



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

ALEX BELL, THOMAS J. HEDIN, GEOFFREY SCHNORR, and TILL VON WACHTER

SUMMARY

Since the start of the COVID-19 crisis in March 2020 nearly 45% of the California workforce has filed for unemployment insurance (UI) benefits — a labor market crisis unprecedented in the state’s history. This series of policy briefs 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.

Relative to the [brief](#) published on September 15th, **this brief sheds new light on benefit exhaustions** (people using up all of their UI benefits). The report updates counts of the number of unique Californians who have filed initial claims since the onset of the crisis, and provides a demographic breakdown of these claimants. To help assess the current state of the economy, the report also tracks the number of Californians repeatedly laid off (“additional claims”) and those exiting the program each week, and shows the net effect on the number of individuals currently receiving UI benefits by demographic and industry group. The brief reports information on Unemployment Insurance claims through October 31st. The brief covers a longer time period than our usual monthly reports due to the freeze in new UI claims in California from September 20th through October 4th.

The first half of the report focuses on initial claims for UI benefits originating from claimants residing in California, including Pandemic Unemployment Assistance (PUA) claims, the federal program to expand eligibility for those that do not qualify for regular UI benefits. In this policy brief, we will refer to these claims as “initial UI claims.”¹ The second half of the

report presents new measures of the number of individuals that are receiving UI benefits for a particular week of unemployment and their breakdown by demographics and industry.

Key Insights from September through November

- **The number of workers receiving unemployment benefits remains alarmingly high.** Over 3.3 million claimants, or 17% of the state’s labor force in February, were paid benefits for unemployment experienced in the week ending October 17th. Since the start of the COVID-19 crisis in mid-March, 8.6 million unique California claimants, or 44% of the California workforce, have filed for UI benefits.
- **An estimated 750,000 Californians will abruptly run out of UI benefits at the end of December unless additional legislation is passed to extend emergency programs past Christmas.** Pandemic Unemployment Insurance (PUA) is set to expire on December 26th, which we project will result in a sudden stop of benefits to more than a half-million

PUA claimants still likely to be unemployed if current conditions persist. Also at year's end, nearly 170,000 regular UI claimants will abruptly lose benefits as the federal emergency extension for regular (Pandemic Emergency Unemployment Compensation, PEUC) UI expires. As a result, in January 2021, there will be \$173 million fewer federal dollars coming into California's economy every week (\$131.7 million less from PUA expiring; \$41.5 million less from PEUC expiring).²

- **A second wave of exhaustions is expected to crest in mid-May of next year, as the second extension begins to run out.** By the end of May, an additional 390,000 regular UI claimants are projected to exhaust the 59 weeks of benefits made possible through Federal-State Extended Duration (Fed-Ed) extensions. If current conditions persist between now and May, projections indicate nearly one-fifth of current regular claimants are likely to have exhausted benefits prior to finding work. The rates of predicted benefit exhaustion differ by demographic group.
- **The pandemic's disparate impact by race is evident among UI claimants.** Over 83% of the Black labor force has filed for unemployment benefits since the beginning of the pandemic in mid-March. In the week ending October 17th alone, about one-third of the Black labor force filed a continuing claim. Both of these statistics are nearly twice the state-wide average. Among Black claimants, more than 1 in 4 are expected to have run out of benefits by mid-May (in contrast to 1 in 5 among average claimant).
- **There is a large amount of churn in and out of the UI program.** Additional claims by workers that had exited UI to take a job but were laid off again drove initial claims above the peak level experienced during the Great Recession and now represent 80% of initial claims. At the same time, the exit rate from the program has risen, and the total number of individuals receiving UI benefits has steadily fallen since early August.
- **UI remains a lifeline for employees in hard-hit service sectors,** particularly as virus cases surge. In September, the Accommodation and Food Services Industry accounted for nearly a quarter of initial claims,

and about 1 in 5 recent continuing claims was paid to a worker in this industry. Denials due to excess earnings remained low, whereas a substantial 17% of payments to workers from this industry were for partial UI, a sign that employers may be using hours reductions rather than permanent layoffs to combat uncertainty.

- **New initial claims plummeted following EDD's freeze on accepting new claims** (to address a backlog and implement fraud prevention measures) from September 20th through October 4th. The decline was particularly pronounced among Pandemic Unemployment Assistance (PUA) claimants. PUA claims accounted for nearly two-thirds of initial claims in September, but only 15% of new claims filed in the last week of October.

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

Table of Contents

Analysis of Initial Claims.....	3
Benefit levels.....	5
Demographic and Industry Breakdown of Initial Claims.....	6
Demographics.....	6
Industries	8
Analysis of Continuing Claims.....	13
Partial UI and Denials.....	15
Demographic & Industry Breakdown of Continuing Claims	16
Recall and Exits by Program	20
Recall	20
Exits	23
Projected Exhaustion.....	26
Appendix	32

Analysis of Initial Claims

Californians filed a total of 198,847 initial Unemployment Insurance (UI) claims in the week ending October 31st in California (Table 1). Only 15% of initial claims in the most recent week were filed under the **Pandemic Unemployment Assistance (PUA)** program, down from 63% at its peak in the end of August. The number of initial regular claims in the week ending October 31st (169,007) is still greater than the single worst week of the Great Recession (the week ending January 9th, 2010), when California recorded 115,000 initial regular UI claims (Figure 1).

While initial claims for PUA have fallen precipitously since September, the number of new initial claims for regular UI has also been decreasing, albeit more gradually. Additional claims, which occur when at least one week of certification is skipped due to a return to work, followed by a subsequent re-opening of the claim before the benefit year expires, now make up the vast majority of initial claims. These additional claims made up 80% of all claims during the week ending October 31st. Figure 1 and Table 1 show the number of additional claimants has held fairly steady around 160,000 claims per week in the four weeks prior.

Once a claimant has exhausted their regular benefits (which last for 26 weeks for most Californians), he or she can transition to the **Pandemic Emergency Unemployment Compensation (PEUC)** program, which provides up to 13 weeks of additional benefits. New claims under PEUC, which are automatically filed by EDD for eligible exhaustees, began to ramp up most noticeably during the week of September 19th. PEUC is the first of two temporary federal extension programs to increase the length of regular UI benefits, discussed in greater detail in our Exhaustions section.

Accounting for both PUA and regular UI programs, 44.5% of the entire labor force in California has now filed for Unemployment Insurance benefits at some point since the start of the crisis. This number counts the number of unique individuals that have filed an initial claim, as opposed to a simple summation of all weekly initial claims, which would double-count many individuals—e.g., any claimant that filed at least one additional claim, or the majority of PUA claimants (since most PUA claimants must prove ineligibility for regular UI by filing a regular UI claim and being denied for it before their separate PUA claim can be accepted). In fact, counting cumulated initial claims overestimates the “share of the labor force” filing a claim by over 23 percentage points (Table 2).³

FIGURE 1: Weekly Initial UI Claims (including PUA) During the COVID-19 Crisis in California, 2/22/2020–10/31/2020

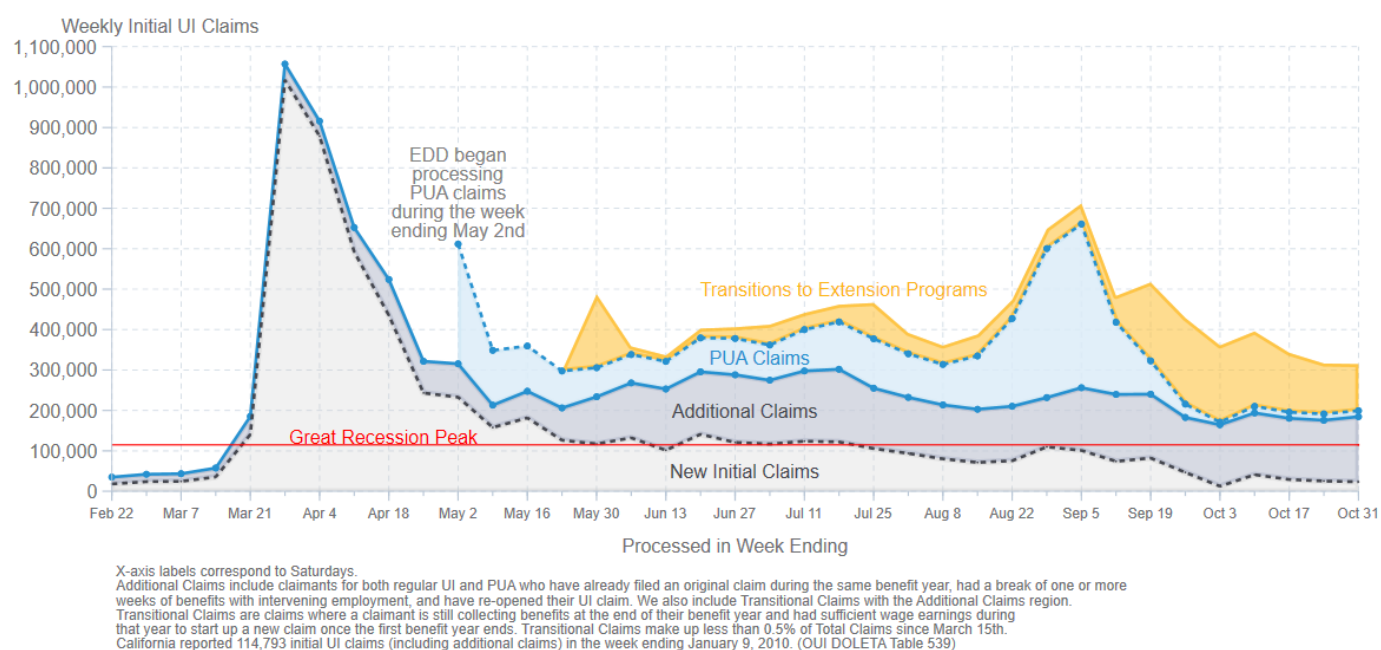
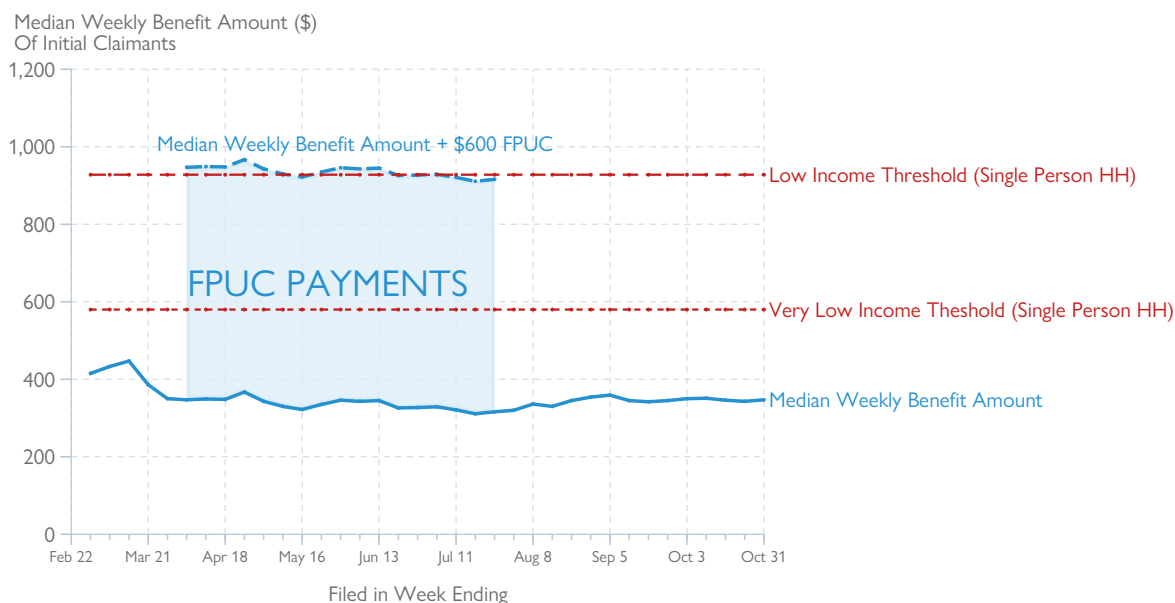


TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 3/21/2020–10/31/2020

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	NEW INITIAL PUA CLAIMS	PUA CLAIMS AS % OF ALL INITIAL CLAIMS	ADDITIONAL CLAIMS	NEW UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS AS PERCENT OF FEB LABOR FORCE
Mar 21	140,707	—	—	44,337	183,095	183,095	0.9
Mar 28	1,017,477	—	—	38,768	1,051,856	1,234,951	6.4
Apr 04	878,836	—	—	35,939	893,285	2,128,236	11.0
Apr 11	592,344	—	—	58,992	597,489	2,725,725	14.0
Apr 18	435,254	—	—	88,448	443,993	3,169,718	16.3
Apr 25	243,228	—	—	78,479	249,483	3,419,201	17.6
May 02	232,911	296,183	48.7	81,772	360,800	3,780,001	19.5
May 09	157,863	135,681	39.5	53,869	232,283	4,012,284	20.6
May 16	181,691	111,815	32.3	64,373	245,107	4,257,391	21.9
May 23	126,390	91,468	32.4	79,106	188,196	4,445,587	22.9
May 30	117,239	71,890	25.4	115,480	170,508	4,616,095	23.8
Jun 06	132,276	70,212	22.6	133,760	186,324	4,802,419	24.7
Jun 13	101,573	68,204	23.2	149,911	157,559	4,959,978	25.5
Jun 20	141,135	83,815	23.8	152,901	209,536	5,169,514	26.6
Jun 27	120,905	89,901	25.8	166,295	197,141	5,366,655	27.6
Jul 04	116,984	87,079	26.1	156,667	188,795	5,555,450	28.6
Jul 11	123,916	102,230	27.8	171,510	208,622	5,764,072	29.7
Jul 18	122,178	117,232	30.2	178,122	217,085	5,981,157	30.8
Jul 25	105,865	122,289	34.6	147,917	214,811	6,195,968	31.9
Aug 01	93,846	107,676	34.0	137,483	190,689	6,386,657	32.9
Aug 08	80,274	100,131	34.6	132,529	168,648	6,555,305	33.7
Aug 15	71,373	131,894	41.9	130,672	193,049	6,748,354	34.7
Aug 22	75,558	217,094	53.0	133,992	282,340	7,030,694	36.2
Aug 29	109,911	368,524	62.8	121,396	460,835	7,491,529	38.6
Sep 05	101,164	405,028	62.7	154,360	493,516	7,985,045	41.1
Sep 12	74,119	178,305	44.9	165,063	243,391	8,228,436	42.3
Sep 19	82,260	82,310	28.3	157,442	153,570	8,382,006	43.1
Sep 26	46,745	33,011	18.6	135,937	72,487	8,454,493	43.5
Oct 03	12,505	6,317	8.6	152,096	16,098	8,470,591	43.6
Oct 10	41,081	16,386	11.7	152,112	48,872	8,519,463	43.8
Oct 17	29,255	15,046	12.4	150,999	36,830	8,556,293	44.0
Oct 24	25,501	15,626	13.2	149,697	33,205	8,589,498	44.2
Oct 31	23,456	14,756	15.3	160,635	30,668	8,620,166	44.4

FIGURE 2: Median Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance Relative to Department of Housing and Community Development Thresholds, 2/29/2020 - 10/31/2020



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 CA Department of Housing and Community Development are fractions of MFI: hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2020.pdf. Median Weekly Benefit Amount based on initial claims for regular UI, and does not include claims from Pandemic Unemployment Assistance. Some individuals will be eligible to receive a Lost Wages Assistance supplement of \$300 for unemployment experienced between July 26th and August 29th. Since only some individuals (with WBA > \$100) receive this benefit, it is not shown in the figure.

Benefit Levels

In California, most claimants found to be eligible are paid 50% of average weekly earnings in a base period in benefits, up to a maximum of \$450 per week.⁴ The median weekly benefit amount (WBA) for all initial claimants between October 18th through October 31st projected to qualify for regular UI benefits was \$345 per week.⁵ Figure 2 shows how benefit levels have evolved over the course of the pandemic.

