



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 November 19th](#), this brief provides an in-depth analysis of geographic patterns of benefits receipt and includes a new "Recovery Index."

The report also 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 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 November 28th.

The first part 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 part 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. For the first time, this report also includes a detailed geographic analysis of UI claims across California’s nearly 8,000 Census tracts.

Key Insights from September through November:

- **The number of workers receiving unemployment benefits remains startlingly high.** 4.1 million claimants, or 22% of the state’s labor force in February, were paid regular UI or PUA benefits for unemployment experienced in the week ending November 14th. Since the start of the COVID-19 crisis in mid-March, 8.7 million unique California claimants, or 45% of the California workforce, have filed for some type of UI benefits.
- **Residents of already-disadvantaged neighborhoods were least insured against the job losses of the pandemic.** A new analysis reveals that unemployed people in communities of concentrated poverty and with higher shares of racial and ethnic minorities have been less likely to receive regular UI benefits. Descriptive analysis across California’s 8,000 Census tracts suggests that a variety of channels – including legal work authorization, language,

and the technological divide – may play a role in some unemployed workers not being able to access UI benefits during the pandemic. Further research is urgently needed to better understand what factors have contributed to these patterns. Although the focus of our analysis is on regular UI, preliminary results suggest that claims under the PUA program have also shown similar geographic patterns.

- **The share of unemployed workers who received UI benefits is substantially lower in some neighborhoods than others.** If unemployed workers in poorer neighborhoods had been able to collect regular UI benefits at the same rate (per unemployed person) as those in wealthier ones, the number of regular UI beneficiaries would have been 23% higher. Back-of-the-envelope calculations suggest that if all neighborhoods received UI at the same rate as wealthy neighborhoods, these areas would have seen an additional \$445 million of regular UI payments per week over the course of the summer.
- **Recent patterns of UI claims reveal a slower rate of recovery in poorer neighborhoods, as well as those with more COVID cases.** These findings are consistent with a growing body of research that finds that economic recovery has been slower for lower-income workers, foreshadowing a potential “K-shaped” recovery. Geographic differences in the propensity for unemployed workers to have received UI benefits also raises the possibility that some neighborhoods’ recoveries may be stalled in part because their local economies have not received fiscal stimulus in proportion to their losses to employment.
- **Early indicators suggest that the decline in the number of UI claimants since the summer appears to have stalled.** For the first time in our report series, our measure of continuing claims numbers attempts to adjust these trends to account for historical patterns of lags in processing benefit certifications, creating a more accurate picture of how the number of the number of claimants receiving benefits evolves over time.
- **Trends in reported earnings for UI claimants signal a weakening of the labor market.** For the first time since May, the percentage of claimants who were denied benefits due to excessive earnings fell below 6%, steadily declining over October and November. The rate at which UI benefits have been partially reduced due to earnings has also dipped in recent weeks, albeit less substantially.

Earlier in the pandemic, trends such as these foreshadowed relative economic declines.

- **The pandemic’s disparate impact by race remains evident among UI claimants.** Almost 85% of the Black labor force has filed for unemployment benefits since the beginning of the pandemic in mid-March. In the week ending November 14th, more than one-quarter of the Black labor force filed a continuing claim for regular UI benefits. Among Black claimants, nearly 50% of claimants are expected to have lost their benefits by mid-May (in contrast to a rate of just 36% overall).
- **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 three-quarters of all initial claims.

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- UI remains a lifeline for employees in hard-hit service sectors, particularly as stay-at-home orders come back into effect.** In the last week of November, the Accommodation and Food Services Industry accounted for nearly a fifth of initial claims. Aside from another spike in September, this is a level not seen since the start of the crisis and is likely reflecting the resurgence of the pandemic and increasingly stringent stay at home orders. Continuing claims also remain elevated from this industry, with almost a fifth of recent continuing claims payments going to workers in Accommodation and Food Services.

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.

Analysis of Initial Claims

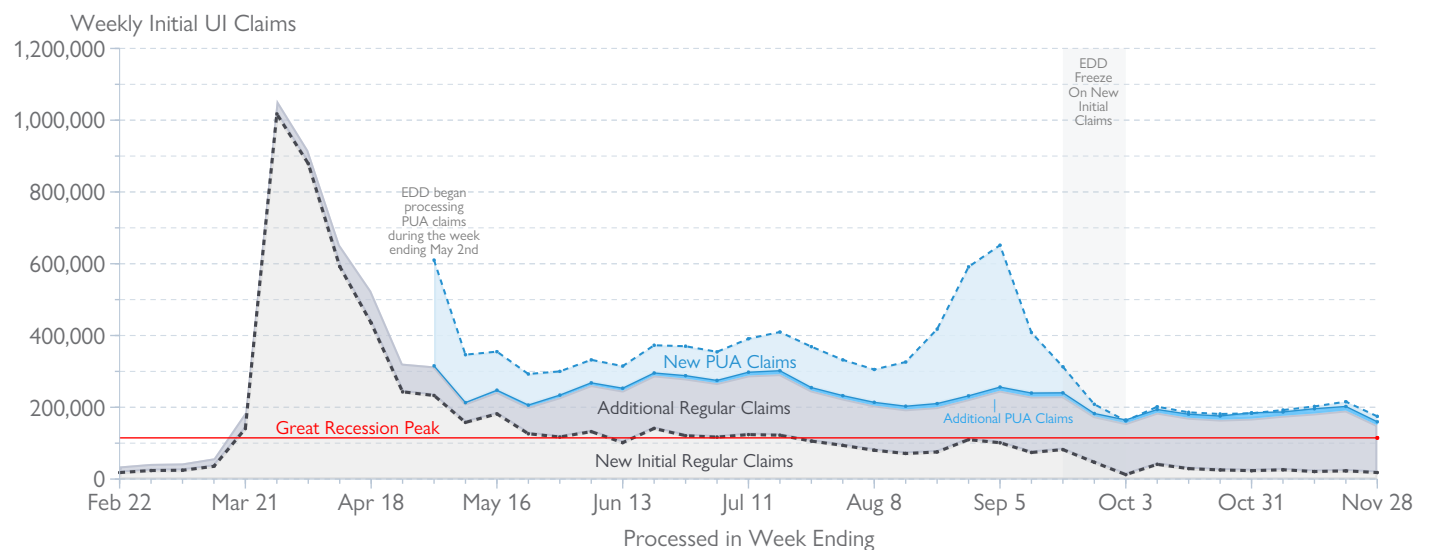
Californians filed a total of 183,356 initial Unemployment Insurance (UI) claims in the week ending November 28th. Only 18% of initial claims in the most recent week were filed under the Pandemic Unemployment Assistance (PUA) program, down from 63% at its peak in the end of August (Table 1). The

number of initial *regular* claims in the week ending November 28th (almost 150,000) 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.

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 77% of all claims during the week ending November 28th. Figure 1 and Table 1 show the number of additional claimants has increased and then decreased 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.

FIGURE 1: Weekly Initial UI Claims (including PUA) During the COVID-19 Crisis in California, 2/22/2020–11/28/2020



X-axis labels correspond to Saturdays.
 Additional Claims include claimants who have already filed an original claim during the same benefit year, had a break of one or more weeks of benefits with intervening employment, and have re-opened their UI claim. We also include Transitional Claims with the Additional Claims region. Transitional Claims are claims where a claimant is still collecting benefits at the end of their benefit year and had sufficient wage earnings during that year to start up a new claim once the first benefit year ends. Transitional Claims make up less than 0.5% of Total Claims since March 15th. California reported 114,793 initial UI claims (including additional claims) in the week ending January 9, 2010. (OUI DOLETA Table 539)

TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 3/21/2020– 7/25/2020 (page 1 of 2)

