



# An Analysis of Unemployment Insurance Claims in California During the COVID-19 Pandemic

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## SUMMARY

A defining feature of the COVID-19 crisis in the labor market has been sharp and historically unprecedented increases in the number of initial unemployment insurance (UI) claims. This policy brief uses close to real-time information on daily initial UI claims in California from the state's Employment Development Department to better understand the magnitude of COVID-19's labor market impacts and how different types of workers are experiencing these impacts. This research is based on a partnership between the Labor Market Information Division of the California Employment Development Department and the California Policy Lab, a research center at the University of California, with sites at the UCLA and Berkeley campuses.

The size and richness of the administrative data we use allows examining how the crisis in the labor market has affected workers by gender, age, education, race, and ethnic groups, as well as by detailed regions and industries. These analyses complement both traditional survey-based measures of labor market outcomes, which are very detailed but suffer from large lags and low frequency, and weekly publications of total UI claims, which are timely but lack the detail available here. Our findings are especially important given the fast-moving nature of the crisis and their potential usefulness in better assisting workers and firms affected by the upheaval in the labor market.

**Relative to the brief published on May 21st, this brief adds information on which initial UI claimants actually received their first payment, which received partial UI, and which got denied their first payment because of earnings.** The brief also analyses the impact of Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC) on unemployed workers in California. The brief also reports information of new claims through May 30th, and hence allows us to take stock on the state of the labor market during the gradual reopening of the California economy.

Unless otherwise stated, we focus on initial claims for regular UI benefits originating from claimants residing in California. In this policy brief, we will refer to these claims as "initial UI claims."<sup>1</sup> We will also report information on initial claims to Pandemic Unemployment Assistance for those that do not qualify for regular UI benefits, as well as payment information from Continuing Claims data.

### Key Insights from mid-March to May 30th

- As of May 30th, about 80% of new initial UI claims since the start of crisis were found eligible for their first benefit payment. The median time from claim filing to first payment for initial claims was about two weeks throughout the crisis.
- In a sign of improving economic conditions, the fraction of UI beneficiaries not receiving their first benefit payment because their earnings were too high in the relevant week increased to about 13% in mid-May. At its lowest point during the crisis this fraction was 5%, compared to 10% at the start of the crisis.

- In a further sign of improving conditions, the fraction of UI beneficiaries working part-time and hence receiving partial UI in their first payment rose to 10-13% in mid-May. Only workers earning less than three quarters of their prior weekly wages qualify for partial UI and FPUC, creating a difficult decision for workers in an uncertain labor market. This fraction rose to 20% at the peak of the crisis in mid-March and fell to just above 5% by the end of April, when employers favored layoffs to keeping workers on a part-time basis.
- We find that in the four weeks preceding May 16th, a total of 86,000 claims (or 0.44% of the February labor force) either received partial UI or were denied benefits because of excess earnings. Hence, a substantial fraction of individuals that recently returned to work are working reduced hours and may still be attached to the Unemployment Insurance system.
- Over one in four California workers filed for UI benefits since the start of the COVID-19 crisis in mid-March. Since early May, claims to regular UI have steadily continued at about five times the pre-crisis level and PUA claims have constituted a large and stable share of total UI claims. In total, 1.5% of the California labor force filed an initial claim each week.
- As layoffs become more evenly distributed across industries, the share of UI claims by more educated workers have been gradually increasing. Among higher educated workers that claimed benefits recently, Generation Z (age 16-23), women, and those working in Health Care and Social Assistance were most affected.
- The cumulative impact of the crisis is still substantially greater for less advantaged workers – over one in four women (as opposed to one in five men), more than one in three members of Generation Z, and more than one in two workers with a high school degree have filed for benefits.
- As the economy slowly re-opens, programs such as Work Sharing, which allow working claimants to keep a share of their UI benefits and maintain eligibility for the \$600 FPUC payment, would help strengthen the financial outlook for workers who are working at reduced time and earnings.

This policy brief was first published on April 29, 2020, and it will be updated regularly as additional information on UI claims becomes available. Administrative data sources such as these sometimes get revised, and hence the numbers in this policy brief should be taken as preliminary.

## Acknowledgments

We gratefully acknowledge the Labor Market Information Division of the California Employment Development Department for their partnership in producing this analysis. This research was made possible through funding from Arnold Ventures, The James Irvine Foundation, the Smith Richardson Foundation, and from a Multicampus Research Programs and Initiatives award from the University of California Office of the President awarded to the California Policy Lab. We also thank the UCLA Social Science Division, the UCLA Vice Chancellor for Research and Creative Activities, the Luskin School of Public Affairs and the California Center for Population Research for their support. We thank Roozbeh Moghadam at EDD and CPL for helpful research support. All errors should be attributed to the authors.

## Evolution of Total Claims Since New Pandemic Unemployment Assistance (PUA) Became Available

There were a total of 305,799 initial Unemployment Insurance (UI) claims filed in the week of May 24th – May 30th in California, a 2.7% increase from the 297,680 during the week of May 17th – May 23rd, but a 15% decrease from 359,468 during the week May 10th – May 16th.

These numbers include Pandemic Unemployment Assistance (PUA) claims, which the EDD began processing on April 28th. PUA claims made up 24% of total claims during the week ending May 30th, and 31% of total claims during each of the two weeks prior, a decline since the first two weeks of PUA claims processing (Table 1). Accounting for both PUA and regular UI, almost 29% of the entire labor market in California has now filed for Unemployment Insurance benefits. The overall trend in UI claims appears to have steadied over the last three weeks. However, regular UI claims remain over five times that of the weekly average in February.

The total number of claims during the COVID-19 crisis continues to climb to historical heights. Over 5.5 million

initial claims were filed in California in the eleven weeks between March 15th and May 30th. In contrast, during one of the worst years of the Great Recession, 2009, California experienced about 3.8 million initial claims, less than three quarters of what we have seen in this crisis.<sup>2</sup> Since initial UI claims began to grow quickly starting the week beginning March 15th, we treat that date as a benchmark for the start of the COVID-19 related crisis in the labor market. We treat claims and employment in February as the pre-crisis benchmark that is not yet affected by the COVID-19 crisis. Since March 15th, 29% of the California labor force has applied for benefits (Table 8). Typically, not all unemployed workers apply for UI. If one assumes the unemployed apply to UI benefits roughly at the same rate as during the Great Recession, the underlying total increase in the rate of unemployment could be one-and-a-half times as large as the total fraction of UI claimants of the labor force.<sup>3</sup>

## Younger, Lower-Educated, Asian, and Black Workers Continue to be Most Affected by the Crisis

The COVID-19 crisis in the labor market continues to have a disproportionate impact on women, younger workers, lower educated workers, Asian workers, and Black workers. This summary updates a more in-depth discussion from our [report](#) released on May 7th. Women continue to file half of all UI claims, even though they make up 45% of the labor force (Table 2).<sup>4</sup>

By May 23rd, over 28% of women in the labor force have filed initial UI claims since the start of the crisis in mid-March (Table 2). Younger workers also continue to be disproportionately affected by the crisis, with over 40% of 20-24 year-olds in the labor force filing for benefits since mid-March (Table 3).

Figure 2 breaks the data out by birth cohorts. Over the last three weeks, there has been little change in the generational distribution of claimants. Compared to pre-crisis levels, workers from Generation Z (age 16-23) still have a higher share of new claims than before the crisis (including PUA), while the share of claims from Millennials (age 24-39) has remained steady after returning to pre-crisis levels in April (Figure 2). Given their high share of employment, Generation X (age 40-55) has also substantially contributed to UI claims during the crisis, and together with Baby Boomers (age 56+) had a higher share of PUA claims than younger generations (Table 8).

Lower-educated workers have been disproportionately impacted leading to over 42% of workers with a high school degree or less filing for regular UI benefits (Table 7).

In early May, the share of lower-educated workers claiming regular UI benefits has returned to pre-crisis levels (Figure 3). In contrast, the share of claims from workers with some college has risen and is now over ten points higher than at the peak of the crisis at the end of March. One in five workers with some college filed for UI benefits since the onset of the crisis, in contrast to just over one in ten for workers with a Bachelor's degree (Table 4). Finally, the share of claims from self-reported Asian claimants continues to be higher than pre-crisis levels (Figure 4). Including PUA, over one in four Black workers and one in four Asian workers have filed for UI benefits since the beginning of the crisis (Table 8).

## About 80% of New Initial Claims Were Found to be Eligible for Their First Benefit Payment

An important question is whether and which UI claimants are ultimately paid benefits, and how long they have to wait for them after filing a claim. We focus on the status of the first payment of new initial UI claims filed since the start of the COVID-19 crisis in the labor market on March 15th. We find that among the 5.5 million new initial UI claims filed since March 15th (the start of the COVID-19 crisis), 3.15 million have received at least one payment by May 30th. These claimants had their initial claims approved, subsequently certified that she or he was still unemployed, and received benefits.

There are several reasons for an initial claim to go unpaid, either temporarily or permanently, and we do not observe all of this information. However, we can identify a key additional group of claimants who certified that they were seeking benefits, but were denied payment because of their employment status in the given week. During the same time period (March 15th - May 30th), we find there were 0.3 million such claims (3.45 million potentially eligible - 3.15 million paid).

In order to better approximate the group of claims that could have been paid, we define a claim as 'potentially eligible' for a benefit payment if it either was paid or would have been paid if not for excess earnings in the relevant week.

Among claims filed since March 15th, 3.45 million new initial UI claims fit our definition of potentially eligible (Table 6).<sup>5</sup> For regular UI claims filed between March 15th and May 9th, we approximate that 77% of initial claims were potentially eligible for their first payment (Table 6). When we analyzed the remainder of claims, the majority (17.5% of initial claims) were initially denied because of too low base-period earnings.<sup>6</sup> Claimants that were not found to be potentially eligible for their first payment may be eligible in subsequent weeks. It is difficult to assess the status of more recently-filed claims (i.e., claims filed after May 16th) because of normal time lags in processing of first payments. We found that, for the median claimant, two weeks passed between claim filing and the date when the first payment was either made or denied due to excess earnings. This was relatively unchanged throughout the crisis. It is important to note that we only observe time to first payment information for claims we labeled as potentially eligible. While as in normal times some claims take longer to process, the majority of claims were processed swiftly.

When looking at demographic characteristics (Table 6), we find that the fraction of claims potentially eligible for first payments is high among all groups, but that Black workers, younger workers, and older workers had the lowest rates of potential eligibility. Moving to percent of claims paid, the average is 70.5%, with claims from Black workers (65.5%) and from middle-aged workers (67.5%) on the lower end, and workers aged 20-24 (78.3%) at the higher end. The data we analyzed does not explain the reasons for lack of eligibility beyond initial denial which can be either due to issues pertaining to program rules or because the claimant did not certify after being found eligible.

## An Increasing Fraction of Regular UI Claims are Either Not Paid Because of Excess Earnings or Their Benefits are Reduced, Reflecting Improving Economic Conditions

We find that among regular UI claims filed from March 10th to March 23rd, a rising fraction of first payments were either denied or were reduced in their first benefit week because of concurrent earnings. Workers are allowed to earn wages while receiving UI benefits up to a threshold. For claimants whose Weekly Benefit Amount (WBA) is below the maximum of \$450, the threshold is typically two-thirds

of prior average weekly earnings.<sup>7</sup> If earnings are above that threshold, UI benefits are denied for that week.

If they are below that threshold but above zero, an individual receives a reduced UI payment for that week. This system is often referred to as “partial UI.”<sup>8</sup> Since partial UI benefits are determined at the payment level, a partial UI claimant may later receive higher UI payments (up to their full WBA) if their earnings decrease in subsequent weeks. Similarly, a claimant whose payment is denied in a given week due to excessive earnings can later receive partial UI or full benefits if their earnings decrease in subsequent weeks.

Among potentially eligible initial UI claims filing from May 10th to May 23rd, about one in five (22%) either had their first payment reduced (Partial UI) or denied because of excess earnings. This compared to about one in four initial claims filed (27%) in late March, whereas at the end of April only 16% of potentially eligible claims had some earnings.

Overall, in the four weeks preceding March 16th that approximately coincided with the period between May’s and June’s Employment Situation Summary published by the U.S. Department of Labor, 45,240 individuals had their first payment denied because of excess earnings, and 40,724 received partial UI. Together, this amounted to 0.44% of the California labor force before the crisis (Table 2).

Among the total number of potentially eligible claims filed from May 10th to May 23rd, 13% had their first benefit payment denied because of excess earnings (Table 6). This compares to a low of about 5% in late April and about 10% before the start of the crisis in Mid-March (Figure 5).

An important question is how many initial UI claims that were actually paid received partial UI. We found that among those initial UI claims filed from May 10th to May 23rd that were actually paid, the fraction receiving partial UI in their first payment rose to 11%, indicating that a growing fraction of workers see employment opportunities (Table 6). The fraction receiving partial UI was an impressive 19% for initial claims filed at the beginning of the crisis, compared to 7-8% in February (Figure 5). This suggests that initially employers may have thought the crisis was temporary and kept a larger group of workers on part-time. The fraction then fell to just above 5% by the end of April as employers engaged in layoffs instead of reducing hours.

Turning to demographic groups (Table 6), we find women, mature and older workers, and Hispanic workers have typically

larger shares of partial UI. Women, the middle aged, and Asian workers have the highest shares of payment denied because of excess earnings, while Black workers and younger workers have the lowest. However, overall the differences between demographic groups tend to be moderate. Looking at developments over time, we find that the increases from May 10th to May 23rd in both receipt of partial UI and denial because of excess earnings were similar across all demographic groups, but lowest for younger workers (Generation Z) and highest for women. Across industries ([Figure 6](#)), the share of partial UI is highest among Health Care and Social Assistance, followed by Manufacturing, Accommodation, and Food Services, and Retail Trade. Claimants from Health Care and Social Assistance also saw the highest rate of benefit denial because of excessive earnings, reaching over 20% in the two weeks from May 10th to May 23rd, followed by claimants from Manufacturing at about 17%.