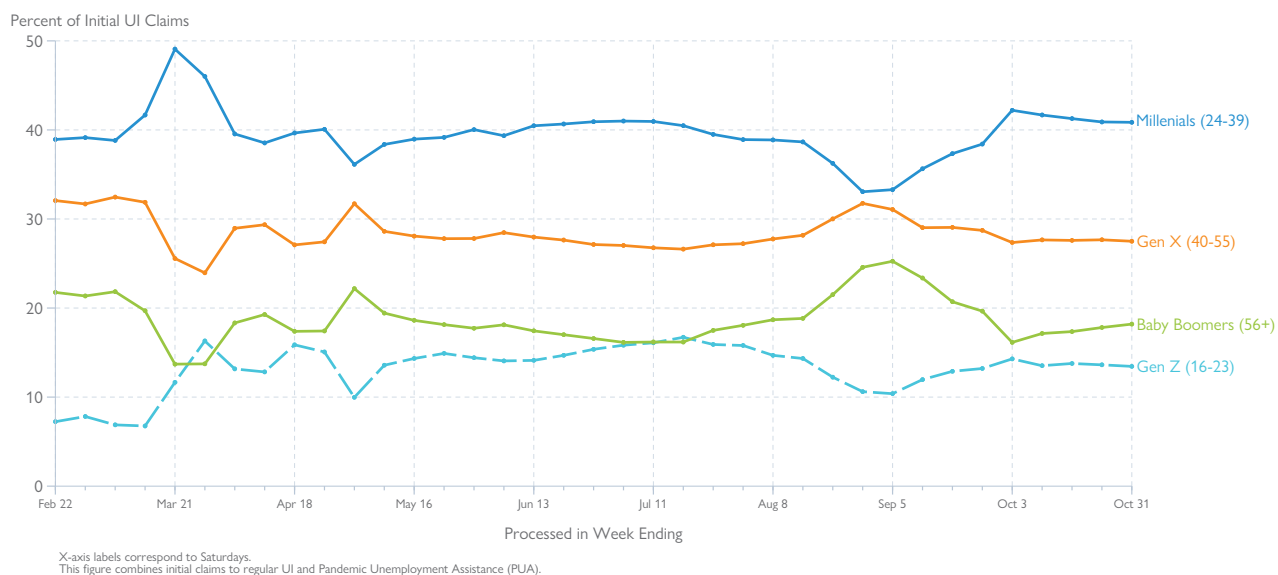
Our recent [Data Point](#) highlights both how the extra \$300 payments from the Lost Wages Assistance program temporarily helped Californians, and how 192,000 Californians were excluded from this benefit due to federal eligibility restrictions. While the Employment Development Department had secured federal funding for six weeks of payments,⁶ any unemployment experienced after September 5th is ineligible for these additional payments.

To put these benefit amounts into perspective, one can compare benefit amounts to California's 2020 state income limits, which are used for eligibility determinations of various government programs.⁷ Table A1, in the Appendix, illustrates income classifications dependent upon on the size of households, the WBA, and the number of people receiving these benefits in the household.

One can further compare how households of different demographic groups might fare under these scenarios by examining the WBA's shown in Table 8. We see that the median WBA for initial claimants in the last two weeks (October 18th– October 31st) was lower for women, less educated claimants, younger claimants, and non-White claimants, a pattern which held even before the COVID-19 crisis.

Similarly, median WBAs for initial claimants differed substantially across industries prior to the crisis, reflecting differences in wage levels (Table 9). While higher-earning industries have seen median WBAs stay steady at or near the \$450 maximum throughout the crisis (i.e., Professional, Scientific, and Technical Services, Construction, and the Information industry), lower-earnings industries who are not affected by the maximum threshold have seen their median WBAs vary with time, indicating a changing composition of workers filing claims within the industry. For example, the median WBA for an initial claimant from the Accommodation and Food Services industry was \$282 in February, but averaged just \$250 over the course of the crisis, indicating those impacted by the crisis earned lower wages than those claiming benefits before the crisis.

FIGURE 3: Distribution of Initial UI Claims (including PUA) by Generation, 2/22/2020 -10/31/2020



Demographic and Industry Breakdown of Initial Claims

Demographics

The COVID-19 crisis in the labor market continues to have a disproportionate impact on women, younger workers, lower-educated workers, Hispanic workers, and Black workers.

By October 31st, 47.6% of women in the labor force have filed initial UI claims for regular UI or PUA since the start of the crisis in mid-March, compared to 41.5% of men (Table 2).⁸ Younger workers as well as Black workers have also experienced very high rates of initial claims relative to the size of their respective labor force. Including PUA claimants, over 83% of the Black labor force has filed for unemployment benefits since the beginning of the crisis – far above the statewide average of 44% (Table 2). Not counting PUA claims, 42% of the Black labor force has filed a regular UI claim, which is still far above the statewide average of 27% (Table 2).

Figures 3, 4, 5, and 6 show trends in demographics of initial UI applicants. The age distribution of initial claimants had shifted substantially during August, but at present roughly mirrors the distribution of earlier in the summer. Similarly, the racial distribution of claimants also changed abruptly in late August and early September, but now appears more similar to earlier months of the pandemic. A sudden surge of claims from applicants identifying as Black, White, or Unknown/Other – most concentrated in PUA but also present among regular UI – has subsided (Figure 5).

Reported educational attainments had also changed during the rush of claims in late August but is returning to prior levels (Figure 6). We observe self-reported education for regular UI applicants only, as this information is not collected on PUA applications. Not including PUA claimants, 51% of workers with a high school degree or less have filed for UI benefits over the course of the pandemic, compared to just 13% of those with a Bachelor's degree or more (Table 3).

FIGURE 4: Share of Initial UI Claims (including PUA) During the COVID-19 Crisis in California by Race and Ethnicity, 2/22/2020–10/31/2020

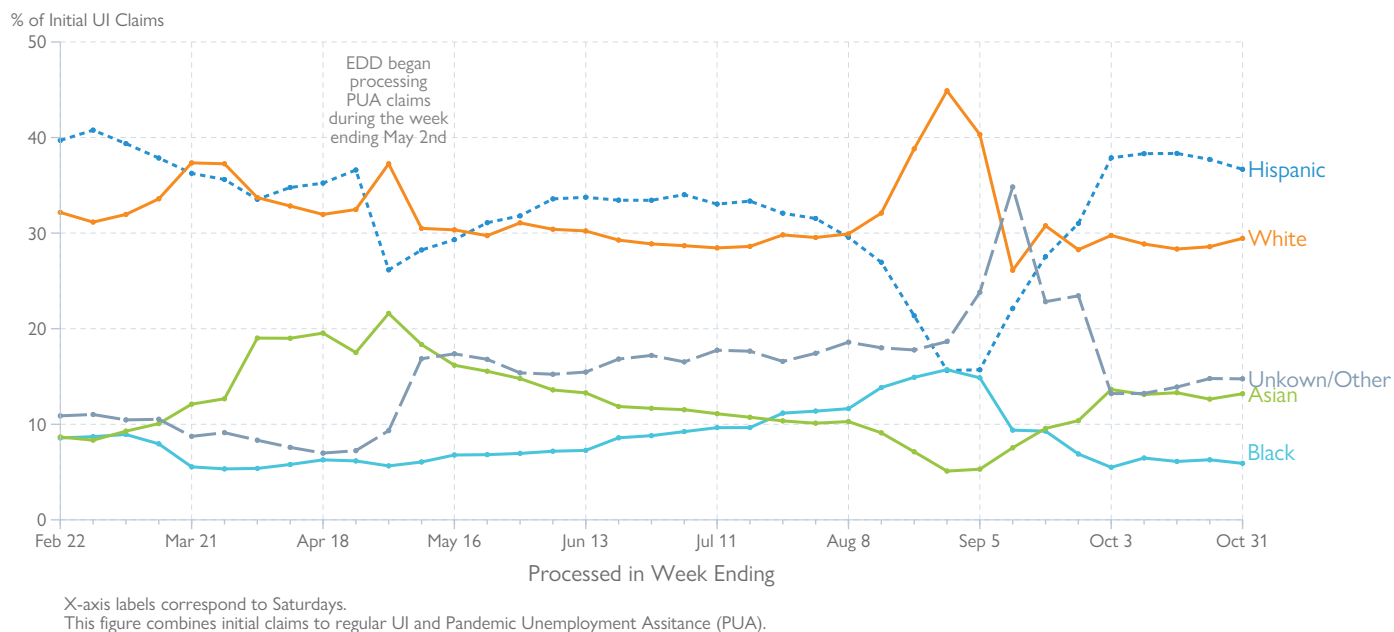
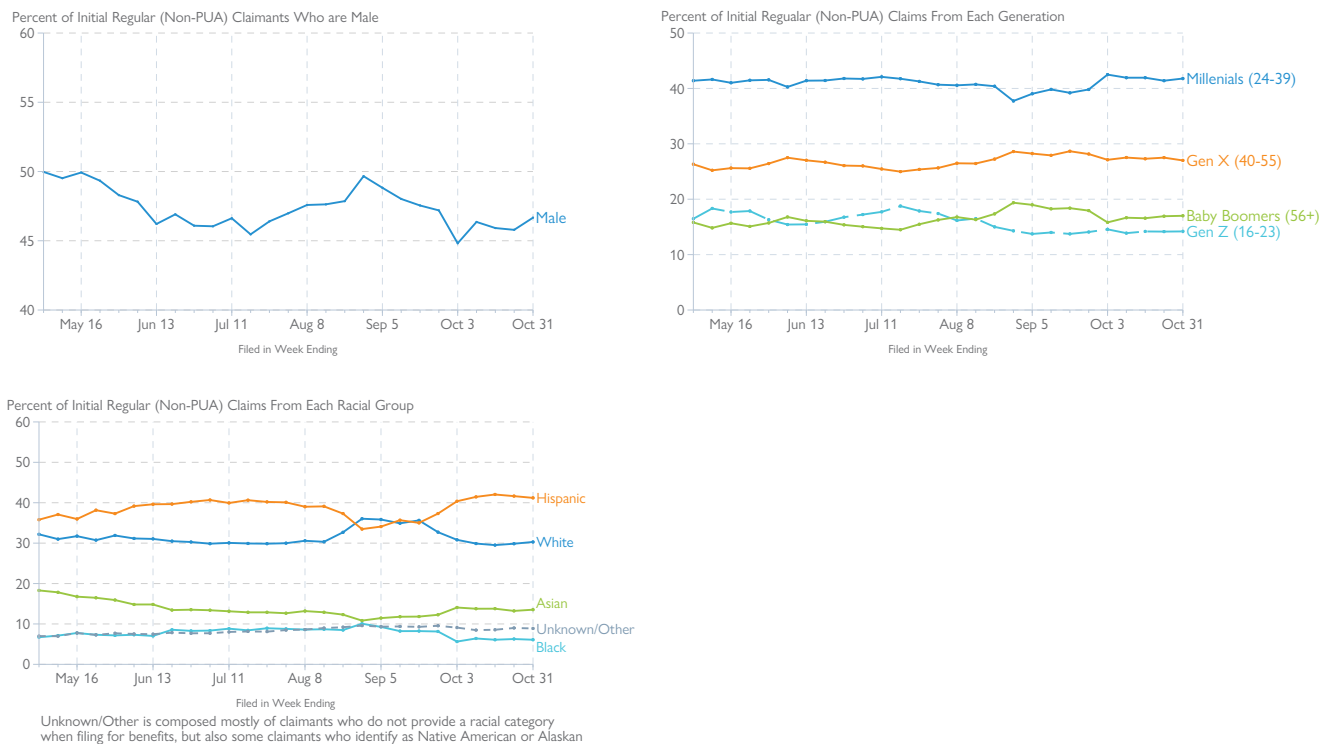
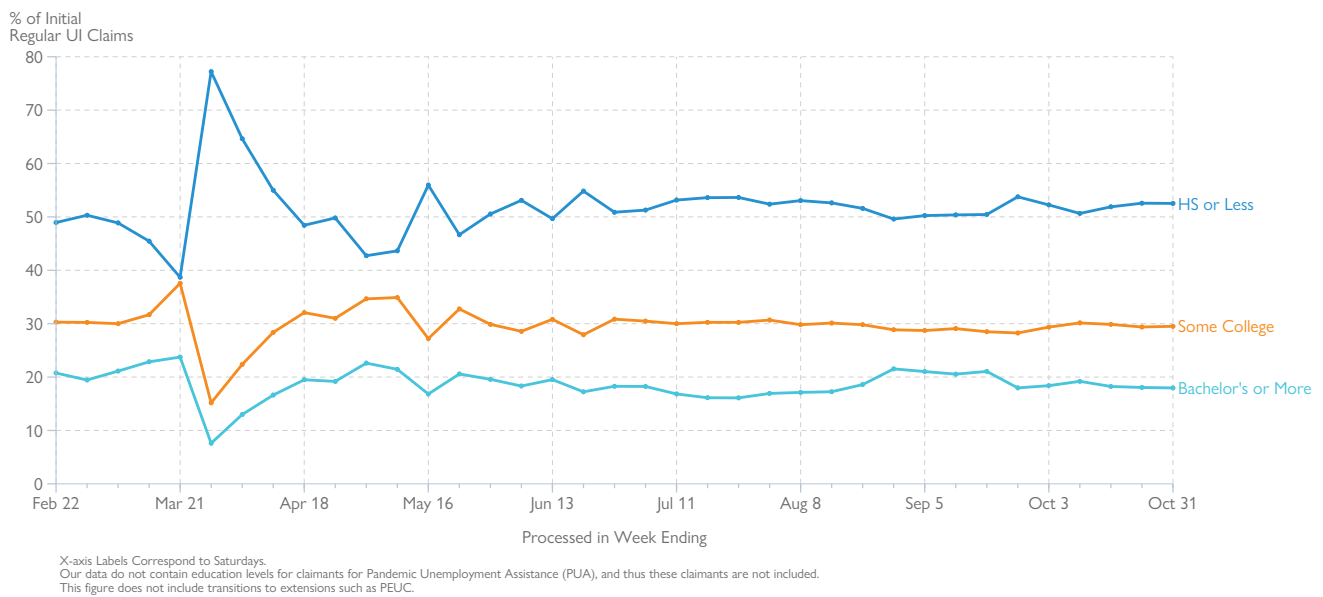


FIGURE 5: Trends in the Demographic Characteristics of Initial non-PUA Claimants, 4/26/2020 -10/31/2020



X-axis labels correspond to Saturdays.

FIGURE 6: Share of Initial UI Claims During the COVID-19 Crisis in California by Education Group, 2/29/2020–10/31/2020



Industries

To assess the impact of COVID-19 on different industries in California we categorize claimants by the major NAICS code associated with the primary employer in their base period.⁹ Because PUA claimants do not report all of the relevant information, we exclude PUA claims from this analysis. Recent initial claims have continued to be concentrated in a few industries. Although Accommodation and Food Services has always comprised a large share of initial claims, this industry's share of all initial claims spiked in early September. During the week of September 19th, nearly one-in-four initial claims came from workers in Accommodation and Food Services (Figure 7).

Table 4 shows how the shares of the labor forces in various industries have been affected. 62% of the Arts, Entertainment, and Recreation industry workforce has filed at least one regular UI claim since March 15th, along with 67% of the Education Services workforce. Accommodation and Food Services has seen the largest number of unique claimants, with more than 800,000 unique individuals filing regular UI claims since the start of the crisis. Note that while the Accommodation and Food services industry accounts for a large number of initial claims each week, the number of unique claimants from the industry increases much more

slowly, as the vast majority of initial claims from the industry in recent weeks have been additional claims. Retail Trade and the Health Care and Social Assistance industries have each accounted for over half a million unique claimants.

To better understand the employment dynamics of different industries, we also analyzed the share of claims that are additional by industry. Statewide, the share of non-PUA claims that are additional is 86%. Figure 8 presents breakdowns of additional claims by industry. The industries with the highest share of additional claims are Accommodation and Food Services and Arts, Entertainment, Recreation – in which 94% of new UI claims come from workers who are re-opening previous, unexpired UI claims. The high rate of additional claims, combined with the overall high number of initial claims from this industry, suggests that many prior claimants in this industry who had found re-employment are finding that employment to be especially unstable, and many eventually return to UI. Other industries with high shares of additional claims include Education Services, Retail Trade, and Information. Conversely, in industries such as Finance and Insurance and Administrative Support, Waste Management, and Remediation, a lower share of new initial claims came from workers who had recently been unemployed.

TABLE 2: Total Claims Since March 15th, By Demographic Group

GROUP	ACCUMULATED INITIAL CLAIMS	TOTAL UNIQUE INITIAL CLAIMANTS	UNIQUE CLAIMANTS FOR REGULAR UI	UNIQUE CLAIMANTS FOR PUA	FEBRUARY LABOR FORCE	UNIQUE CLAIMANTS AS % OF LABOR FORCE
Statewide	13,161,603	8,620,166	5,510,340	3,109,826	19,430,000	44.4
By Gender						
Female	6,642,939	4,199,112	2,803,040	1,396,072	8,824,000	47.6
Male	6,498,961	4,404,268	2,694,714	1,709,554	10,605,000	41.5
By Age Group						
16–19	470,910	340,584	237,539	103,045	531,000	64.1
20–24	1,701,678	1,096,781	876,869	219,912	1,741,000	63.0
25–34	3,407,419	2,155,961	1,529,211	626,750	4,780,000	45.1
35–44	2,538,308	1,628,470	988,248	640,222	4,303,000	37.8
45–54	2,271,514	1,473,890	866,711	607,179	3,904,000	37.8
55–64	1,893,028	1,243,454	722,239	521,215	3,019,000	41.2
65–85	766,967	607,542	281,686	325,856	1,152,000	52.7
By Generation						
Gen Z (16-23)	1,808,047	1,206,425	274,055	1,867,246	64.6	64.6
Millennials (24-39)	5,134,392	3,253,873	1,003,437	7,411,296	43.9	32.0
Gen X (40-55)	3,673,374	2,381,778	979,721	6,330,323	37.6	37.6
Baby Boomers (56+)	2,434,045	1,670,705	771,072	3,821,136	43.7	43.7
By Race and Ethnicity						
White	4,310,478	2,917,081	1,129,837	7,569,542	38.5	38.5
Hispanic	4,019,875	2,414,041	394,349	7,365,929	32.8	32.8
Asian	1,713,393	1,063,720	242,614	3,060,800	34.8	34.8
Black	1,117,551	876,585	443,123	1,047,281	83.7	83.7

Notes: Claims refers to initial claims for Pandemic Unemployment Assistance and 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 for whom race is unknown, specified as 'other', or specified as Native American or Alaskan Natives, due to small sample sizes.