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	NEW INITIAL PUA CLAIMS	ADDITIONAL REGULAR CLAIMS	ADDITIONAL PUA CLAIMS	TOTAL INITIAL CLAIMS	NEW UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS AS PERCENT OF FEB LABOR FORCE
Mar 21	140,703	—	44,324	13	185,040	183,092	183,092	0.9
Mar 28	1,017,468	—	38,740	28	1,056,236	1,051,847	1,234,939	6.4
Apr 04	878,831	—	35,855	84	914,770	893,280	2,128,219	11.0
Apr 11	592,342	—	58,722	270	651,334	597,487	2,725,706	14.0
Apr 18	435,247	—	87,654	794	523,695	443,986	3,169,692	16.3
Apr 25	243,225	—	77,517	962	321,704	249,479	3,419,171	17.6
May 02	232,904	296,183	80,059	1,713	610,859	360,792	3,779,963	19.5
May 09	157,862	135,681	51,681	2,188	347,412	232,282	4,012,245	20.6
May 16	181,689	111,815	60,030	4,343	357,877	245,105	4,257,350	21.9
May 23	126,387	91,468	74,269	4,837	296,961	188,193	4,445,543	22.9
May 30	117,238	71,890	109,785	5,695	304,608	170,507	4,616,050	23.8
Jun 06	132,275	70,212	127,607	6,153	336,247	186,324	4,802,374	24.7
Jun 13	101,565	68,204	143,383	6,528	319,680	157,552	4,959,926	25.5
Jun 20	141,131	83,815	146,258	6,643	377,847	209,531	5,169,457	26.6
Jun 27	120,897	89,901	158,475	7,820	377,093	197,133	5,366,590	27.6
Jul 04	116,974	87,079	149,366	7,301	360,720	188,785	5,555,375	28.6
Jul 11	123,895	102,230	162,565	8,945	397,635	208,606	5,763,981	29.7
Jul 18	122,171	117,232	168,676	9,446	417,525	217,078	5,981,059	30.8
Jul 25	105,857	122,289	139,657	8,260	376,063	214,802	6,195,861	31.9

Notes: Total initial claims refers to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California Residents. Tabulations based on initial UI claims file. Initial Claims in a given week may be greater than the number of new unique claimants, as individuals may appear twice in the initial claims numbers - 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 before their separate pua claim can be accepted). New Initial claims excludes transitions to extension programs.

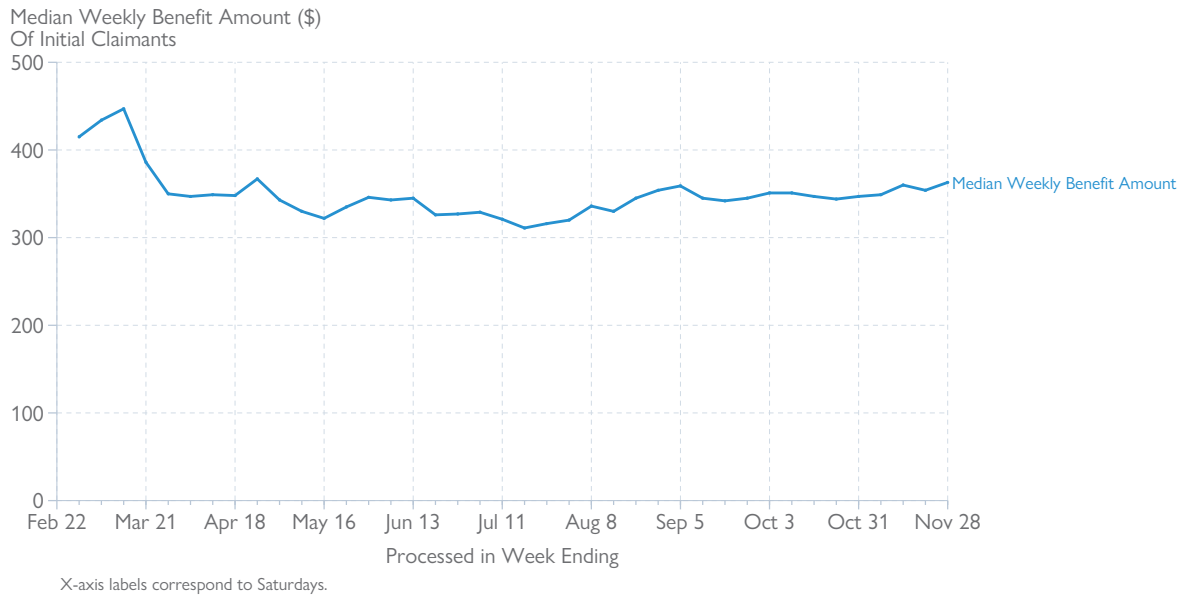
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TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 8/1/2020 - 11/28/2020 (page 2 of 2)

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	NEW INITIAL PUA CLAIMS	ADDITIONAL REGULAR CLAIMS	ADDITIONAL PUA CLAIMS	TOTAL INITIAL CLAIMS	NEW UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS AS PERCENT OF FEB LABOR FORCE
Aug 01	93,833	107,676	129,550	7,933	338,992	190,675	6,386,536	32.9
Aug 08	80,257	100,131	123,995	8,534	312,917	168,631	6,555,167	33.7
Aug 15	71,359	131,894	122,034	8,638	333,925	193,036	6,748,203	34.7
Aug 22	75,545	217,094	124,199	9,793	426,631	282,330	7,030,533	36.2
Aug 29	109,903	368,524	112,285	9,111	599,823	460,828	7,491,361	38.6
Sep 05	101,144	405,028	144,767	9,593	660,532	493,500	7,984,861	41.1
Sep 12	74,103	178,305	155,365	9,698	417,471	243,378	8,228,239	42.3
Sep 19	82,238	82,310	148,022	9,420	321,990	153,551	8,381,790	43.1
Sep 26	46,714	33,011	128,556	7,381	215,662	72,460	8,454,250	43.5
Oct 03	12,470	6,317	143,410	8,686	170,883	16,065	8,470,315	43.6
Oct 10	41,057	16,386	143,528	8,584	209,555	48,853	8,519,168	43.8
Oct 17	29,222	15,046	141,284	9,715	195,267	36,804	8,555,972	44.0
Oct 24	25,480	15,626	139,615	10,082	190,803	33,190	8,589,162	44.2
Oct 31	23,429	14,756	144,549	16,086	198,820	30,644	8,619,806	44.4
Nov 07	25,928	15,740	149,966	10,405	202,039	33,535	8,653,341	44.5
Nov 14	21,062	19,512	161,282	13,142	214,998	31,582	8,684,923	44.7
Nov 21	22,932	24,533	167,333	11,085	225,883	32,775	8,717,698	44.9
Nov 28	18,186	24,531	131,304	9,335	183,356	23,704	8,741,402	45.0

Notes: Total initial claims refers to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California Residents. Tabulations based on initial UI claims file. Initial Claims in a given week may be greater than the number of new unique claimants, as individuals may appear twice in the initial claims numbers - e.g., any claimant that filed at least one additional claim, or the majority of PUA claimants (since most PUA claimants must prove ineligibility of regular UI by filing a regular UI claim before their separate pua claim can be accepted). New Initial claims excludes transitions to extension programs.

FIGURE 2: Median Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance 2/29/2020 - 11/28/2020



Accounting for both PUA and regular UI programs, 45% of the entire labor force in California has now filed for Unemployment Insurance benefits at some point since the start of the crisis. Since many claimants have filed multiple claims during the crisis—e.g., any claimant that filed at least one additional claim, or the majority of PUA claimants (since most PUA claimants must first prove ineligibility for regular UI by filing a regular UI claim)—this number counts unique individuals. Counting cumulated initial claims would overestimate the “share of the labor force” filing a claim by over 27 percentage points (Table 2).²

Benefit Levels

In California, most claimants found to be eligible are paid benefits equal to 50% of average weekly earnings in a base period, up to a maximum of \$450 per week.³ The median weekly benefit amount (WBA) for all initial claimants between November 15th through November 28th projected to qualify for regular UI benefits was \$359 per week.⁴ Figure 2 shows how benefit levels have evolved over the course of the pandemic.