For UI claimants with low prior earnings, the availability of part-time employment at reduced hours creates a choice between uncertain employment with low earnings and more certain UI benefits that reduce the risk of poverty. The additional \$600 weekly FPUC payment makes this decision especially stark. For example, the median claimant had a WBA of \$345, implying prior average weekly earnings of \$690. If they earn 75% of that amount (\$517 per week) or more, they are denied both UI benefits and the \$600 FPUC payment. If, for example, they instead earned 50% of that amount (\$345 per week), they would receive \$25 in partial UI benefits, plus \$600, for a total of \$625 in UI benefits plus the \$350 from working.

These findings suggest that it is worth considering programs that allow a greater number of claimants to keep a larger share of their benefits as they return to work on a part-time basis. One such program is Work Sharing. Work sharing programs allow firms and employees to spread some of the burden of decreased work by reducing hours for a group of employees replacing a portion of their lost pay with UI benefits, and avoiding layoffs. Eligible workers receive a prorated WBA. If, for example, their hours were reduced by 50% they would receive 50% of the WBA they would be eligible for in the event of a layoff. Importantly, Work Sharing participants are eligible for the \$600 per week FPUC benefit. Relative to partial UI, an advantage of Work Sharing is that workers can earn up to 90% of their prior earnings and still receive both pro-rated UI benefits and the \$600 FPUC

payment. This is in contrast to only 75% of prior earnings under partial UI.<sup>9</sup> See the last section for a concrete example of how low-wage workers could benefit from Work Sharing in this context.

## Rising Impact of Crisis on Female and Younger Higher Educated Workers

We see that the education distribution of initial UI claims has shifted substantially throughout crisis. In particular, while the share of initial claims by workers with at most a high school degree rose dramatically at the beginning of the crisis, since then, their share of claims has decreased, while the share of claims by workers with some college or with a college degree has returned to pre-crisis levels. We analyzed the demographic and industry patterns of new initial claims within these three major education groups in [Table 7](#) and [Figure 7](#). Given the wealth of data, we only point to a selected set of results here.

We find that within each major education group, claims by the youngest workers (Generation Z, age 16-23) have been steadily rising throughout the crisis. In contrast, claims by Millennials (age 24-38) experienced a large temporary jump in mid-March among all education groups, with only small changes since.<sup>10</sup> Focusing on workers with some college, over one in four individuals from Generation Z with some college claimed UI, in contrast to one in five older workers ([Table 7](#)). Similarly, among individuals that graduated with a Bachelor's degree or more, one in six workers from Generation Z claimed UI, in contrast to one in twelve among more mature workers (e.g., Generation X, age 40-55).

Among workers with at most a high school degree, a substantially higher share of women as fraction of the labor force has filed for benefits than men ([Table 7](#)). Women are the majority among higher educated claimants, but the difference in shares of the respective labor force is smaller. Similarly, the differences in rates of UI claiming by race tend to be smaller for workers with some college, and even smaller for workers with a Bachelor's degree or more.

In [Figure 7](#), we plot the share of claims among the most represented industries by major education groups. There are both common patterns and expected differences. Claims from Health Care and Social Assistance workers have been rising throughout the crisis among all education groups, but were substantially higher among claimants with at least some college and with a Bachelor's degree or more. Similarly, the initial importance of claims from Accommodation and Food Services



has declined among all education groups. In terms of other sectors, the patterns are comparable for workers with some college and those with at most a high school degree. In contrast, for workers with a Bachelor's degree or more, the share of claims from Education Services has been steadily climbing over the past five weeks along with increases in claims from Professional, Technical, and Scientific Services. It will be important to monitor how the type of industries and the type of workers filing initial UI claims changes as overall economic conditions continue to evolve.

## Claimants for PUA Reflect Characteristics of State's Self-Employed Workers

We found that over 95% of PUA claims were from previously self-employed individuals, with the remainder from individuals that had not qualified for regular UI for other reasons. Since there were approximately 2.2 million self-employed individuals in CA, these numbers suggest that approximately 19% of these individuals claimed PUA benefits.<sup>11</sup>

When analyzing the characteristics of PUA claimants, we found that compared to regular UI claimants they are more likely to be older, more likely to be White or Asian, and less likely to be Black or Hispanic (Table 8).<sup>12</sup> Not surprisingly, the characteristics of UI claimants partly reflect the demographic structure of self-employed workers in California.<sup>13</sup> We currently do not have access to information about the education levels of self-employed claimants.

Initially, the Employment Development Department pays every PUA claimant that is found eligible a weekly benefit amount of \$167, plus \$600 in weekly benefits from the Federal Pandemic Unemployment Compensation from March 29th to July 25th, 2020. Over time, claimants that are eligible for higher benefits have to apply to have their benefits reconciled.<sup>14</sup> For this reason, we exclude PUA claimants from calculations of median weekly benefit amounts and median replacement rates in the following two sections.

## Federal Pandemic Unemployment Compensation (FPUC) Helps UI Claimants Avoid Near-Poverty Benefit Levels

Analysis of weekly benefit amounts (WBA) from regular UI benefits of initial claimants during the Covid-19 crisis shows many claimants are at risk of having very low income levels

during unemployment. In California, a claimant found to be eligible is paid 50% of average weekly earnings in a base period in benefits, up to a maximum of \$450 per week.<sup>15</sup> For all initial claimants between May 17th and May 30th projected to qualify for regular UI benefits, the median WBA was \$334 per week (Figure 8).<sup>16</sup>

For time in unemployment covered by UI starting on March 29th, all claimants are eligible to receive an additional \$600 per week from Federal Pandemic Unemployment Compensation (FPUC).<sup>17</sup> FPUC benefits make a substantial difference for UI claimants in CA. For example, \$934 per week (\$334 + \$600) puts the median claimant at 60% of median family income (MFI), and above the threshold for very poor (50% MFI). The claimant would still be deemed "low-income" (below 80% MFI) in the absence of other income sources in the household. (Figure 8)<sup>18</sup>

For regular UI claimants, WBAs depend on prior earnings and hence partly reflect differences in wage levels in the California labor market. Table 9 shows that the median WBA was lower for women, less educated claimants, younger claimants, and non-White claimants even before the COVID-19 crisis.

Unsurprisingly, since the crisis has substantially increased the number of claimants that were women, younger, and lower-educated, we see that the statewide median WBA declined in the course of the crisis from \$418 in February to \$334 for the weeks ending on May 2nd and May 9th (Figure 8). Yet, Table 9 shows that median WBAs have declined even within groups, indicating that in each demographic group lower-earning workers were disproportionately affected.

Similarly, median WBAs differed substantially across industries prior to the crisis, reflecting differences in wage levels (Table 12). During the crisis, the median WBA in some lower-wage sectors declined by 10-20% as lower-wage workers filed for benefits – such as Accommodation and Food Services, Other Services, and Retail Trade. For workers in these hard-hit sectors, FPUC payments of \$600 lifted weekly benefits from slightly below \$300 to above \$800. FPUC payments provide an important lift from very low WBA levels especially for lower-wage workers that were particularly impacted by this crisis.

In contrast, the WBA from regular UI in many higher-wage sectors was unchanged. An exception is Education Services, which saw a reduction of median WBA of close to 40%. Only Health Care and Social Assistance saw an increase in median WBA, possibly because of a higher share of typically higher-earning Asian UI claimants in this sector.

To put these benefit amounts into perspective, one can compare it to commonly used measures of poverty. Based on our data, we cannot tell whether an individual or a family would actually qualify as poor by these definitions, since we do not observe other sources of income.

While a WBA of \$334 (the statewide median) would put a single individual above the Federal Poverty Level for the given week, it is below 30% of MFI in California, and hence would be considered “Extremely Low Income” by the standards of the Department of Housing and Urban Development (HUD). For a two-person household with a single earner, \$334 is below the Federal Poverty Level for the given week. Close to 80% of low income workers in California spend more than 50% of their income on rent, and would not be able to afford rent based on regular UI benefits for a single earner alone.<sup>19</sup> While in most countries UI benefits are a limited share of earnings by design, in this crisis more low-wage worker claim benefits compared to past recessions, highlighting potential implications of low benefit levels as further discussed below.

## Benefit Replacement Rates for Regular UI Claimants Above 100% due to Low Income Levels

The data allows us to calculate the fraction of a claimant’s earnings that is replaced by UI benefits, which is commonly referred to as the benefit replacement rate. We define the replacement rate to be the ratio of the weekly benefit amount to average weekly earnings in the highest paid quarter of the base period.<sup>20</sup> The replacement rate is often used to measure the generosity of UI benefits.

Before the COVID-19 crisis in the labor market, the average replacement rate of initial UI claimants projected to be eligible for UI benefits through standard criteria in California was 41% (Figure 9). This is as expected, since UI benefits are rarely more than 50% of prior earnings and are capped at \$450 per week. As a result, the median replacement rate is 50% for most groups, but less for higher-earning claimants, since the cap implies that a smaller share of higher incomes is replaced by UI benefits (Tables 10 and 13). During the crisis, the average replacement from regular UI benefits (not counting FPUC benefits) rose to close to 45% as more low-income workers filed for benefits and fewer workers qualified for the maximum benefit amount.

For weeks of UI-covered unemployment starting on March 29th, claimants became eligible to receive an additional \$600 a

week from FPUC. For the average claimant over the last two weeks, this implies a rise of the replacement rate to 165% of mean weekly earnings. The implied median replacement rate without FPUC was lower at 135%, pointing to the fact that many lower-earning workers had substantially higher replacement rates.

Looking across demographic and industry groups (Tables 10 and 13), it is clear that claimants with typically lower wages also had higher replacement rates before the crisis. During the crisis, the statewide replacement rate from regular UI benefits increased, partly because applications from lower-earning groups of workers – such as high-school graduates – increased, and partly because the average earnings of workers within several demographic and industry groups fell as well, resulting in increases in the replacement rates for those groups. FPUC benefits helped to substantially increase replacement rates especially among women, Black workers, younger claimants, and lower-educated claimants, and in some lower earnings industries. For example, for workers in the Accommodation and Food Industry and Retail Trade, the median replacement rate was 180% and 164% in the weeks ending in May 23rd and May 30th, respectively.

Our discussion of WBA in the previous section makes clear that these increases are not surprising given the low pre-crisis earnings of these workers in California, and reflect the role of FPUC benefits in alleviating the poverty risk of workers affected by the COVID-19 crisis in the labor market. For example, the Bureau of Labor Statistics reports that annual mean earnings for workers in Food Preparation and Serving Related Occupations was \$30,720 in 2019, implying average weekly earnings of only \$614 for 50 working weeks (and a median close to \$500).<sup>21</sup> The corresponding values for Sales and Related Occupations are mean annual earnings of \$46,660, with implied mean weekly earnings of \$933, and median weekly earnings close to \$600. The values of the replacement rate reflect very low underlying earnings of many of the workers affected by the current crisis in the labor market in California.

## Expected Recall Rate Remains Around 70% During Past Four Weeks

Upon filing an initial UI claim, individuals are asked to report whether they expect to return to their prior job, i.e., to be “recalled.” Seventy-two percent of all initial UI claimants during the two weeks from May 17th to May 30th reported that they expect to be recalled (Figure 10). While recent

recall rates are lower than the 91% seen at the peak of the crisis, the decline appears to have halted, with rates staying steady around 70% over the past four weeks, and is still significantly higher than the 40% average during February. The fraction of workers expecting to be recalled was still substantially above the February average among all demographic groups filing an initial claim (Table 9).

In February, a higher share of male workers, older workers, White, Hispanic, and lower-educated workers reported that they expected to be recalled. At the peak of the crisis in the end of March and early April, differences in recall expectations across most groups had shrunk considerably. In the two weeks from May 17th to May 30th, differences across some demographic groups have started to become more pronounced again, most notably by age and race. For example, in February, differences in recall expectations between White and Black workers were 12 points, this shrank to less than six points at the peak of the crisis, and grew to ten points in the last two weeks.

We also analyzed the percent of workers reporting they expect to be recalled by major industry (Table 12). Before the crisis the incidence of self-reported recall expectation varied from low rates of 7.5% in Finance and Insurance and 15.6% in Management, to high rates in Construction of 56.4% and Agriculture, Forestry, Fishing and Hunting of 80.4%, with an average rate of 32% across major industries. In stark contrast, during the peak of the COVID-19 crisis, reported rates of recall were between 70 and 90% in all industries. In the two weeks from May 17th to May 30th, there were substantial differences in recall rates between industries, as low as 58% in Finance and Insurance, but still as high as 79% in Arts, Entertainment, and Recreation, one of the hardest-hit sectors in the crisis.

Although recall information is self-reported by the claimant and may change in the course of the unemployment spell, this does suggest some reason for optimism about the economic effects of the COVID-19 crisis. While still costly both for the workers themselves and for the economy as a whole, temporary job separations in which the worker eventually returns to the same employer are likely to be much less costly than permanent separations. For these reasons, it will be important to monitor the evolution of recall expectations among initial UI claimants throughout the course of the crisis, and find ways to support a speedy return of workers to their previous employers.

## Customer-Facing Service Industries Saw the Largest Increases in Claims

To assess the impact of COVID-19 on different industries in California we categorized claimants by the major NAICS code associated with the primary employer in their base period.<sup>22</sup> Over the last three weeks, initial claims have continued to be concentrated in a few top industries. Of initial claimants, 14% were employed in Accommodation and Food Services industry, 13% were employed in Retail Trade, and 16% were employed in Health Care and Social assistance (Table 11).

Looking at claims by industry over time, it appears that most sectors have experienced a similar pattern in applications since the end of March. The share of claims from Health Care and Social Assistance has steadily climbed as a share of claims since mid-April, now making up the largest share (about 17%) of claims over the last two weeks. Relative to the peak of the crisis, the share of Accommodation and Food has declined, and the share of Retail Trade has remained steady at 13% since late April (Figure 11).