TABLE 3: Unique Regular UI Claimants During the COVID-19 Crisis by Education Level and Demographic Group

GROUP	High School or Less		Some College or Associates Degree		Bachelor's or More	
	UNIQUE CLAIMANTS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE	UNIQUE CLAIMANTS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE	UNIQUE CLAIMANTS SINCE MARCH 15TH	PERCENT OF GROUP'S LABOR FORCE
Statewide	3,364,948	51.1	1,615,279	31.8	988,924	12.7
By Gender						
Female	1,426,331	55.2	829,363	32.6	511,894	13.8
Male	1,568,947	39.6	675,398	25.2	417,693	10.6
By Race and Ethnicity						
Asian	382,057	75.6	211,750	37.6	217,375	11.0
Black	250,299	99.1	129,990	35.2	49,693	12.2
Hispanic	1,330,239	32.4	520,495	25.8	144,952	12.2
White	808,709	52.0	520,700	24.8	440,432	11.4
Age						
Gen Z (16-23)	572,964	70.2	294,854	36.1	54,080	23.2
Millenials (24-38)	1,172,077	51.6	633,904	32.3	420,675	13.2
Gen X (40-55)	762,671	34.4	351,326	23.5	269,219	10.3
Baby Boomers (56+)	479,361	39.2	222,652	22.9	183,656	11.4

Notes: Unique Claimants refers to the number of different individuals who have filed initial claims for regular unemployment insurance (UI) benefits since March 15th. Tabulations based on initial UI claims file. Table does not include PUA claims. For a definition of unique claimants, see the note to Table 1.

FIGURE 7: Share of Initial UI Claims (Excluding PUA) From Most Impacted Industries During the COVID-19 Crisis in California, 2/22/2020 - 10/31/2020

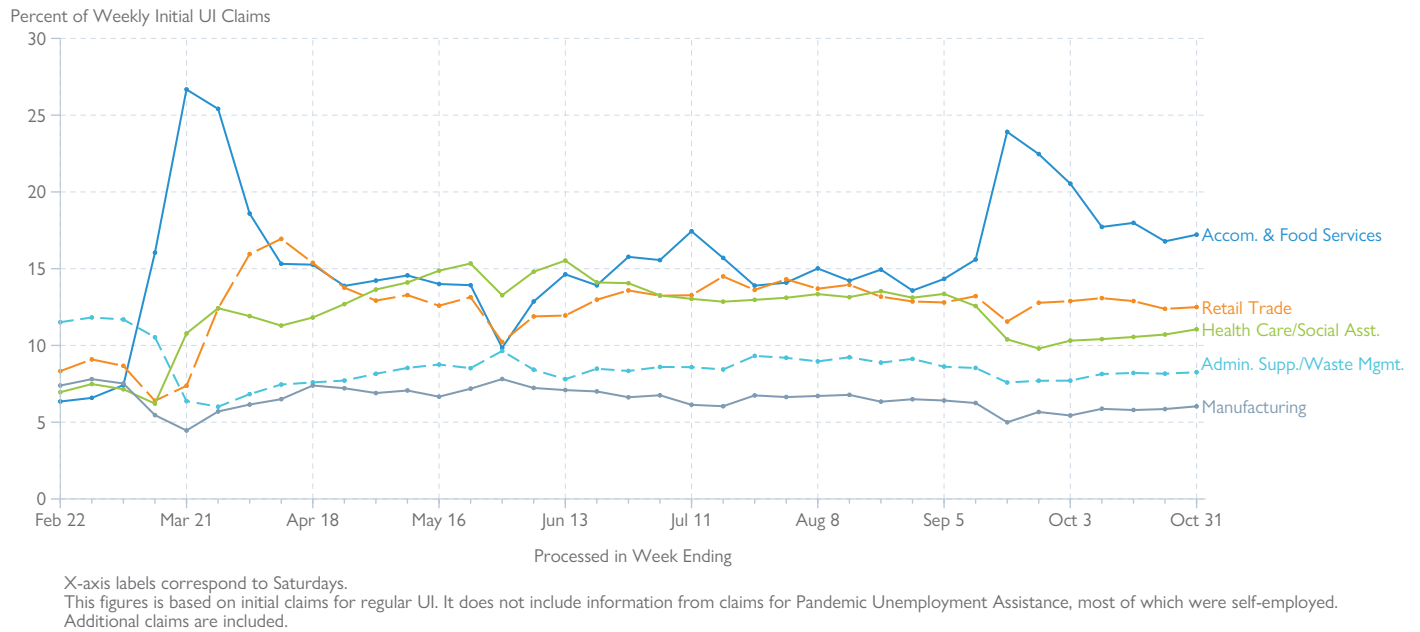


FIGURE 8: Share of Initial UI Claims Which are Additional by Select Industries During the COVID-19 Crisis in California, 2/8/2020 10/31/2020

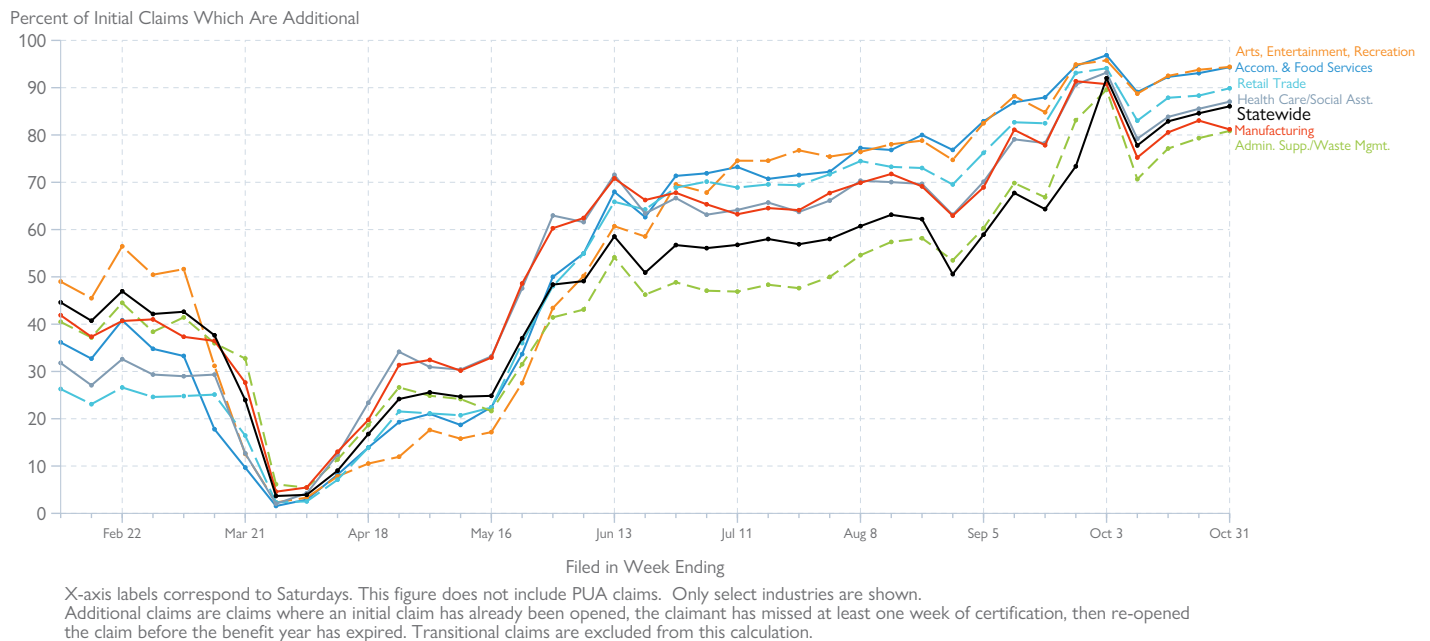


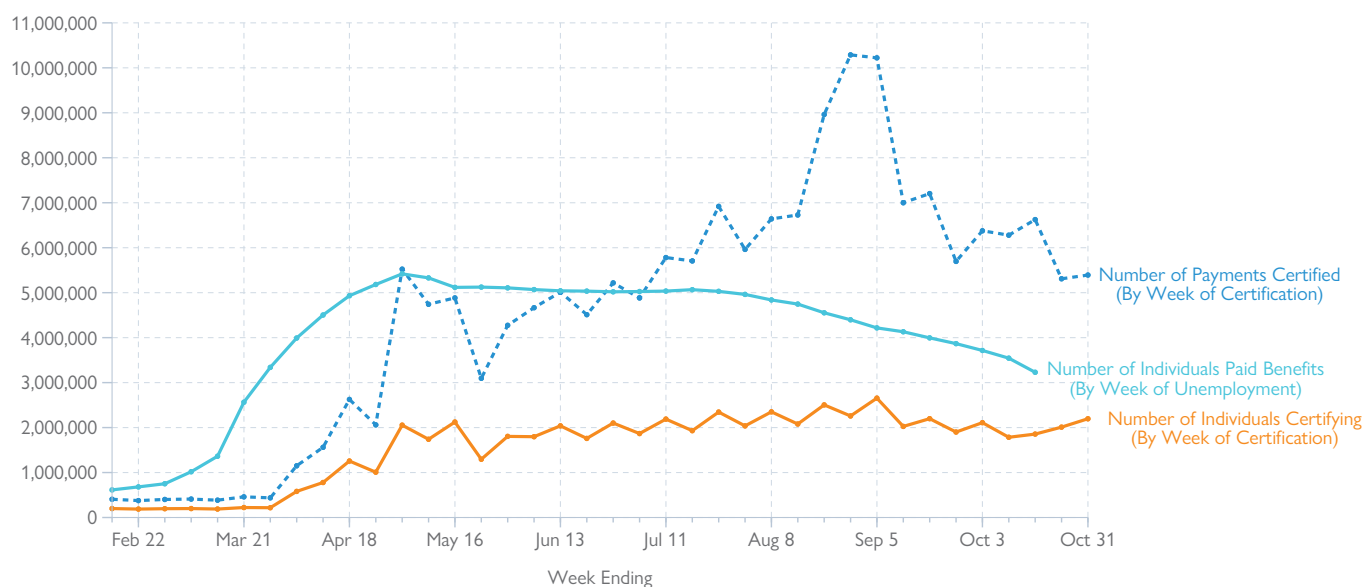
TABLE 4: Initial Regular UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	WEEK ENDING OCT 17TH	WEEK ENDING OCT 24TH	WEEK ENDING OCT 31ST	UNIQUE CLAIMANTS SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	UNIQUE CLAIMANTS AS % OF LABOR FORCE
Accommodation and Food Services	26,544	24,570	26,455	809,477	1,724,000	47.0
Retail Trade	20,973	20,079	20,201	641,433	1,654,500	38.8
Health Care and Social Assistance	19,265	18,694	18,559	587,465	2,461,900	23.9
Admin. Support, Waste Man. (a)	11,734	11,348	11,421	391,585	1,143,700	34.2
Manufacturing	10,236	10,143	10,315	302,457	1,318,500	22.9
Construction	10,711	10,498	10,828	274,744	896,400	30.6
Education Services	9,614	9,508	9,214	263,307	393,100	67.0
Prof., Scientific, Techn. Services (a)	7,621	7,348	7,457	241,976	1,357,200	17.8
Other Services	7,271	7,337	7,603	226,910	581,300	39.0
Arts, Entertainment, Recreation	5,768	5,869	6,162	208,093	332,500	62.6
Transportation, Warehousing and Utilities	6,943	6,513	6,557	188,947	718,300	26.3
Wholesale Trade	4,399	4,407	4,370	173,288	689,700	25.1
Information	7,332	7,256	7,306	144,427	586,600	24.6
Real Estate and Leasing	2,263	2,223	2,367	83,702	305,300	27.4
Agriculture, Forestry, Fishing (a)	5,585	5,517	5,412	78,488	431,100	18.2
Finance and Insurance	1,668	1,597	1,624	61,675	544,100	11.3
Public Administration	1,504	1,446	1,543	43,944	2,629,700	1.7
Management	711	701	717	24,417	252,900	9.7
Mining, Oil and Gas	170	219	208	5,114	22,800	22.4
Column Total	160,142	155,054	158,111	4,746,335	18,020,800	26.3

Notes: 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 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). Column Total excludes unclassified NAICS codes and those with unreported NAICS codes.

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

FIGURE 9A: All Claims: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefits by Week of Certification, and Total Number Payments Certified by Week of Certification, 2/8/2020- 10/31/2020



Analysis of Continuing Claims

In this section, we report original estimates of the total number of individuals eligible to receive benefits based on the week in which they experienced unemployment. Published UI statistics typically show the total number of UI payments that were “certified” in a given week, not the number of UI recipients who were actually unemployed in a given week. Since individuals can certify for payments for multiple weeks retroactively, both the level and the timing of this measure (often called “**continuing claims**”) may not accurately reflect the number of individuals actually receiving benefits in that timeframe. Our measure sidesteps these problems by focusing directly on the number of individuals receiving UI benefits for unemployment experienced in any given week, providing a more accurate measure of the evolving status of the labor market. This measure is more directly comparable to the number of unemployed individuals or the number of workers in the labor force reported from Current Population Survey data than existing UI statistics.

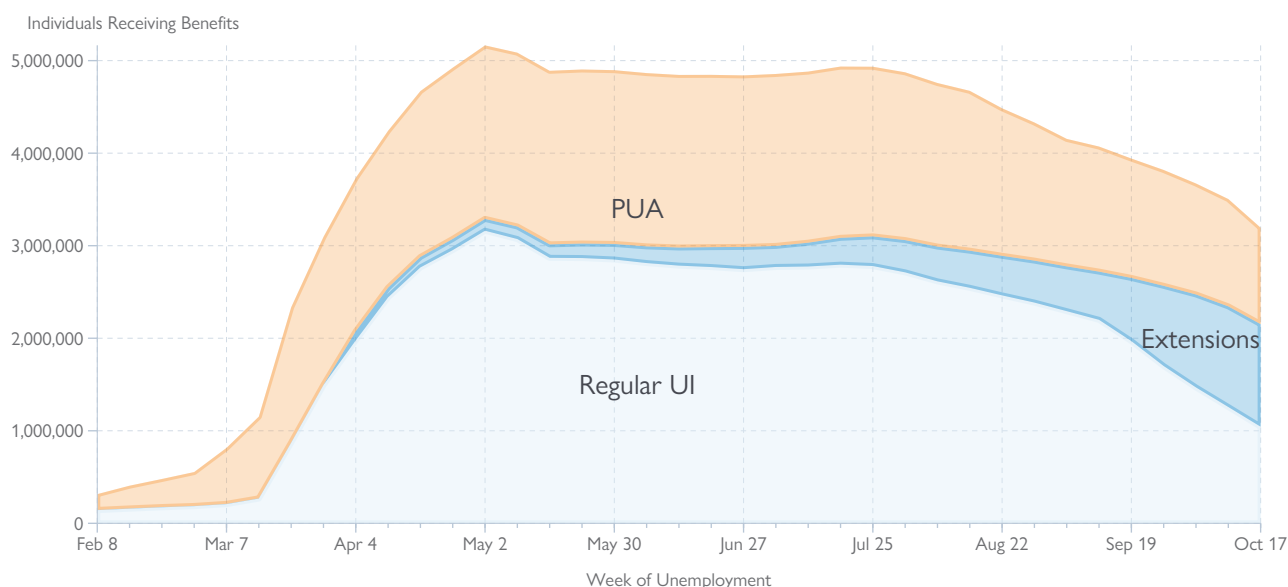
Once a UI claim is deemed eligible, the claimant must meet separate eligibility criteria in each week of unemployment to receive payment for that week. These eligibility criteria are verified through a process known as certification, which claimants complete bi-weekly in California. At each certification, a claimant informs the EDD that they met the relevant eligibility criteria in the two (or more) weeks

that they are requesting payment for, (notably including whether they had any earnings in the relevant week). We call individuals that complete certification and are either paid UI benefits for a given week, or who could have received benefits if not for excess earnings in that week, “**potentially eligible claimants.**” Importantly, at the time of certification these weeks are in the past. This means that measures of UI receipt which count certifications in each week (i.e., “continued claims”) reflect unemployment experienced for various time periods that are at least 1-2 weeks prior to those certifications.

Since UI claimants in California typically certify for payments for two weeks at a time, the total number of individuals certifying per week should be approximately equal to one-half of the number of individuals potentially eligible for UI benefits. However, as discussed in more detail in our [July 2nd report](#), this ratio may differ due to retroactive certifications, processing delays, delays in workers’ certifications, and the bi-weekly nature of certifications in California.

