146 9.1
36% - 50%	49.0 (23.9)	37.1 (19.0)	13.9 (10.4)	53.0 (21.3)	32.1 (19.6)	14.9 (12.4)	302 18.7
51% - 65%	39.8 (25.0)	33.7 (22.3)	26.5 (25.5)	55.4 (28.6)	27.3 (21.4)	17.3 (18.4)	388 24.1
66% - 85%	32.5 (19.5)	39.0 (24.7)	28.5 (26.2)	44.5 (22.1)	30.6 (23.0)	24.9 (25.5)	373 23.2
86% - 99%	38.5 (10.5)	33.7 (9.7)	27.8 (11.6)	35.5 (8.0)	34.9 (11.9)	29.6 (13.7)	169 10.5
100% or more	26.6 (10.0)	38.6 (15.3)	34.8 (20.0)	27.9 (8.6)	33.5 (15.8)	38.6 (24.7)	233 14.5
Column Total	620	588	404	752	495	364	1611
Column Pct.	38.5	36.5	25.1	46.7	30.7	22.6	100.0

140

Number of missing observations = 23.

APPENDIX B-5 (continued)

Benefit Adequacy Category	Change in Medical Expenditures			Change in Loan & Credit Expenditures			Row Total Row Pct.
	-3% or less	-2% to +2%	2% or more	-3% or less	-2% to +2%	2% or more	
35% or less	44.2 (13.1)	45.6 (8.4)	10.2 (4.7)	55.1 (14.0)	29.9 (6.1)	15.0 (7.0)	147 9.1
36% - 50%	33.4 (20.4)	48.3 (18.3)	18.2 (17.4)	46.5 (24.3)	37.6 (15.9)	15.8 (15.3)	303 18.8
51% - 65%	31.1 (24.4)	52.2 (25.4)	16.7 (20.5)	38.8 (26.0)	40.9 (22.1)	20.3 (25.2)	389 24.1
66% - 85%	30.4 (22.8)	47.3 (22.1)	22.3 (26.2)	31.1 (20.0)	49.6 (25.7)	19.3 (22.9)	373 23.1
86% - 99%	28.4 (9.7)	50.3 (10.7)	21.3 (11.4)	29.0 (8.4)	47.3 (11.1)	23.7 (12.7)	169 10.5
100% or more	20.7 (9.7)	52.2 (15.2)	27.2 (19.9)	18.1 (7.2)	59.1 (19.1)	22.8 (16.9)	232 14.4
Column Total	496	798	317	580	719	314	1613
Column Pct.	30.8	49.5	19.7	36.0	44.6	19.5	100.0

Number of missing observations = 21.

APPENDIX B-5 (continued)

Benefit Adequacy Category	Change in Clothing Expenditures			Change in Transportation Expenditures			Row Total Row Pct.
	-3% or less	-2% to +2%	2% or more	-3% or less	-2% to +2%	2% or more	
35% or less	29.9 (9.6)	63.9 (9.9)	6.1 (4.3)	51.0 (12.4)	29.9 (8.1)	19.0 (6.0)	147 9.1
36% - 50%	30.8 (20.3)	60.3 (19.3)	8.9 (12.9)	48.0 (24.0)	33.1 (18.4)	18.9 (12.3)	302 18.8
51% - 65%	33.4 (28.3)	55.0 (22.6)	11.6 (21.5)	41.9 (27.0)	34.7 (24.9)	23.4 (19.7)	389 24.2
66% - 85%	29.0 (23.5)	57.1 (22.5)	13.9 (24.9)	30.7 (18.9)	35.5 (25.2)	33.7 (25.9)	169 23.0
86% - 99%	18.9 (7.0)	62.1 (11.1)	18.9 (15.3)	30.8 (8.6)	36.9 (11.0)	32.3 (12.3)	371 10.5
100% or more	22.3 (11.3)	58.8 (14.5)	18.9 (21.1)	23.7 (9.1)	28.9 (12.3)	47.4 (23.8)	232 14.4
Column Total	459	945	209	604	543	463	1610
Column Pct.	28.5	58.6	13.0	37.5	33.7	28.8	100.0

Number of missing observations = 24.

APPENDIX B-5 (continued)

Benefit Adequacy Category	Change in Insurance Expenditures			Change in Support of Non-Household Members			Row Total Row Pct.
	-3% or less	-2% to +2%	2% or more	-3% or less	-2% to +2%	2% or more	
35% or less	34.0 (10.5)	49.7 (9.1)	16.3 (7.4)	6.1 (11.7)	93.9 (9.2)	0.0 (0.0)	147 9.1
36% - 50%	41.1 (25.7)	38.8 (14.4)	20.1 (18.4)	5.3 (20.8)	93.0 (18.7)	1.7 (15.6)	302 18.7
51% - 65%	29.6 (24.1)	53.5 (25.9)	17.0 (20.2)	5.7 (28.6)	92.5 (23.9)	1.8 (21.9)	389 24.1
66% - 85%	27.4 (21.3)	53.0 (24.5)	19.6 (22.4)	4.3 (20.8)	93.8 (23.3)	1.9 (21.9)	373 23.1
86% - 99%	22.5 (7.9)	52.1 (11.0)	25.4 (13.2)	4.7 (10.4)	91.7 (10.3)	3.6 (18.8)	169 10.5
100% or more	21.6 (10.5)	52.4 (15.1)	26.0 (18.4)	2.6 (7.8)	94.4 (14.6)	3.0 (21.9)	233 14.4
Column Total	478	803	326	77	1504	32	1613
Column Pct.	29.7	50.0	20.3	4.8	93.2	2.0	100.0

Number of missing observations = 21.

APPENDIX B-5 (continued)

Benefit Adequacy Category	Change in Services Expenditures			Change in Tax Expenditures			Row Total Row Pct.
	-3% or less	-2% to +2%	2% or more	-3% or less	-2% to +2%	2% or more	
35% or less	27.2 (11.7)	67.3 (8.7)	5.4 (6.0)	8.2 (19.0)	86.3 (8.6)	5.5 (10.1)	146 9.1
36% - 50%	18.2 (16.1)	76.5 (20.3)	5.3 (12.0)	5.9 (28.6)	91.1 (18.8)	3.0 (11.4)	303 18.8
51% - 65%	23.7 (27.0)	67.0 (22.9)	9.3 (27.1)	3.1 (19.0)	91.0 (24.1)	5.9 (29.1)	389 24.1
66% - 85%	19.8 (21.7)	71.3 (23.4)	8.8 (24.8)	4.0 (23.8)	92.2 (23.4)	3.8 (17.7)	373 23.1
86% - 99%	20.1 (10.0)	69.2 (10.3)	10.7 (13.5)	2.4 (6.3)	92.9 (10.7)	4.7 (10.1)	169 10.5
100% or more	19.8 (13.5)	70.7 (14.4)	9.5 (16.5)	0.9 (3.2)	91.8 (14.5)	7.3 (21.5)	233 14.4
Column Total	341	1137	133	63	1471	79	1613
Column Pct.	21.2	70.6	8.3	3.9	91.2	4.9	100.0

Number of missing observations = 21.

APPENDIX B-6

CROSS TABULATION OF THE DIFFERENCE BETWEEN DUE-BUT-NOT-PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Due-But-Not-Paid Expenses				Row Total Row Pct.
	-20% or less	0%	1% - 19%	20% or more	
35% or less	15.8 (9.9)	49.3 (7.9)	19.9 (13.3)	15.1 (9.1)	146 9.1
36% - 50%	16.0 (20.6)	46.3 (15.3)	17.0 (23.4)	20.7 (25.5)	300 18.7
51% - 65%	13.2 (21.9)	52.3 (22.2)	15.5 (27.5)	18.9 (30.0)	386 24.0
66% - 85%	13.5 (21.5)	59.3 (24.1)	12.9 (22.0)	14.3 (21.8)	371 23.1
86% - 99%	16.6 (12.0)	64.5 (12.0)	9.5 (7.3)	9.5 (6.6)	169 10.5
100% or more	14.2 (14.2)	72.5 (18.6)	6.0 (6.4)	7.3 (7.0)	233 14.5
Column Total	233	911	218	243	1605
Column Pct.	14.5	56.8	13.6	15.1	100.0

Number of missing observations = 29.