The prolonged concentration initial UI claims among a few industries of initial claims has led to some large differences in the fraction of total initial claims of the industry's labor force filing for UI benefits. In several large industries the fraction of the labor force that filed an initial UI claim between March 15th and May 23rd was over 30%— including Accommodation and Food Services (43%), Retail Trade (30%), Other Services (35%), and Construction (29%).<sup>23</sup> As previously mentioned, historically less than two-thirds of laid-off workers have applied for UI benefits, so the implied increase in the overall unemployment rate by industry could be one-and-half to two times these numbers.

## Increases in UI Claims More Pronounced in Urban Counties

We also analyzed whether the COVID-19 crisis had disparate impacts across the state. Among the most populous counties (Table 14), Los Angeles County continued to account for the largest share of claims, with almost 1.4 million claims filed since March 15th.<sup>24</sup> As a fraction of the labor force in the respective county that filed initial claims, more populous counties continued to be hardest hit. Los Angeles and Orange County had 3.8% and 3.7% of their labor forces file claims over the last three weeks, respectively, bringing the total fraction since March 15th to 27% in both counties. Riverside and San Bernardino Counties were hit even harder,



with 4% of their labor forces filing claims in the last three weeks, for a total of 28% and 25% since mid-March. Because not all unemployed workers file for UI, the actual number of people who are unemployed could be larger.

The data also allows assessing how industries fared across counties. In [Figure 12](#), we show the industry shares of claims filed in the 20 largest counties of the state in the last three weeks (to obtain sufficient data for smaller industries within counties). While Accommodation and Food Services, Retail Trade, and Health Care and Social Assistance were the most impacted industries in all counties, there are some noticeable differences in the numbers of initial claims by industry across counties. For example, the Accommodation and Food Services industry made up 18% of initial UI claims in San Francisco County from May 10th – May 30th, presumably reflecting the role of the COVID-19 crisis on the tourism industry. Turning to other sectors, the share of initial UI claims in Construction is just 4% in Los Angeles County, but 11% and 12% in Contra Costa and Sonoma Counties, respectively. As restrictions relating to efforts to contain the COVID-19 pandemic are lifted, it will be important to monitor whether some sectors recover faster than others, and how this affects the fortunes of regions across the state.

## How Work Sharing Can Improve Income for UI Claimants Returning to Employment: An Example

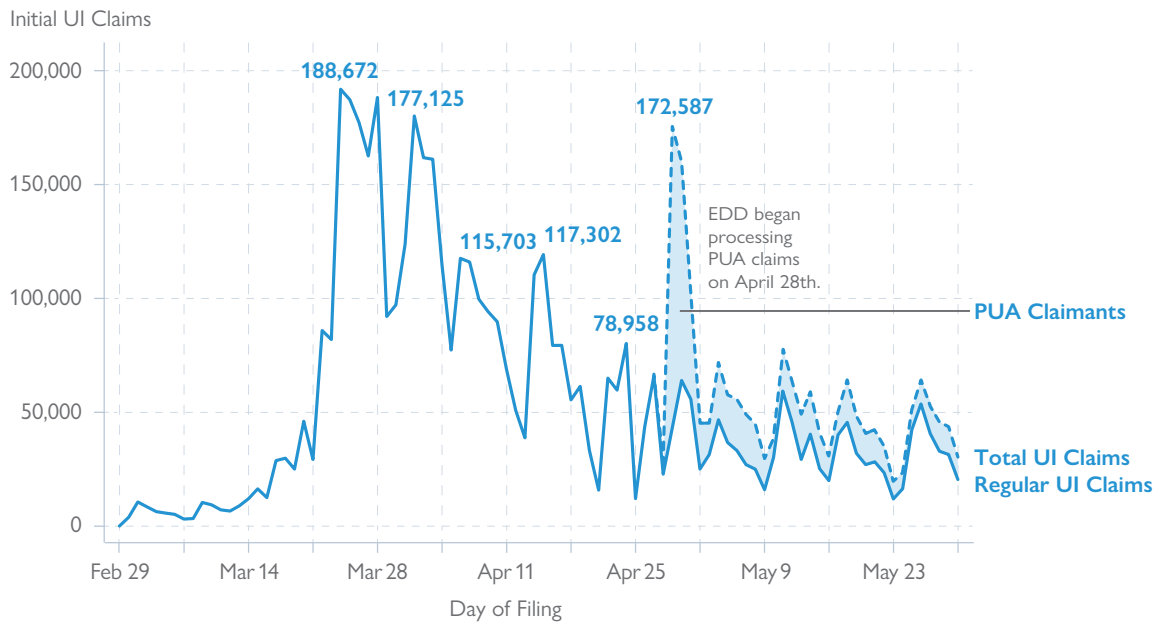
We have documented that a rising share of UI claimants are either seeing reduced benefits under partial UI or are denied benefits in a given week due to excess earnings. We have also pointed out that transitioning back to work in this manner creates difficult decisions for workers, which are exacerbated in the current policy environment. The Work Sharing program is uniquely suited to improve the financial situations of workers in these circumstances.

As an example, consider the typical (median) claimant in the Accommodation and Food Services Industry, who usually earns \$444 per week (both recently and in her base period). If she were laid off, currently her total weekly benefit would be \$822 (\$222 WBA plus \$600 from FPUC). As the economy reopens, if she were recalled to work with a 20% hours reduction, she would earn \$355 a week and \$0 in UI benefits. (Since that \$355 would put her over the threshold to receive even partial UI benefits). However, if her employer was participating in the Work Sharing program, her financial picture would be far different. Assuming the same 20% reduction in hours, she would receive 20% of her WBA (to

match the 20% reduction in hours), which is \$45, and the FPUC payment of \$600, for a total of \$645 in UI benefits. This, combined with the \$355 she is earning from work, gives a total of \$1,000 in weekly income vs. \$355 without Work Sharing.

In this example, the employer's decision to participate in Work Sharing would mean an additional \$645 a week for the worker. Given we have seen in our discussion of WBA that the many low-income workers filing UI claims are at risk of poverty, the ability to keep FPUC for a period of transition until the economy has improved further could provide substantial stabilization of incomes in a crucial period. In addition, individuals on Work Sharing keep receiving job-related benefits such as health insurance. Thus, employees seeing reduced hours could be made better-off through their employer participating in Work Sharing, rather than simply reducing hours and having employees file for partial UI. Employers also benefit from retaining valuable employees and reducing costs of rehiring workers when business picks up.<sup>25</sup> It's important to note that FPUC was authorized in the CARES Act, but is set to expire on July 31, 2020 and while legislation has been introduced to continue FPUC, it is unclear how Congress will proceed.<sup>26</sup>

FIGURE 1: Daily Initial UI Claims (including PUA) During the COVID-19 Crisis in California, 2/29/2020–5/30/2020



X-axis labels correspond to Saturdays.

Total UI claims combines initial claims to regular UI and Pandemic Unemployment Assistance (PUA).

TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 2/22/2020–5/30/2020

WEEK ENDING	TOTAL INITIAL CLAIMS	CUMULATED INITIAL CLAIMS SINCE MARCH 15TH	PUA CLAIMS	FRACTION OF PUA CLAIMS AMONG TOTAL CLAIMS
Feb 22	35,129	—	—	—
Feb 29	42,265	—	—	—
Mar 07	43,609	—	—	—
Mar 14	57,707	—	—	—
Mar 21	185,545	185,545	—	—
Mar 28	1,057,167	1,242,712	—	—
Apr 04	915,815	2,158,527	—	—
Apr 11	652,886	2,811,413	—	—
Apr 18	524,958	3,336,371	—	—
Apr 25	322,599	3,658,970	—	—
May 02	611,812	4,270,782	296,183	48%
May 09	348,842	4,619,624	135,681	39%
May 16	359,468	4,979,092	111,815	31%
May 23	277,773	5,256,865	83,275	30%
May 30	305,799	5,582,571	71,890	24%

Notes: Total initial claims refer to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California residents. Tabulations based on initial UI claims file.

TABLE 2: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Gender

GENDER	WEEK ENDING MAY 16TH	WEEK ENDING MAY 23RD	WEEK ENDING MAY 30TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
<b>Female</b>	123,989	104,219	120,654	2,501,624	8,824,000	28.4
<b>Male</b>	123,398	101,684	112,895	2,363,508	10,605,000	22.3
<b>Column Total</b>	247,387	205,903	233,549	4,865,132	19,429,000	25.0
<b>% Female</b>	50.1	50.6	51.7	51.4	45.4	—

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Does not include PUA claims. Tabulations based on initial UI claims file. Column Total excludes claimants not reporting Gender.

TABLE 3: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Age Group

AGE GROUP	WEEK ENDING MAY 16TH	WEEK ENDING MAY 23RD	WEEK ENDING MAY 30TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
<b>16–19</b>	11,530	9,297	9,346	178,951	531,000	33.7
<b>20–24</b>	39,484	33,692	35,536	711,313	1,741,000	40.9
<b>25–34</b>	68,380	57,619	65,247	1,366,123	4,780,000	28.6
<b>35–44</b>	46,473	38,385	44,491	921,397	4,303,000	21.4
<b>45–54</b>	38,771	32,591	38,165	803,707	3,904,000	20.6
<b>55–64</b>	31,337	25,703	30,596	659,219	3,019,000	21.8
<b>65–85</b>	11,115	8,376	9,913	217,733	1,152,000	18.9
<b>Column Total</b>	247,090	205,663	233,294	4,858,443	19,430,000	25.0

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Does not include PUA claims. Tabulations based on initial UI claims file. Column Total excludes claimants with unreported age or those reporting age less than 16 or greater than 85.

FIGURE 2: Distribution of Initial UI Claims by Generation, 2/29/2020 - 5/30/2020

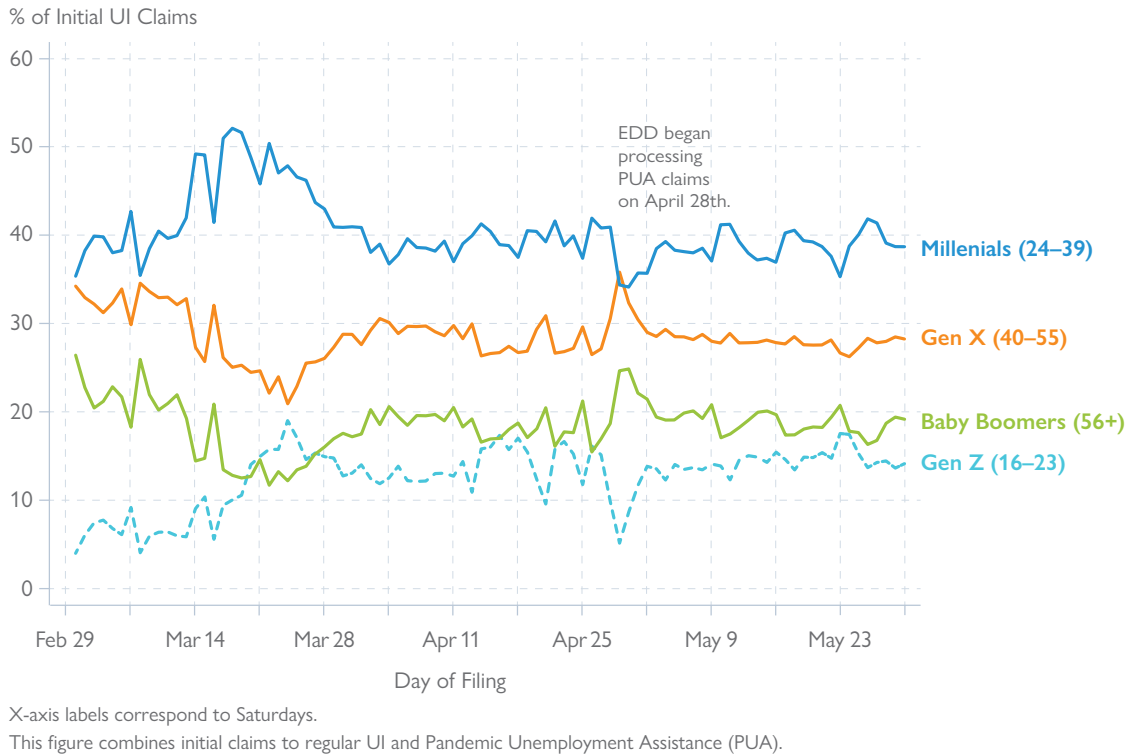


FIGURE 3: Share of Initial UI Claims During the COVID-19 Crisis in California by Education Group, 2/29/2020–5/30/2020