Figure 9A illustrates our key findings about the complex and evolving relationship between claims filed in a week and the number of Californians who experienced unemployment that week. The dashed blue line shows the number of payments certified each week, and is analogous to “continued claims” measures often reported by the Department of Labor.

FIGURE 9B: All Claims Stacked: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefits by Week of Certification, and Total Number Payments Certified by Week of Certification, 2/8/2020- 10/17/2020



X-axis labels correspond to Saturdays.

4.2% of paid claims over this time period are of unknown type, and are included in the region for Regular UI claims in this figure.

The number of payments certified each week grew gradually during the pandemic until skyrocketing in August. While this traditional measure of payment certifications may seem to indicate that there were millions of new filings in August, our September analysis suggested this was not the case. Rather, while there was indeed an increase in initial claims in late August, the spike in payment certifications was driven by the fact that many of the individuals who filed claims during that period (and certified for the first time) had been certifying for multiple weeks of benefits, often all the way back to the early stages of the crisis. The surge was particularly high among the PUA program; [Figures A1 and A2](#), in the Appendix, where we reproduce [Figure 9A](#) for regular and PUA continuing claimants separately. During September and October, there has been a gradual decline in the number of individuals certifying for both regular and PUA benefits. The saw-tooth pattern in the number of individuals certifying is due to the bi-weekly nature of certification in California.

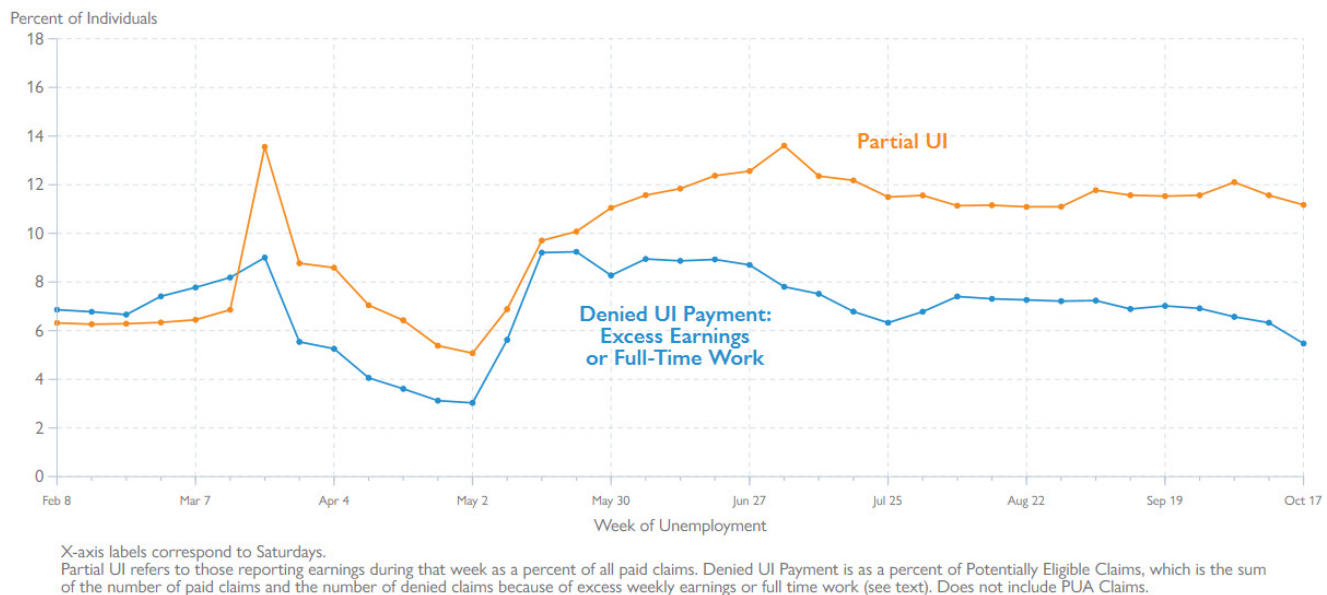
Next, we turn to our preferred measure of the stock of individuals receiving UI: individuals paid by week of unemployment. This measure is shown in the light blue line of [Figure 9A](#), and is also broken down by regular, PUA, and extensions in [Figure 9B](#). Despite the large number of certifications that occurred in August, our method of counting workers based on when they experienced unemployment – rather than when they certified for benefits – has fallen consistently since late-July for regular UI. Among

PUA, the decline in numbers seems to have accelerated in August. The amount of people receiving unemployment benefits from extension programs has also grown steadily during the crisis, as PEUC extended coverage for weeks of unemployment dating back to March 29th ([Figure 9B](#)). For the week ending October 17th, just over 1 million claimants received coverage under an extension program.

Using our approach of counting individuals rather than claims, for the week ending on October 17th (the last week this can be measured in our data given typical processing lags), we find that 2.3 million individuals were potentially eligible to receive regular UI benefits ([Table 6](#)). Including both regular UI and PUA, we count 3.4 million potentially eligible claimants for the week ending October 17th ([Table A2](#), in the Appendix).

The number of individuals receiving UI benefits can be directly compared to estimates of the number of individuals in the labor force or unemployed people from the Current Population Survey (CPS). The number of UI claimants from all programs comprised 17.4% of February's labor force, our pre-crisis benchmark ([Table A2](#), in the Appendix). Counting only regular UI claimants receiving full benefits, this amounted to 11.9% of the labor force ([Table 6](#)). Comparing this estimate to CPS estimates of unemployed people, we find that the number of claimants receiving full regular UI benefits is 94% of the number of people counted as "unemployed" in the September CPS. [Table 6](#) compares this proportion across various demographic groups.

FIGURE 10: Percent of Potentially Eligible Claimants with Payment Denied Due to Excess Earnings, and Percent of Paid Claimants Receiving Partial UI, 2/8/2020 - 10/17/2020



Partial UI & Denials

Workers receiving UI benefits are allowed to also earn wages up to a threshold before becoming ineligible for UI in that week. For claimants whose Weekly Benefit Amount (WBA) is below the maximum of \$450, the threshold is typically two-thirds of prior average weekly earnings.¹⁰ If earnings are above that threshold, UI benefits are denied for that week – but if earnings fall the week after, claimants can collect benefits again.

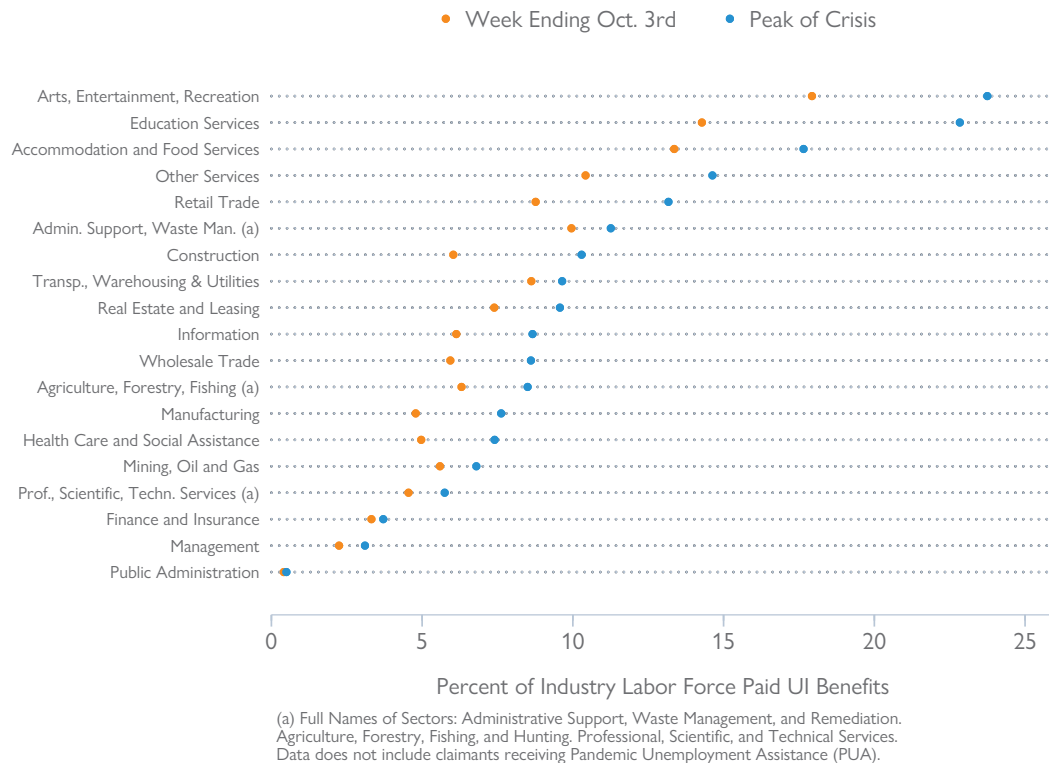
If reported earnings are below that threshold but above zero, an individual receives a reduced UI payment for that week. This system is often referred to as “partial UI.”¹¹ Since partial UI benefits are determined at the payment level, a partial UI claimant may later receive higher UI payments (up to 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 the total number of potentially eligible claimants of regular UI in the week ending October 17th, about 6% had their benefit payment denied because of excess earnings (Figure 10). This share had been increasing in early May after bottoming out at about 3% in late April. However, after a steep rise in early May, the rate of denials has gradually trended downward. It is now just below the approximately 7% seen before the start of the crisis.

Among claimants receiving regular benefits in the week ending October 31st, the fraction receiving partial UI was about 11% (Figure 10). The fraction receiving partial UI rose briefly to almost 14% at the beginning of the crisis, compared to just 6% in February (Figure 10). 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, before beginning its ascent that lasted until early July. Since July 4th, the fraction of claims paid partial benefits has been fairly constant.

The relative prevalence of denials due to excess earnings and partial UI suggest that a potentially large number of workers with some employment are still attached to the UI system. This has two important implications. First, some of these workers would benefit from either increases in the earnings disregard for partial UI benefits, as discussed in our earlier [Policy Analysis](#), or from wider use of the Work Sharing program (discussed more thoroughly in our [June Report](#)). A California bill ([AB 1731](#)) was recently enacted to streamline the process for employers to apply for California’s Work Sharing program. Second, some of these workers may report that they are unemployed in survey data because they are receiving partial UI benefits, potentially making CPS-based unemployment measures harder to interpret.

FIGURE 11: Continuing Claimants by Industry, In October and at Peak of Crisis



Demographic and Industry Breakdown of Continuing Claims

Table 5 shows the statistics on continuing regular claims for various demographic and education subgroups, and Table A2, in the Appendix, shows a similar analysis including PUA. The fraction of the labor force potentially eligible to receive UI benefits for unemployment experienced in the week ending October 17th (the latest available) is substantially higher for groups that have been most affected by the crisis. For example, the fraction of the February labor force potentially eligible for any type of UI benefits in the week of October 17th was above 20% for workers aged 16-24, as well as for Black workers. In contrast, among workers with a Bachelor's or more, less than 5% were potentially eligible to receive benefits.

Table 6 analyzes the stock of continuing claims at the industry level. This analysis excludes PUA claimants, who do not report industry. The two industries with the largest share of workers currently (as of October 17th) receiving benefits are Arts, Entertainment, and Recreation (32.3% of the labor force), Education Services (26.4% of the labor force) and Accommodation and Food Services (24% of the labor force).

The Accommodation and Food Services industry accounted for nearly one of every five continuing claims paid to regular UI claimants in October. To offer insight into each industry's path toward recovery, Figure 11 plots the share of each industry's labor force receiving UI benefits at 2 points in time: the first week of October and the week of the crisis in which the industry saw the most claimants receiving benefits. We see that some industries have made significant recoveries (Education Services has significantly fewer claimants receiving UI more recently than it did at the peak of the crisis), while others have been slower to recover (the Transportation, Warehousing, & Utilities industry has seen little change in the stock of claimants receiving benefits).

To better understand how partial UI and denials due to excess earnings have been influenced by the pandemic (and policy responses to it), Figure A3, in the Appendix, plots these measures by industry. The Accommodation and Food Services Sector has seen consistently high rates of partial UI during the pandemic. As COVID-19 cases surge and re-opening efforts are scaled back, these high levels of partial UI in service-focused industries suggest employers may be reducing hours rather than laying off workers in order to accommodate the uncertainty of the stalled re-opening.

TABLE 5: Individuals Potentially Eligible for Regular UI Benefits and Receiving Regular UI Benefits, Total and as Fraction of the Labor Force and the Unemployed, and Share with Reduced UI Benefits, for Unemployment in the Week Ending October 17th

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A PERCENT OF ALL PAID CLAIMS	PERCENT OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS (PUA + REGULAR) AS A PERCENT OF FEB LABOR FORCE	INDIVIDUALS RECEIVING FULL WBA (REGULAR UI ONLY) AS A PERCENT OF UNEMPLOYED IN SEPTEMBER
Statewide	2,314,473	2,187,786	11.2	5.5	17.4	94.2
By Gender						
Female	1,176,154	1,107,678	13.6	5.8	19.0	95.0
Male	1,086,037	1,032,023	8.8	5.0	15.5	89.1
By Age Group						
16–19	69,211	65,582	8.7	5.2	20.0	61.0
20–24	352,641	336,058	11.2	4.7	24.4	106.3
25–34	658,059	626,302	11.1	4.8	18.5	85.1
35–44	416,261	392,255	11.1	5.8	15.0	105.2
45–54	343,171	320,074	12.2	6.7	14.1	96.4
55–64	299,128	280,841	12.0	6.1	15.7	91.3
65–85	122,318	117,288	10.6	4.1	18.5	84.2
By Race and Ethnicity						
White	672,052	632,609	11.2	5.9	13.3	75.5
Hispanic	849,131	802,009	11.2	5.5	14.2	83.0
Asian	348,526	328,859	14.5	5.6	15.5	104.1
Black	215,482	208,922	7.2	3.0	32.6	109.4
By Education						
High School Degree or Less	1,247,621	1,189,197	10.8	4.7	19.0	130.8
Associate's Deg., Some College	644,428	611,955	11.9	5.0	12.7	76.7
Bachelor's Degree or More	353,805	331,313	11.8	6.4	4.6	53.1

Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table only includes PUA claimants for the column "Individuals with potentially eligible claims (PUA + Regular) as a percent of Feb. labor force," but that column does not include PUA claimants in the education rows because PUA claimants do not report education levels.

TABLE 6: Individuals Potentially Eligible for Regular UI Benefits and Receiving UI Benefits, Total and as Fraction of the Labor Force and the Unemployed, and Share with Reduced UI Benefits, for Unemployment in the Week Ending October 17th

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A PERCENT OF ALL PAID CLAIMS	PERCENT OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS AS A PERCENT OF FEB LABOR FORCE	INDUSTRY'S PERCENT OF ALL PAID CLAIMS*
Accommodation and Food Services	413,278	392,706	16.7	5.0	24.0	19.2
Retail Trade	266,181	251,215	12.4	5.6	16.1	12.3
Health Care and Social Assistance	225,242	212,281	13.6	5.8	9.1	10.4
Admin. Support, Waste Man. (a)	207,766	200,229	5.9	3.6	18.2	9.8
Manufacturing	116,049	109,961	8.0	5.2	8.8	5.4
Prof., Scientific, Techn. Services (a)	112,581	106,755	7.9	5.2	8.3	5.2
Other Services	108,346	101,379	15.0	6.4	18.6	5.0
Arts, Entertainment, Recreation	107,538	101,716	11.7	5.4	32.3	5.0
Education Services	103,764	95,570	13.6	7.9	26.4	4.7
Construction	101,852	95,708	3.6	6.0	11.4	4.7
Transportation, Warehousing and Utilities	100,793	96,779	10.7	4.6	14.0	4.7
Wholesale Trade	74,594	71,566	8.6	4.1	10.8	3.5
Information	67,944	60,631	8.0	10.8	11.6	3.0
Agriculture, Forestry, Fishing (a)	49,322	48,361	2.5	1.9	11.4	2.4
Real Estate and Leasing	41,588	39,766	8.5	4.4	13.6	1.9
Finance and Insurance	33,049	32,077	8.3	2.9	6.1	1.6
Public Administration	19,865	18,748	13.7	5.6	0.8	0.9
Management	10,312	9,814	9.7	4.8	4.1	0.5
Mining, Oil and Gas	1,371	2,300	5.2	12.1	6.0	0.1