APPENDIX B-7
 CROSS TABULATION OF THE RESERVATION JOB LENGTH ONE WEEK
 PRIOR TO THE THIRTEENTH WEEK INTERVIEW,
 BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Reservation Job Length					Row Total Row Pct.
	1 month or less	1+ months to 6 mon.	6+ months to 12 mon.	12+ months to 24 mon.	24+ months	
35% or less	33.0 (13.4)	38.8 (8.3)	12.6 (4.8)	1.9 (3.4)	13.6 (18.4)	103 8.4
36% - 50%	27.8 (23.7)	38.0 (17.0)	22.2 (17.8)	3.2 (11.9)	8.8 (21.6)	216 17.6
51% - 65%	21.9 (25.3)	37.7 (22.8)	21.6 (23.3)	5.5 (27.1)	13.4 (47.7)	292 23.8
66% - 85%	15.7 (18.2)	39.6 (24.1)	23.9 (25.9)	6.1 (30.5)	14.7 (56.1)	293 23.9
86% - 99%	13.4 (7.1)	37.3 (10.4)	29.1 (14.4)	5.2 (11.9)	14.9 (23.7)	134 10.9
100% or more	16.6 (12.3)	44.9 (17.4)	19.8 (13.7)	4.8 (15.3)	13.9 (32.6)	187 15.3
Column Total	253	482	270	59	161	1225
Column Pct.	20.7	39.3	22.0	4.8	13.1	100.0

Number of missing observations = 409.

APPENDIX B-8

CROSS TABULATION OF THE DIFFERENCE BETWEEN RESERVATION COMMUTATION TIME THE WEEK PRIOR TO THE THIRTEENTH WEEK INTERVIEW AND COMMUTATION TIME ON THE PREUNEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF COMMUTATION TIME ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Commutation Time ^a							Row Total Row Pct.
	-5% or less	-4% to 4%	5% to 49%	50% to 99%	100% to 199%	200% to 299%	300% or more	
35% or less	17.0 (9.4)	21.7 (8.3)	9.4 (6.5)	14.2 (8.0)	16.0 (7.8)	8.5 (7.5)	13.2 (9.5)	106 8.2
36% - 50%	14.9 (18.3)	24.3 (20.5)	11.9 (18.2)	12.3 (15.5)	15.3 (16.5)	10.2 (20.0)	11.1 (17.7)	235 18.1
51% - 65%	12.1 (19.9)	21.4 (24.1)	13.1 (26.6)	18.2 (30.5)	17.6 (25.2)	9.3 (24.2)	8.3 (17.7)	313 24.2
66% - 85%	16.5 (26.2)	20.5 (22.3)	11.2 (22.1)	14.9 (24.1)	15.5 (21.6)	9.9 (25.0)	11.6 (23.8)	303 23.4
86% - 99%	15.5 (11.5)	21.8 (11.2)	10.6 (9.7)	10.6 (8.0)	19.7 (12.8)	7.0 (8.3)	14.8 (14.3)	142 11.0
100% or more	14.3 (14.7)	19.4 (13.7)	13.3 (16.9)	13.3 (13.9)	17.9 (16.1)	9.2 (15.0)	12.8 (17.0)	196 15.1
Col. Total	191	278	154	187	218	120	147	1295
Col. Pct.	14.7	21.5	11.9	14.4	16.8	9.3	11.4	100.0

Number of missing observations = 339.

^aPositive values indicate an increase in commutation time, and negative values indicate a decrease in commutation time.

APPENDIX B-9

CROSS TABULATION OF NET PARTIAL EARNINGS OF THE BENEFICIARY IN THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S NET EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Net Partial Earnings				Row Total Row Pct.
	0%	1% - 15%	16% - 30%	31% or more	
35% or less	95.8 (8.6)	1.7 (28.6)	0.0 (0.0)	2.5 (16.7)	119 8.8
36% - 50%	96.4 (18.4)	0.4 (14.3)	1.2 (30.0)	2.0 (27.8)	252 18.6
51% - 65%	97.8 (24.0)	0.0 (0.0)	0.9 (30.0)	1.2 (22.2)	324 23.9
66% - 85%	98.1 (23.5)	0.3 (14.3)	0.3 (10.0)	1.3 (22.2)	316 23.3
86% - 99%	95.9 (10.6)	1.4 (28.6)	1.4 (20.0)	1.4 (11.1)	146 10.8
100% or more	99.0 (14.8)	0.5 (14.3)	0.5 (10.0)	0.0 (0.0)	197 14.5
Col. Total	1319	7	10	18	1354
Col. Pct.	97.5	0.5	0.7	1.3	100.0

Number of missing observations = 280.

APPENDIX B-10

CROSS TABULATION OF THE MONTHLY AVERAGE AMOUNT OF CASH USED FROM SAVINGS AND OTHER SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE THIRTEENTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Monthly Average Amount of Cash Used				Row Total Row Pct.
	0%	1% - 15%	16% - 30%	31% or more	
35% or less	39.8 (6.2)	34.7 (9.2)	20.4 (9.1)	5.1 (17.9)	98 7.9
36% - 50%	46.0 (15.6)	31.9 (18.4)	19.7 (19.1)	2.3 (17.9)	213 17.1
51% - 65%	44.1 (21.9)	34.8 (29.5)	18.8 (26.8)	2.2 (25.0)	313 25.1
66% - 85%	49.8 (23.5)	30.3 (24.4)	17.2 (23.2)	2.7 (28.6)	297 23.8
86% - 99%	56.3 (12.1)	22.2 (8.1)	21.5 (13.2)	0.0 (0.0)	135 10.8
100% or more	68.6 (20.8)	19.9 (10.3)	9.9 (8.6)	1.6 (10.7)	191 15.3
Column Total	630	369	220	28	1247
Column Pct.	50.5	29.6	17.6	2.2	100.0

Number of missing observations = 387.

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APPENDIX C
APPENDIX MATERIALS FOR CHAPTER III

Arizona Department of Economic Security
Phoenix, Arizona

TX-166 (4-76)

APPENDIX C-1
TWENTY-FIFTH WEEK HOUSEHOLD QUESTIONNAIRE
UNEMPLOYMENT INSURANCE STUDY QUESTIONNAIRE

CONFIDENTIAL

The term "last month" as used in this questionnaire is the month circled below.

January	April	July	October
February	May	August	November
March	June	September	December

Name _____

Address _____

Part I
Job Search and Unemployment Information

1. How do you find out about new jobs? (See list below and enter number)

Main way _____ 2nd way _____ 3rd way _____

- 1 - Newspaper and magazine ads
- 2 - Friends and relatives
- 3 - Private employment agencies
- 4 - Arizona State Employment Service
- 5 - Union
- 6 - Go to employer directly
- 7 - Other

(specify)

2A. Is transportation a problem for you in looking for a job? Yes No

B. How do you usually get around to look for a job? (circle one)

- 1 - Own car
- 2 - Borrow a car
- 3 - Ride with friends & relatives
- 4 - Bus
- 5 - Other

(specify)

3A. Are you still filing for unemployment insurance benefits?

Yes
(go to 5)

No

B. Why not? (circle one)

- 1 - Returned to work (go to 4)
- 2 - No longer looking for work
- 3 - Disqualified
- 4 - Used up unemployment insurance benefits
- 5 - Other _____

(specify)

} (go to 5)

4A. On what date did you return to work? _____ / _____ / _____
Mo. Day Yr.