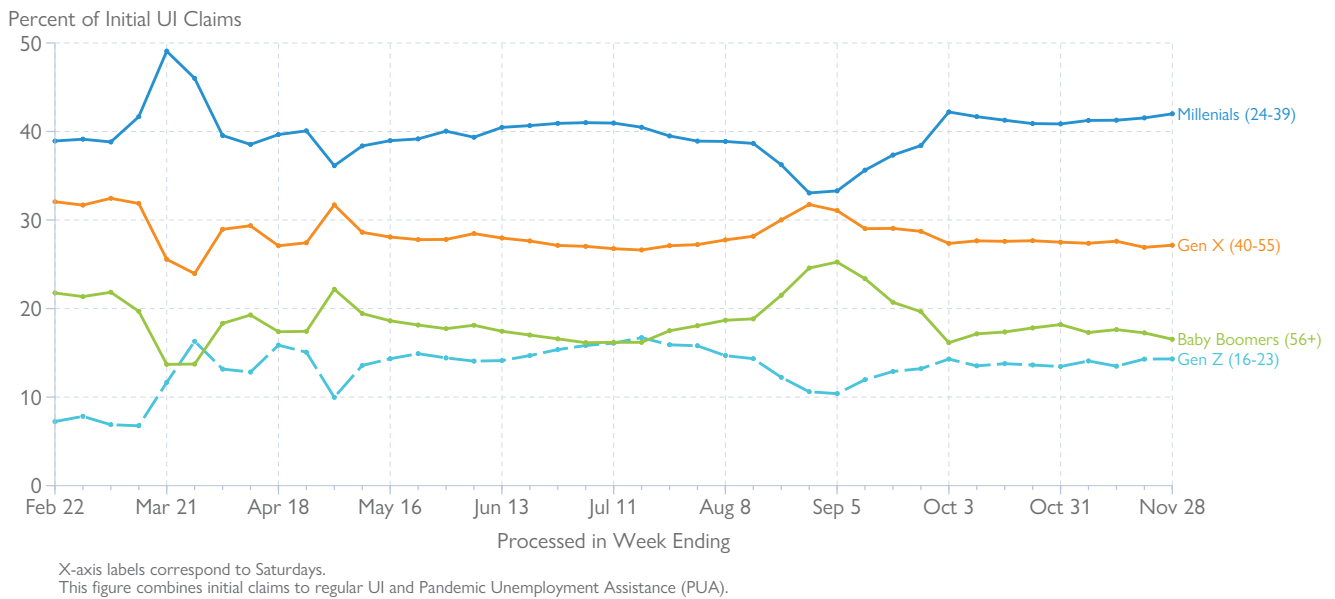
To put these benefit amounts into perspective, one can compare benefit amounts to California’s 2020 state income limits, which are used for eligibility determinations of various government programs.⁵ Table A1, in the Appendix, illustrates income classifications dependent upon on the size of

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 (November 15th–November 28th) 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 only \$260 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 by Generation, 2/22/2020 - 11/28/2020



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 November 28th, 48.2% 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 42.1% of men (Table 2).⁶ 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, just under 85% of the Black labor force has filed for unemployment benefits since the beginning of the crisis – far above the statewide average of 45% (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 29% (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 from earlier in the summer. Similarly, the racial and ethnic distribution of claimants also changed abruptly in late August and early September, but now appears more similar to earlier months of the pandemic.

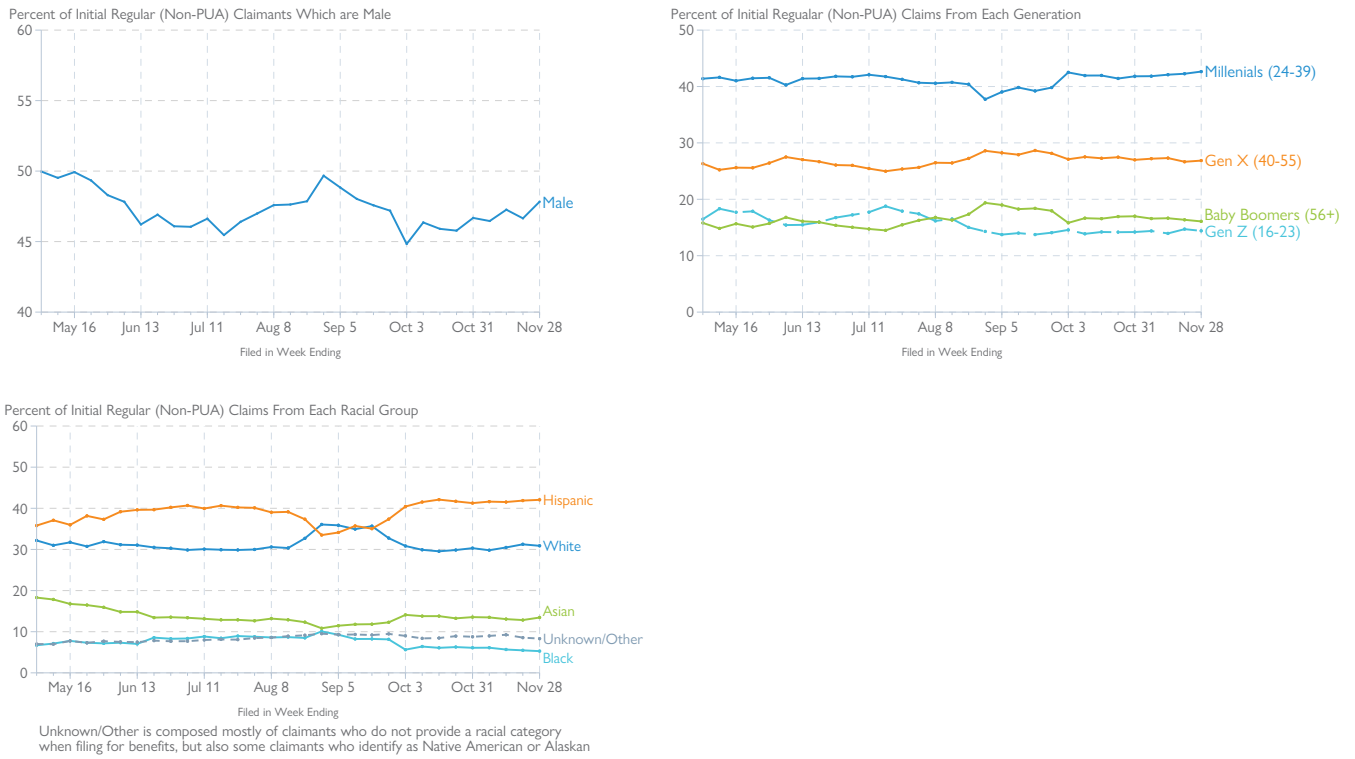
Reported educational attainments had also changed during the rush of claims in late August but has returned to prior levels (Figure 6). We observe self-reported education for regular UI applicants only, as this information is not collected on PUA applications. Not including PUA claimants, 52% of workers 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).

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.⁷ 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, and has risen slightly throughout November.

Table 4 shows how the shares of the labor forces in various industries have been affected. 63% of the Arts, Entertainment, and Recreation industry workforce has filed at least one regular UI claim since March 15th, along with 68% of the Education Services workforce. Accommodation and Food Services, which as discussed earlier has seen elevated numbers

FIGURE 4: Trends in the Demographic Characteristics of Initial non-PUA Claimants, 4/26/2020 -11/28/2020



X-axis labels correspond to Saturdays.