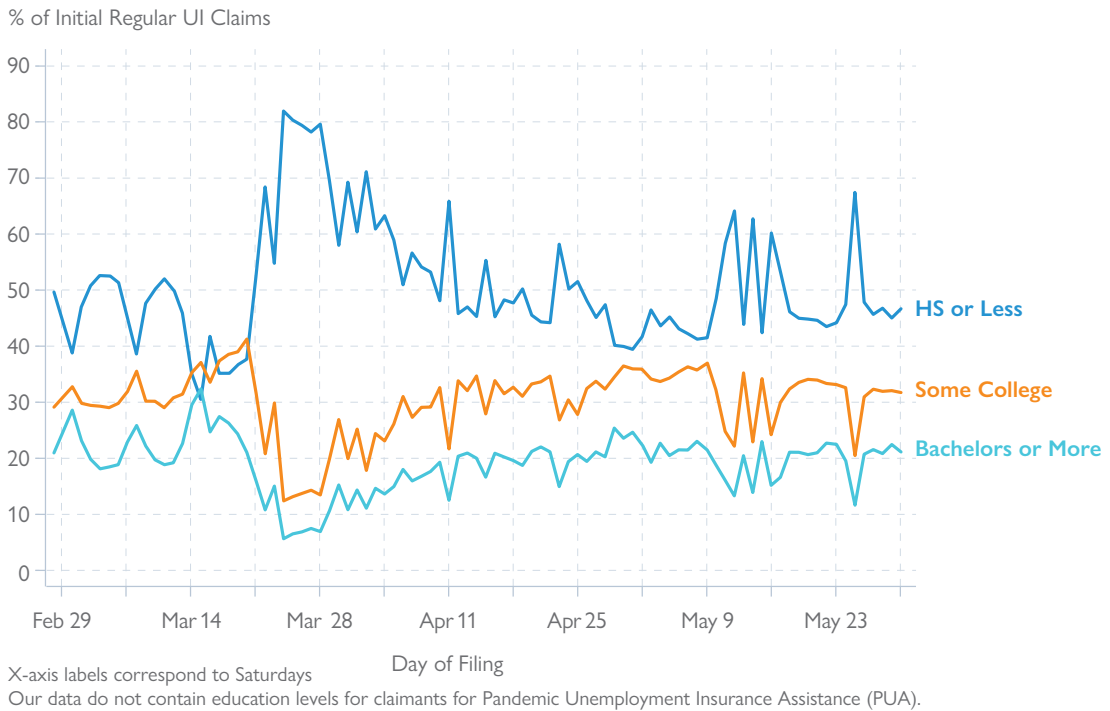


TABLE 4: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Education

EDUCATION GROUP	WEEK ENDING MAY 16TH	WEEK ENDING MAY 23RD	WEEK ENDING MAY 30TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
<b>Less Than High School Degree</b>	21,875	21,832	22,099	441,331	2,283,877	19.3
<b>High School Degree or GED</b>	114,362	72,460	92,828	2,376,289	4,295,053	55.3
<b>Associate's Degree or Some College</b>	66,313	66,267	68,046	1,272,300	5,075,283	25.1
<b>Bachelor's Degree</b>	31,828	31,610	33,339	595,861	4,927,569	12.1
<b>Graduate Degree</b>	9,161	9,983	11,189	163,122	2,848,218	5.7
<b>Column Total</b>	243,539	202,152	227,501	4,848,903	19,430,000	25.0

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Does not include PUA claims. Tabulations based on initial UI claims file. Column Total excludes claimants with unreported education level. Labor force numbers have been calculated using a 12-month moving average ending in February from the CPS to be consistent with EDD's numbers.

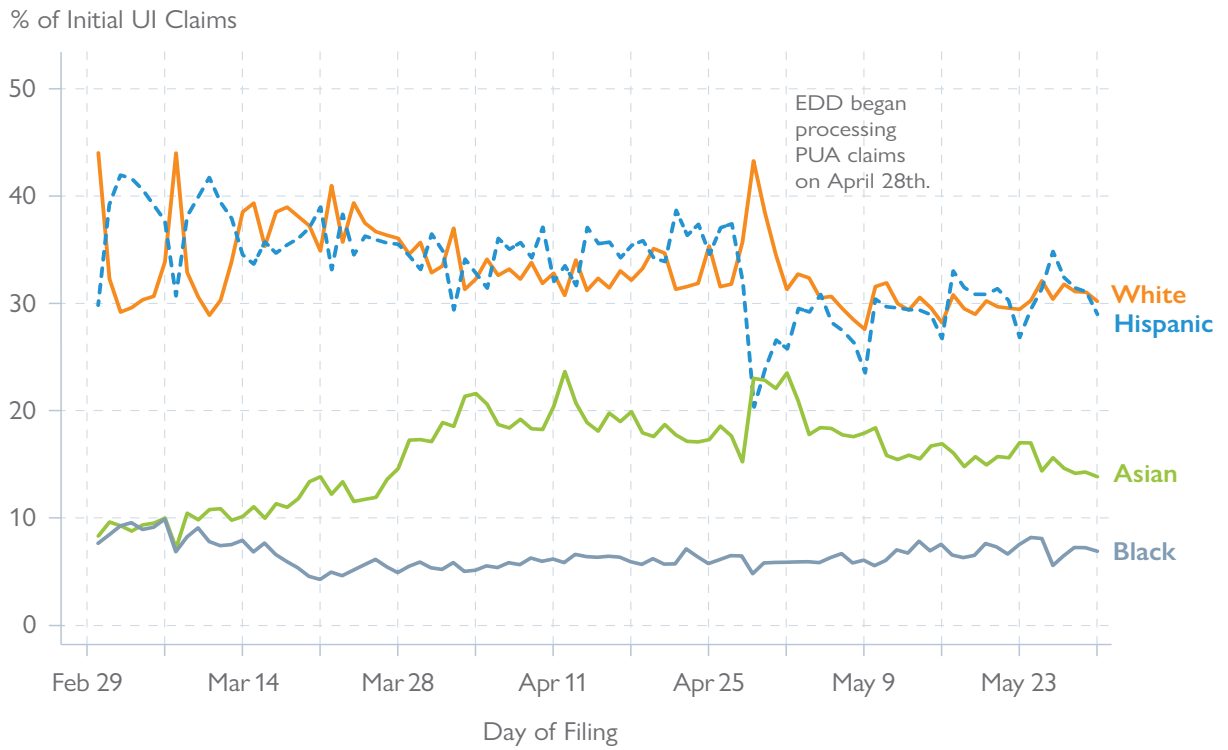
TABLE 5: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Race and Ethnicity

RACE	WEEK ENDING MAY 16TH	WEEK ENDING MAY 23RD	WEEK ENDING MAY 30TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
<b>White</b>	77,919	62,720	74,064	1,641,270	7,506,246	21.9
<b>Hispanic</b>	87,876	77,251	85,761	1,723,167	7,304,335	23.6
<b>Asian</b>	41,115	33,481	36,903	820,960	3,035,206	27.0
<b>Black</b>	19,005	14,855	16,493	293,372	1,038,524	28.2
<b>Column Total</b>	225,915	188,307	213,221	4,478,769	18,884,310	23.7

Notes: Claims refer to initial claims for regular unemployment insurance benefits among California residents. Does not include PUA Claims. Tabulations based on initial UI claims file. White and Black do not include those identifying as Hispanic. Table does not show information on claimants in which race is unknown, specified as 'other,' or specified as Native American or Alaskan Native, due to small sample sizes. Labor force numbers have been calculated using a 12-month moving average ending in February from the CPS to be consistent with EDD's numbers.



FIGURE 4: Share of Initial UI Claims (including PUA) During the COVID-19 Crisis in California by Race and Ethnicity, 2/29/2020–5/30/2020



X-axis labels correspond to Saturdays.

This figure combines initial claims to regular UI and Pandemic Unemployment Assistance (PUA).

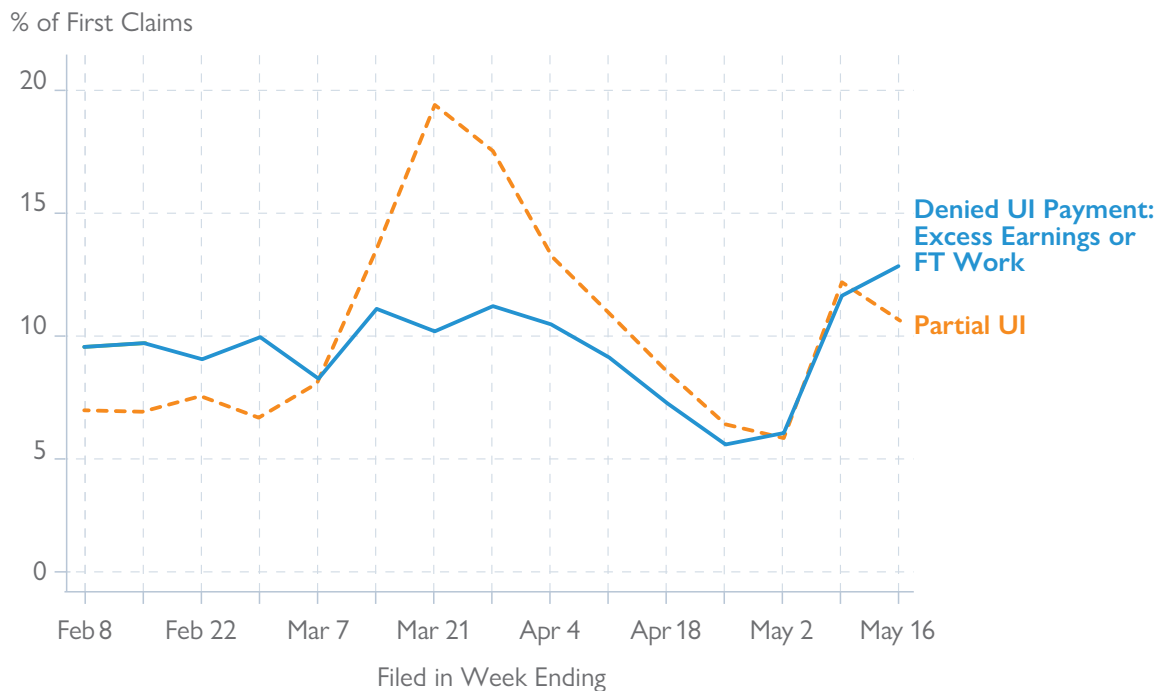
Figure does not show information on claimants in which race is unknown, specified as 'other,' or specified as Native American or Alaskan Native, due to small sample sizes.

TABLE 6: Status of First Payment for Initial UI Claims Filed During COVID-19 Crisis, by Demographic Group

GROUP	Since March 15th		March 15th - May 9th		Two weeks: May 10th - May 23rd	
	TOTAL POTENTIALLY ELIGIBLE CLAIMS	TOTAL CLAIMS PAID	PERCENT OF CLAIMS POTENTIALLY ELIGIBLE FOR PAYMENT	PERCENT OF CLAIMS PAID	PARTIAL UI CLAIMS AS A PERCENT OF REGULAR CLAIMS PAID (EXCLUDING PUA)	PERCENT OF POTENTIALLY ELIGIBLE REGULAR CLAIMS DENIED DUE TO EARNINGS TO EARNINGS (EXCLUDING PUA)
<b>Statewide</b>	3,456,332	3,150,750	77.3	70.5	10.8	13.3
<b>By Gender</b>						
<b>Female</b>	1,793,076	1,624,397	77.9	70.6	12.1	14.3
<b>Male</b>	1,656,088	1,519,716	76.7	70.4	9.5	12.3
<b>By Age Group</b>						
<b>16–19</b>	105,925	119,965	67.1	73.3	5.3	5.7
<b>20–24</b>	507,931	475,606	83.6	78.3	9.6	8.9
<b>25–34</b>	926,966	831,742	78.1	70.1	11.5	14.4
<b>35–44</b>	643,339	574,685	75.6	67.5	11.2	16.6
<b>45–54</b>	577,815	523,705	75.4	68.4	11.4	16.4
<b>55–64</b>	486,765	446,941	75.8	69.6	12.5	14.9
<b>65–85</b>	185,824	176,422	74.4	70.6	12.9	8.3
<b>By Race and Ethnicity</b>						
<b>White</b>	1,165,206	1,053,524	76.1	68.7	9.9	13.4
<b>Hispanic</b>	1,151,340	1,052,318	80.2	73.3	12.0	13.4
<b>Asian</b>	635,978	586,410	78.2	72.2	11.4	14.4
<b>Black</b>	184,861	170,632	71.3	65.6	9.2	10.9
<b>By Education</b>						
<b>High School Degree or Less</b>	1,677,631	1,514,118	70.8	64.0	9.4	17.3
<b>Associate’s Deg., Some College</b>	807,661	733,185	79.6	72.5	12.9	22.2
<b>Bachelor’s Degree or More</b>	476,350	418,616	80.4	71.0	13.7	27.5

Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. Columns (1)-(4) include PUA, Columns (5)-(6) exclude PUA. Column (1) = Number of Claims paid + Number of payments denied due to excessive earnings or FT work. Column (3) = Potentially eligible Claims as a percent of all initial claims during period. Column (4) = Claims Receiving payment as a percent of all initial claims during period. Tabulations based on initial UI claims file and data on Continuing Claims. See Appendix for Table 7B: Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Education Level and Major Industry. A version of this brief that circulated before June 12, 2020 did not include education levels in Table 6.

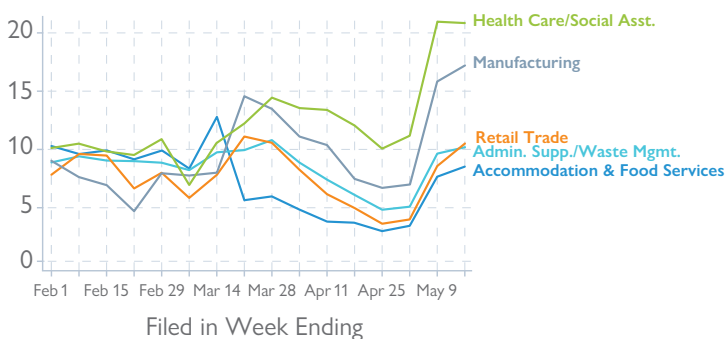
**FIGURE 5: Partial UI Claims as a Percent of Total Weekly Claims, Claims Denied Payment as a Percent of Potentially Eligible Claims, 2/8/2020 - 5/16/202**



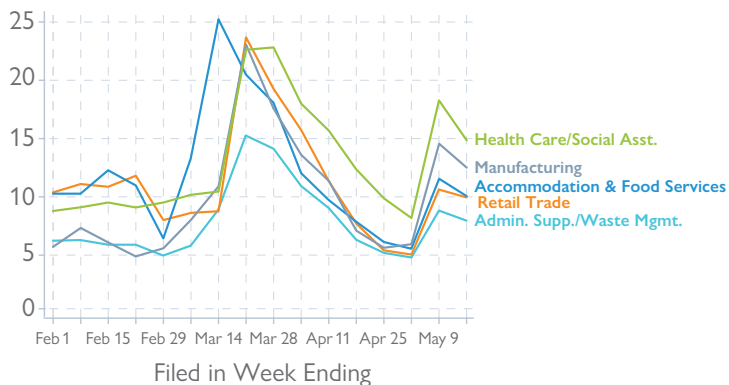
X-axis labels correspond to Saturdays. Does not include PUA claims. Partial UI is as a percent of all paid claims. Denied UI payment is as a percent of potentially eligible claims which is the sum of the number of paid claims and the number of denied because of excess weekly earnings or full time work (see text).