B. What wage are you making now?

\$ _____ hour
 week
 month

C. How long do you think your job will last?

_____ weeks
 months
 years

D. How many minutes do you travel one-way daily to your job? About _____ minutes

E. Is this the same type of work you did before you filed for unemployment insurance benefits? Yes No

F. About how many hours per week do you work? About _____ hours per week

G. Is this job a recall to the employer you had before you started to collect unemployment benefits?
 Yes No

H. Compare this job with the last regular job you had before you started to collect unemployment benefits. Do you like the job more, less, or the same as the earlier job? (go to 8)

5. Last Week:

A. what was the lowest wage you would accept for a new job?

\$ _____ hour
 week
 month

(please go to reverse side of page)

B. at that wage rate, how long would a job have to last for you to accept it?

- weeks
 months
 years

C. at that wage rate, how many minutes would you travel one-way daily to a job?

About _____ minutes

6. How long do you think it will take to find a suitable job?

- weeks
 months

7. How much do you expect to make when you start working regularly again?

- hour
 week
 month

\$ _____

8A. What is the average amount of money you spend each week looking for work? (*For example, money spent for transportation, clothing, babysitter, care of disabled persons living with you, postage, and typing.*)

About \$ _____ per week

B. About how much of the above is for transportation?

About \$ _____

9. "Last month", did you look for work: (*check those that apply*)

- in your local community
outside your local community
outside the county you live in
outside Arizona

10. Since we last talked to you through the end of "last month", has your unemployment caused anyone else in your household:

(*check*)

- A. to work more hours? Yes No
B. start working? Yes No
C. to look for work? Yes No

Part II

HOUSEHOLD COMPOSITION AND INCOME INFORMATION

11. Please complete items A through G for all persons, including yourself, who had your address as their permanent address "last month". Exclude roomers and boarders. Be careful not to omit persons who were away on business, on vacation, at school, or in a hospital, etc.

		HOUSEHOLD MEMBERS							
		1	2	3	4	5	6	7	8
A.	Relationship to yourself (for example, child, parent)	Self	Spouse						
B.	Age on last birthday								
C.	Which persons receive 50% or more of their support from you and/or your spouse. Check (✓).	✓	✓						
D.	Which persons contributed 100% (all) of their income to the expenses that you &/or your spouse normally pay. (✓)	✓							
E.	Wages, salaries, tips, and commissions received "last month" (before any payroll deductions & taxes) for person(s) checked in D.	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per
F.	Wage, salaries, & tips received "last month" after federal income taxes, state income taxes, and Social Security contributions for person(s) checked in D.	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per
G.	Amount contributed by person(s) not checked in D, if any, to the expenses that you &/or your spouse paid "last month".	NOT APPLI- CABLE	NOT APPLI- CABLE	\$ per	\$ per	\$ per	\$ per	\$ per	\$ per

(please go to reverse side of page)

12. If you are a member of a multi-person household, please go to No. 13.

If you are a member of a one-person household, please indicate whether you:

- live alone
- live with non-related persons
- live with related persons

13. Since we last talked to you, through the end of "last month":

A. has anyone in your household contributed more to meet your household expenses?

<input type="checkbox"/> No	<input type="checkbox"/> Yes Who? _____ Was this because you stopped working? <input type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------	---

B. has anyone in your household moved somewhere else?

<input type="checkbox"/> No	<input type="checkbox"/> Yes Who? _____ Was this because you stopped working? <input type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------	---

C. has anyone moved into your household?

<input type="checkbox"/> No	<input type="checkbox"/> Yes Who? _____ Was this because you stopped working? <input type="checkbox"/> Yes <input type="checkbox"/> No
-----------------------------	---

14. "Last month", did anyone checked in D of question 11 receive regular monthly income from sources such as alimony and child support, cash contributions from persons not living in your household, dividends, interest, rents, self-employed income, social security, and welfare payments? (Please specify type and record the amount received)

Please ✓ if the amount increased because of your unemployment.

Unemployment Insurance Benefits \$ _____ for _____ weeks

		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

15. "Last month", did anyone checked in D receive any other revenue not normally received each month such as, cash settlements from accidents or legal matters, income tax refunds and rebates, workmen's compensation, illness, and accident benefits over what was needed for expenses? (Please specify type and record the amount received.)

	\$ _____
	\$ _____
	\$ _____
	\$ _____

(please go to next page)

16. You or other members of your household may have received cash from any of the following sources to help meet expenses. Please record cash received and cash used since we last talked to you through the end of "last month". Also record the amount received and used for "last month".

Source	Cash received since we last talked to you through the end of "last month".	Cash used since we last talked to you through the end of "last month".	Cash received "last month".	Cash used "last month".
A. Withdrawal or use of savings or other money set aside	\$ _____ If an amount recorded above, do you or anyone in your household have any savings left? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____ If an amount recorded above, do you or anyone in your household have any savings left? <input type="checkbox"/> Yes <input type="checkbox"/> No If no amount recorded above, did you or anyone in your household have any savings at the beginning of "last month"? <input type="checkbox"/> Yes <input type="checkbox"/> No	\$ _____	\$ _____
B. Loans from a bank or finance company	\$ _____	\$ _____	\$ _____	\$ _____
C. Loans from friends or relatives	\$ _____	\$ _____	\$ _____	\$ _____
D. Sale or cashing in of bonds, or other securities	\$ _____	\$ _____	\$ _____	\$ _____
E. Sale or pawning of personal property (e.g. car, bike, guns)	\$ _____	\$ _____	\$ _____	\$ _____
F. Sale of real estate (e.g. house, lot)	\$ _____	\$ _____	\$ _____	\$ _____
G. Cashing in of insurance policy	\$ _____	\$ _____	\$ _____	\$ _____
H. Other source of cash not already listed (please specify)	\$ _____ _____ \$ _____ _____ \$ _____ _____	\$ _____ _____ \$ _____ _____ \$ _____ _____	\$ _____ _____ \$ _____ _____ \$ _____ _____	\$ _____ _____ \$ _____ _____ \$ _____ _____

(please go to reverse side of page)

17. You or other members of your household may have received free or reduced cost goods or services. Check whether you received each of the following kinds of goods or services since we last talked to you through the end of "last month". Also check those you received "last month".

Free or reduced cost goods and services	Received since we last talked to you through the end of "last month".		Received "last month"	
	Yes	No	Yes	No
A. Free food				
B. Free clothing				
C. Free medical care				
D. Free or reduced cost housing				
E. Free or reduced cost transportation				
F. Other (<i>specify</i>)				

18. "Last month", did anyone in your household purchase food using food stamps?

No

Yes

A. How much did you pay for the stamps? \$ _____

B. How much was this amount of stamps worth when it came to buying food?

\$ _____

19. Did you save and/or invest any money from your income "last month"?

No

Yes

If yes, about how much? \$ _____

(please go to next page)

Part III

HOUSEHOLD EXPENDITURE INFORMATION

This section of the questionnaire lists several expenses. Please record the cash paid or the amount due but not paid "last month". The questions refer to the expenses normally paid by you, your spouse and anyone else checked in D of question 11. We realize this section is very detailed, and you may not have all these expenses. The detail is included to help you organize your expenditures and thus insure more accurate responses. Complete and accurate responses are required if the study is to be used to improve the present unemployment insurance system.