FIGURE 5: Share of Initial UI Claims (including PUA) During the COVID-19 Crisis in California by Race and Ethnicity, 2/22/2020 – 11/28/2020

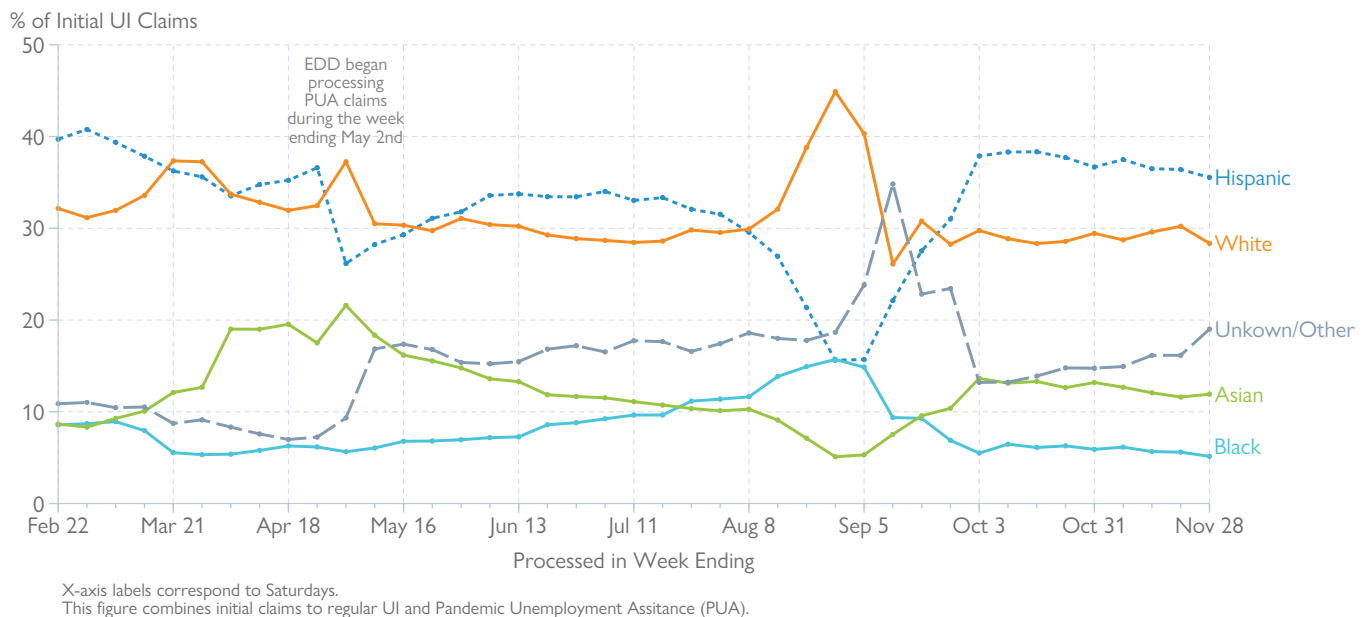
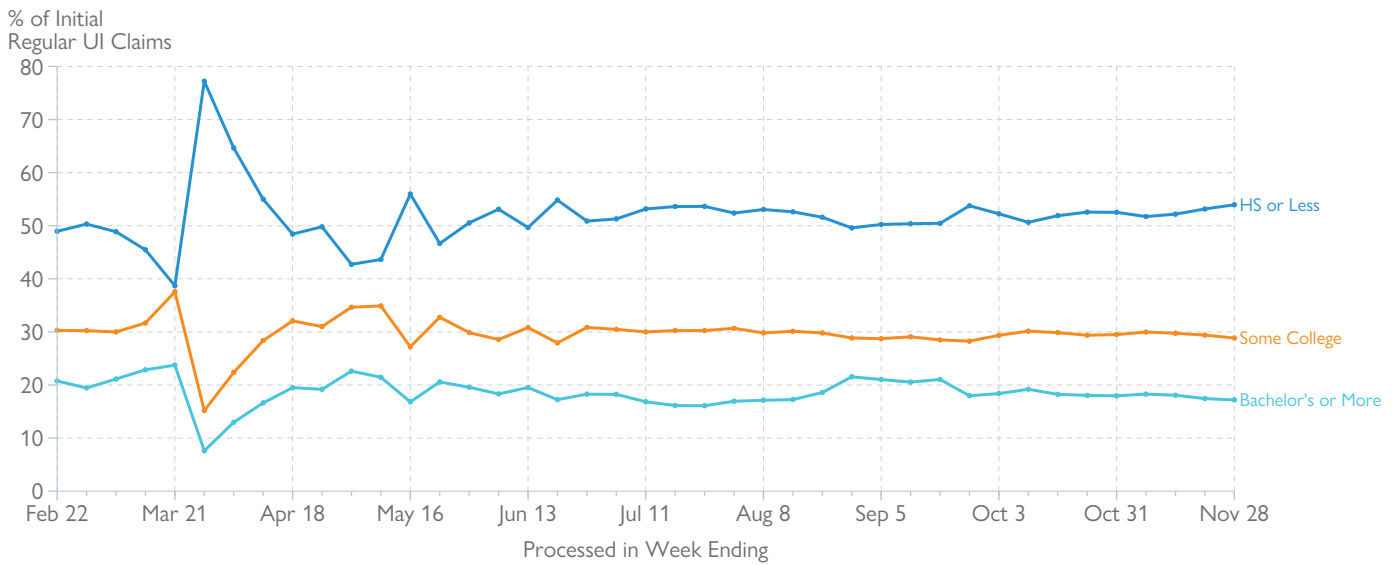


FIGURE 6: Share of Initial UI Claims During the COVID-19 Crisis in California by Education Group, 2/29/2020–11/28/2020



X-axis Labels Correspond to Saturdays.
 Our data do not contain education levels for claimants for Pandemic Unemployment Assistance (PUA), and thus these claimants are not included.
 This figure does not include transitions to extensions such as PEUC.

of initial claims, has also seen the largest number of unique claimants, with more than 814,000 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 labor market churn at the industry level, we also looked at which industries saw the most workers returning to UI. Statewide, the share of non-PUA claims that are additional is 88%. 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 96% 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 Manufacturing and Administrative Support, Waste Management, and Remediation, a lower share of new initial claims came from workers who had recently been unemployed.

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. These issues of timing were highlighted by a US Government Accountability Office report, which concluded that traditional measures of reporting have “improperly presented UI claims counts . . . which has complicated efforts to understand how the size of the population being supported has changed during the pandemic and the potential effects of the expiration of CARES Act UI benefits.”⁸ Our measure sidesteps these problems by focusing directly on the number of individuals receiving UI

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	13,990,517	8,741,402	5,551,356	3,190,046	19,430,000	45.0
By Gender						
Female	7,080,140	4,256,106	2,819,532	1,436,574	8,824,000	48.2
Male	6,889,647	4,467,870	2,719,003	1,748,867	10,605,000	42.1
By Age Group						
16–19	492,286	344,079	237,669	106,410	531,000	64.8
20–24	1,822,460	1,112,010	882,477	229,533	1,741,000	63.9
25–34	3,638,300	2,187,666	1,541,193	646,473	4,780,000	45.8
35–44	2,697,133	1,650,551	995,171	655,380	4,303,000	38.4
45–54	2,410,565	1,493,851	873,352	620,499	3,904,000	38.3
55–64	2,009,802	1,262,205	729,464	532,741	3,019,000	41.8
65–85	806,522	617,362	284,111	333,251	1,152,000	53.6
By Generation						
Gen Z (16-23)	1,924,201	1,221,751	936,704	285,047	1,867,246	65.4
Millennials (24-39)	5,477,711	3,301,087	2,267,727	1,033,360	7,411,296	44.5
Gen X (40-55)	3,898,813	2,414,043	1,412,672	1,001,371	6,330,323	38.1
Baby Boomers (56+)	2,576,303	1,696,391	908,258	788,133	3,821,136	44.4
By Race and Ethnicity						
White	4,553,200	2,956,122	1,796,222	1,159,900	7,569,542	39.1
Hispanic	4,322,548	2,456,280	2,044,392	411,888	7,365,929	33.3
Asian	1,813,385	1,074,352	822,820	251,532	3,060,800	35.1
Black	1,164,406	888,840	434,568	454,272	1,047,281	84.9

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	HS or Less		Some College or Associate's Degree		Bachelor's or More	
	UNIQUE CLAIMANTS SINCE MARCH 15TH	% OF GROUP'S LABOR FORCE	UNIQUE CLAIMANTS SINCE MARCH 15TH	% OF GROUP'S LABOR FORCE	UNIQUE CLAIMANTS SINCE MARCH 15TH	% OF GROUP'S LABOR FORCE
Statewide	3,404,937	51.8	1,637,858	32.3	1,004,274	12.9
By Gender						
Female	1,428,737	55.3	835,284	32.8	516,819	13.9
Male	1,577,504	39.8	682,148	25.4	423,018	10.8
By Race and Ethnicity						
Asian	380,584	75.3	212,358	37.7	219,330	11.1
Black	249,447	98.8	130,992	35.5	50,217	12.3
Hispanic	1,344,603	32.8	526,273	26.0	146,677	12.4
White	807,418	51.9	524,622	25.0	445,464	11.5
Age						
Gen Z (16-23)	573,829	70.3	296,882	36.4	54,405	23.3
Millennials (24-38)	1,175,444	51.7	640,264	32.6	425,640	13.4
Gen X (40-55)	766,073	34.6	353,772	23.6	272,156	10.4
Baby Boomers (56+)	482,682	39.4	224,435	23.1	185,680	11.5