**FIGURE 6: Percent of Potentially Eligible Claims with Payment Denied Due to Excess Earnings, and Partial UI as a Percent of Paid Claims, by Industry, 2/1/2020-5/16/2020**

**% of Potentially Eligible Claims with Payment Denied Due to Excess Earnings or FT Work**



**Partial UI as a Percent of Paid Claims**



X-axis labels correspond to Saturdays. Does not include PUA claims. Partial UI is as a percent of all paid claims. Denied UI payment is as a percent of potentially eligible claims which is the sum of the number of paid claims and the number of denied because of excess weekly earnings or full time work (see text).

TABLE 7: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Education Level and Demographic Group

GROUP	HS or Less		Some College or Associates Degree		Bachelor's or More	
	CLAIMS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE	CLAIMS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE	CLAIMS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE
<b>Statewide</b>	2,817,620	42.8	1,272,300	25.1	758,983	9.8
<b>By Gender</b>						
<b>Female</b>	1,362,680	52.7	702,002	27.6	424,861	11.4
<b>Male</b>	1,450,402	36.6	567,009	21.1	332,514	8.5
<b>By Race</b>						
<b>Asian</b>	419,524	83.0	198,678	35.3	200,005	10.1
<b>Black</b>	166,097	65.8	89,565	24.3	36,808	9.0
<b>Hispanic</b>	1,162,649	28.4	438,381	21.7	117,571	9.9
<b>White</b>	843,583	54.3	449,083	21.4	342,970	8.9
<b>By Generation</b>						
<b>Gen Z (16-23)</b>	465,359	57.0	228,797	28.0	39,448	16.9
<b>Millenials (24-38)</b>	1,055,460	46.4	518,317	26.4	347,497	10.9
<b>Gen X (40-55)</b>	764,257	34.5	309,608	20.7	217,668	8.3
<b>Baby Boomers (56+)</b>	472,476	38.6	185,681	19.1	133,595	8.3

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Table includes PUA claims. See Appendix for Table 7B: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Education Level and Major Industry.

TABLE 8: Pandemic Unemployment Assistance (PUA) Claims in the Last Two Weeks by Demographic Group and Total UI Claims Since Mid-March

GROUP	Last Two Weeks: May 17th - May 30th			Since March 15th		
	PUA CLAIMS	PERCENT OF PUA CLAIMANTS	PERCENT OF REGULAR UI CLAIMANTS AS COMPARISON	TOTAL UI CLAIMS (PUA + REGULAR)	TOTAL CUMULATED CLAIMS SINCE MARCH 15TH (PUA+ REGULAR)	CUMULATED CLAIMS AS A PERCENT OF LABOR FORCE
<b>Statewide</b>	163,358	100	100	603,479	5,582,571	28.7
<b>By Gender</b>						
<b>Female</b>	77,107	47.3	51.2	301,980	2,848,678	32.3
<b>Male</b>	85,951	52.7	48.8	300,530	2,722,794	25.7
<b>By Age Group</b>						
<b>16–19</b>	5,346	3.3	4.2	23,989	193,060	36.4
<b>20–24</b>	11,815	7.3	15.8	81,043	746,582	42.9
<b>25–34</b>	34,463	21.2	28.0	157,329	1,503,218	31.4
<b>35–44</b>	35,024	21.5	18.9	117,900	1,078,963	25.1
<b>45–54</b>	32,509	20.0	16.1	103,265	959,283	24.6
<b>55–64</b>	28,626	17.6	12.8	84,925	798,694	26.5
<b>65–85</b>	14,799	9.1	4.2	33,088	283,878	24.6
<b>By Generation</b>						
<b>Gen Z (16-23)</b>	14,538	8.9	16.8	88,200	776,036	41.6
<b>Millennials (24-39)</b>	55,539	34.2	41.6	238,244	2,255,152	30.4
<b>Gen X (40-55)</b>	52,370	32.2	26.2	167,227	1,545,459	24.4
<b>Baby Boomers (56+)</b>	40,135	24.7	15.4	107,868	987,031	25.8
<b>By Race and Ethnicity</b>						
<b>White</b>	46,756	28.6	31.1	183,540	1,885,866	25.1
<b>Hispanic</b>	26,807	16.4	37.0	189,819	1,834,738	25.1
<b>Asian</b>	21,121	12.9	16.0	91,505	959,568	31.6
<b>Black</b>	10,236	6.3	7.1	41,584	328,390	31.6

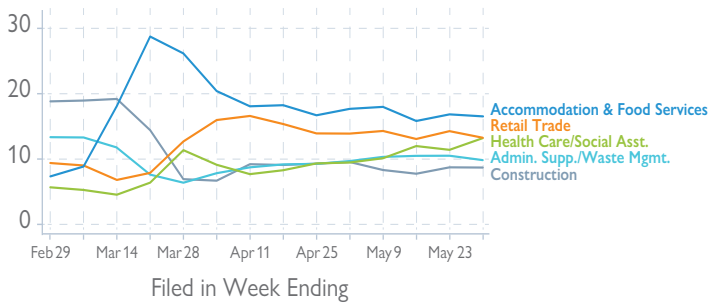
Notes: Claims refer to claims for Pandemic Unemployment Assistance and to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Table excludes claimants not reporting Gender. White and Black do not include those identifying as Hispanic. Table does not show information on claimants in which race is unknown, specified as 'other', or specified as Native American or Alaskan Natives, due to small sample sizes.



FIGURE 7: Share of Initial UI Claims During the COVID-19 Crisis in California by Education Group and Top Industries, 2/29/2020-5/30/2020

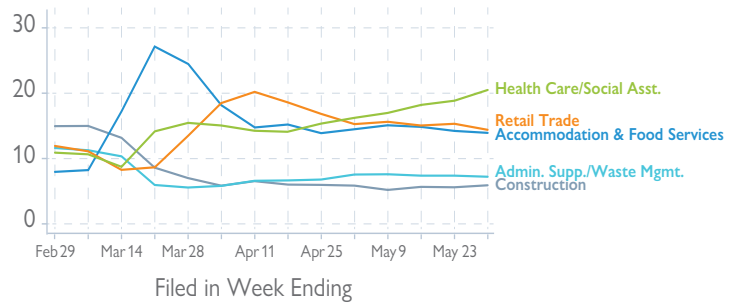
### High School Degree or Less

% of Initial Regular UI Claims



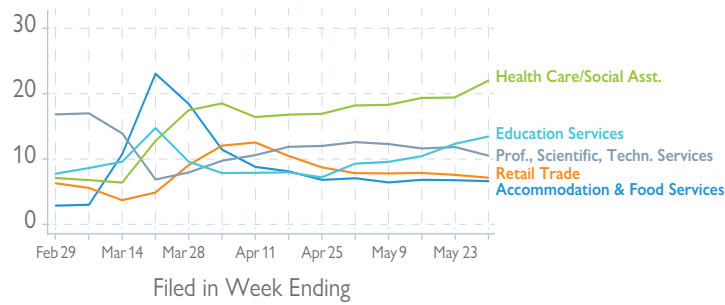
### Some College/Associate's Degree

% of Initial Regular UI Claims



### Bachelor's Degree or More

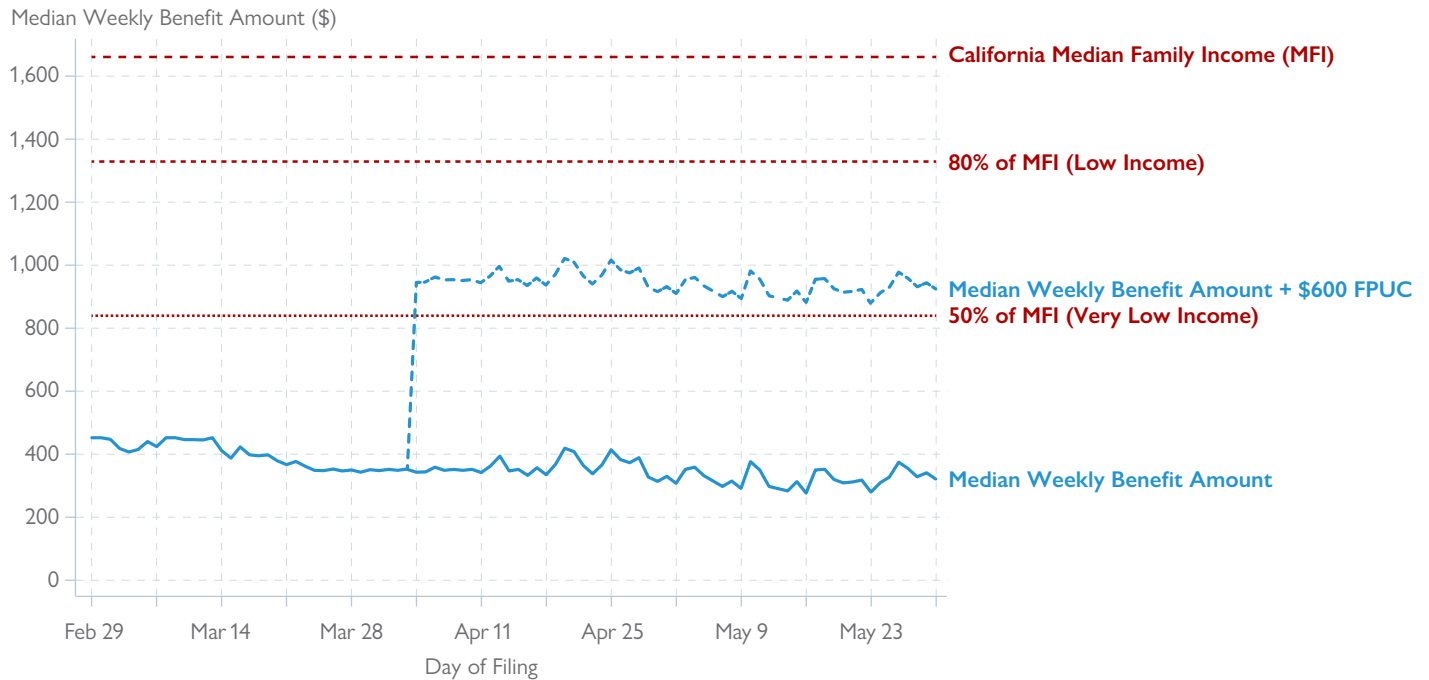
% of Initial Regular UI Claims



X-axis labels correspond to Saturdays.

Our data do not contain education levels for claimants for Pandemic Unemployment Assistance (PUA).

**FIGURE 8: Federal Pandemic Unemployment Compensation Significantly Raises Weekly Benefits Received**



X-axis labels correspond to Saturdays. Median weekly benefit calculation excludes claimants receiving no benefits. California Median Family Income (MFI) is \$86,165 (Census, 2018 ACS). Using \$86,165/52 weeks gives \$1,657/week. Low Income and Very Low Income Definitions from HUD: <https://www.huduser.gov/portal/datasets/il/fmr98/sect8.html> Median Weekly Benefit amount based on initial claims for regular UI, and does not include claims from Pandemic Unemployment Assistance.

**FIGURE 9: Average Replacement Rates Continue to be Higher Than Pre-Crisis Levels, Indicating a Larger Share of Lower-Income Claimants**



X-axis labels correspond to Saturdays. Median weekly benefit amount calculation excludes claimants receiving no benefits. Does not include PUA claims. Partial UI is as a percent of all paid claims. Denied UI payment is as a percent of potentially eligible claims which is the sum of the number of paid claims and the number of denied because of excess weekly earnings or full time work (see text).

TABLE 9: Percent of Initial UI Claimants Expecting Recall and the Median Weekly Benefit Amount Before and After the Start of the COVID-19 Crisis in California

GROUP	PERCENT EXPECTING RECALL			WEEKLY BENEFIT AMOUNT (\$)		
	FEBRUARY AVERAGE	SINCE MARCH 15TH	LAST 2 WEEKS (MAY 17TH-MAY 30TH)	FEBRUARY AVERAGE	SINCE MARCH 15TH	LAST 2 WEEKS (MAY 17TH-MAY 30TH)
<b>Statewide</b>	39.3	81.6	71.8	418	345	334
<b>By Gender</b>						
<b>Female</b>	33.3	82.2	72.3	328	306	298
<b>Male</b>	42.8	80.9	71.3	450	399	384
<b>By Age Group</b>						
<b>16–19</b>	32.4	81.5	68.3	166	129	120
<b>20–24</b>	33.5	79.7	66.9	263	220	202
<b>25–34</b>	34.7	80.7	70.6	388	357	345
<b>35–44</b>	36.8	81.5	72.8	450	439	442
<b>45–54</b>	41.3	82.7	74.9	450	437	447
<b>55–64</b>	44.1	83.2	75.2	450	424	436
<b>65–85</b>	50.1	84.5	75.0	369	331	337
<b>By Education Group</b>						
<b>High School Degree or Less</b>	46.5	87.7	76.7	347	321	304
<b>Associate’s Deg., Some College</b>	33.8	74.6	68.5	435	347	341
<b>Bachelor’s Degree or More</b>	27.6	70.8	65.0	450	445	450
<b>By Race and Ethnicity</b>						
<b>White</b>	35.2	81.9	71.6	450	392	387
<b>Black</b>	23.1	74.9	61.5	330	302	277
<b>Hispanic</b>	48.3	82.0	73.4	356	326	317
<b>Asian</b>	28.4	82.4	74.0	450	354	360

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Does not include PUA claims. Median weekly benefit amount calculation excludes claimants receiving no benefits.