	Cash Paid "Last Month"	Due "Last Month" But Not Paid
20. Rent or mortgage payment on your dwelling unit. Record payments on other properties in question 43. <i>If interest, taxes, and insurance are included in your mortgage payment, include them in the amount you specify here. Also if you must pay a fixed maintenance fee in addition to your mortgage payment as a condition for living at your place of residence, include that amount here.</i>	\$ _____	\$ _____
21. Payments for utilities:		
gas/electricity	\$ _____	\$ _____
water, sewage and garbage collection	\$ _____	\$ _____
telephone (<i>including long distance</i>)	\$ _____	\$ _____
other (<i>e.g., fuel oil</i>)	\$ _____	\$ _____
22. Total payments on purchases made on installment plans, charge accounts, such as payments on appliances and others.	\$ _____	\$ _____
23. Total payments made on loans. These might include: car loans, business loans, student loans, etc.	\$ _____	\$ _____
24. Payments for food and other household items bought in grocery stores or delivered to your door, exclude cigarettes and liquor (<i>include cost of food stamps, if used</i>)	\$ _____	\$ _____
25. Payments for gasoline, parking fees, taxi, bus fare.	\$ _____	\$ _____
26. Payments for necessary automobile maintenance and repairs.	\$ _____	\$ _____

(please go to reverse side of page)

	Cash Paid "Last Month"	Due "Last Month" But Not Paid
27. Payments for necessary services such as barber, laundry, cleaners, child care, and care of disabled members living with you.	\$ _____	\$ _____
28. Payments for clothing.	\$ _____	\$ _____
29. Payments for continuing and regular support of persons living outside your dwelling unit. These might include child support, alimony, care of aged persons, room and board for a student, or other such items.	\$ _____	\$ _____
30. Payments for past hospital, doctor, dentist, or medical bills.	\$ _____	\$ _____
31. Payments for prescription drugs or other health needs.	\$ _____	\$ _____
32. Payments for medical and dental services, including hospital expenses.	\$ _____	\$ _____
33. Payments for necessary house repair (Do not include sums spent to remodel or otherwise improve, as opposed to repair, your house.)	\$ _____	\$ _____

34. Since we last talked to you, through the end of "last month", did you or anyone in your household lose or cancel any items bought on time?

No

Yes

What item(s)?

What was the monthly payment?

\$ _____
\$ _____
\$ _____

35. Since we last talked to you, through the end of "last month" did you or anyone in your household lose or cancel any insurance policy? (other than those provided by employer)

No

Yes

What kind? _____

36. For the expenses listed below, please enter the amount you, your spouse, and anyone else (checked in D of question 11) paid per year and the amount paid or due but not paid "last month". Report the total amount, including any payroll deductions.

	Amount Paid Per Year	Amount of Cash Paid "Last Month"	Amount Due "Last Month" But Not Paid
A. Payments for hospital or medical insurance.	\$ _____	\$ _____	\$ _____
B. Automobile Insurance	\$ _____	\$ _____	\$ _____
C. Homeowners Insurance, if not included in rent or mortgage payment.	\$ _____	\$ _____	\$ _____
D. Life insurance	\$ _____	\$ _____	\$ _____
E. Disability insurance	\$ _____	\$ _____	\$ _____
F. Any other types of insurance (Specify) _____ _____	\$ _____	\$ _____	\$ _____
G. Union or professional dues	\$ _____	\$ _____	\$ _____
H. Payments for education including books, tuition, and supplies.	\$ _____	\$ _____	\$ _____
I. Property tax not included in mortgage.	\$ _____	\$ _____	\$ _____
J. Income tax not deducted from wages.	\$ _____	\$ _____	\$ _____

(please go to reverse side of page)

- | | Cash Paid
"Last Month" | Due "Last Month"
But Not Paid |
|--|---------------------------|----------------------------------|
| 37. Payments for meals and snacks eaten away from home, exclude cigarettes and liquor. | \$ _____ | \$ _____ |
| 38. Payments for entertainment and recreation activities such as movies, sports, and social clubs, reading materials, tobacco items, and liquor. | \$ _____ | \$ _____ |
| 39. Payments for travel or vacations. | \$ _____ | \$ _____ |
| 40. Contributions to churches and charities. | \$ _____ | \$ _____ |
| 41. Payments for gifts. | \$ _____ | \$ _____ |
| 42. Did you buy any major household items "last month"? (Such as a car or washing machine.) | _____ | _____ |

No
(go to No. 43)

Yes
B. Please specify the item(s) and the down payment. If you paid for the item in full, enter the purchase price.

Item	Down Payment or Purchase Price	Check one (✓)	
		Replaced	Never Owned Before
	\$		
	\$		
	\$		
	\$		

- | | Paid
"Last Month" | Due "Last Month"
But Not Paid |
|--|----------------------|----------------------------------|
| 43. Any other regular monthly payments you made "last month". (Please specify and record the amount) | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| 44. Any other important payments during "last month" that you do not normally pay each month. (Please specify and record the amount) | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |
| _____ | \$ _____ | \$ _____ |

(please go to next page)

45. Since you became unemployed, has your standard of living changed? (*circle one*)

1. Much better
2. Slightly better
3. No change
4. Slightly worse
5. Much worse

What is your telephone number?

Telephone Number _____

THANK YOU VERY MUCH FOR YOUR COOPERATION.

APPENDIX C-2
CHARACTERISTICS OF TWENTY-FIFTH WEEK INTERVIEW
RESPONDENTS AND NONRESPONDENTS

Classification	Percentage Distribution		Probability of Obtaining Observed Difference Due to Chance ^c
	Nonrespondents ^a	Respondents ^b	
<u>Sex:</u>			
Male	69.5	61.4	7.2
Female	30.5	38.6	7.2
<u>Age:</u>			
Under 22 years	5.3	6.3	65.3
22-24 years	6.9	9.2	36.3
25-34 years	33.6	28.3	24.2
35-44 years	20.6	19.0	68.2
45-54 years	25.2	20.0	21.1
55 years and older	8.4	17.2	0.3
<u>Ethnic:</u>			
White	80.9	85.0	27.1
Spanish Surname	9.9	11.5	58.2
Other Ethnic	9.2	3.5	3.5
<u>Potential Duration:</u>			
12-15 weeks	2.3	0.2	11.4
16-18 weeks	0.8	0.0	30.8
19-21 weeks	2.3	0.0	8.0
22-25 weeks	14.5	8.0	4.8
26 weeks	80.1	91.8	0.1*
<u>Weekly Benefit Amount:</u>			
\$15-\$44	3.8	5.2	46.5
\$45-\$54	6.9	7.3	87.3
\$55-\$64	7.6	9.2	54.2
\$65-\$74	12.2	10.7	63.1
\$75-\$84	11.5	11.0	87.3
\$85	58.0	56.6	77.2
<u>Household Type:^d</u>			
1E-1HH-NR	18.0	14.6	35.2
1E-1HH-REL	4.7	6.4	41.8
1E-2HH-SP	8.6	14.6	3.6
2E-2HH-SP	9.4	12.4	29.8
1E-3+HH-SP	28.0	20.3	7.2
2E-3+HH-SP	19.5	22.6	42.4
1+E-2+HH-SA	11.8	9.1	37.9

(continued)

APPENDIX C-2 (continued)

Classification	Percentage Distribution		Probability of Obtaining Observed Difference Due to Chance ^c
	Nonrespondents ^a	Respondents ^b	
Gross Weekly Wage in Employed Month:			
\$74 or less	12.2	4.0	0.6
\$75-\$124	13.0	22.9	0.4
\$125-\$174	27.6	27.4	96.0
\$175-\$224	13.7	16.9	34.2
\$225-\$299	13.7	12.9	81.0
\$300 or more	19.8	15.9	30.8
Net Weekly Wage in Employed Month:			
\$74 or less	13.0	8.0	11.2
\$75-\$124	31.2	36.9	20.8
\$125-\$174	21.4	26.4	21.5
\$175-\$224	11.5	12.5	74.9
\$225-\$299	15.3	10.0	11.9
\$300 or more	7.6	6.2	58.2

^aTotal nonrespondents equal 131. This group is comprised of 105 nonrespondents and 26 persons eliminated from the analysis on the basis of the balancing differences test.

^bTotal respondents equal 599.

^cThese values indicate the probability of obtaining a difference between the two sample proportions as large or larger than the one actually observed due to chance alone if the two samples had been drawn from the same population. The probability is .05 that one or more of the 32 independent probability values would be less than 0.156% (.05/32) due to chance alone. Hence, only those probability coefficients with values of 0.156% or smaller are identified with an asterisk in the table.

^dThe household type notation indicates the number of earners (E), the number of household members (HH), and the presence (SP) or absence (SA) of a spouse (for all but the first two categories). NR refers to a situation where the beneficiary lived with non-related persons, and REL indicates that the beneficiary lived with related persons. These are the 7 basic household types considered in the analysis of the fifth week interview data.