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 includes 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 - 11/28/2020

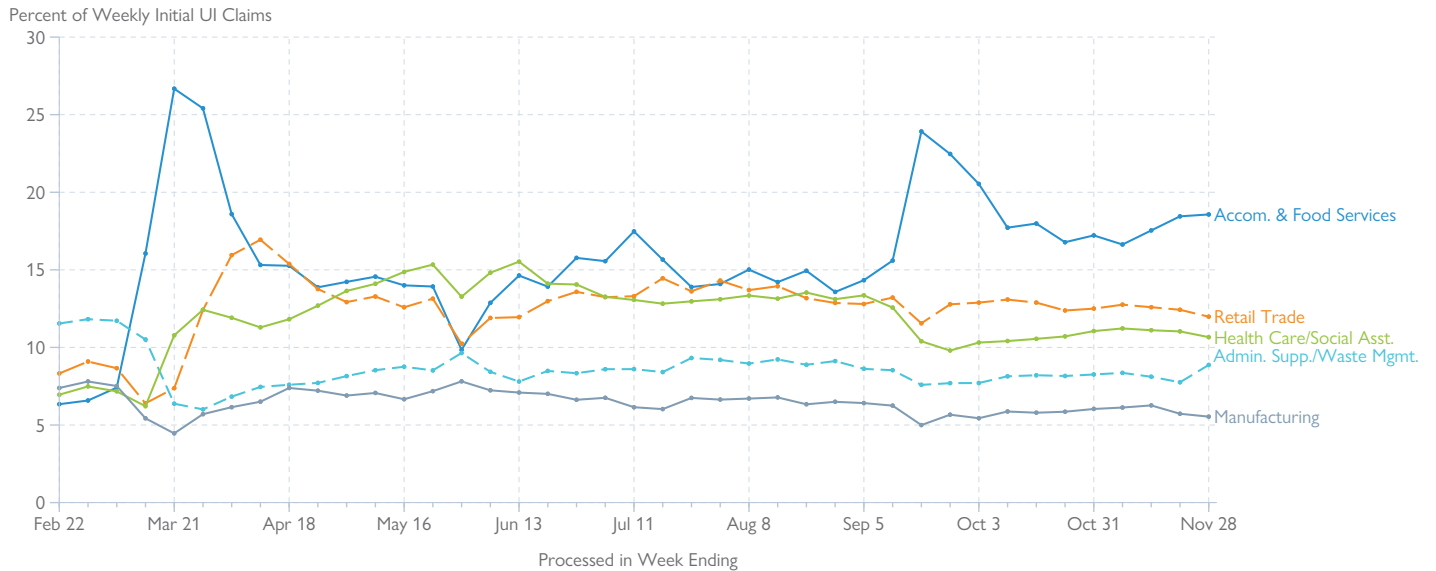


FIGURE 8: Share of Initial UI Claims (excluding PUA) which are Additional by Select Industries During the COVID-19 Crisis in California, 2/8/2020 - 11/28/2020