TABLE 10: Average and Median Replacement Rates Before and During the COVID-19 Crisis, by Demographic Group with and without Additional Benefits from Pandemic Unemployment Compensation

GROUP	AVERAGE REPLACEMENT RATE (%)			MEDIAN REPLACEMENT RATE (%)		
	FEBRUARY	MAY 17TH- MAY 30TH	MAY 17TH- MAY 30TH INCLUDING +\$600	FEBRUARY	MAY 17TH- MAY 30TH	MAY 17TH- MAY 30TH INCLUDING +\$600
<b>Statewide</b>	40.7	42.5	165.0	50.0	50.0	134.7
<b>By Gender</b>						
<b>Female</b>	43.9	44.2	178.2	50.0	50.1	145.0
<b>Male</b>	38.6	40.7	151.0	43.7	50.0	123.2
<b>By Age Group</b>						
<b>16–19</b>	49.4	49.6	331.2	50.1	50.2	294.1
<b>20–24</b>	47.8	48.6	231.0	50.1	50.1	192.2
<b>25–34</b>	43.2	43.6	155.3	50.0	50.0	132.5
<b>35–44</b>	39.0	39.2	133.3	45.4	46.5	111.3
<b>45–54</b>	37.9	38.8	130.4	43.7	45.9	109.1
<b>55–64</b>	38.6	39.5	135.0	45.5	48.2	114.6
<b>65–85</b>	42.2	42.5	167.5	50.0	50.0	135.8
<b>By Education Group</b>						
<b>High School Degree or Less</b>	44.0	44.6	176.2	50.0	50.1	143.5
<b>Associate’s Deg., Some College</b>	40.8	43.6	171.2	49.8	50.0	138.4
<b>Bachelor’s Degree or More</b>	32.9	36.9	132.1	32.6	42.7	101.3
<b>By Race and Ethnicity</b>						
<b>White</b>	36.6	40.3	157.9	39.6	50.0	124.0
<b>Black</b>	44.4	45.5	195.8	50.0	50.1	155.1
<b>Hispanic</b>	44.2	44.9	168.9	50.0	50.0	141.6
<b>Asian</b>	38.2	41.3	162.3	45.8	50.0	128.6

Notes: Table includes initial regular claims for unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Does not include PUA claims. Table excludes claimants not reporting Gender. White and Black do not include those identifying as Hispanic. Table does not show information on claimants in which race is unknown, specified as 'other', or specified as Native American or Alaskan Natives, due to small sample sizes. Replacement rate calculation exclude claimants receiving no benefits.

TABLE 11: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	WEEK ENDING MAY 16TH	WEEK ENDING MAY 23RD	WEEK ENDING MAY 30TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
<b>Accommodation and Food Services</b>	30,053	25,232	27,999	739,439	1,724,000	42.9
<b>Retail Trade</b>	27,243	23,999	25,189	563,919	1,654,500	34.1
<b>Health Care and Social Assistance</b>	31,914	27,839	34,536	515,434	2,461,900	20.9
<b>Admin. Support, Waste Mgmt. (a)</b>	18,806	15,437	16,666	292,870	1,143,700	25.6
<b>Construction</b>	14,349	13,050	14,490	260,500	896,400	19.8
<b>Manufacturing</b>	12,902	11,108	12,951	259,931	1,318,500	29.0
<b>Other Services</b>	8,590	7,236	7,719	205,927	581,300	35.4
<b>Prof., Scientific, Techn. Services (a)</b>	12,812	9,834	10,715	204,374	332,500	15.1
<b>Arts, Entertainment, Recreation</b>	7,994	6,304	6,898	192,853	1,357,200	58.0
<b>Wholesale Trade</b>	9,984	9,236	11,705	162,105	689,700	41.2
<b>Education Services</b>	8,860	8,073	8,502	158,546	393,100	23.0
<b>Transportation, Warehousing, Utilities</b>	10,069	8,100	8,685	147,766	718,300	20.6
<b>Information</b>	7,540	5,320	5,866	129,282	586,600	22.0
<b>Real Estate and Leasing</b>	4,009	2,933	3,201	73,292	305,300	24.0
<b>Agriculture, Forestry, Fishing (a)</b>	2,778	2,428	2,949	44,422	431,100	10.3
<b>Finance and Insurance</b>	3,368	2,301	2,403	43,764	544,100	8.0
<b>Management</b>	1,308	993	1,158	20,513	252,900	8.1
<b>Mining, Oil, Gas</b>	307	327	295	4,761	22,800	20.9
<b>Column Total</b>	212,886	179,750	201,927	4,019,698	15,413,900	26.1

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Does not include PUA claims. Industry of main employer prior to layoff was obtained from the Quarterly Census of Employment and Wages according to North American Industrial Classification Systems (Naics, see [https://www.bls.gov/iag/tgs/iag\\_index\\_naics.htm](https://www.bls.gov/iag/tgs/iag_index_naics.htm)). Column Total excludes NAICS Code 92 (Public Admin), Unclassified NAICS codes, and those with unreported NAICS codes. Median WBA calculation excludes claimants receiving no benefits.

(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.



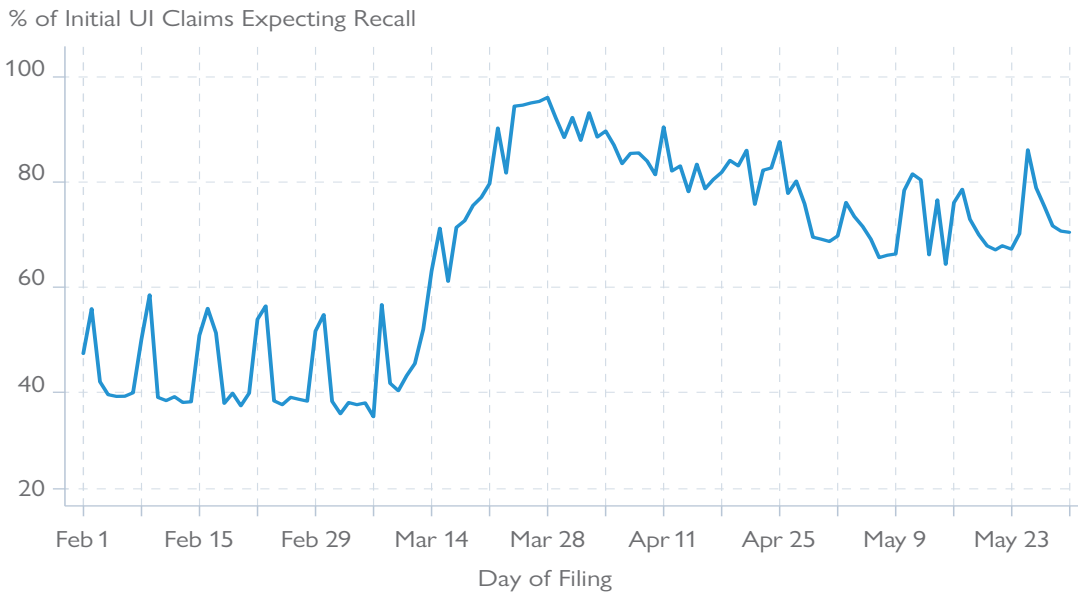
TABLE 12: Percent of Initial UI Claimants Expecting Recall and the Median Weekly Benefit Amount Before and After the Start of the COVID-19 Crisis in California

MAJOR INDUSTRY (2 DIGIT NAICS)	PERCENT EXPECTING RECALL			MEDIAN WEEKLY BENEFIT AMOUNT (\$)		
	FEBRUARY AVERAGE	SINCE MARCH 15TH	2 WEEKS (MAY 17TH- MAY 30TH)	FEBRUARY AVERAGE	SINCE MARCH 15TH	2 WEEKS (MAY 17TH- MAY 30TH)
<b>Accommodation and Food Services</b>	30.6	84.1	73.0	282	262	222
<b>Retail Trade</b>	17.7	80.0	69.8	274	264	248
<b>Health Care and Social Assistance</b>	18.5	80.3	74.0	338	374	379
<b>Admin. Support, Waste Mgmt. (a)</b>	32.5	73.5	63.4	313	308	293
<b>Manufacturing</b>	33.1	80.3	76.2	424	422	424
<b>Construction</b>	56.4	80.3	75.0	450	450	450
<b>Other Services</b>	21.2	83.4	73.2	346	274	281
<b>Prof., Scientific, Techn. Services (a)</b>	23.8	73.0	66.8	450	449	450
<b>Arts, Entertainment, Recreation</b>	40.0	86.4	78.8	338	298	281
<b>Education Services</b>	33.2	78.6	68.4	389	240	263
<b>Wholesale Trade</b>	19.7	77.2	72.3	450	443	450
<b>Transportation, Warehousing and Utilities</b>	41.6	75.8	67.4	392	391	388
<b>Information</b>	46.7	76.4	70.5	450	450	450
<b>Real Estate and Leasing</b>	19.2	76.9	67.4	446	426	430
<b>Agriculture, Forestry, Fishing (a)</b>	80.4	83.4	78.0	274	284	272
<b>Finance and Insurance</b>	7.5	65.1	57.8	450	424	410
<b>Management</b>	15.6	75.4	69.8	450	449	450
<b>Mining, Oil, Gas</b>	37.7	71.6	69.8	450	450	450

Notes: Industries sorted in descending order of total UI claims as in Table 9. Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Industry of main employer in base period (see text) according to North American Industrial Classification Systems (NAICS see [https://www.bls.gov/iag/tgs/iag\\_index\\_naics.htm](https://www.bls.gov/iag/tgs/iag_index_naics.htm)). Does not include PUA claims. Median WBA calculation excludes claimants receiving no benefits.

(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

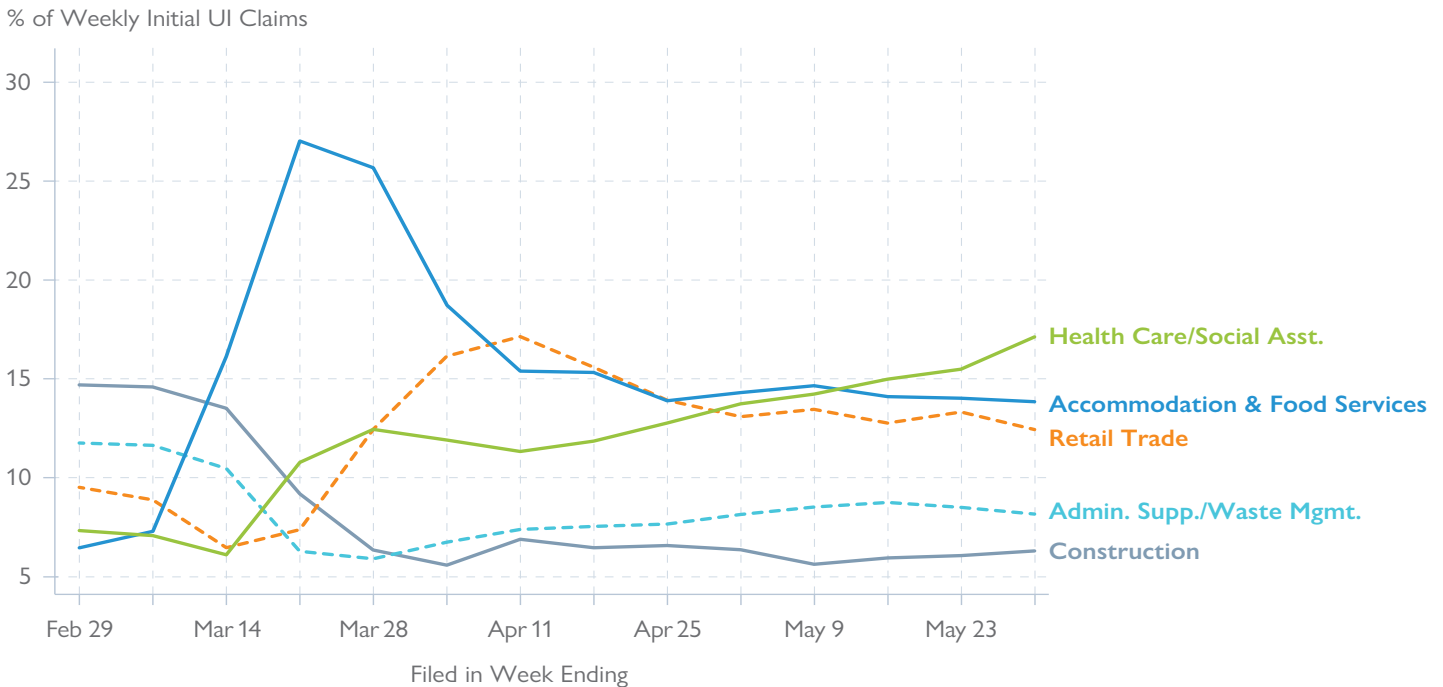
**FIGURE 10: Percent of Claimants Reporting They Expect to be Recalled to Prior Job Before and After Start of COVID-19 Crisis in California in Mid-March**



X-axis labels correspond to Saturdays.

This figure is based on initial claims for regular UI. It does not include information from claims for Pandemic Unemployment Assistance, most of which were self-employed.

**FIGURE 11: Share of Initial UI Claims by Five Most Impacted Industries During the COVID-19 Crisis in California, 2/29/2020 - 5/30/2020**



X-axis labels correspond to Saturdays.

This figure is based on initial claims for regular UI. It does not include information from claims for Pandemic Unemployment Assistance, most of which were self-employed (see text).