APPENDIX C-3

CROSS TABULATION OF THE DIFFERENCE BETWEEN NONBENEFICIARY HOUSEHOLD INCOME (INCLUDING ANY NONWAGE INCOME ATTRIBUTABLE TO THE BENEFICIARY) IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY AND BY HOUSEHOLD TYPE

Benefit Adequacy Category	Change in Nonbeneficiary HH Income			Row Total Row Pct.
	Less than 0%	0%	More than 0%	
<i>PART A: ONE-EARNER--ONE-PERSON HH</i>				
50% or less	7.1 (16.7)	71.4 (10.1)	21.4 (16.7)	14 11.4
51% - 85%	6.0 (66.7)	79.1 (53.5)	14.9 (55.6)	67 54.5
86% or more	2.4 (16.7)	85.7 (36.4)	11.9 (27.8)	42 34.1
Column Total	6	99	18	123
Column Pct.	(4.9)	(80.5)	(14.6)	100.0
<i>PART B: ONE-PERSON--MULTI-EARNER HH</i>				
50% or less	5.9 (28.6)	52.5 (40.8)	41.6 (42.0)	101 40.2
51% - 85%	7.6 (42.9)	48.3 (43.8)	44.1 (52.0)	118 47.0
86% or more	18.8 (28.6)	62.5 (15.4)	18.8 (6.0)	32 12.7
Column Total	21	130	100	251
Column Pct.	(8.4)	(51.8)	(39.8)	100.0
<i>PART C: MULTI-EARNER--MULTI-PERSON HH</i>				
50% or less	27.8 (12.5)	5.6 (10.0)	66.7 (22.0)	36 17.2
51% - 85%	41.4 (51.2)	8.1 (40.0)	50.5 (45.9)	99 47.4
86% or more	39.2 (36.2)	13.5 (50.0)	47.3 (32.1)	74 35.4
Column Total	80	20	109	209
Column Pct.	38.3	9.6	52.2	100.0

Number of missing observations = 16.

APPENDIX C-4
 CROSS TABULATION OF RESERVATION JOB LENGTH ONE WEEK
 PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW,
 BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Reservation Job Length					Row Total Row Pct.
	1 month or less	1+ to <6 months	6+ to <12 months	12+ to <24 months	24 months or more	
35% or less	51.2 (11.3)	23.3 (5.3)	4.7 (2.2)	0.0 (0.0)	20.9 (15.8)	43 7.7
36% - 50%	44.0 (22.7)	30.0 (16.0)	19.0 (20.4)	1.0 (3.6)	6.0 (10.5)	100 17.9
51% - 65%	30.0 (20.1)	34.6 (23.9)	22.3 (31.2)	6.9 (32.1)	6.2 (14.0)	130 23.2
66% - 85%	33.6 (24.7)	34.3 (26.1)	15.4 (23.7)	6.3 (32.1)	10.5 (26.3)	143 25.5
86% - 99%	29.7 (9.8)	40.6 (13.8)	14.1 (9.7)	6.3 (14.3)	9.4 (10.5)	64 11.4
100% or more	27.5 (11.3)	35.0 (14.9)	15.0 (12.9)	6.3 (17.9)	16.3 (22.8)	80 14.3
Column Total	194	188	93	28	57	560
Column Pct.	34.6	33.6	16.6	5.0	10.2	100.0

Number of missing observations = 39.

APPENDIX C-5

CROSS TABULATION OF THE DIFFERENCE BETWEEN RESERVATION COMMUTATION TIME THE WEEK PRIOR TO THE THIRTEENTH WEEK INTERVIEW AND COMMUTATION TIME ON THE PREUNEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF COMMUTATION TIME ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Commutation Time ^a			Row Total Row Pct.
	-5% or less	-4% to +4%	5% or more	
35% or less	8.6 (4.0)	17.1 (6.1)	74.3 (8.6)	35 7.4
36% - 50%	15.3 (17.3)	32.9 (28.3)	51.8 (14.6)	85 17.9
51% - 65%	17.0 (25.3)	17.0 (19.2)	66.1 (24.6)	112 23.6
66% - 85%	13.7 (21.3)	15.4 (18.2)	70.9 (27.6)	117 24.6
86% - 99%	16.4 (12.0)	29.1 (16.2)	54.5 (10.0)	55 11.6
100% or more	21.1 (20.0)	16.9 (12.1)	62.0 (14.6)	71 14.9
Column Total	75	99	301	475
Column Pct.	15.8	20.8	63.4	100.0

Number of missing observations = 124.

^aPositive values indicate increases in commutation time, and negative values indicate decreases in commutation time.

APPENDIX C-6

CROSS TABULATION OF NET PARTIAL EARNINGS OF THE BENEFICIARY IN THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S NET EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Change in Net Partial Earnings		Row Total Row Pct.
	0%	Greater than 0%	
35% or less	97.4 (7.8)	2.6 (5.9)	38 7.7
36% - 50%	96.6 (17.9)	3.4 (17.6)	88 17.9
51% - 65%	97.4 (23.4)	2.6 (17.6)	114 23.2
66% - 85%	95.1 (24.6)	4.9 (35.3)	123 25.0
86% - 99%	100.0 (11.6)	0.0 (0.0)	55 11.2
100% or more	94.6 (14.7)	5.4 (23.5)	74 15.0
Column Total	475	17	492
Column Pct.	96.5	3.5	100.0

Number of missing observations = 107.

APPENDIX C-7

CROSS TABULATION OF THE MONTHLY AVERAGE AMOUNT OF CASH USED FROM SAVINGS AND OTHER SELECTED FINANCIAL ADJUSTMENTS FROM THE ONSET OF UNEMPLOYMENT THROUGH THE MONTH PRIOR TO THE TWENTY-FIFTH WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY

Benefit Adequacy Category	Monthly Average Amount of Cash Used			Row Total Row Pct.
	0%	1% - 9%	10% or more	
35% or less	19.1 (4.9)	25.5 (9.4)	55.3 (9.7)	47 8.1
36% - 50%	23.3 (13.0)	23.3 (18.8)	53.4 (20.5)	103 17.8
51% - 65%	26.7 (19.6)	29.6 (31.3)	43.7 (22.0)	135 23.3
66% - 85%	33.6 (26.6)	15.8 (18.0)	50.7 (27.6)	146 25.2
86% - 99%	40.9 (14.7)	18.2 (9.4)	40.9 (10.1)	66 11.4
100% or more	47.0 (21.2)	20.5 (13.3)	32.5 (10.1)	83 14.3
Column Total	184	128	268	580
Column Pct.	31.7	22.1	46.2	100.0

Number of missing observations = 19.

APPENDIX C-8

CROSS TABULATION OF THE DIFFERENCE BETWEEN NONBENEFICIARY HOUSEHOLD INCOME (INCLUDING ANY NONWAGE INCOME ATTRIBUTABLE TO THE BENEFICIARY) IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF THE BENEFICIARY'S GROSS EARNINGS IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY AND BY HOUSEHOLD TYPE

Benefit Adequacy Category	Change in Nonbeneficiary HH Income ^a			Row Pct.
	Less than 0%	0%	More than 0%	
<i>PART A: ONE-EARNER--ONE-PERSON HH</i>				
50% or less	0.0 7.7	92.9 76.9	7.1 15.4	11.4 10.7
51% - 85%	6.0 6.0	85.1 79.1	9.0 14.9	54.5 54.9
86% or more	0.0 <u>2.4</u>	83.3 <u>85.7</u>	16.7 <u>11.9</u>	34.1 <u>34.4</u>
Column Pct.	3.3 4.9	85.4 81.1	11.4 13.9	123 122
<i>PART B: ONE-EARNER--MULTI-PERSON HH</i>				
50% or less	5.9 5.9	56.4 52.5	37.6 41.6	40.2 40.2
51% - 85%	10.2 7.6	56.8 48.3	33.1 44.1	47.0 47.0
86% or more	15.6 <u>18.8</u>	62.5 <u>62.5</u>	21.9 <u>18.8</u>	12.7 <u>12.7</u>
Column Pct.	9.2 8.4	57.4 51.8	33.5 39.8	251 251
<i>PART C: MULTI-EARNER--MULTI-PERSON HH</i>				
50% or less	30.6 27.8	11.1 5.6	58.3 66.7	17.5 17.5
51% - 85%	36.1 41.2	18.6 7.2	45.4 51.5	47.1 47.1
86% or more	45.2 <u>38.4</u>	13.7 <u>13.7</u>	41.1 <u>47.9</u>	35.4 <u>35.4</u>
Column Pct.	38.3 37.9	15.5 9.2	46.1 52.9	206 206

Number of missing observations = $\frac{15}{16}$.