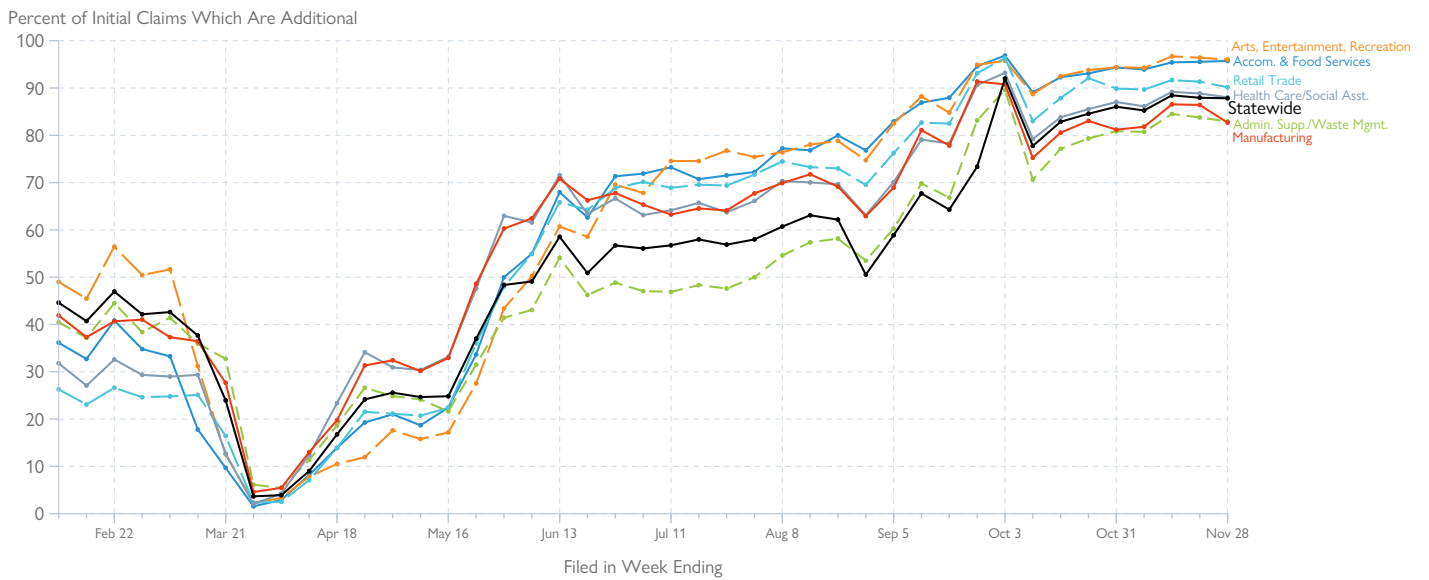


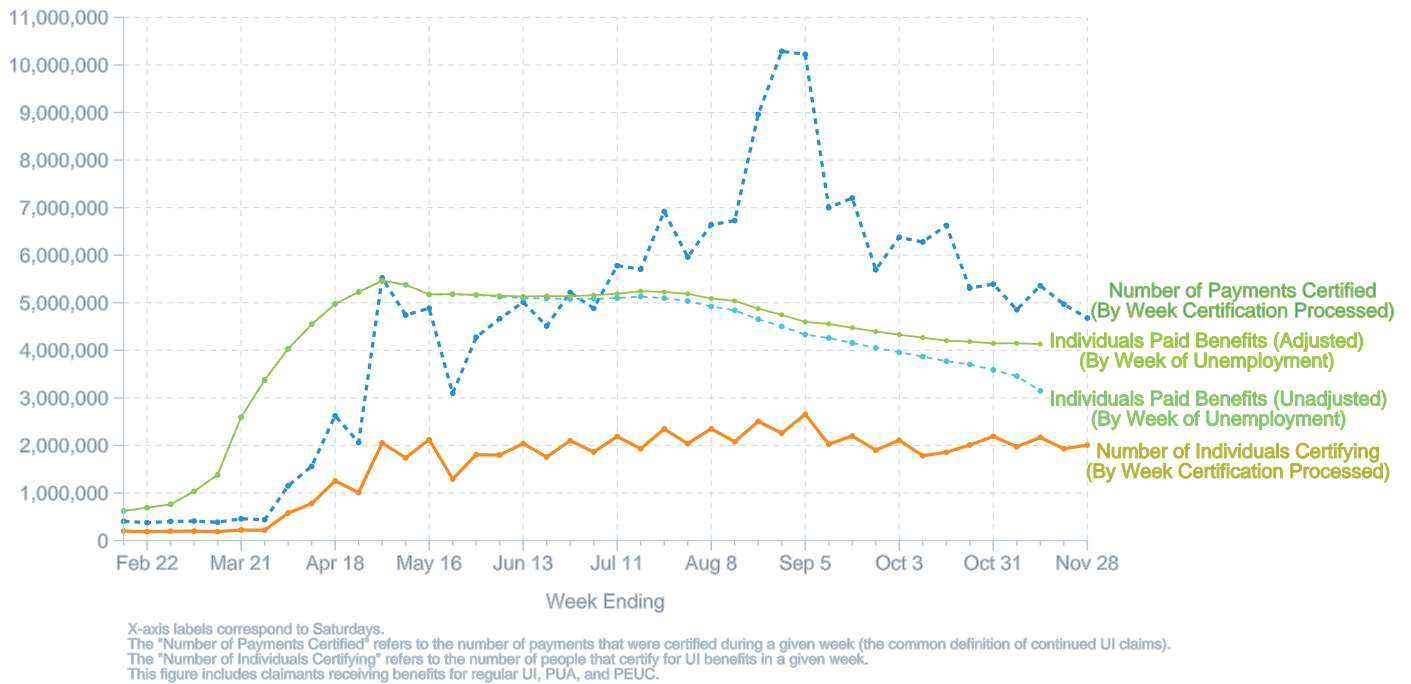
TABLE 4: Initial Regular UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	WEEK ENDING NOV 14TH	WEEK ENDING NOV 21ST	WEEK ENDING NOV 28TH	UNIQUE CLAIMANTS SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	UNIQUE CLAIMANTS AS % OF LABOR FORCE
Accommodation and Food Services	29,635	33,699	8,844	814,818	1,724,000	47.3
Retail Trade	21,789	22,208	5,296	648,463	1,654,500	39.2
Health Care and Social Assistance	19,450	19,914	4,646	595,592	2,461,900	24.2
Admin. Support, Waste Man. (a)	12,010	11,688	3,185	398,278	1,143,700	34.8
Manufacturing	11,607	10,656	2,541	309,167	1,318,500	23.4
Construction	12,288	12,625	3,023	280,630	896,400	31.3
Education Services	10,059	9,240	2,526	265,667	393,100	67.6
Prof., Scientific, Techn. Services (a)	8,105	8,451	2,009	246,558	1,357,200	18.2
Other Services	7,501	8,182	2,025	228,577	581,300	39.3
Arts, Entertainment, Recreation	7,045	8,242	2,296	209,148	332,500	62.9
Transportation, Warehousing and Utilities	6,787	6,630	1,816	192,600	718,300	26.8
Wholesale Trade	4,909	4,865	1,151	175,842	689,700	25.5
Information	7,860	8,106	2,639	146,501	586,600	25.0
Agriculture, Forestry, Fishing (a)	6,353	7,888	1,514	87,366	431,100	20.3
Real Estate and Leasing	2,360	2,502	655	84,853	305,300	27.8
Finance and Insurance	1,774	1,665	414	63,423	544,100	11.7
Public Administration	1,612	1,709	384	44,774	2,629,700	1.7
Management	699	675	180	24,897	252,900	9.8
Mining, Oil and Gas	220	265	63	5,189	22,800	22.8
Column Total	171,843	178,945	45,144	4,817,154	18,020,800	26.7

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- 11/28/2020



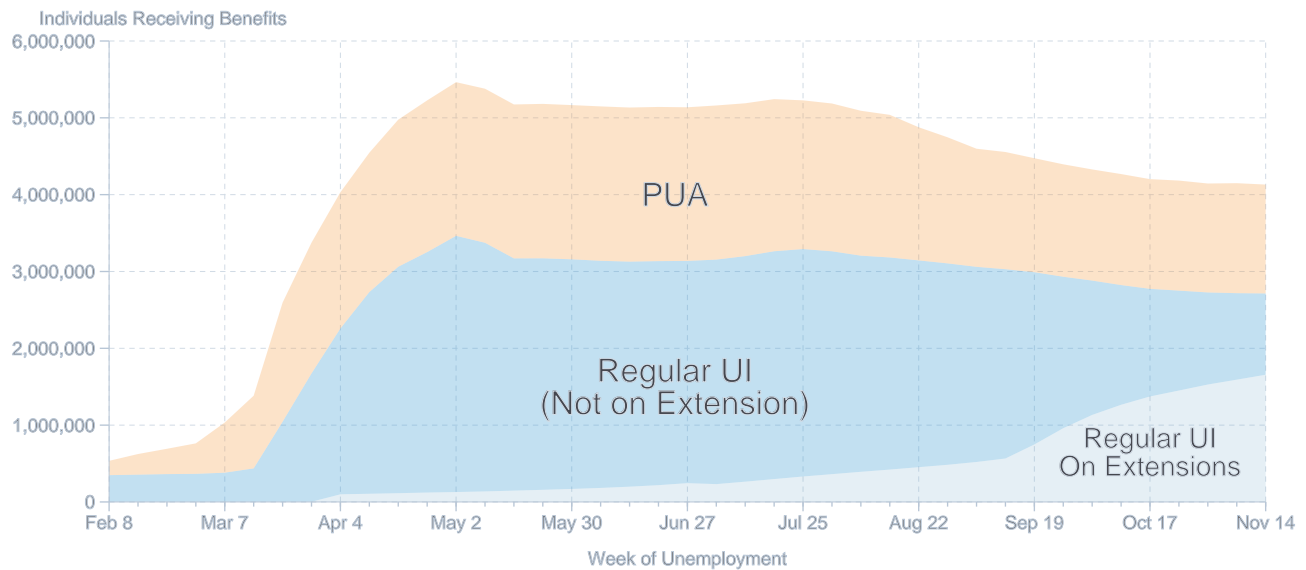
benefits for unemployment experienced in any given week, providing a more accurate measure of the evolving status of the labor market. This measure is more directly comparable to the number of unemployed individuals or the number of workers in the labor force reported from Current Population Survey data 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.⁹ 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.” Two key characteristics of this measure are worth noting. First, 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. It is not possible to accurately deduce from counts of certifications processed in a given week (the more commonly reported measure) when that unemployment was experienced.¹⁰ Second, due to processing lags the date on which we observe a certification sometimes comes later than the date that the certification was submitted by the claimant.

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

The traditional measure of 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. There was an increase in initial claims in late August, but 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; see Figures A1 and A2 of the Appendix, where we reproduce Figure 9A for regular and PUA continuing claimants separately. As discussed in our September report, concerns of fraud had coincided with August’s surge in processed certifications. Since August, 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.

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- 11/14/2020



X-axis labels correspond to Saturdays.
 Data has been adjusted to account for delays in processing and retroactive claims.
 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.

Next, we turn to our preferred measure of the stock of individuals receiving UI: claimants potentially eligible to be 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. Because we do not observe certifications until they are processed, we present this series with a censoring adjustment based on recent lag patterns (Figure 9A presents it both ways).¹¹ Intuitively, we cannot directly count the number of claimants who were unemployed in recent weeks because many certifications for these weeks have yet to be processed (or potentially even submitted). The censoring adjustment inflates recent weeks' counts of unemployed claimants by the percent of processed certifications that have typically trickled in at later dates.

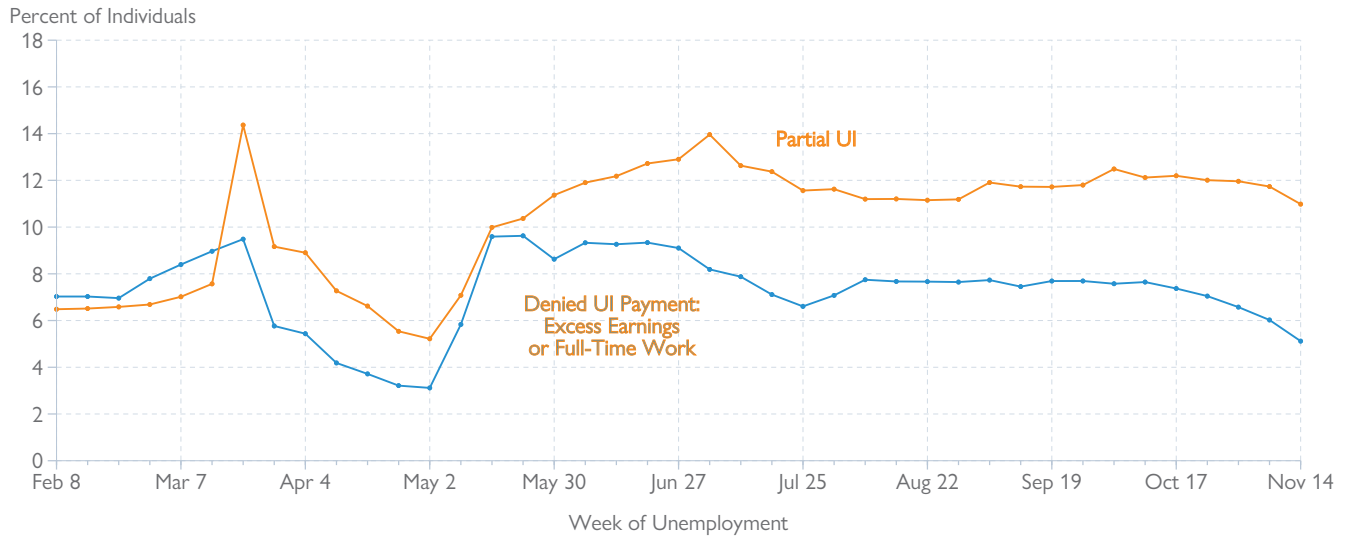
Despite the large number of certifications that occurred in August, our method of counting workers based on when they experienced unemployment – rather than when their certifications were processed – has fallen consistently since late-July for regular UI. Among PUA, the decline in numbers seems to have 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).