TABLE 13: Percent of Initial UI Claimants Expecting Recall and the Median Weekly Benefit Amount By Industry, Before and After the Start of the COVID-19 Crisis in California

MAJOR INDUSTRY (2 DIGIT NAICS)	AVERAGE REPLACEMENT RATE (%)			MEDIAN REPLACEMENT RATE (%)		
	FEBRUARY	LAST 2 WEEKS: MAY 17TH- MAY 30TH	LAST 2 WEEKS INCLUDING +\$600	FEBRUARY	LAST 2 WEEKS: MAY 17TH- MAY 30TH	LAST 2 WEEKS INCLUDING +\$600
<b>Accommodation Food Svc</b>	46.6	47.0	213.8	50.1	50.1	180.1
<b>Retail Trade</b>	45.8	45.9	198.0	50.1	50.1	164.1
<b>Health Care and Social Assistance</b>	44.6	41.9	147.7	50.0	50.0	126.9
<b>Admin. Support, Waste Man. (a)</b>	44.6	45.1	180.4	50.1	50.1	148.9
<b>Manufacturing</b>	41.0	39.4	115.6	46.8	43.6	105.1
<b>Construction</b>	35.3	36.1	108.9	34.7	37.0	86.9
<b>Other Services</b>	44.1	45.5	191.7	50.0	50.1	152.8
<b>Prof., Scientific, Techn. Services (a)</b>	33.5	36.7	123.4	33.6	40.7	96.4
<b>Arts, Entertainment, Recreation</b>	42.9	44.0	199.0	50.0	50.1	152.7
<b>Education Services</b>	43.1	45.6	209.1	50.0	50.1	158.9
<b>Wholesale Trade</b>	39.3	39.8	122.1	47.1	46.8	110.0
<b>Transportation, Warehousing and Utilities</b>	43.5	42.7	149.5	48.7	48.0	125.5
<b>Information</b>	28.8	33.7	129.4	25.0	34.5	81.6
<b>Real Estate and Leasing</b>	40.4	40.6	138.6	48.6	49.8	118.1
<b>Agriculture, Forestry, Fishing (a)</b>	48.0	47.6	190.1	50.1	50.1	157.4
<b>Finance and Insurance</b>	35.5	40.6	132.5	40.1	50.0	122.1
<b>Management</b>	32.6	35.6	112.4	32.0	39.0	91.7
<b>Mining, Oil and Gas</b>	32.7	28.4	72.0	32.1	27.4	63.9

Notes: Industries sorted in descending order of total UI claims as in Table 9. Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Industry of main employer in base period (see text) according to North American Industrial Classification Systems (NAICS see [https://www.bls.gov/iag/tgs/iag\\_index\\_naics.htm](https://www.bls.gov/iag/tgs/iag_index_naics.htm)). Does not include PUA claims.

(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

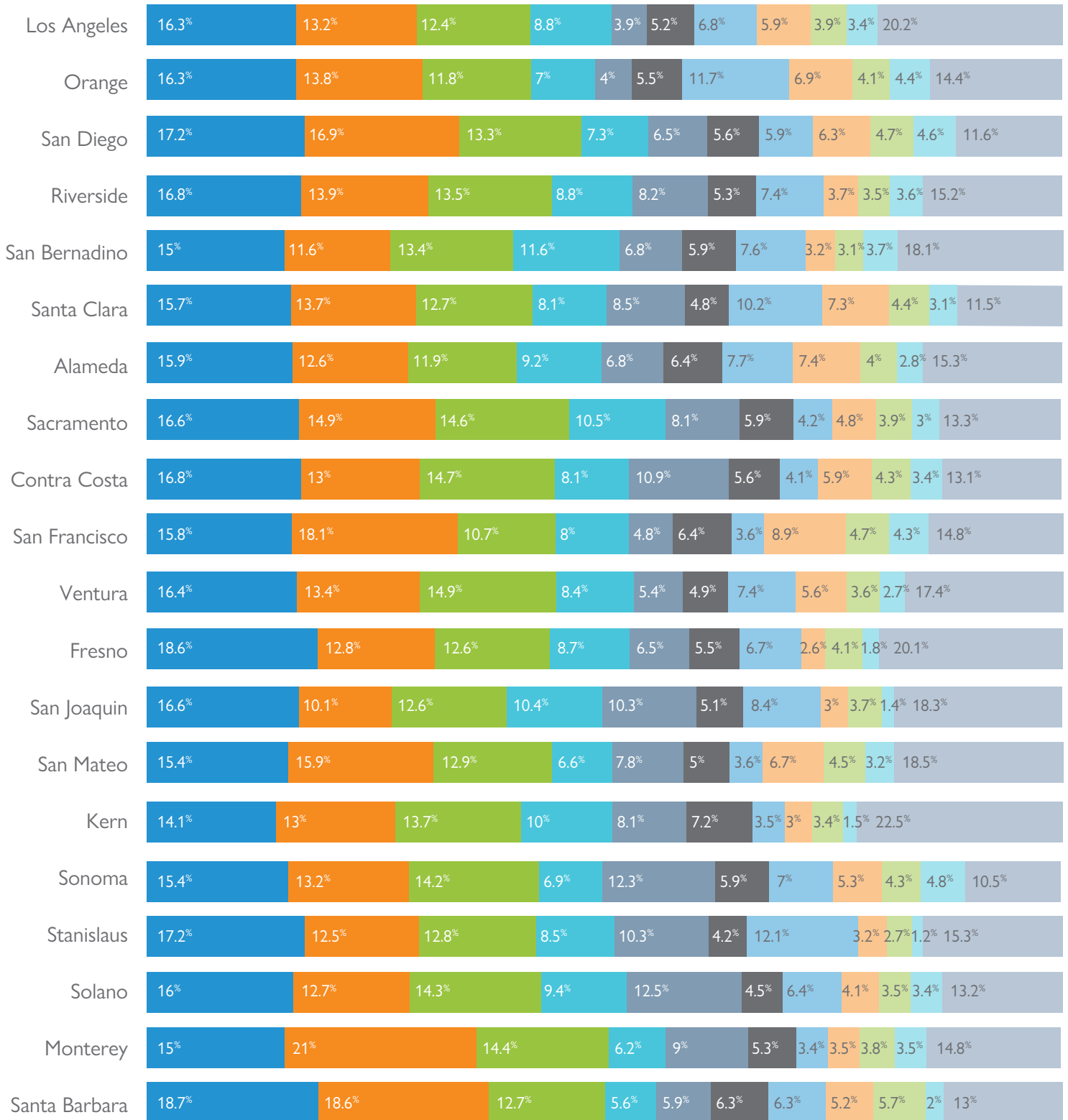
TABLE 14: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force in 20 Largest Counties

COUNTY	WEEK ENDING MAY 16TH	WEEK ENDING MAY 23RD	WEEK ENDING MAY 30TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
<b>Los Angeles</b>	73,413	59,856	66,622	1,398,033	5,222,800	26.8
<b>Orange</b>	21,833	18,498	20,330	436,797	1,623,900	26.9
<b>San Diego</b>	21,859	17,925	19,904	434,662	1,577,600	27.6
<b>Riverside</b>	15,734	13,528	14,898	307,711	1,104,700	27.9
<b>San Bernardino</b>	14,032	12,328	13,688	244,952	969,700	25.3
<b>Santa Clara</b>	10,224	8,228	9,809	212,171	1,055,300	20.1
<b>Alameda</b>	10,198	8,288	9,691	207,466	840,400	24.7
<b>Sacramento</b>	9,467	7,906	8,921	183,534	714,800	25.7
<b>Contra Costa</b>	6,860	5,255	6,234	139,976	541,300	25.9
<b>San Francisco</b>	5,439	4,201	4,816	119,110	587,200	20.3
<b>Ventura</b>	5,036	4,195	4,603	101,861	424,700	24.0
<b>Fresno</b>	5,358	4,795	5,581	96,756	454,000	21.3
<b>San Joaquin</b>	4,459	3,946	4,568	90,377	326,500	27.7
<b>San Mateo</b>	4,024	3,291	3,900	87,678	462,900	18.9
<b>Kern</b>	4,717	4,077	4,603	82,841	395,800	20.9
<b>Sonoma</b>	2,673	2,204	2,622	63,675	258,500	24.6
<b>Stanislaus</b>	3,290	2,850	3,135	62,545	244,000	25.6
<b>Solano</b>	2,706	2,236	2,673	53,214	208,500	25.5
<b>Monterey</b>	1,983	1,835	2,130	46,989	217,100	21.6
<b>Santa Barbara</b>	2,122	1,821	2,058	46,976	215,500	21.8
<b>Column Total</b>	225,427	187,265	210,784	4,417,323	17,445,200	25.3

Notes: Counties listed in descending order of total claims. Claims refer to initial claims for regular unemployment insurance benefits among California residents. Does not include PUA claims. Tabulations based on initial UI claims file. Column Total excludes counties outside the top 20.

FIGURE 12: Industry Distribution of Total Initial UI Claims In Large Counties Filed from May 10th - May 30th

■ Health Care & Social Assistance 
 ■ Accomodation & Food Services 
 ■ Retail Trade  
■ Admin. Support/Waste Mgmt./Remediation 
 ■ Construction 
 ■ Education Services 
 ■ Manufacturing  
■ Prof., Scientific, Techn. Services 
 ■ Other Services 
 ■ Arts, Entertainment, & Recreation 
 ■ Other Industries



Interpretation Example: In the last 3 weeks, 17% of claims from San Diego came from the Accommodation & Food Services industry. Does not include PUA claims. Tabulations based on initial UI claims file.

# Supplementary Appendix

TABLE 6B: Outcomes of Continuing Claims During the COVID-19 Crisis, by Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	Since March 15th		March 15th - April 25th		Two weeks: May 10th - May 23rd	
	TOTAL POTENTIALLY ELIGIBLE CLAIMS	TOTAL CLAIMS PAID	PERCENT OF CLAIMS POTENTIALLY ELIGIBLE FOR PAYMENT	PERCENT OF CLAIMS PAID	PARTIAL UI CLAIMS AS A PERCENT OF REGULAR CLAIMS PAID	PERCENT OF POTENTIALLY ELIGIBLE REGULAR CLAIMS DENIED DUE TO EARNINGS
<b>Accommodation Food Svc</b>	570,574	541,210	91.5	86.9	10.3	8.6
<b>Retail Trade</b>	413,706	382,415	90.5	83.6	10.1	10.4
<b>Health Care and Social Assistance</b>	342,339	295,823	90.9	78.7	15.2	20.6
<b>Admin. Support, Waste Man. (a)</b>	184,092	168,883	84.8	77.8	8.1	10.5
<b>Manufacturing</b>	175,584	156,631	92.0	82.1	12.7	16.7
<b>Other Services</b>	160,029	150,621	91.5	86.2	8.5	10.2
<b>Construction</b>	151,776	136,562	90.3	81.2	6.3	11.3
<b>Arts, Entertainment, Recreation</b>	149,376	138,696	91.7	85.2	10.6	9.6
<b>Prof., Scientific, Techn. Services (a)</b>	135,824	118,546	90.3	78.8	10.5	15.2
<b>Education Services</b>	105,414	96,963	87.4	80.5	12.3	11.4
<b>Wholesale Trade</b>	109,120	95,692	91.5	80.3	14.4	17.1
<b>Transportation, Warehousing and Utilities</b>	91,917	83,795	86.7	79.0	14.3	13.2
<b>Information</b>	77,434	69,523	86.3	77.5	8.4	11.5
<b>Real Estate and Leasing</b>	52,825	47,810	90.7	82.0	11.9	12.6
<b>Finance and Insurance</b>	28,685	25,711	87.7	78.3	11.3	11.7
<b>Agriculture, Forestry, Fishing (a)</b>	19,528	21,884	77.6	82.8	4.3	0.0
<b>Management</b>	13,689	11,499	92.1	77.1	11.9	18.0
<b>Mining, Oil and Gas</b>	2,011	2,340	66.4	73.9	11.8	0.0

Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. Column (1) = Number of Claims paid + Number of payments denied due to excessive earnings or FT work. Column (3) = Potentially eligible Claims as a percent of all initial claims during period. Column (4) = Claims Receiving payment as a percent of all initial claims during period. Does not include PUA claims. (a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

TABLE 7B: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Education Level and Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	HS or Less		Some College or Associates Degree		Bachelor's or More	
	CLAIMS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE	CLAIMS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE	CLAIMS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE
<b>Accommodation and Food Services</b>	479,345	65.7	192,147	39.2	67,357	29.4
<b>Retail Trade</b>	318,809	39.6	181,880	26.6	62,505	15.5
<b>Health Care and Social Assistance</b>	224,874	44.7	174,908	23.4	115,181	10.2
<b>Admin. Support, Waste Man. (a)</b>	182,427	34.6	69,026	34.2	40,718	22.6
<b>Construction</b>	179,128	22.0	64,916	19.2	14,545	7.0
<b>Manufacturing</b>	161,978	25.7	59,178	15.4	35,978	5.8
<b>Other Services</b>	126,948	27.1	57,241	18.4	21,498	9.1
<b>Prof., Scientific, Techn. Services (a)</b>	85,044	49.7	49,304	16.3	69,365	4.5
<b>Arts, Entertainment, Recreation</b>	98,048	66.3	58,687	31.9	35,934	16.5
<b>Education Services</b>	60,785	34.9	38,766	11.1	62,369	5.8
<b>Wholesale Trade</b>	88,308	52.6	40,504	34.9	29,437	21.0
<b>Transportation, Warehousing and Utilities</b>	88,077	16.1	42,707	12.1	16,443	7.6
<b>Information</b>	53,360	66.2	30,407	29.8	45,344	14.1
<b>Real Estate and Leasing</b>	38,887	35.3	19,459	15.6	14,834	6.7
<b>Agriculture, Forestry, Fishing (a)</b>	37,775	11.1	4,747	9.6	1,467	3.9
<b>Finance and Insurance</b>	19,339	17.6	13,443	7.7	10,867	2.5
<b>Management</b>	9,142	-	5,472	75.7	5,838	70.9
<b>Mining, Oil and Gas</b>	3,220	28.0	1,064	9.3	411	5.0

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Table excludes PUA claims. Total Claims as percent of labor force for individuals with HS or Less in the Management industry is not reported due to the small size of the group's labor force.