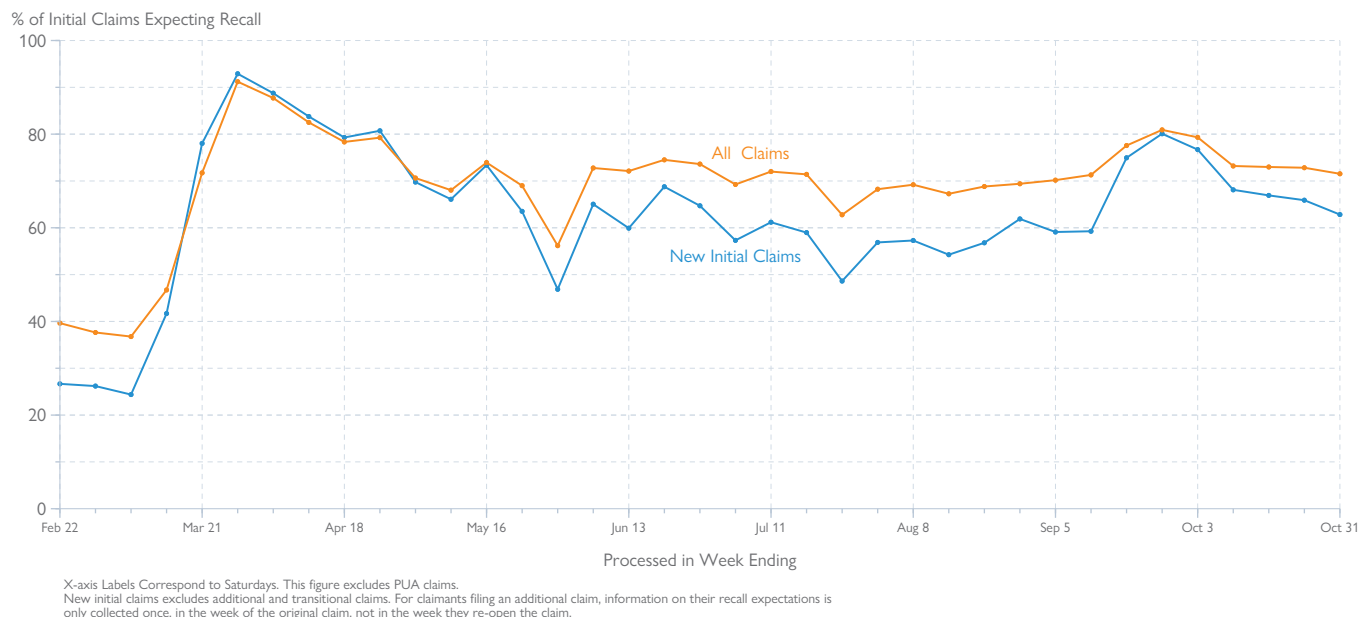
Notes: *This table does not include claims for Pandemic Unemployment Assistance (PUA). "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. (a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

TABLE 7: Different Measures of the Fraction of the Labor Force Potentially Eligible For UI Benefits, Receiving UI Benefits, and Regular UI Claimants Receiving Full WBA for the Week Ending October 17th

GROUP	February Labor Force			September Labor Force			
	INDIVIDUALS POTENTIALLY ELIGIBLE AS A PERCENT OF LABOR FORCE	INDIVIDUALS PAID AS A PERCENT OF LABOR FORCE	INDIVIDUALS PAID FULL WBA AS A PERCENT OF LABOR FORCE	INDIVIDUALS POTENTIALLY ELIGIBLE AS A PERCENT OF LABOR FORCE	INDIVIDUALS PAID AS A PERCENT OF LABOR FORCE	INDIVIDUALS PAID FULL WBA AS A PERCENT OF LABOR FORCE	INDIVIDUALS PAID LESS THAN FPL AS A PERCENT OF ALL PAID
Statewide	11.9	11.3	10.0	12.3	11.7	10.4	44.9
By Gender							
Female	13.3	12.6	10.8	13.8	13.0	11.2	51.0
Male	10.2	9.7	8.9	10.6	10.1	9.2	38.6
By Age Group							
16–19	13.0	12.4	11.3	12.7	12.1	11.0	91.7
20–24	20.3	19.3	17.1	21.6	20.6	18.3	67.9
25–34	13.8	13.1	11.7	14.3	13.6	12.1	41.7
35–44	9.7	9.1	8.1	10.1	9.5	8.5	36.3
45–54	8.8	8.2	7.2	9.1	8.5	7.5	36.4
55–64	9.9	9.3	8.2	10.0	9.4	8.3	36.3
65–85	10.6	10.2	9.1	10.7	10.2	9.2	44.5
By Race and Ethnicity							
White	9.0	8.4	7.5	9.2	8.6	7.7	42.0
Hispanic	11.6	11.0	9.7	12.1	11.4	10.1	46.5
Asian	11.5	10.8	9.3	12.1	11.4	9.7	45.9
Black	20.7	20.1	18.7	21.3	20.6	19.1	48.7
By Education							
High School Degree or Less	19.0	18.1	16.1	20.5	19.6	17.4	48.4
Associate's Deg., Some College	12.7	12.1	10.6	13.0	12.3	10.8	46.2
Bachelor's Degree or More	4.6	4.3	3.8	4.6	4.3	3.8	32.1

Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. PUA claimants do not report education, and thus are excluded from the "By Education" section.

FIGURE 12: Percent of Initial UI Claimants Reporting They Expect to be Recalled to Prior Job, 2/22/2020 - 10/31/2020



Recall and Exits by Program

Recall

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.” Just over 60% of all new initial UI claimants during the most recent two weeks reported that they expect to be recalled, a noticeable decrease from the recent 80% peak in September ([Figure 12](#)). While recent recall rates are lower than the 90% seen at the peak of the crisis, they are still significantly higher than the 27% average during February, and appear to be holding firm. Furthermore, the fraction of workers expecting to be recalled was still substantially above the February average even when looking within various demographic groups filing an initial claim ([Table 8](#)).

The numbers we report here reflect recall expectations of only new initial claims, excluding additional claims. When a new claim is re-opened as an additional claim, the recall data that we observe corresponds to the earlier new claim.

[Figure 12](#) contrasts how recall expectations have changed over time for non-additional initial claims, which is our preferred measure, and for all initial claims, which is the measure we have reported in previous reports. Recall expectations since May have been higher when additional claims are included, which is consistent with the fact that recall expectations were high early on in the pandemic, when the original claim was filed.

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.

TABLE 8: 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 (OCT 18TH-OCT 31ST)	FEBRUARY AVERAGE	SINCE MARCH 15TH	LAST 2 WEEKS (OCT 18TH-OCT 31ST)
Statewide	27.1	76.8	56.1	417.8	341.0	345.0
By Gender						
Female	24.0	77.6	55.8	328.0	299.8	296.5
Male	29.7	76.0	56.3	450.0	406.3	424.5
By Age Group						
16–19	30.4	74.5	58.0	166.3	124.2	132.0
20–24	27.3	74.0	53.1	262.9	208.2	208.5
25–34	24.3	76.1	53.7	387.5	345.5	344.0
35–44	23.7	77.2	56.1	450.0	436.8	431.0
45–54	28.6	78.5	58.1	450.0	440.7	436.5
55–64	31.5	78.9	58.6	450.0	430.6	424.0
65–85	38.2	78.8	63.2	369.3	344.3	340.5
By Education Group						
High School Degree or Less	36.5	82.5	62.0	347.1	313.4	327.0
Associate's Deg., Some College	19.8	71.3	53.1	435.1	339.4	335.0
Bachelor's Degree or More	13.2	66.7	46.1	450.0	447.5	450.0
By Race and Ethnicity						
White	18.4	76.6	50.3	450.0	393.1	396.5
Hispanic	38.7	77.7	61.7	356.3	316.2	320.0
Asian	19.0	78.5	50.3	450.0	363.5	364.0
Black	15.0	69.8	54.8	329.8	290.5	307.5

Notes: Columns 1-3 exclude additional claims to regular UI. Columns 4-6 include all initial claimants to regular UI, including additional claims. Tabulations based on initial UI claims file. Does not include PUA claims. Median weekly benefit amount calculation excludes claimants receiving no benefits.

TABLE 9: Percent of Initial UI Claimants Expecting Recall and the Median Weekly Benefit Amount at Various Stages 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 (OCT 18TH- OCT 31ST)	FEBRUARY AVERAGE	SINCE MARCH 15TH	2 WEEKS (OCT 18TH- OCT 31ST)
Accommodation and Food Services	19.6	80.8	53.8	282	257	277
Retail Trade	13.9	75.7	38.0	275	244	235
Health Care and Social Assistance	13.7	75.1	48.1	337	358	342
Admin. Support, Waste Man. (a)	23.6	69.2	52.8	313	302	314
Manufacturing	25.4	75.5	52.9	424	422	424
Education Services	15.2	74.3	53.1	389	276	280
Construction	44.9	77.6	62.3	450	450	450
Prof., Scientific, Techn. Services (a)	12.7	68.3	42.8	450	450	450
Other Services	13.7	80.3	46.9	347	279	270
Arts, Entertainment, Recreation	23.7	84.4	61.7	338	300	312
Transportation, Warehousing and Utilities	27.8	70.4	52.7	391	390	394
Wholesale Trade	13.5	73.1	42.5	450	446	441
Information	26.2	75.1	48.1	450	450	450
Real Estate and Leasing	10.5	72.4	42.9	447	421	415
Agriculture, Forestry, Fishing (a)	80.8	81.5	83.8	275	283	324
Finance and Insurance	5.9	60.3	36.2	450	419	397
Public Administration	24.3	72.6	48.3	401	258	262
Management	3.1	70.0	44.8	450	448	445

Notes: Columns 1-3 exclude additional claims to regular UI. Columns 4-6 include all initial claimants to regular UI, including additional claims. Industries listed in descending order of total claims as in Table 14. Table refers to information from initial regular claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Median WBA calculation excludes claimants receiving no benefits. Industry of main employer (see text) according to North American Industrial Classification Systems (NAICS, see 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.

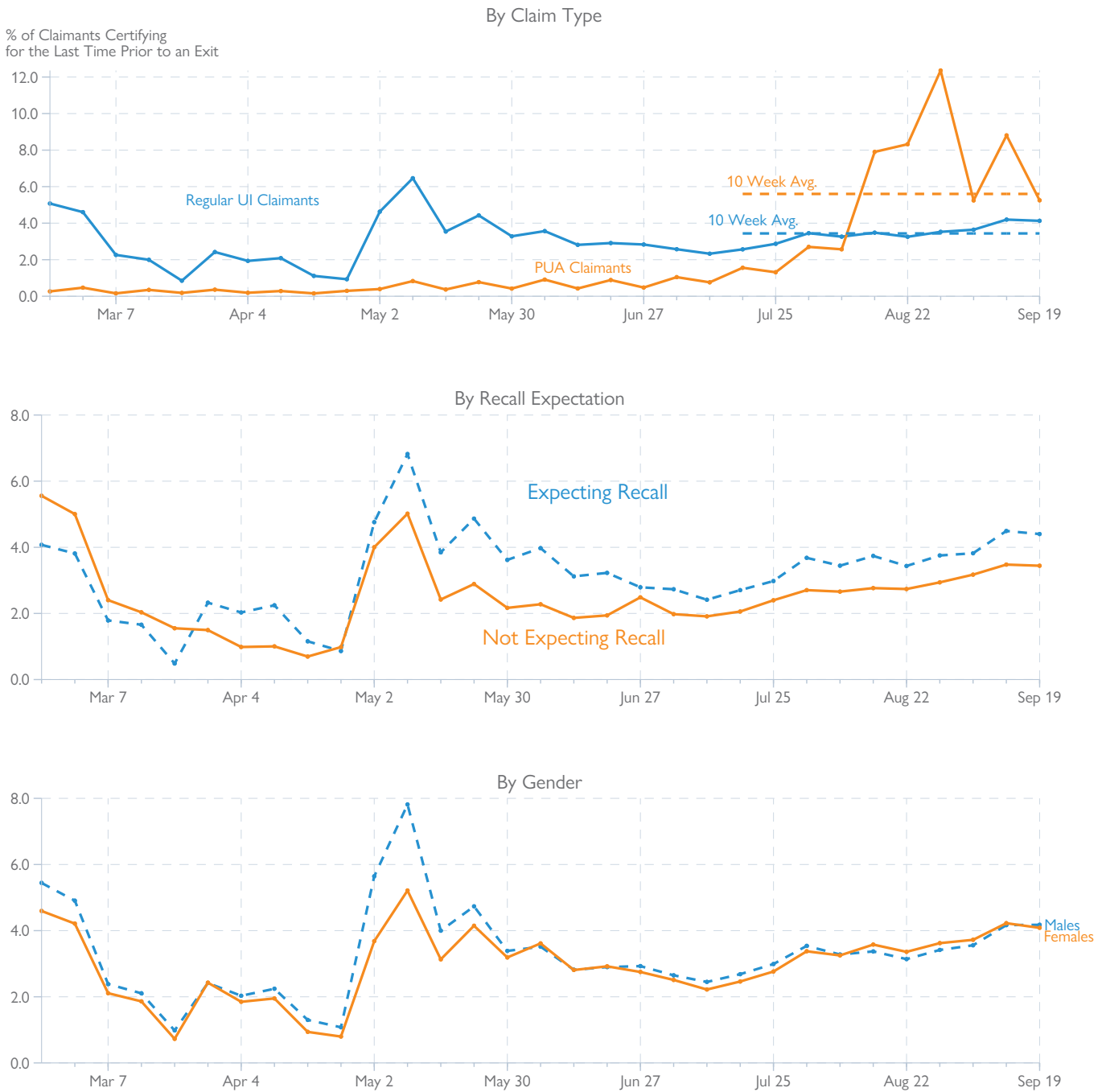
Exits

Part of the reason the number of claimants is declining while the flow of new initial claimants remains steady is that each week, a small share of the number of claimants stops certifying for benefits. We refer to this flow of individuals out of UI as “exits.” We consider an individual to have exited from the UI system in the last week for which they certified for unemployment benefits. (Because California requires claimants to certify every other week to maintain a valid claim, we check that no certifications occurred in the two subsequent weeks in order to determine an exit.) By comparing the number of individuals exiting UI (certifying for the last time) with the total number of claimants who were potentially eligible for benefits in that week, we construct an exit rate which can be used to compare across different groups of claimants. The first panel of [Figure 13A](#) shows that exit rates from regular UI have inched up over the past two months, from less than 3% in July to just over 4% near the end of September. We do not attempt to code exits more recent than this in order to allow a sufficient lag for continuing claims certifications to be processed. For much of the crisis, exits have been much less frequent among PUA claimants than among regular claimants. This pattern reversed in August, with more than 12% of PUA claimants in the week ending August 29th making that their final week of benefit payments. The exodus of claimants out of the PUA system over September and October may correspond to the roll-out of enhanced fraud screening measures. (The spike in exit rates occurring around May 9th in each panel of the figure is likely due to the expiration of “auto-certification.” From March 16th to May 9th, claimants did not need to complete their bi-weekly certification in order to receive benefits.¹²)

Exit rates among other sub-groups, excluding PUA claimants, are shown in the remaining panels of [Figure 13A](#). Claimants who indicated they expect to be recalled by their employer have exited UI at significantly higher rates than claimants who did not expect to be recalled. Although differences by gender are not evident, substantial heterogeneity by race exists, with Black claimants showing lower rates of exit in recent months. As the racially disparate impacts of the pandemic surface, these lower exit rates among Black workers could be a sign of employers being less likely to recall Black workers they had previously laid off ([Table 8](#), which reports differences in recall expectations by race since March 15th).

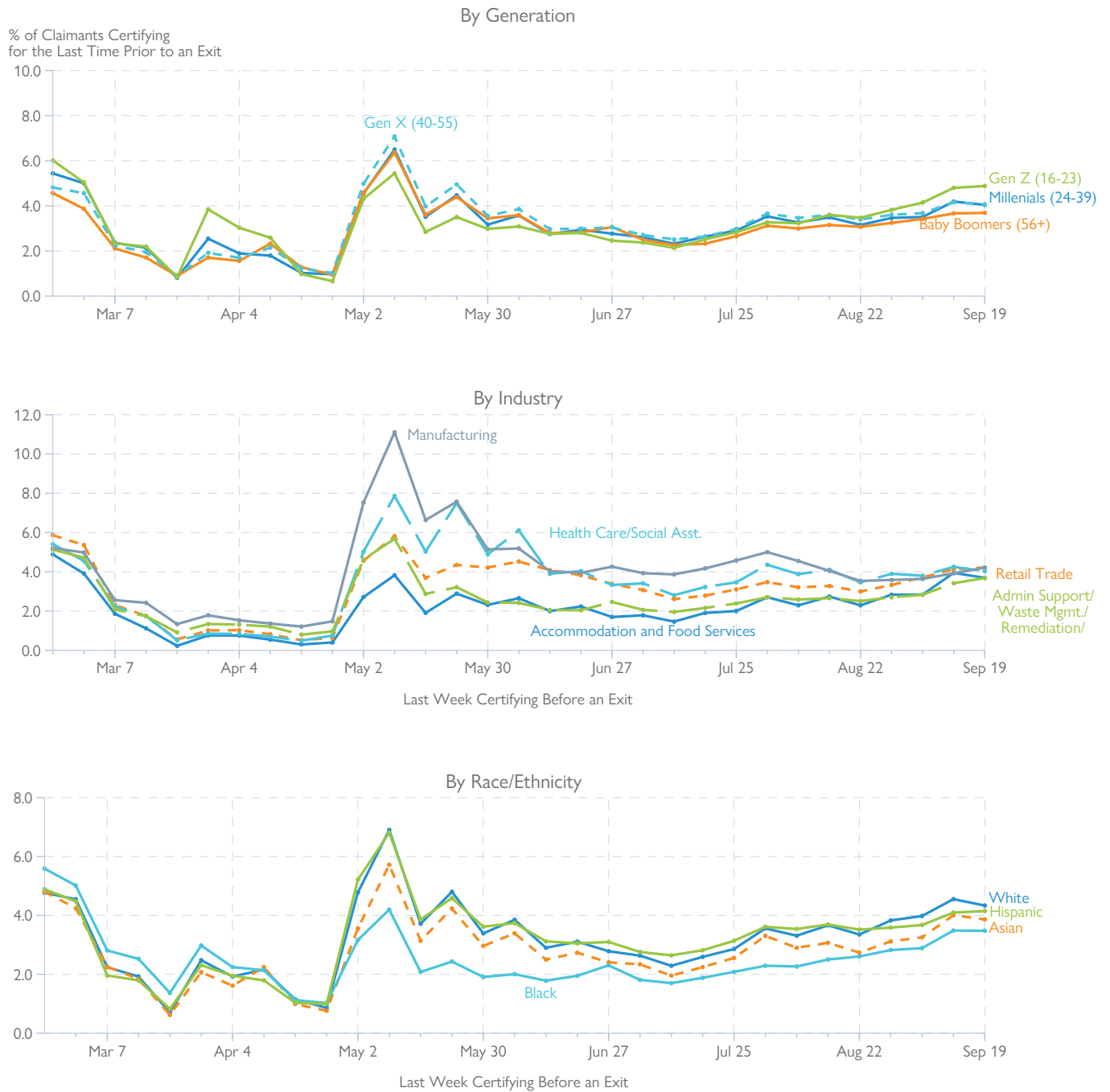
Unfortunately, our data does not allow us to observe if an individual previously receiving unemployment insurance benefits has found new employment as opposed to simply failing to certify while remaining unemployed, so our measure of exits should not be used as a direct estimate of individuals finding employment.