The number of continuing claimants on regular UI extensions now exceeds the number on regular UI without extensions.

Using our approach of counting individuals rather than claims, for the week ending on November 14th (the last week this can be measured in our data given typical processing lags), we estimate that 2.9 million individuals were potentially eligible to receive regular UI benefits (Table 5). Including both regular UI and PUA, we estimate 4.3 million potentially eligible claimants were potentially eligible for the week ending November 14th (Table A3, in the Appendix). Both of these estimates include a censoring adjustment, which accounts for the pattern that the count of claimants who were unemployed two weeks prior is typically only around 75% of what it will eventually rise to as more certifications are processed for unemployment experienced in that week.

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 regular UI claimants receiving full benefits amounted to 14.7% of the labor force (Table 5). Comparing this estimate to CPS estimates of unemployed people, we find that the number of claimants receiving full regular UI benefits is 140% of the number of

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 - 11/14/2020



X-axis labels correspond to Saturdays. Partial UI refers to those reporting earnings during that week 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 claims because of excess weekly earnings or full time work (see text). Does not include PUA Claims.

people counted as “unemployed” in the September CPS. [Table 5](#) compares this proportion across various demographic groups.

Partial UI & Denials

In the past, changes in the rate at which UI beneficiaries have reported some earnings have been predictive of changes in economic conditions. 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.¹² 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.”¹³ 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 certifying for regular UI for the week ending November 14th, only 5% had their benefit payment denied because of excess earnings ([Table 5](#)). This is the lowest the series has been since the start of the crisis, and it suggests that work opportunities may be drying up. (These numbers pertain only to certifications for unemployment on November 14th that have already been processed, and will be updated as additional certifications come in.)

Among claimants receiving regular benefits in the week ending November 14th, the fraction receiving partial UI was about 11% ([Table 5](#)). 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 around 12% before slightly dipping in recent weeks.

Despite the recent declines, the overall prevalence during the pandemic of denials due to excess earnings and partial UI

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



(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services. Data does not include claimants receiving Pandemic Unemployment Assistance (PUA).

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.

Demographic and Industry Breakdown of Continuing Claims

[Table 5](#) shows the statistics on continuing regular claims for various demographic and education subgroups, and [Table A3](#), 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 November 14th (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 November 14th was above 20% for workers aged 20-24, 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 three industries with the largest share of workers currently (as of November 14th) receiving benefits are Arts, Entertainment, and Recreation (39.3% of the labor force), Education Services (32.4% of the labor force) and Accommodation and Food Services (29.8% 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 November. 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 two 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, &

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 November 14th

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A % OF ALL PAID CLAIMS	% OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS AS A % OF FEB LABOR FORCE	INDIVIDUALS RECEIVING FULL WBA AS A % OF UNEMPLOYED IN OCTOBER
Statewide	2,856,435	2,713,715	11.0	5.1	14.7	139.8
By Gender						
Female	1,468,139	1,389,492	13.3	5.4	16.6	147.4
Male	1,370,376	1,306,623	8.5	4.7	12.9	131.2
By Age Group						
16–19	75,956	72,171	8.8	5.0	14.3	74.2
20–24	434,034	415,720	11.0	4.2	24.9	175.2
25–34	833,635	797,417	10.8	4.3	17.4	163.9
35–44	526,501	498,424	10.7	5.3	12.2	133.7
45–54	431,784	404,348	11.8	6.4	11.1	120.5
55–64	378,478	356,279	11.7	5.9	12.5	116.1
65–85	159,717	153,226	10.8	4.1	13.9	170.1
By Race and Ethnicity						
White	839,238	792,054	11.2	5.6	11.2	137.0
Hispanic	1,072,422	1,018,864	10.8	5.0	14.7	105.5
Asian	422,423	399,737	14.4	5.4	13.9	178.8
Black	275,653	268,172	6.9	2.7	26.5	184.1
By Education						
High School Degree or Less	1,561,997	1,496,496	10.5	4.2	23.7	172.8
Associate’s Deg., Some College	805,146	769,023	11.7	4.5	15.9	133.1
Bachelor’s Degree or More	433,263	407,851	11.7	5.9	5.6	81.3

Notes: Numbers are adjusted for delays in processing and expected retroactive claims which have not yet been processed. "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.

TABLE 6: 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 Nov 14th

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A % OF ALL PAID CLAIMS	% OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS AS A % OF FEB LABOR FORCE	% OF PAID REGULAR UI CLAIMANTS FROM THIS INDUSTRY
Accommodation and Food Services	514,423	489,343	16.9	4.9	29.8	19.0
Retail Trade	327,441	310,865	11.4	5.1	19.8	12.1
Health Care and Social Assistance	284,890	270,589	12.6	5.0	11.6	10.5
Admin. Support, Waste Man. (a)	259,810	251,138	5.7	3.3	22.7	9.7
Manufacturing	150,511	143,238	7.3	4.8	11.4	5.6
Prof., Scientific, Techn. Services (a)	140,171	133,102	8.1	5.0	10.3	5.2
Construction	131,024	123,693	3.6	5.6	14.6	4.8
Arts, Entertainment, Recreation	130,569	123,230	14.2	5.6	39.3	4.8
Other Services	129,610	122,378	15.2	5.6	22.3	4.7
Transportation, Warehousing and Utilities	129,547	125,398	9.8	4.0	18.0	4.9
Education Services	127,231	118,044	14.0	7.2	32.4	4.6
Wholesale Trade	93,554	90,184	8.0	3.6	13.6	3.5
Information	82,576	73,481	8.2	11.0	14.1	2.9
Agriculture, Forestry, Fishing (a)	72,850	71,666	2.0	1.6	16.9	2.8
Real Estate and Leasing	52,232	50,130	8.2	4.0	17.1	1.9
Finance and Insurance	41,841	40,730	7.9	2.7	7.7	1.6
Public Administration	25,268	24,113	13.4	4.6	1.0	0.9
Management	13,046	12,487	9.4	4.3	5.2	0.5
Mining, Oil and Gas	1,258	2,911	5.3	12.8	5.5	0.1

Notes: Numbers are adjusted for delays in processing and expected retroactive claims which have not yet been processed. 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.