^aThe upper number in each cell indicates the percentage of households located in the cell for the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in the cell for the month prior to the twenty-fifth week interview.

APPENDIX C-9

CROSS TABULATION OF THE DIFFERENCE BETWEEN PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH AND IN THE MONTH PRIOR TO THE THIRTEENTH (TWENTY-FIFTH) WEEK INTERVIEW, EXPRESSED AS A PERCENTAGE OF PAID NECESSARY AND OBLIGATED EXPENSES IN THE EMPLOYED MONTH, BY BENEFIT ADEQUACY CATEGORY AND BY HOUSEHOLD TYPE

Benefit Adequacy Category	Change in Paid Expenses			Row Pct.
	-30% or less	-29% to -1%	Greater than 0%	
<i>PART A: ONE-EARNER--ONE PERSON-HH</i>				
50% or less	78.6	14.3	7.1	11.4
	78.6	7.1	14.3	11.4
51% - 85%	40.3	37.3	22.4	54.5
	49.3	32.8	17.9	54.5
86% or more	4.8	42.9	52.4	34.1
	9.5	35.7	54.8	34.1
Column Pct.	32.5	36.6	30.9	123
	39.0	30.9	30.1	123
<i>PART B: ONE-EARNER--MULTI-PERSON HH</i>				
50% or less	51.5	25.3	23.2	39.6
	54.0	25.0	21.0	40.0
51% - 85%	26.3	36.4	37.3	47.2
	29.7	30.5	39.8	47.2
86% or more	12.1	21.2	66.7	13.2
	6.3	28.1	65.6	12.8
Column Pct.	34.4	30.0	35.6	250
	36.4	28.0	35.6	250
<i>PART C: MULTI-EARNER--MULTI-PERSON HH</i>				
50% or less	38.9	50.0	11.1	17.6
	41.7	36.1	22.2	17.6
51% - 85%	14.6	55.2	30.2	47.1
	20.6	53.6	25.8	47.3
86% or more	5.6	29.2	65.3	35.3
	4.2	33.3	62.5	35.1
Column Pct.	15.7	45.1	39.2	204
	18.5	43.4	38.0	205

Number of missing observations = 18
17.

^aThe upper number in each cell indicates the percentage of households located in the cell for the month prior to the thirteenth week interview; the lower number indicates the percentage of households located in the cell for the month prior to the twenty-fifth week interview.

APPENDIX D
APPENDIX MATERIALS FOR CHAPTER IV

APPENDIX D-1

CHARACTERISTICS OF THE REEMPLOYMENT CLAIMANT SAMPLE
AND THE TOTAL ARIZONA BENEFIT ADEQUACY STUDY SAMPLE

<u>Characteristic</u>	Percentage Distributions	
	<u>ABA Study Sample^a</u>	<u>Reemployment Claimant Sample^b</u>
<u>Sex:</u>		
Male	67.4	71.9
Female	32.6	28.1
<u>Age:</u>		
Less than 25 years	23.4	21.8
25-34 years	30.4	31.8
35-44 years	17.9	19.3
45-54 years	16.4	16.6
55 years and up	12.0	10.5
<u>Ethnic:</u>		
White	82.2	82.4
Spanish Surname	14.1	14.4
Other	3.7	3.1
<u>Education:</u>		
8 years or less	12.0	10.9
9-11 years	14.6	13.3
12 years or GED	42.6	42.7
13-15 years	21.5	22.2
16 years or over	9.3	10.9
<u>Children Under 18 Years:</u>		
0	53.3	50.3
1	17.2	18.4
2	15.8	16.7
3 or more	13.7	14.6
<u>Occupation:</u>		
Prof., Tech., Mgrl.	20.2	19.8
Clerical and Sales	23.4	21.3
Services	8.6	7.3
Farming	1.2	1.1
Processing	1.5	1.9
Machine Trades	5.4	5.6
Bench Work	4.8	4.7
Structural Work	25.7	29.0
Miscellaneous	9.4	9.3

(continued)

APPENDIX D-1 (continued)

<u>Characteristic</u>	<u>Percentage Distributions</u>	
	<u>ABA Study Sample^a</u>	<u>Reemployment Claimant Sample^b</u>
<u>Industry:</u>		
Mining	1.8	1.7
Contract Construction	26.5	30.9
Manufacturing	16.5	16.3
Trans., Comm., and Pub. Ut.	2.9	3.2
Finance, Insurance, and Real Estate	5.3	5.3
Services	17.2	15.8
Government	1.1	1.1
Agriculture	1.3	0.9
Trade	27.4	24.8
<u>Gross Weekly Earnings in the Base Period^c</u>		
\$74 or less	24.5	22.8
\$75-\$124	26.8	25.2
\$125-\$174	20.1	19.7
\$175-\$224	10.8	10.4
\$225-\$299	10.1	12.1
\$300 or more	7.8	9.9
<u>Gross Weekly Earnings in the High Quarter^d</u>		
\$74 or less	7.8	7.6
\$75-\$124	23.1	19.8
\$125-\$174	22.2	21.0
\$175-\$224	15.6	16.2
\$225-\$299	13.5	13.7
\$300 or more	17.8	21.6
<u>Gross Weekly Earnings in Preunemployment Month^e</u>		
\$74 or less	6.1	6.7
\$75-\$124	24.2	21.6
\$125-\$174	24.5	23.2
\$175-\$224	14.2	13.8
\$225-\$299	12.8	13.6
\$300 or more	18.1	21.2
<u>Net Weekly Earnings in Preunemployment Month^f</u>		
\$74 or less	10.4	10.3
\$75-\$124	35.5	31.4
\$125-\$174	22.4	22.6
\$175-\$224	12.4	12.8
\$225-\$299	11.9	14.6
\$300 or more	7.4	8.3

(continued)

APPENDIX D-1 (continued)

<u>Characteristic</u>	<u>Percentage Distributions</u>	
	<u>ABA Study Sample^a</u>	<u>Reemployment Claimant Sample^b</u>
<u>Potential Duration of Benefits</u>		
12-15 weeks	7.8	7.3
16-18 weeks	8.2	8.0
19-21 weeks	8.1	8.7
22-25 weeks	12.2	11.7
26 weeks	63.7	64.3
<u>Weekly Benefit Amount</u>		
\$15-\$44	12.1	11.1
\$45-\$54	8.6	7.2
\$55-\$64	10.0	9.0
\$65-\$74	8.9	8.3
\$75-\$84	9.2	8.7
\$85	51.3	55.7
<u>DES Planning District</u>		
1	66.7	65.3
2	15.8	15.3
3	5.5	6.5
4	3.7	3.5
5	2.7	3.1
6	5.6	6.3

^aBased on 3196 observations

^bBased on 1502 observations

^cBased on wages reported for UI purposes by base period employers. The weekly average is determined arbitrarily by dividing yearly earnings by 52 because weeks of work are not reported.

^dBased on wages reported for UI purposes by base period employers. The weekly average is determined arbitrarily by dividing quarterly earnings by 13 because weeks of work are not reported.