(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

TABLE 15: **Examples of Work Sharing vs. Partial UI**

**Example one:** The median claimant from the Accommodation & Food Services Industry makes \$444/week. The table below shows how the differences between Partial UI and Work Sharing can lead to large differences in take-home pay, despite the same work reduction..

	Laid off, no work REGULAR UI	Back to work, but 20% reduction in hours	
		PARTIAL UI, NO WORK SHARE	WITH WORK SHARE PROGRAM
<b>Weekly earnings</b>	\$0	\$355	\$355
<b>Weekly UI Benefit Amount</b>	\$222	0	\$45
<b>FPUC Benefit Amount</b>	\$600	0	\$600
<b>Total Weekly Income</b>	\$822	\$355	\$1,000

NOTES: Table is relevant for an employee who makes \$444/week in their base period, or previously made \$444/week before the start of a work-sharing program. This corresponds to the median claimant from the Accommodation & Food Services Industry.

**Example two:** A worker earning \$600 a week in their base period. The table below shows how the differences between Partial UI and Work Sharing can lead to large differences in take-home pay, despite the same work reduction.

	Laid off, no work REGULAR UI	Back to work, but 20% reduction in hours	
		PARTIAL UI, NO WORK SHARE	WITH WORK SHARE PROGRAM
<b>Weekly earnings</b>	\$0	\$480	\$480
<b>Weekly UI Benefit Amount</b>	\$300	0	\$60
<b>FPUC Benefit Amount</b>	\$600	0	\$600
<b>Total Weekly Income</b>	\$900	\$480	\$1,140

NOTES: Table is relevant for an employee who makes \$600/week in their base period, or previously made \$600/week before the start of a work-sharing program.



For inquiries about the definitions, methodology, and findings of this policy brief, please contact Till von Wachter.

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The California Policy Lab builds better lives through data-driven policy. We are a project of the University of California, with sites at the Berkeley and Los Angeles campuses.

This research publication reflects the views of the authors and not necessarily the views of our funders, our staff, our advisory board, the California Employment Development Department, or the Regents of the University of California.

## Endnotes

- 1 This includes new claims, additional claims, and transitional claims. It excludes claims filed in CA by workers residing in a border state (but working in CA), and short-time compensation claims. When a claimant first files for UI benefits following a job loss they start a 52 week benefit year, a period during which their benefits (typically available for 26 weeks) are payable. A "new claim" is the first claim for a given benefit year. An "additional claim" is a second (or higher) claim filed during the same benefit year after a temporary return to work. A "transitional claim" is filed when a claimant is still collecting benefits at the end of their benefit year period and is eligible to begin a new one. As per the California Employment Development Department, see: [https://www.edd.ca.gov/about\\_edd/Quick\\_Statistics\\_Information\\_by\\_County.htm](https://www.edd.ca.gov/about_edd/Quick_Statistics_Information_by_County.htm) (Accessed April 24th, 2020).
- 2 As per the U.S. Department of Labor Employment and Training Administration's report No. 539. Available at <https://oui.doleta.gov/unemploy/DataDownloads.asp> (accessed on April 24th 2020).
- 3 The application rate to UI among the unemployed can be measured in surveys or inferred from data. In 2018, a survey found that only 26% among the unemployed in the U.S. applied for UI (<https://www.bls.gov/news.release/pdf/uisup.pdf>), largely because the unemployed thought they were not eligible. UI application rates may be higher in recessions, when fewer unemployed may expect to get jobs. At the peak of the Great Recession, the fraction of unemployed ultimately receiving UI benefits (the so-called "reciprocity rate") in the U.S. was 40%. The reciprocity rate is equal to the product of the application rate times the fraction of claims that are paid. Since past experience suggests 70% of UI claims ultimately receive benefits (either because they are not found to be eligible, get a job, or do not take up benefits for other reasons), a reciprocity rate or 40% implies an application rate of 57%. Since the reciprocity rate in CA is typically somewhat higher than the national rate, the application rate could be somewhat higher as well. If the unemployed applied for UI benefits at the same rate as the Great Recession during the COVID-19 crisis, the implied rise in the unemployment rate would be approximately 1.43 times the fraction of total initial claims among the labor force.
- 4 Labor force numbers by age and gender provided here: [https://www.labormarketinfo.edd.ca.gov/specialreports/CA\\_Employment\\_Summary\\_Table.pdf](https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf) Labor Force numbers by county provided here: <https://www.labormarketinfo.edd.ca.gov/geography/lmi-by-county.html>.
- 5 These numbers are not comparable from those published in EDD's report from June 4th 2020 for several reasons. We purposefully focus on initial outcomes of new initial claimants during the COVID-19 crisis. As a result, our numbers are based on claims instead of claimants; we use the date that the initial claim was filed instead of the date that the payment was filed; we exclude the subset of initial claims that are "additional" (reopened) claims; we exclude individuals that were already unemployed prior to March 15th; and we focus only on the first payment.
- 6 In addition, about 2% were due to initially allowed individuals that never certify, and about 3% due to denials at certification for reasons other than earnings. In general, an initial claim can be denied either because they do not have sufficient earnings in a base period to qualify for benefits (see the discussion under Weekly Benefit Amounts in the report); because additional information is required to validate the claim; a denial at certification for reasons other than earnings; or because a claimant does not complete the certification, perhaps because they received a job offer.
- 7 We exclude PUA claims from this section since most of them are filed by self-employed individuals. Benefits are denied if 75% of earnings in a given week are above the Weekly Benefit Amount (WBA), i.e., if  $0.75 \times \text{earnings}$  (or earnings less \$25 whichever is smaller) are greater than the claimant's WBA. The WBA, and hence the earnings cut off for partial UI, depends on the highest earning quarter in the base period.
- 8 In partial UI, the first 25% of earnings in a week, or \$25 (whichever is less) is disregarded, to incentivize part-time work. Every dollar earned beyond this disregard amount is deducted 1 for 1 from the claimants WBA. Thus, for claimants earning greater than \$25 a week but less than 133% of their WBA, the following applies: Partial UI Payment = WBA –  $0.75 \times \text{Weekly Earnings}$ . If the claimant earns \$25 or less per week, they receive the full WBA, and if they earn more than 133% of their WBA, they are not considered unemployed by EDD, and thus do not receive payment.
- 9 Eligibility rules for work-sharing require hours reductions be no more than 60% and no less than 10% relative to normal hours, see [https://www.edd.ca.gov/pdf\\_pub\\_ctr/de8684.pdf](https://www.edd.ca.gov/pdf_pub_ctr/de8684.pdf). Thus, an individual seeing for example a 20% reduction in work hours who is participating in an STC program would be eligible for a payment of 20% of their WBA + \$600, whereas they would be denied UI benefits because their earnings are greater than 75% of prior earnings. See the Appendix for further examples.
- 10 Figure shown in Appendix available at <https://www.capolicylab.org/california-unemployment-insurance-claims-during-the-covid-19-pandemic/>.
- 11 According to <http://laborcenter.berkeley.edu/pdf/2017/What-Do-We-Know-About-Gig-Work-in-California.pdf>, approximately 12% of the labor force in California was self-employed in 2016 (combining both incorporated and unincorporated self-employed individuals). Our estimates based on the Current Population Survey suggests a share of 11% of self-employed in February 2020 for a 12 month moving average. Relative to the total California labor force in February 2020 reported by EDD, this implies approximately 2.15 million self-employed individuals. The number of unincorporated self-employed, that are often associated with independent contractors, is 1.5M. The remainder are incorporated self-employed.
- 12 PUA claimants were also more likely to either identify as Native American, Alaskan Native, "Other", or choose not to report their race. Such individuals made up 35.8% of PUA claimants, but only 8.8% of regular UI claimants.
- 13 Table 3 of <http://laborcenter.berkeley.edu/pdf/2017/What-Do-We-Know-About-Gig-Work-in-California.pdf> shows demographic characteristics of the self-employed in CA in 2016; we replicated their results for February 2020 and found them to be similar.
- 14 For further information, see [https://edd.ca.gov/about\\_edd/coronavirus-2019/pandemic-unemployment-assistance.htm](https://edd.ca.gov/about_edd/coronavirus-2019/pandemic-unemployment-assistance.htm)

## Endnotes Continued

- 15 The standard base period includes the first four of the last five completed calendar quarters as of the date of the claim. The WBA is approximately equal to 50% of average weekly earnings during the highest earning quarter of the base period, up to the maximum of \$450. The earnings cut off to receive the maximum WBA is \$898/week. Claimants are eligible for benefits if earnings in the highest quarter are at least \$1300, or if earnings in the highest quarter are at least \$900 and earnings in the entire base period are at least 125% of the highest quarterly amount. Workers not meeting these thresholds may qualify through the so-called Alternative Base Period, as described below. The data on initial claims used in this report contain an indicator for whether a claimant is eligible for UI benefits based on their prior earnings history. For those eligible, the data also contains an estimate of the WBA. This information is not based on actual benefit payments, and in some cases actual weekly payment amounts may deviate from what is recorded in the initial claims file. To receive FPUC starting March 29th, the worker does not have to file by that date, and will receive FPUC as long as their unemployment spell is covered by UI and falls on or after March 29th. In some cases, UI benefits, including FPUC payments, are paid retroactively. Hence, not all beneficiaries started receiving FPUC payments on March 29th.
- 16 The data on initial claims used in this report contain an indicator whether a claimant is eligible for UI benefits based on their prior earnings history. For those eligible, the data also contains an estimate of the WBA. This information is not based on actual benefit payments, and in some cases actual weekly payment amounts may deviate from what is recorded in the initial claims file.
- 17 To receive FPUC starting March 29th, the worker does not have to file by that date, and will receive FPUC as long as their unemployment spell is covered by UI and falls on or after March 29th. In some cases, UI benefits, including FPUC payments, are paid retroactively. Hence, not all beneficiaries started receiving FPUC payments on March 29th.
- 18 The federal poverty level and HUD's classification of low income households are based on annual income, see for example <https://www.huduser.gov/portal/datasets/il/fmr98/sect8.html> and <https://www.federalregister.gov/documents/2020/01/17/2020-00858/annual-update-of-the-hhs-poverty-guidelines>. To get a sense of where UI benefits would locate an individual in the income distribution, we divide the annual amounts by 52 to obtain weekly thresholds.
- 19 See Figure 2 of [https://calbudgetcenter.org/wp-content/uploads/2019/04/Report\\_California-Housing-Affordability-Crisis-Hits-Renters-and-Households-With-the-Lowest-Incomes-the-Hardest\\_04.2019.pdf](https://calbudgetcenter.org/wp-content/uploads/2019/04/Report_California-Housing-Affordability-Crisis-Hits-Renters-and-Households-With-the-Lowest-Incomes-the-Hardest_04.2019.pdf)
- 20 We obtain information on earnings in a claimants base period from the UI Base-Wage file. Claimants who do not earn enough to be eligible for UI in the standard base period are potentially eligible in an alternative base period, defined as the last four completed calendar quarters as of the claim. Since we currently do not observe earnings in the entire alternative base period for the most recent claimants, we omit alternative base period claimants from our replacement rate calculation calculations.
- 21 [https://www.bls.gov/oes/current/oes\\_ca.htm#35-0000](https://www.bls.gov/oes/current/oes_ca.htm#35-0000)
- 22 We obtain industry by the North American Industry Classification System (NAICS) from the main employer in the worker's base period as recorded in the Quarterly Census of Employment and Wages (QCEW). The base period consists of the first four of the last five completed quarters as of the date of the claim. Since the QCEW is last available for the second calendar quarter of 2019, tabulations by industry are only available for firms that were active in the second quarter of 2019. We were able to link the vast majority of claims to a NAICS industry code in this way. It is important to note that the primary employer in a claimant's base period is not necessarily the claimant's last employer before the claim is filed.
- 23 We see that while only 4.9% of accumulated claims since Mid-March are attributed to the Arts, Entertainment, and Recreation industry, 56% of the industry's labor force has filed initial claims. (Table 9). Similarly, while Education Services make up less than 4% of initial claims, over 38% of the labor force from that industry has filed for UI.
- 24 The data by county represents the mailing address given by the claimant at the time of filing for UI. It is possible that an individual can reside in a different county than their mailing address. Also, this information does not represent the county where the individual worked. It is also possible that a claimant could have moved or changed their mailing address after filing for UI which would not be reflected here. Data for claimants residing outside of California but collecting benefits are not included in these figures nor are invalid addresses in California where a county cannot be determined.
- 25 For a discussion of the benefits of the Work Sharing program to workers, employers, and the state, see [http://www.econ.ucla.edu/tvwachter/covid19/Scaling\\_STC\\_memo\\_vonWachter.pdf](http://www.econ.ucla.edu/tvwachter/covid19/Scaling_STC_memo_vonWachter.pdf). For details on how to apply, see [https://www.edd.ca.gov/unemployment/Work\\_Sharing\\_Program.htm](https://www.edd.ca.gov/unemployment/Work_Sharing_Program.htm). For guidance on rehiring workers under Work Sharing programs see [https://wdr.doleta.gov/directives/attach/UIPL/UIPL\\_21-20.pdf](https://wdr.doleta.gov/directives/attach/UIPL/UIPL_21-20.pdf)
- 26 Legislation introduced in May 2020 would extend the \$600 in FPUC until 30 days after the end of the president's emergency declaration, after which it would begin to phase down over 13 weeks. <https://www.bennet.senate.gov/public/index.cfm/2020/5/bennet-bicameral-delegation-release-framework-for-legislation-tying-expanded-unemployment-benefits-to-public-health-emergency-economic-conditions>.