FIGURE 13A: Percent of Claimants Potentially Eligible for UI Benefits For Unemployment Experienced in That Week Who Are Certifying for the Last Time Prior to an Exit, 2/22/2020 - 10/31/2020



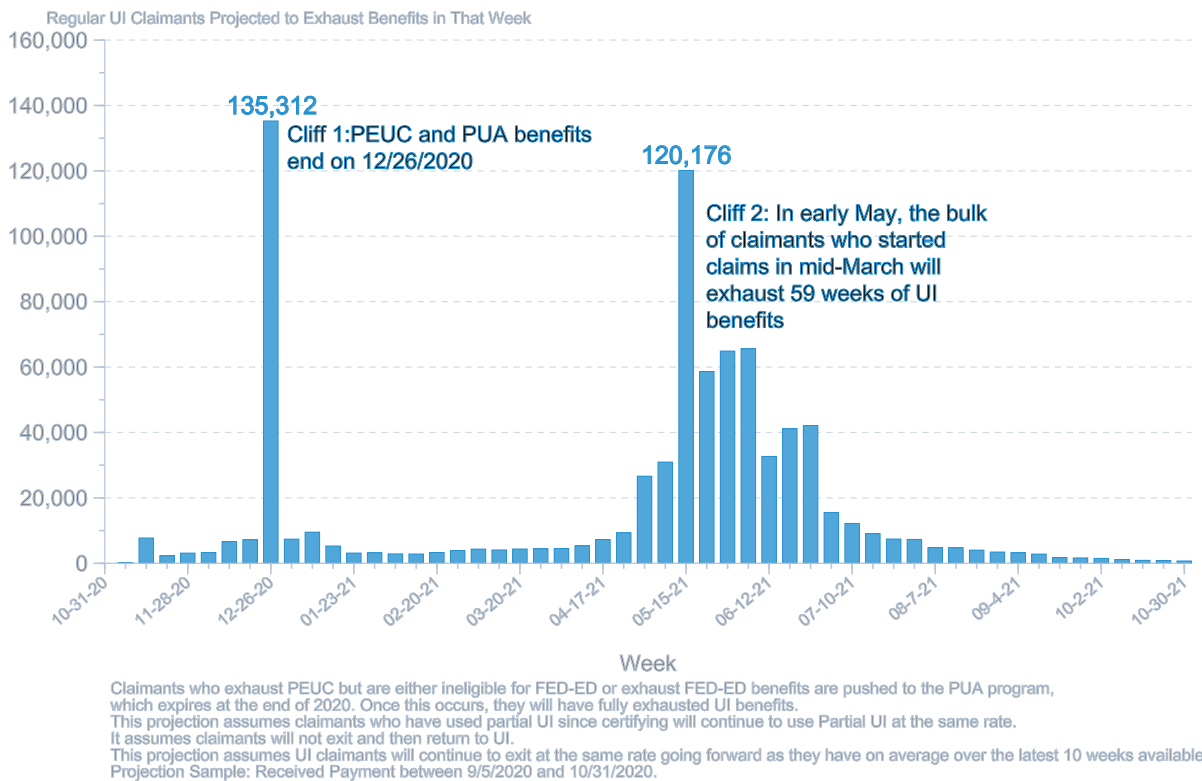
All figures except panel 1 (By Claims Type) exclude PUA claimants.
X-axis labels correspond to Saturdays.
We consider a claimant to have exited when they go 2 or more weeks without certifying for benefits. Industry panel does not include PUA claims.
For weeks of unemployment ending between March 14th and May 9th, UI claimants did not need to certify in order to receive benefits.

FIGURE 13B: Percent of Claimants Potentially Eligible for UI Benefits For Unemployment Experienced in That Week Who Are Certifying for the Last Time Prior to an Exit, 2/22/2020 - 10/31/2020



All figures except panel 1 (By Claims Type) exclude PUA claimants.
X-axis labels correspond to Saturdays.
We consider a claimant to have exited when they go 2 or more weeks without certifying for benefits. Industry panel does not include PUA claims.
For weeks of unemployment ending between March 14th and May 9th, UI claimants did not need to certify in order to receive benefits.

FIGURE 14A: Regular UI Exhaustion Projections



Projected Exhaustion

As COVID-19 cases begin to surge again and restrictions are re-enacted across the state, many claimants who are not able to find employment will be in danger of exhausting their UI benefits in the coming months if emergency provisions are allowed to expire. For the first time in our report series, this section provides a lens into what types of claimants are likely to exhaust UI benefits and when. Current data suggests 749,000 Californians will exhaust benefits by the end of this year. By the end of May, if current conditions persist, we project that a total of **1.1 million Californians will have been cut off from unemployment insurance benefits** before finding reemployment. We also project new disparities to emerge by race, with 28% of current claimants who are Black ultimately being cut off from regular UI benefits, far above the average across all races of 19%. We will continue to update this analysis as the policy situation evolves.

Similar to most other states, most regular UI claims in California are eligible for 26 weeks of full benefits. (Some potential durations are shorter due to low earnings in a claimant's base period.) Many claimants who entered near the beginning of the pandemic exhausted regular UI in early September, and moved to the first of two extensions, called **Pandemic Emergency Unemployment Compensation**

(PEUC), which provides up to 13 weeks' worth of additional benefits that can currently be tapped into for unemployment occurring up to December 26th, 2020. Upon exhausting PEUC, most – but not all – claimants will be eligible for **Federal-State Extended Duration (FED-ED)**, which provides up to 20 weeks of full benefits. The FED-ED program is not specific to the pandemic, but rather is triggered during times of elevated unemployment rates. If a claimant exhausts all regular benefits and available extensions and is no longer eligible for regular UI, they could still be eligible for a PUA claim (if they have used less than 46 weeks' worth of benefits). Absent federal legislation extending it, the PUA program will also expire at the end of 2020, at which point all current PUA claimants who have not yet exited UI will no longer receive UI benefits.

To calculate the number of claimants who could potentially exhaust their UI benefits, we use a sample that is slightly broader than our sample of continuing claimants potentially eligible for payments on October 17th, the basis of [Tables 6 and 7](#). Because certification is often retroactive and can appear with a lag in our data due to processing delays, we extend the sample to include anyone certifying for unemployment as early as September 5th.¹³

To project exhaustion for this group of individuals receiving benefits in October, we assume claimants will continue to exit the UI system at the same rate as the average observed over the last 10-weeks (shown in Figure 12). Those claimants projected to still be receiving benefits when they reach their maximum benefit duration are classified as exhaustees. The Methods Appendix provides further detail on how we determine each claimant's likely exhaustion date, including handling of intermittent weeks worked, partial UI, and forecasting of early exits given censoring. Christmas.

Figure 14 shows the number of claimants expected to exhaust regular UI in each week over the next year. Figure 14A shows the number exhausting each week, whereas Figure 14B and Figure 14C show cumulative counts and percentages respectively. The first major wave of exhaustions is projected to arrive at the end of 2020, at which point both the PEUC extension and PUA program will expire. Provided the rate at which current claimants find work remains constant in the future, we project that 166,086 current regular UI claimants (5.7% of current regular stock) and 582,677 current PUA claimants (40.4% of current PUA stock) will abruptly have their benefits cut off shortly after Christmas.¹⁴

Table 10 provides more detail on the 748,763 claimants that are likely to exhaust their benefits at the end of 2020. Among regular UI claimants, men and women will likely have similar rates of exhausting. However, the youngest age group of claimants, Gen Z (aged 16-23), are projected to hit the cliff harder, with 7.1% of current regular claimants losing coverage next month. The more pronounced impact among younger workers is likely due to lower prior earnings among new workers, which in certain cases can result both in a shorter duration of regular UI benefits and ineligibility for the FED-ED extension to carry their claims into 2021. Another predicted disparity in exhaustions will be by race, with 8.4% of current Black regular UI claimants expected to lose coverage at the end of the year, substantially above the average of 5.7% among all racial categories and 5.5% among White claimants. The relatively high rate of exhaustion projected among Black claimants is consistent with lower rates of exit (Figure 12), which are likely at least in part driven by worse odds of being recalled to work by their prior employers (Table 8).

Differences in the demographics of PUA claimants projected to lose coverage next month are also shown in Table 10, but are slightly more difficult to interpret. Whereas rates of early exit from regular UI have held fairly constant over the past 10 weeks, rates of exit from the PUA program have increased

from less than 2% for most of the pandemic to more than 12% in August (Figure 12). The timing of the mass of exits from the PUA program, which were more pronounced among certain races and demographic groups (not shown), seems to correspond with the roll-out of identity verification and fraud prevention measures. Hence, for PUA it is harder to predict what the exit rate going forward might be.

With this caveat in mind, Table 10 projects slightly higher rates of PUA exhaustion among males and the middle-aged. Whereas more than 60% of current PUA claimants who are Hispanic or Asian are projected to run off the PUA cliff, less than 30% of Black or White PUA claimants are expected to remain in the program long enough. However, there is substantial uncertainty regarding whether the dramatic spikes in exit rates among certain types of PUA claimants will persist into the future. Analogous to Figure 14, Figure 15 show the number of claimants expected to exhaust PUA in each week until the end of December together with the cumulative total and the cumulative percentage of current number of claimants exhausting. The mass is quite concentrated at the end of the year, although some people will exhaust earlier because coverage lasts for only 46 weeks and benefits can be claimed retroactively for weeks of unemployment as early as January of this year.¹⁵

The second major wave of exhaustions is expected to emerge in early May 2021, as many members of the first major cohorts to file for regular UI during the pandemic are expected to exhaust all 59 weeks of regular and extended benefits (26 regular + 13 PEUC + 20 FED-ED). Whereas we saw the first cliff is predicted to happen relatively suddenly with the end of the calendar year, Panel A of Figure 14 shows that the second cliff will be more gradual, with the number of exhaustions peaking near mid-May but dragging on into the summer of 2021. If the current rate at which claimants have been finding work during the pandemic persists into the future, a total of 387,273 more current regular UI claimants will have exhausted by the end of May. Inclusive of the first cliff, we project that 553,559 regular UI claimants will have exhausted by the end of May, amounting to 19.0% of those currently benefiting from regular UI.

FIGURE 14B: Regular UI Exhaustion Projections, Cumulative

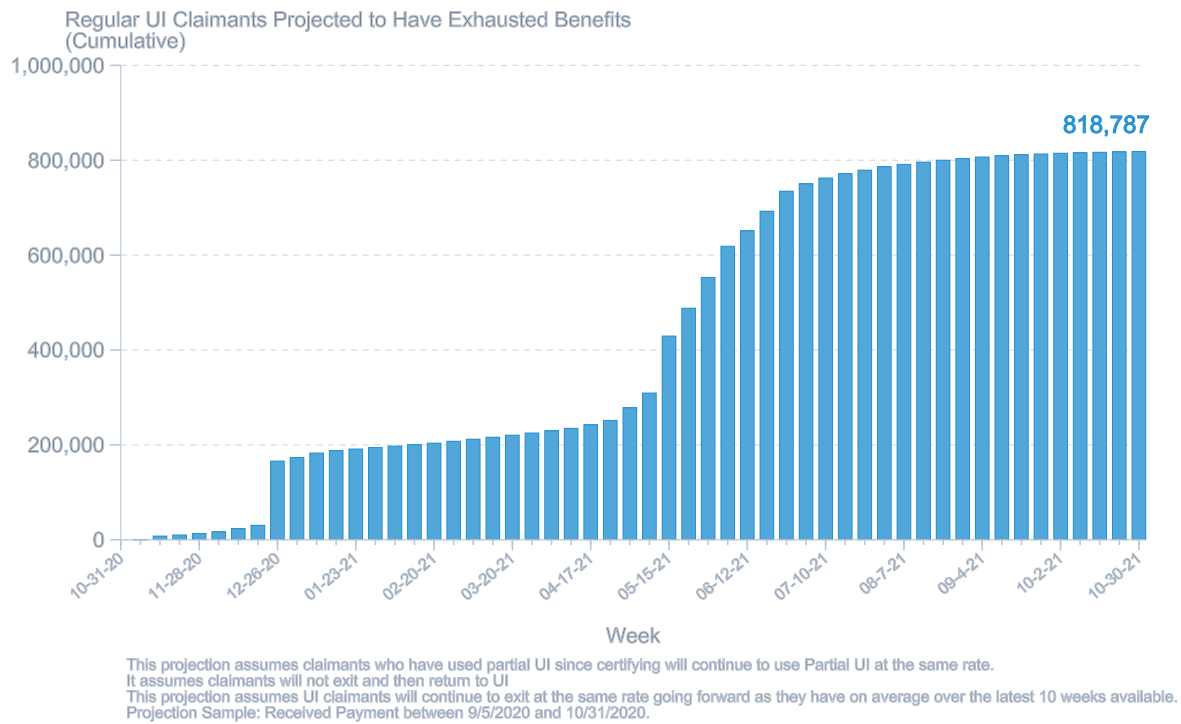


FIGURE 14C: Regular UI Exhaustion Projections, Cumulative, as Percent of Current Regular Claimants