^eObtained from household interview. Based on earnings in the preunemployment month (the most recent calendar month of "typical" employment prior to unemployment).

^fObtained from household interview. Based on earnings in the preunemployment month (the most recent calendar month of "typical" employment prior to unemployment). Net earnings equal gross earnings less the sum of federal/state income taxes and social security taxes withheld.

APPENDIX D-2

CROSS TABULATION OF THE JOB LEAD SOURCE WHICH RESULTED
IN REEMPLOYMENT, BY BENEFIT ADEQUACY CATEGORY AND BY
THE DURATION OF UNEMPLOYMENT

<u>Benefit Adequacy Category</u>	<u>Newspaper</u>	<u>Friends/ Relatives</u>	<u>Private Employment Agency</u>	<u>Arizona Job Service</u>	<u>Union</u>	<u>Direct Application</u>	<u>Recall</u>	<u>Other</u>	<u>Row Total Row Pct.</u>
<i>PART A: 0-8 WEEKS UNEMPLOYMENT DURATION</i>									
50% or less	6.3 (33.3)	11.1 (29.2)	3.2 (40.0)	3.2 (33.3)	22.2 (77.8)	22.2 (48.3)	28.6 (37.5)	3.2 (20.0)	63 41.4
51% - 85%	8.6 (41.7)	15.5 (37.5)	1.7 (20.0)	1.7 (16.7)	6.9 (22.2)	15.5 (31.0)	36.2 (43.8)	13.8 (80.0)	58 38.2
86% or more	9.7 (25.0)	25.8 (33.3)	6.5 (40.0)	9.7 (50.0)	0.0 (0.0)	19.4 (20.7)	29.0 (18.8)	0.0 (0.0)	31 20.4
Column Total	12	24	5	6	18	29	48	10	152
Column Pct.	7.9	15.8	3.3	3.9	11.8	19.1	31.6	6.6	100.0
<i>PART B: 9-12 WEEKS UNEMPLOYMENT DURATION</i>									
50% or less	7.6 (25.8)	16.2 (36.2)	1.0 (11.1)	2.9 (30.0)	29.5 (73.8)	20.0 (40.4)	17.1 (24.3)	5.7 (42.9)	105 37.6
51% - 85%	12.5 (45.2)	17.0 (40.4)	2.7 (33.3)	3.6 (40.0)	8.0 (21.4)	18.8 (40.4)	31.3 (47.3)	6.3 (50.0)	112 40.1
86% or more	14.5 (29.0)	17.7 (23.4)	8.1 (55.6)	4.8 (30.0)	3.2 (4.8)	16.1 (19.2)	33.9 (28.4)	1.6 (7.1)	62 22.2
Column Total	31	47	9	10	42	52	74	14	279
Column Pct.	11.1	16.8	3.2	3.6	15.1	18.6	26.5	5.0	100.0

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(continued)

APPENDIX D-2 (continued)

Benefit Adequacy Category	Newspaper	Friends/ Relatives	Private Employment Agency	Arizona Job Service	Union	Direct Application	Recall	Other	Row Total Row Pct.
<i>PART C: 13-16 WEEKS UNEMPLOYMENT DURATION</i>									
50% or less	6.8 (23.8)	17.8 (29.5)	2.7 (20.0)	8.2 (50.0)	17.8 (56.5)	17.8 (28.9)	26.0 (29.2)	2.7 (10.0)	73 30.4
51% - 85%	11.8 (66.7)	18.5 (50.0)	3.4 (40.0)	5.0 (50.0)	7.6 (39.1)	17.6 (46.7)	26.1 (47.7)	10.1 (60.0)	119 49.6
86% or more	4.2 (9.5)	18.8 (20.5)	8.3 (40.0)	0.0 (0.0)	2.1 (4.3)	22.9 (24.4)	31.3 (23.1)	12.5 (30.0)	48 20.0
Column Total	21	44	10	12	23	45	65	20	240
Column Pct.	8.8	18.3	4.2	5.0	9.6	18.8	27.1	8.3	100.0
<i>PART D: 17 WEEKS OR MORE UNEMPLOYMENT DURATION</i>									
50% or less	8.5 (32.4)	16.3 (23.6)	3.1 (26.7)	6.2 (29.6)	20.2 (55.3)	21.7 (34.1)	20.2 (28.3)	3.9 (31.3)	129 32.1
51% - 85%	7.1 (38.2)	28.4 (58.4)	3.8 (46.7)	2.7 (18.5)	10.4 (40.4)	21.9 (48.8)	20.8 (41.3)	4.9 (56.3)	183 45.5
86% or more	11.1 (29.4)	17.8 (18.0)	4.4 (26.7)	15.6 (51.9)	2.2 (4.3)	15.6 (17.1)	31.1 (30.4)	2.2 (12.5)	90 22.4
Column Total	34	89	15	27	47	82	92	16	402
Column Pct.	8.5	22.1	3.7	6.7	11.7	20.4	22.9	4.0	100.0

Number of missing observations = 429.

APPENDIX D-3

CROSS TABULATION OF THE CHANGE IN THE WAGE RATE FROM THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF THE WAGE RATE ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY AND BY THE DURATION OF UNEMPLOYMENT

Benefit Adequacy Category	-5% or less	-4% to 4%	5% to 24%	25% or more	Row Total Row Pct.
<i>PART A: 0-8 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	21.6 (36.5)	37.5 (38.4)	22.7 (46.5)	18.2 (61.5)	88 42.5
51% - 85%	24.1 (36.5)	48.1 (44.2)	19.0 (34.9)	8.9 (26.9)	79 38.2
86% or more	35.0 (26.9)	37.5 (17.4)	20.0 (18.6)	7.5 (11.5)	40 19.3
Column Total	52	86	43	26	207
Column Pct.	25.1	41.5	20.8	12.6	100.0
<i>PART B: 9-12 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	30.5 (35.3)	32.2 (32.8)	17.8 (35.6)	19.5 (62.2)	118 37.6
51% - 85%	32.1 (41.2)	38.2 (43.1)	20.6 (45.8)	9.2 (32.4)	131 41.7
86% or more	36.9 (23.5)	43.1 (24.1)	16.9 (18.6)	3.1 (5.4)	65 20.7
Column Total	102	116	59	37	314
Column Pct.	32.5	36.9	18.8	11.8	100.0

(continued)

APPENDIX D-3 (continued)

<u>Benefit Adequacy Category</u>	<u>-5% or less</u>	<u>-4% to 4%</u>	<u>5% to 24%</u>	<u>25% or more</u>	<u>Row Total Row Pct.</u>
<i>PART C: 13-16 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	27.7 (28.7)	28.9 (27.9)	25.3 (36.8)	18.1 (39.5)	83 31.8
51% - 85%	29.2 (47.5)	37.7 (57.0)	21.5 (49.1)	11.5 (39.5)	130 49.8
86% or more	39.6 (23.7)	27.1 (15.1)	16.7 (14.0)	16.7 (21.1)	48 18.4
Column Total	80	86	57	38	261
Column Pct.	30.7	33.0	21.8	14.6	100.0
<i>PART D: 17 WEEKS OR MORE UNEMPLOYMENT DURATION</i>					
50% or less	30.8 (26.9)	27.2 (30.5)	22.5 (35.2)	19.5 (40.7)	169 31.7
51% - 85%	38.5 (49.2)	25.9 (42.4)	19.4 (44.4)	16.2 (49.4)	247 46.3
86% or more	39.3 (23.8)	35.0 (27.2)	18.8 (20.4)	6.8 (9.9)	117 22.0
Column Total	193	151	108	81	533
Column Pct.	36.2	28.3	20.3	15.2	100.0

Number of missing observations = 187.

APPENDIX D-4

CROSS TABULATION OF THE CHANGE IN HOURS WORKED FROM THE PRE-UNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF THE HOURS WORKED ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY AND BY THE DURATION OF UNEMPLOYMENT

Benefit Adequacy Category	Change in Hours Worked				Row Total
	-5% or less	-4% to 4%	5% to 24%	25% or more	Row Pct.
<i>PART A: 0-8 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	25.0 (42.6)	53.3 (47.1)	15.2 (40.0)	6.5 (31.6)	92 43.4
51% - 85%	23.1 (33.3)	43.6 (32.7)	20.5 (45.7)	12.8 (52.6)	78 36.8
86% or more	31.0 (24.1)	50.0 (20.2)	11.9 (14.3)	7.1 (15.8)	42 19.8
Column Total	54	104	35	19	212
Column Pct.	25.5	49.1	16.5	9.0	100.0
<i>PART B: 9-12 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	21.8 (42.2)	52.4 (34.9)	15.3 (42.2)	10.5 (44.8)	124 38.3
51% - 85%	17.8 (37.5)	61.5 (44.6)	13.3 (40.0)	7.4 (34.5)	135 41.7
86% or more	20.0 (20.3)	58.5 (20.4)	12.3 (17.8)	9.2 (20.7)	65 20.1
Column Total	64	186	45	29	324
Column Pct.	19.8	57.4	13.9	9.0	100.0

(continued)

APPENDIX D-4 (continued)

Benefit Adequacy Category	Change in Hours Worked				Row Total Row Pct.
	-5% or less	-4% to 4%	5% to 24%	25% or more	

PART C: 13-16 WEEKS UNEMPLOYMENT DURATION

50% or less	28.2 (27.3)	54.1 (34.3)	11.8 (30.3)	5.9 (27.8)	85 31.1
51% - 85%	30.1 (46.6)	50.7 (51.5)	13.2 (54.5)	5.9 (44.4)	136 49.8
86% or more	44.2 (26.1)	36.5 (14.2)	9.6 (15.2)	9.6 (27.8)	52 19.0
Column Total	88	134	33	18	273
Column Pct.	32.2	49.1	12.1	6.6	100.0

PART D: 17 WEEKS OR MORE UNEMPLOYMENT DURATION

50% or less	20.5 (25.4)	56.3 (36.7)	13.1 (25.8)	10.2 (36.7)	176 32.0
51% - 85%	27.5 (49.3)	45.9 (43.3)	18.8 (53.9)	7.8 (40.8)	255 46.4
86% or more	30.3 (25.4)	45.4 (20.0)	15.1 (20.2)	9.2 (22.4)	119 21.6
Column Total	142	270	89	49	550
	25.8	49.1	16.2	8.9	100.0

Number of missing observations = 143.

APPENDIX D-5

CROSS TABULATION OF THE CHANGE IN COMMUTATION TIME FROM THE PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, EXPRESSED AS A PERCENTAGE OF THE COMMUTATION TIME ON THE PREUNEMPLOYMENT JOB, BY BENEFIT ADEQUACY CATEGORY AND BY THE DURATION OF UNEMPLOYMENT

Benefit Adequacy Category	Change in Commutation Time				Row Total Row Pct.
	-50% or less	-49% to -5%	-4% to 4%	5% or more	
<i>PART A: 0-8 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	23.3 (45.5)	5.8 (29.4)	29.1 (41.7)	41.9 (45.6)	86 43.0
51% - 85%	19.2 (31.8)	12.3 (52.9)	26.0 (31.7)	42.5 (39.2)	73 36.5
86% or more	24.4 (22.7)	7.3 (17.6)	39.0 (26.7)	29.3 (15.2)	41 20.5
Column Total	44	17	60	79	200
Column Pct.	22.0	8.5	30.0	39.5	100.0
<i>PART B: 9-12 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	29.6 (40.2)	6.4 (28.6)	27.2 (36.2)	36.8 (44.7)	125 39.4
51% - 85%	28.5 (40.2)	10.8 (50.0)	31.5 (43.6)	29.2 (36.9)	130 41.0
86% or more	29.0 (19.6)	9.7 (21.4)	30.6 (20.2)	30.6 (18.4)	62 19.6
Column Total	92	28	94	103	317
Column Pct.	29.0	8.8	29.7	32.5	100.0

(continued)

APPENDIX D-5 (continued)

Benefit Adequacy Category	Change in Commutation Time				Row Total Row Pct.
	-50% or less	-49% to -5%	-4% to 4%	5% or more	
<i>PART C: 13-16 WEEKS UNEMPLOYMENT DURATION</i>					
50% or less	32.5 (37.9)	9.1 (30.4)	18.2 (17.3)	40.3 (33.7)	77 29.4
51% - 85%	21.8 (43.9)	8.3 (47.8)	36.1 (59.3)	33.8 (48.9)	133 50.8
86% or more	23.1 (18.2)	9.6 (21.7)	36.5 (23.5)	30.8 (17.4)	52 19.8
Column Total	66	23	81	92	262
Column Pct.	25.2	8.8	30.9	35.1	100.0
<i>PART D: 17 WEEKS OR MORE UNEMPLOYMENT DURATION</i>					
50% or less	28.2 (31.7)	8.6 (29.2)	27.0 (30.3)	36.2 (31.7)	163 31.1
51% - 85%	25.4 (42.8)	8.6 (43.8)	30.3 (51.0)	35.7 (46.8)	244 46.6
86% or more	31.6 (25.5)	11.1 (27.1)	23.1 (18.6)	34.2 (21.5)	117 22.3
Column Total	145	48	145	186	524
Column Pct.	27.7	9.2	27.7	35.5	100.0

Number of missing observations = 199.

APPENDIX D-6

CROSS TABULATION OF THE CHANGE IN JOB SATISFACTION FROM THE
 PREUNEMPLOYMENT JOB TO THE REEMPLOYMENT JOB, BY BENEFIT
 ADEQUACY CATEGORY AND BY THE DURATION OF UNEMPLOYMENT

Benefit Adequacy Category	Change in Job Satisfaction			Row Total Row Pct.
	More	Less	Same	
<i>PART A: 0-8 WEEKS UNEMPLOYMENT DURATION</i>				
50% or less	27.0 (34.7)	11.1 (30.4)	61.9 (51.3)	63 42.6
51% - 85%	36.4 (40.8)	18.2 (43.5)	45.5 (32.9)	55 37.2
86% or more	40.0 (24.5)	20.0 (26.1)	40.0 (15.8)	30 20.3
Column Total Column Pct.	49 33.1	23 15.5	76 51.4	148 100.0
<i>PART B: 9-12 WEEKS UNEMPLOYMENT DURATION</i>				
50% or less	31.3 (32.3)	19.2 (39.6)	49.5 (38.0)	99 36.3
51% - 85%	36.0 (42.7)	18.4 (43.8)	45.6 (40.3)	114 41.8
86% or more	40.0 (25.0)	13.3 (16.7)	46.7 (21.7)	60 22.0
Column Total Column Pct.	96 35.2	48 17.6	129 47.3	273 100.0

(continued)

APPENDIX D-6 (continued)

Benefit Adequacy Category	Change in Job Satisfaction			Row Total Row Pct.
	More	Less	Same	
<i>PART C: 13-16 WEEKS UNEMPLOYMENT DURATION</i>				
50% or less	23.7 (21.3)	21.2 (44.7)	55.0 (32.6)	80 30.5
51% - 85%	37.5 (53.9)	11.7 (39.5)	50.8 (48.1)	128 48.9
86% or more	40.7 (24.7)	11.1 (15.8)	48.1 (19.3)	54 20.6
Column Total Column Pct.	89 34.0	38 14.5	135 51.5	262 100.0
<i>PART D: 17 WEEKS OR MORE UNEMPLOYMENT DURATION</i>				
50% or less	34.9 (28.0)	21.1 (43.0)	44.0 (33.3)	175 32.7
51% - 85%	43.8 (48.6)	14.5 (40.7)	41.7 (43.7)	242 45.2
86% or more	43.2 (23.4)	11.9 (16.3)	44.9 (22.9)	118 22.1
Column Total Column Pct.	218 40.7	86 16.1	231 43.2	535 100.0

Number of missing observations = 284.