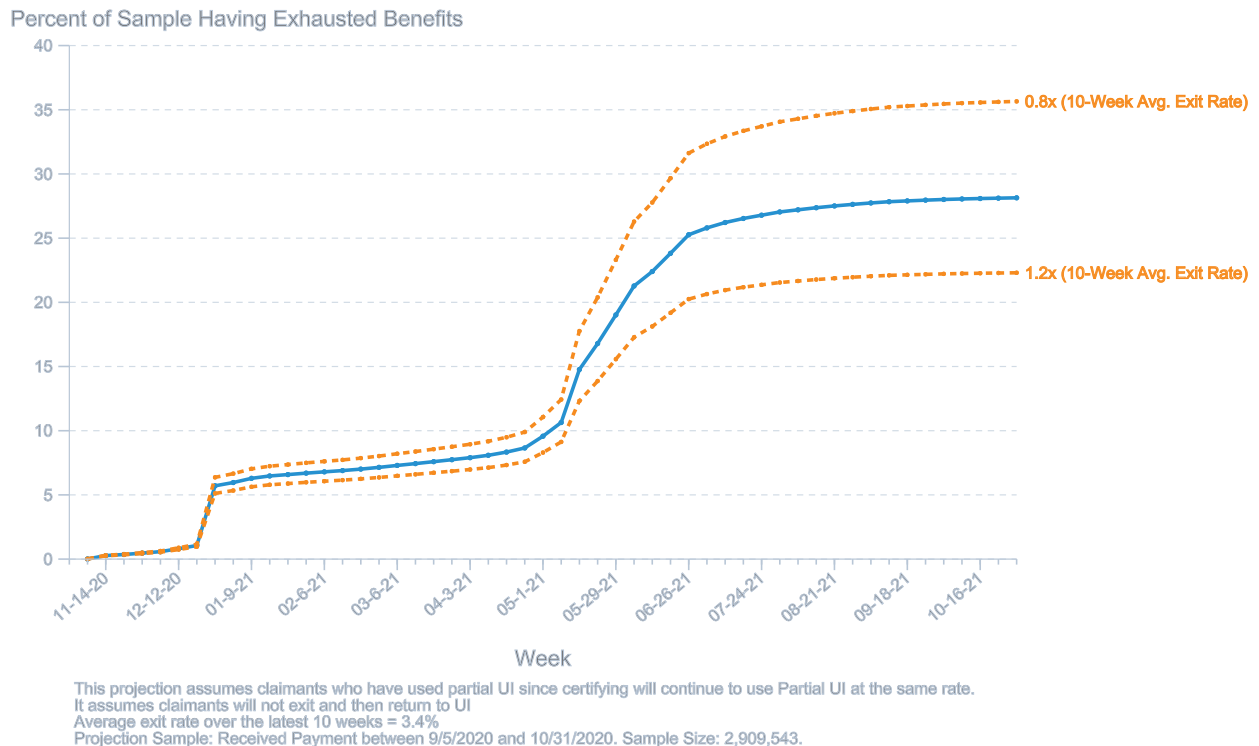
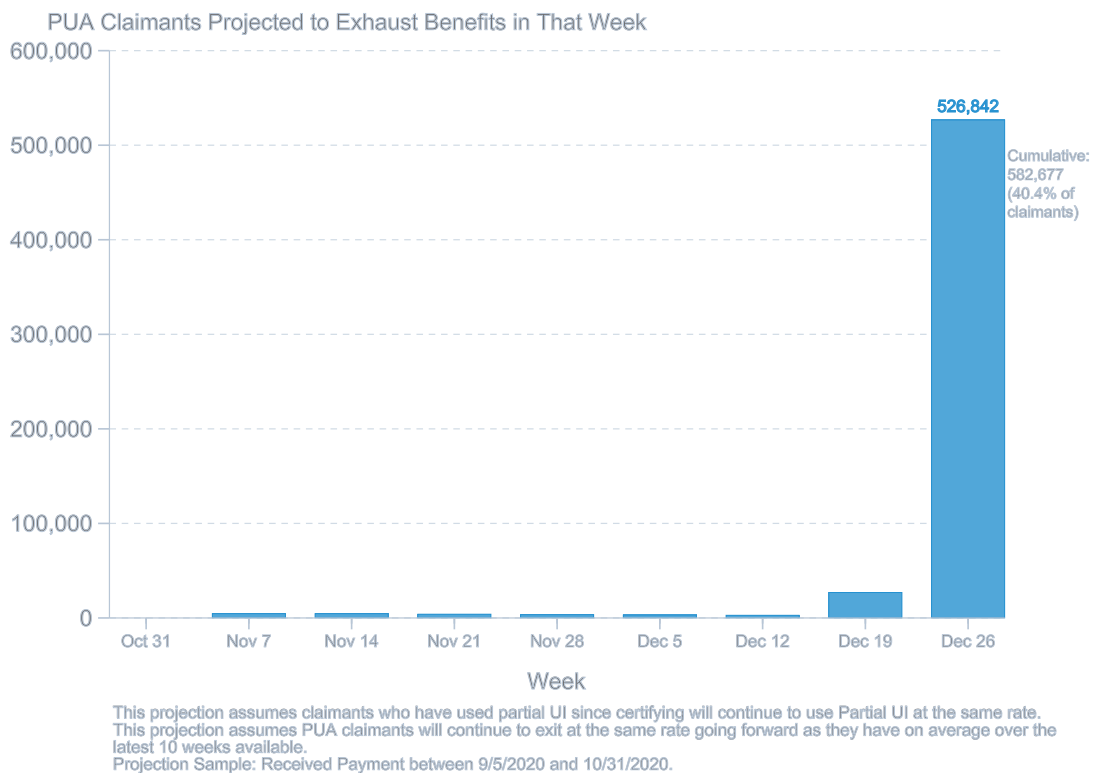


FIGURE 15: PUA Exhaustion Projections



The final panel of [Table 10](#) provides more detail on the half-million current regular UI claimants projected to exhaust benefits between now and the end of May. As the second wave of exhaustions rolls out, our projections indicate that racial disparities in particular are at risk to grow substantially. We project that more than one-quarter (28.2%) of current regular UI claimants who are Black will ultimately exhaust benefits, in comparison to 17.7% of those who are White. As is projected to be the case by the end of the first cliff, a slightly higher share of women are projected to exhaust than are men. By age group, we expect the second exhaustion cliff to have a stronger effect on the older generation of Baby Boomers (56+) than did the first cliff. Although these workers are likely to have had the required work history to satisfy FED-ED eligibility allowing benefits to continue into 2021, these claimants' relatively low rates of finding work during the last few months of the pandemic (suggested by relatively low exit rates in [Figure 12](#)) put them at an elevated risk of exhausting the full 59 weeks of potential benefits.

We also project the dates that claimants will transition into either the PEUC program and/or the FED-ED program if they are eligible. [Appendix Figure A5](#) illustrates that a large number of claimants who were laid off in the first wave

of the crisis transitioned into the PEUC program in late September – early October, yet a steady share will continue moving into the program up until its expiration on December 26th. [Figure A6](#) shows an analogous projection for transitions into the FED-ED program. Immediately noticeable is the end of the PEUC program, an event which pushes over 200,000 claimants onto FED-ED benefits in the following week.

The key assumption underlying all of these exhaustion projections is that recent rates of early exit from the program over the most recent 10 weeks are informative about future rates of exit. [Figure 14](#), Panel C shows alternative scenarios based on a higher and lower rates of exit. [Appendix Figure A4](#), and shows how the calculation would change under a range of alternative exit rates. For instance, our baseline projection using 10-week average exit rates projects 553,559 regular UI claimants to exhaust by the end of May. Even if weekly economic conditions were to improve such that exit rates increased by a factor of 20%, we would still expect to see 453,000 regular UI exhausters by that date. A detailed explanation of our projection methodology is available on the [CPL website](#).

TABLE 10: Projected Exhaustions, by Demographic Group

CLIFF 1: BY DECEMBER 26TH, 2020							CLIFF 2: BY MAY 29TH, 2021 (EXCLUDING PUA)		
GROUP	REGULAR UI EXHAUSTEES	PUA EXHAUSTEES	TOTAL EXHAUSTEES (PUA + REGULAR)	% OF REGULAR SAMPLE HAVING EXHAUSTED	% OF PUA SAMPLE HAVING EXHAUSTED	% OF FULL SAMPLE (REGULAR UI + PUA) HAVING EXHAUSTED	REGULAR UI EXHAUSTEES	% OF EXHAUSTEES (AMONG ALL EXHAUSTEES)	% OF REGULAR UI SAMPLE HAVING EXHAUSTED
Statewide	166,086	582,677	748,763	5.7	40.4	17.2	553,359	100	19.0
By Gender									
Male	80,943	294,131	375,074	5.9	38.4	17.5	272,787	49.5	19.8
Female	84,064	288,714	372,778	5.6	42.7	17.1	278,196	50.5	18.5
By Race and Ethnicity									
White	47,421	133,508	180,929	5.5	29.2	19.5	152,884	30.0	17.7
Black	20,767	39,959	60,726	8.4	22.7	14.3	69,381	13.6	28.2
Hispanic	57,720	153,770	211,490	5.4	63.8	17.9	193,701	38.0	18.0
Asian	25,553	114,938	140,491	5.8	69.0	22.6	93,992	18.4	21.2
By Generation									
Gen Z (16-23)	68,615	50,863	119,478	7.1	39.4	13.7	92,804	17.0	19.2
Millenials (24-38)	36,964	206,822	243,786	5.6	42.2	14.4	227,906	41.7	18.7
Gen X (40-55)	23,398	181,704	205,102	5.3	40.3	16.1	130,602	23.9	18.8
Baby Boomers (56+)	47,421	132,457	179,878	5.1	39.3	23.0	95,727	17.5	20.9

Notes: See text and appendix for methodology. The sample size of current regular UI claimants who can potentially exhaust benefits is 2,909,543. The sample size of current PUA claimants who can potentially exhaust benefits is 1,442,290. This table assumes exit rates equivalent to the average seen over the last 10 weeks for each claim type x demographic group. Cliff 2 does not include PUA exhaustees, but does include regular UI exhaustees who exhaust by Cliff 1. 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. Table also does not include claimants not reporting gender, age, or race/ethnicity. We also assessed the impact of different exit rates. For example, if the actual rate of exit was 20% smaller than the average over the 10 weeks we are using, the total number of PUA claimants that would be predicted to exhaust is 701,138 (see Technical Appendix).

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 support from Arnold Ventures, The James Irvine Foundation, the Smith Richardson Foundation, the Russell Sage Foundation, the Alfred P. Sloan Foundation, the University of California Office of the President Multicampus Research Programs and Initiatives, and the Bylo Chacon Foundation. 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.

Background on the data in this report and exhaustion calculations

The size and richness of the administrative data we use allows us to analyze 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. These data allow us to track the fast-moving nature of the crisis and to help inform assistance for workers and firms affected by the upheaval in the labor market.

The methodology for calculating exhaustions is available as a separate Appendix available on the [CPL website](#).

*For inquiries about the definitions, methodology, and findings of this policy brief, please contact Till von Wachter.
Email: tvwachter@econ.ucla.edu.*

To obtain the data tabulations used in this policy brief, please contact: Dr. Muhammad Akhtar, Deputy Division Chief, Labor Market Information Division, California Employment Development Department. Email: Muhammad.Akhtar@edd.ca.gov.

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.

Supplementary Appendix

TABLE A1: Income Classification of Households Receiving Unemployment Insurance Benefits in California Under Different Scenarios

INCOME LIMIT (DEPENDING ON SIZE OF HOUSEHOLD)				
	1 Person	2 People	3 People	4 People
Above Moderate Income				
Moderate Income:	1,407	1,608	1,809	2,010
Median Income:	1,173	1,340	1,508	1,675
Low Income:	942	1,077	1,212	1,346
Very Low Income	586	670	754	838

	1 Person	2 People	3 People	4 People	Total UI Income (\$)
Size of Household:	Regular Benefits				
1x Median WBA	Very Low Income	Very Low Income	Very Low Income	Very Low Income	
1x Maximum WBA	Very Low Income	Very Low Income	Very Low Income	Very Low Income	
2x Median WBA	N/A	Low Income	Very Low Income	Very Low Income	
2x Maximum WBA	N/A	Low Income	Low Income	Low Income	
Including \$300 LWA Benefits					
1x Median WBA	Low Income	Very Low Income	Very Low Income	Very Low Income	
1x Maximum WBA	Low Income	Low Income	Very Low Income	Very Low Income	
2x Median WBA	N/A	Median Income	Median Income	Low Income	
2x Maximum WBA	N/A	Median Income	Median Income	Median Income	
Including \$600 FPUC Benefits					
1x Median WBA	Median Income	Low Income	Low Income	Low Income	
1x Maximum WBA	Median Income	Low Income	Low Income	Low Income	
2x Median WBA	N/A	Above Moderate Income	Above Moderate Income	Moderate Income	
2x Maximum WBA	N/A	Above Moderate Income	Above Moderate Income	Above Moderate Income	

FIGURE A1: Regular UI: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefit by Week of Certification, and Total Number Payments Certified by Week of Certification, 2/8/2020- 10/31/2020

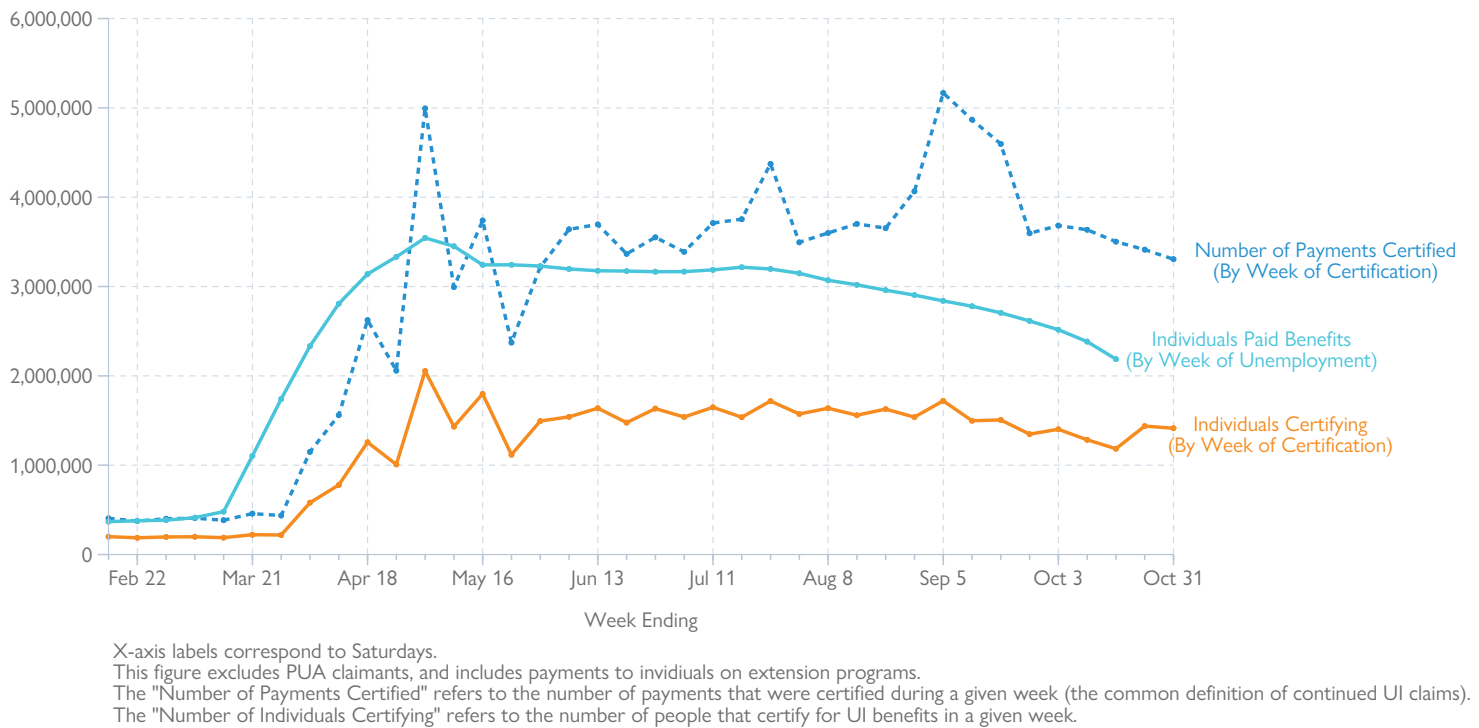


FIGURE A2: PUA: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefits by Week of Certification, and Total Number Payments Certified by Week of Certification, 2/8/2020- 10/31/2020

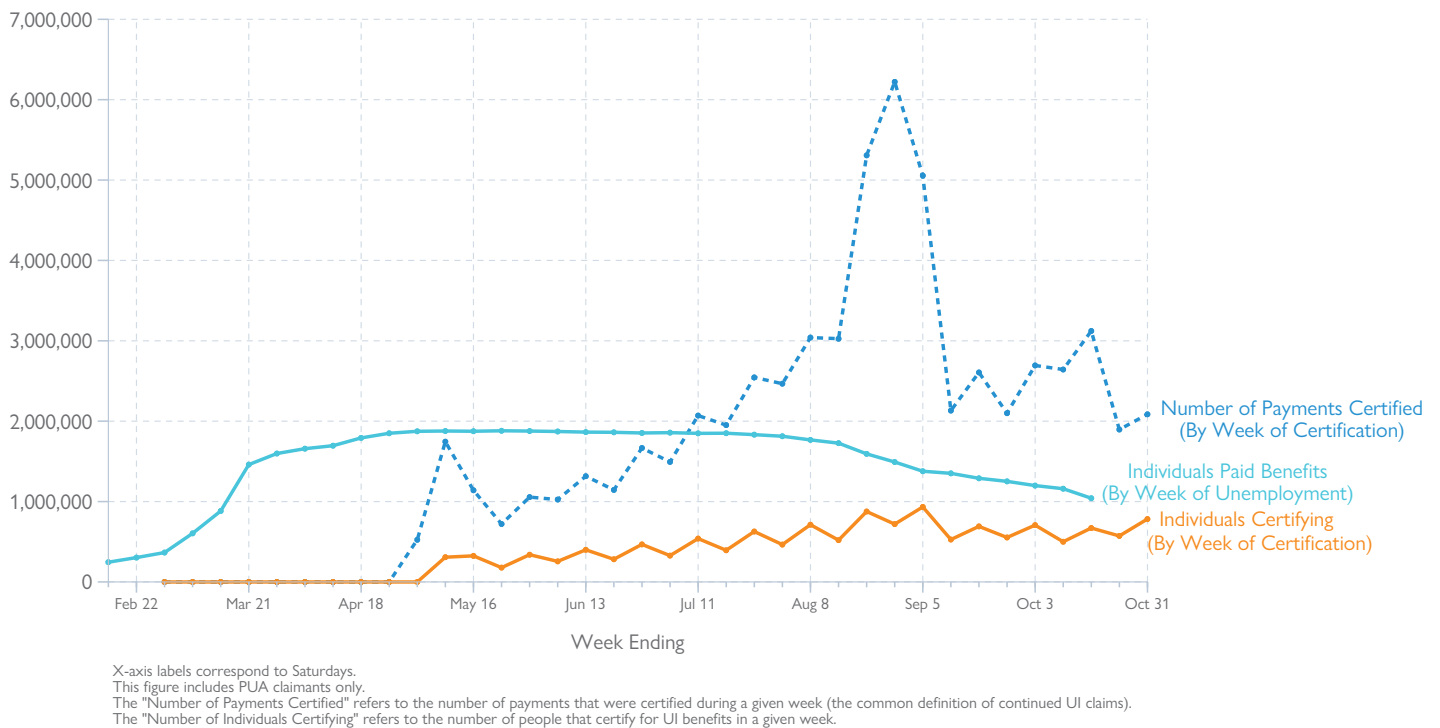


TABLE A2: Individuals Potentially Eligible for Any UI Benefits and Receiving Regular UI Benefits, Total and as Fraction of the Labor Force and the Unemployed, and Share with Reduced UI Benefits, for Unemployment in the Week Ending October 17th

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A PERCENT OF ALL PAID CLAIMS	PERCENT OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS AS A PERCENT OF FEB LABOR FORCE	INDIVIDUALS RECEIVING FULL WBA AS A PERCENT OF UNEMPLOYED IN SEPTEMBER
Statewide	3,373,819	3,229,830	8.5	4.3	17.4	143.3
By Gender						
Female	1,673,056	1,594,792	10.6	4.7	19.0	141.6
Male	1,647,395	1,585,887	6.4	3.7	15.5	140.5
By Age Group						
16–19	106,102	102,135	6.5	3.7	20.0	97.3
20–24	424,582	407,197	9.6	4.1	24.4	131.1
25–34	884,920	850,165	8.6	3.9	18.5	118.7
35–44	646,037	618,374	7.9	4.3	15.0	171.8
45–54	548,740	521,763	8.7	4.9	14.1	163.2
55–64	474,476	452,492	8.9	4.6	15.7	152.3
65–85	212,724	205,809	8.0	3.3	18.5	152.1
By Race and Ethnicity						
White	996,694	950,907	8.3	4.6	13.3	117.1
Hispanic	1,034,417	985,144	9.6	4.8	14.2	103.9
Asian	470,119	448,068	12.1	4.7	15.5	145.9
Black	338,324	331,309	4.8	2.1	32.6	178.0
By Education						
High School Degree or Less	1,247,621	1,189,197	10.8	4.7	19.0	130.8
Associate's Deg., Some College	644,428	611,955	11.9	5.0	12.7	76.7
Bachelor's Degree or More	353,805	331,313	11.8	6.4	4.6	53.1

Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table does not include PUA claimants.

FIGURE A3: Percent of Potentially Eligible Claims with Payment Denied Due to Excess Earnings, and Partial UI as a Percent of Paid Claims, by Industry, 1/26/2020- 10/17/2020

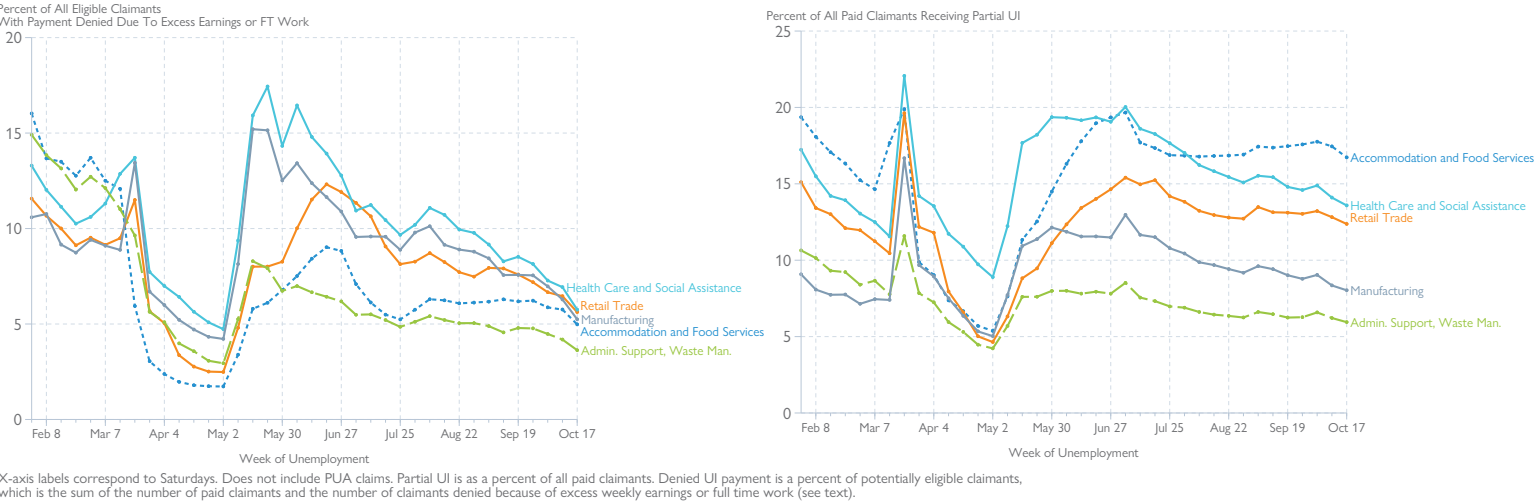


FIGURE A4 : Projected Transitions to The Pandemic Economic Unemployment Compensation (PEUC) Program

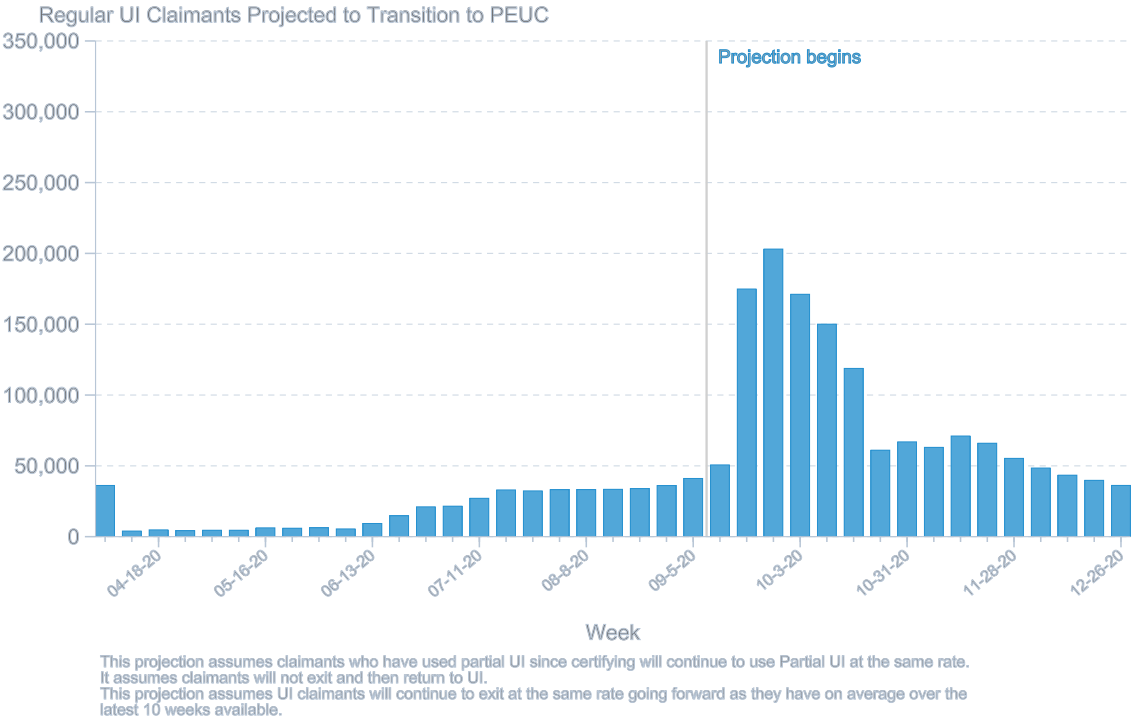


FIGURE A5: Regular UI Exhaustion Projections, Cumulative, Various Exit-Rate Scenarios

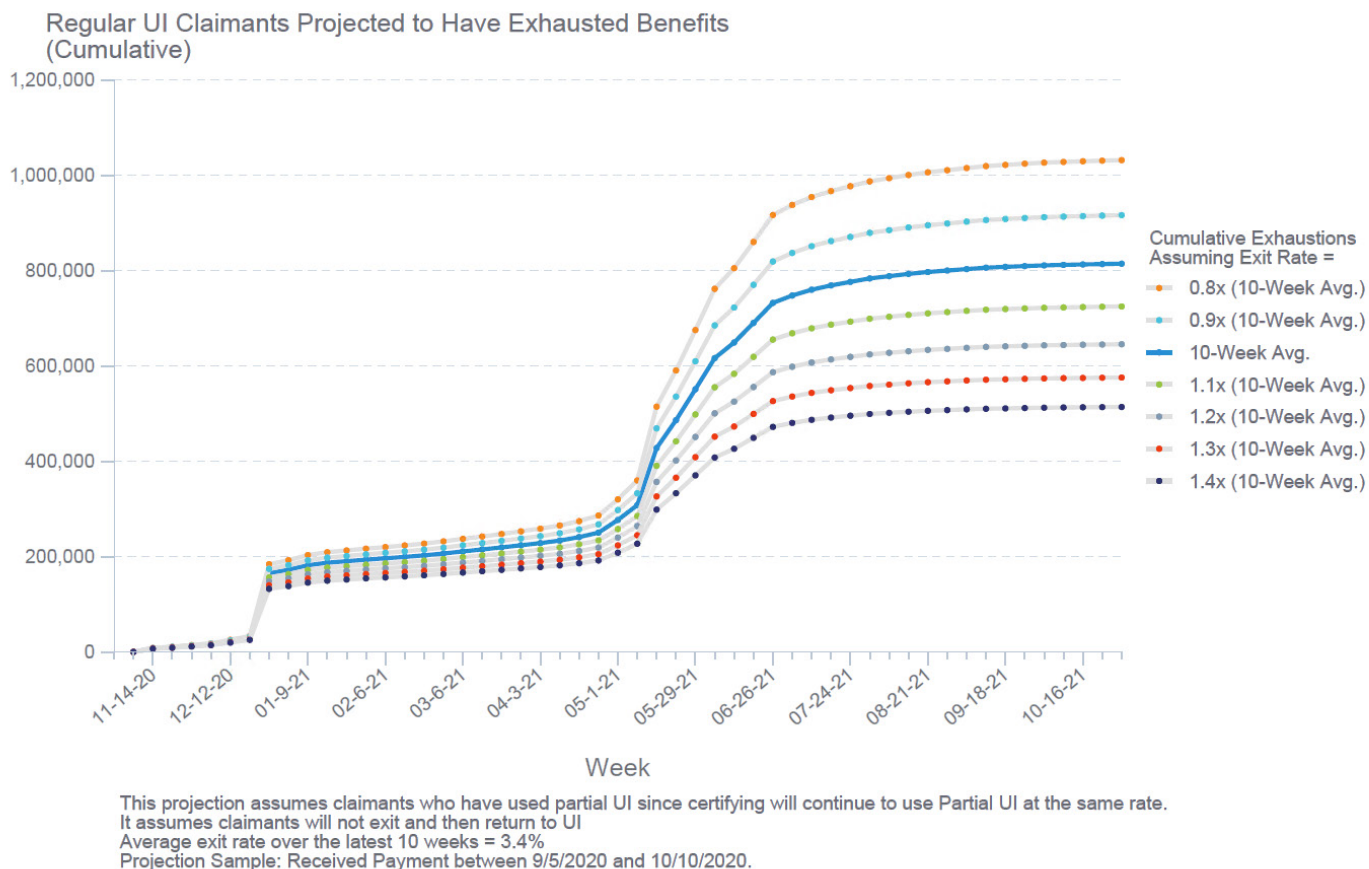
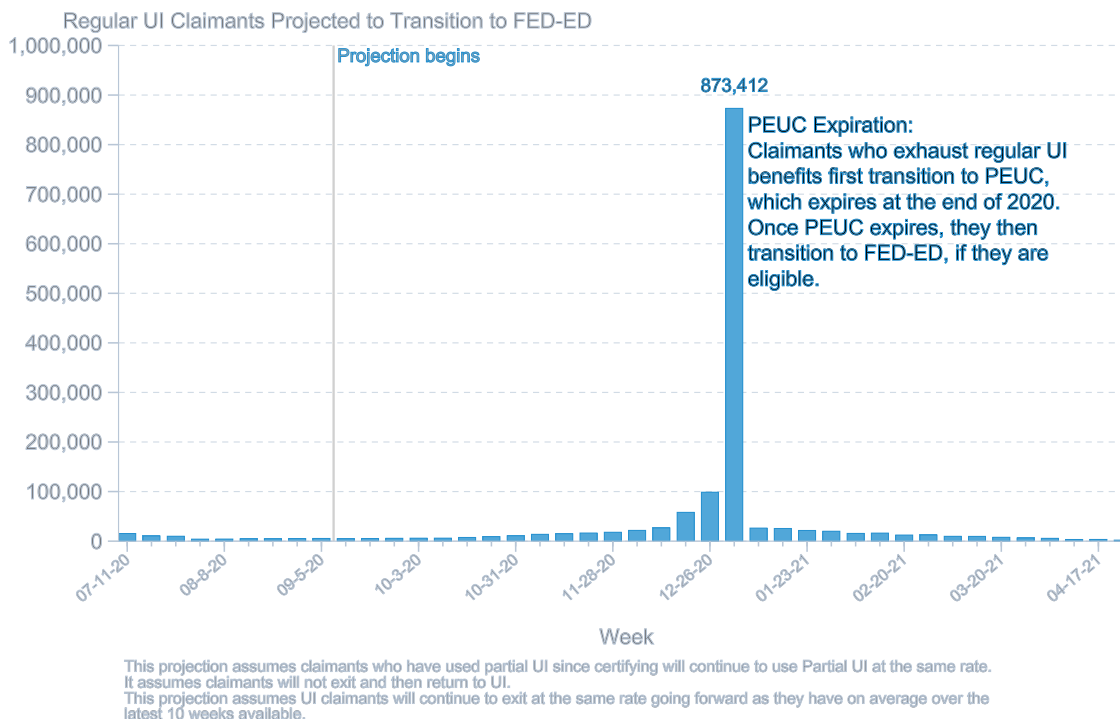


FIGURE A6 : Projected Transitions to the FED-ED Extension Program



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, the claimant starts a 52-week benefit year, a period during which the 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 (Accessed April 24th, 2020).
- 2 CPL calculations find \$131.7 million less federal dollars from PUA expiring; \$41.5 million less from PEUC expiring. In addition, when federally funded PEUC expires, nearly 870,000 regular UI claimants will roll over to FED-ED. While the federal government currently pays all of the costs of the FED-ED benefits, starting in January 2021, the costs (currently estimated at \$218,353,000 a week) are split evenly between states and the federal government, which will mean a \$109 million weekly cost shifting to the state. Please contact CPL for exact projections.
- 3 Unique initial claims since March 15th chiefly consist of new initial claims. If an individual that was a UI recipient before the start of the crisis, and filed an additional or a transitional claim on or after March 15th, they would be included in unique claims.
- 4 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. As discussed elsewhere in this report, these WBA are reduced if a claimant has earnings above a disregard.
- 5 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.
- 6 https://www.edd.ca.gov/about_edd/coronavirus-2019/lost-wages-assistance.htm
- 7 <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2020.pdf>
- 8 Labor force numbers by age and gender provided here: 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>.
- 9 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.
- 10 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. Thus the claimant can earn $4/3$ of their WBA and maintain eligibility. The WBA, and hence the earnings cut off for partial UI, depends on the highest earning quarter in the base period, and is generally about $1/2$ of average prior weekly earnings. Thus, a claimant can earn about $4/3 \times 1/2 = 2/3$ of their prior average weekly earnings while maintaining eligibility.
- 11 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 claimant's WBA. Thus, for claimants earning greater than \$25 a week but less than 133% of their WBA, the following applies: Partial UI Payment = $\text{WBA} - 0.75 \times \text{Weekly Earnings}$. 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.
- 12 https://twitter.com/CA_EDD/status/1253514809158430722?s=20
- 13 Although some of these claimants will have already exited by the time of the writing of this report (due to censoring, we cannot know exactly how many), our projections of exit rates are designed to account for this. This is further discussed in the Technical Appendix.
- 14 These exhaustion projections pertain only to the stock of current claimants. However, one could incorporate the fact that a number of new initial PUA claims may arrive in the future and exhaust as follows. Supposing 15,000 new initial PUA claimants arrive over the next 10 weeks (based on Table 1), with a constant 5.8% exit probability each week, 109,584 new PUA initial claims could be filed between now and the program's expiration. The actual number is likely to be lower, because not all of the new claims actually receive benefits. Assuming that 75% of initial claimants end up taking up UI benefits, the number is that 75% of these claims are eligible, one might expect to see on the order of 82,188 new initial PUA claims filed after today that exhaust benefits at the end of the year.
- 15 Our predicted number of exhaustions from PUA at the December cliff differ from a recent report from the Century Foundation because we start with the stock of unique individuals currently receiving benefits rather than the number of claims filed (which has recently been overstating the stock of UI recipients because of retroactive claims, see Figure 9A) and because we base our exhaustion rate on the recently observed rates of exit from UI (see Figure 13A). For more detail, see the Technical Appendix.