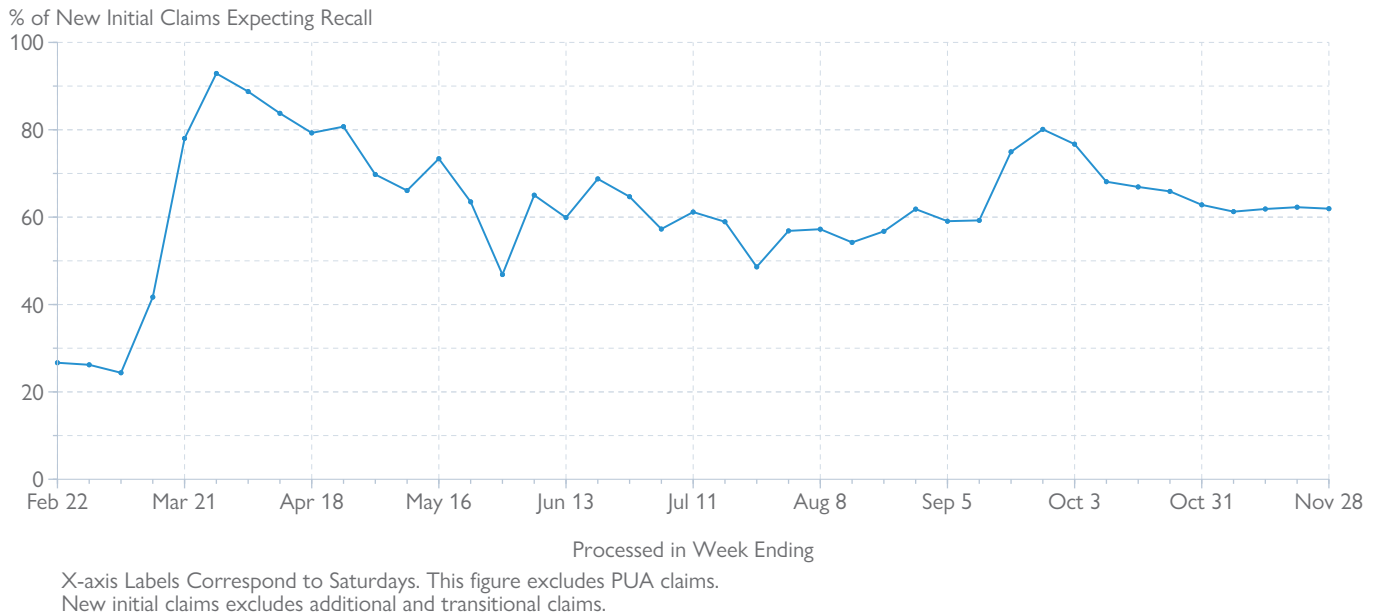
(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

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 November 14th

GROUP	FEBRUARY LABOR FORCE			OCTOBER LABOR FORCE			
	INDIVIDUALS POTENTIALLY ELIGIBLE AS A % OF LABOR FORCE	INDIVIDUALS PAID AS A % OF LABOR FORCE	INDIVIDUALS PAID FULL WBA AS A % OF LABOR FORCE	INDIVIDUALS POTENTIALLY ELIGIBLE AS A % OF LABOR FORCE	INDIVIDUALS PAID AS A % OF LABOR FORCE	INDIVIDUALS PAID FULL WBA AS A % OF LABOR FORCE	INDIVIDUALS PAID LESS THAN FPL AS A % OF ALL PAID
Statewide	14.7	14.0	12.4	14.8	14.0	12.5	43.0
By Gender							
Female	16.6	15.7	13.6	16.7	15.8	13.7	49.1
Male	12.9	12.3	11.3	13.0	12.4	11.3	36.6
By Age Group							
16–19	14.3	13.6	12.4	14.0	13.3	12.2	91.2
20–24	24.9	23.9	21.2	26.1	25.0	22.2	66.5
25–34	17.4	16.7	14.9	17.5	16.8	15.0	40.0
35–44	12.2	11.6	10.3	12.4	11.8	10.5	34.4
45–54	11.1	10.4	9.1	11.2	10.5	9.2	34.4
55–64	12.5	11.8	10.4	12.3	11.6	10.2	34.6
65–85	13.9	13.3	11.9	13.5	13.0	11.6	43.1
By Race and Ethnicity							
White	11.2	10.6	9.4	11.5	10.9	9.6	40.2
Hispanic	14.7	13.9	12.4	15.2	14.4	12.9	44.3
Asian	13.9	13.2	11.3	14.8	14.0	12.0	43.9
Black	26.5	25.8	24.0	26.7	26.0	24.2	46.7
By Education							
High School Degree or Less	23.7	22.7	20.4	24.8	23.8	21.3	46.3
Associate’s Deg., Some College	15.9	15.2	13.4	15.8	15.1	13.3	44.3
Bachelor’s Degree or More	5.6	5.2	4.6	5.5	5.1	4.5	30.4

Notes: Numbers are adjusted for delays in processing and expected retroactive claims which have not yet been processed. "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 12: Percent of New Initial Claimants for Regular UI Reporting They Expect to be Recalled to Prior Job, 2/22/2020 - 11/28/2020



Utilities industry has seen little change in its sizable 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, though all major industries have exhibited downward trends in recent weeks. 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.

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. Claimants’ high hopes for recall suggest many claimants believe they will be able to return to their old jobs once the public health situation allows for it. 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](#)).¹⁴

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.

Exits

Part of the reason the total number of claimants is declining while the flow of new initial claimants remains steady is that each week, a small share 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

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 (NOV 15TH-NOV 28TH)	FEBRUARY AVERAGE	SINCE MARCH 15TH	LAST 2 WEEKS (NOV 15TH-NOV 28TH)
Statewide	27.1	76.6	64.3	418	342.8	358.5
By Gender						
Female	24.0	77.4	63.5	328.0	300.2	302.0
Male	29.7	75.8	64.9	450.0	410.2	445.5
By Age Group						
16–19	30.4	74.4	64.6	170.8	123.8	126.5
20–24	27.3	73.8	61.8	265.4	208.5	208.0
25–34	24.3	75.8	61.9	385.0	344.6	356.0
35–44	23.7	77.0	64.0	450.0	433.1	447.0
45–54	28.6	78.3	66.1	450.0	437.0	441.0
55–64	31.5	78.6	67.5	450.0	426.0	426.5
65–85	38.2	78.7	72.1	359.4	341.0	343.0
By Education Group						
High School Degree or Less	36.5	82.3	70.3	347.1	316.1	342.3
Associate’s Deg., Some College	19.8	71.1	61.5	435.2	340.3	349.3
Bachelor’s Degree or More	13.2	66.4	53.5	450.0	447.8	450.0
By Race and Ethnicity						
White	18.4	76.4	58.8	450.0	394.9	408.5
Hispanic	38.7	77.5	70.1	356.3	317.8	332.5
Asian	19.1	78.2	55.9	450.0	365.1	376.0
Black	15.0	69.6	60.8	329.8	293.9	326.5

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 (NOV 15TH- NOV 28TH)	FEBRUARY	SINCE MARCH 15TH	2 WEEKS (NOV 15TH- NOV 28TH)
Accommodation and Food Services	19.6	80.7	62.6	282	260	301
Retail Trade	13.9	75.4	54.5	275	243	240
Health Care and Social Assistance	13.7	74.8	56.0	337	357	349
Admin. Support, Waste Man. (a)	23.6	69.1	61.6	313	305	335
Manufacturing	25.4	75.1	60.0	424	422	430
Education Services	15.2	74.2	49.4	389	277	287
Construction	44.9	77.4	67.9	450	450	450
Prof., Scientific, Techn. Services (a)	12.7	67.9	49.7	450	450	450
Other Services	13.7	80.1	53.0	347	279	279
Arts, Entertainment, Recreation	23.7	84.3	69.8	338	304	357
Transportation, Warehousing and Utilities	27.8	70.4	61.4	391	391	397
Wholesale Trade	13.5	72.7	57.2	450	446	443
Information	26.2	74.8	49.9	450	450	450
Real Estate and Leasing	10.5	72.1	48.9	447	422	428
Agriculture, Forestry, Fishing (a)	80.8	82.1	89.0	275	288	333
Finance and Insurance	5.9	59.8	45.1	450	419	403
Public Administration	24.3	72.3	55.9	401	258	248
Management	3.1	69.5	46.6	450	449	450

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.

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 13](#) shows that exit rates from regular UI have held fairly steady since August. 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.¹⁵)

Exit rates among other sub-groups, excluding PUA claimants, are shown in the remaining panels of [Figure 13](#). 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 and ethnicity 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). Other factors at play in racial disparities likely include differences in whether jobs are amenable to working from home and elevated spread of the virus through minority communities, as well as a variety of other confluences of the public health crisis with pre-existing social and economic problems.¹⁶

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.

Geographic Patterns of UI Receipt

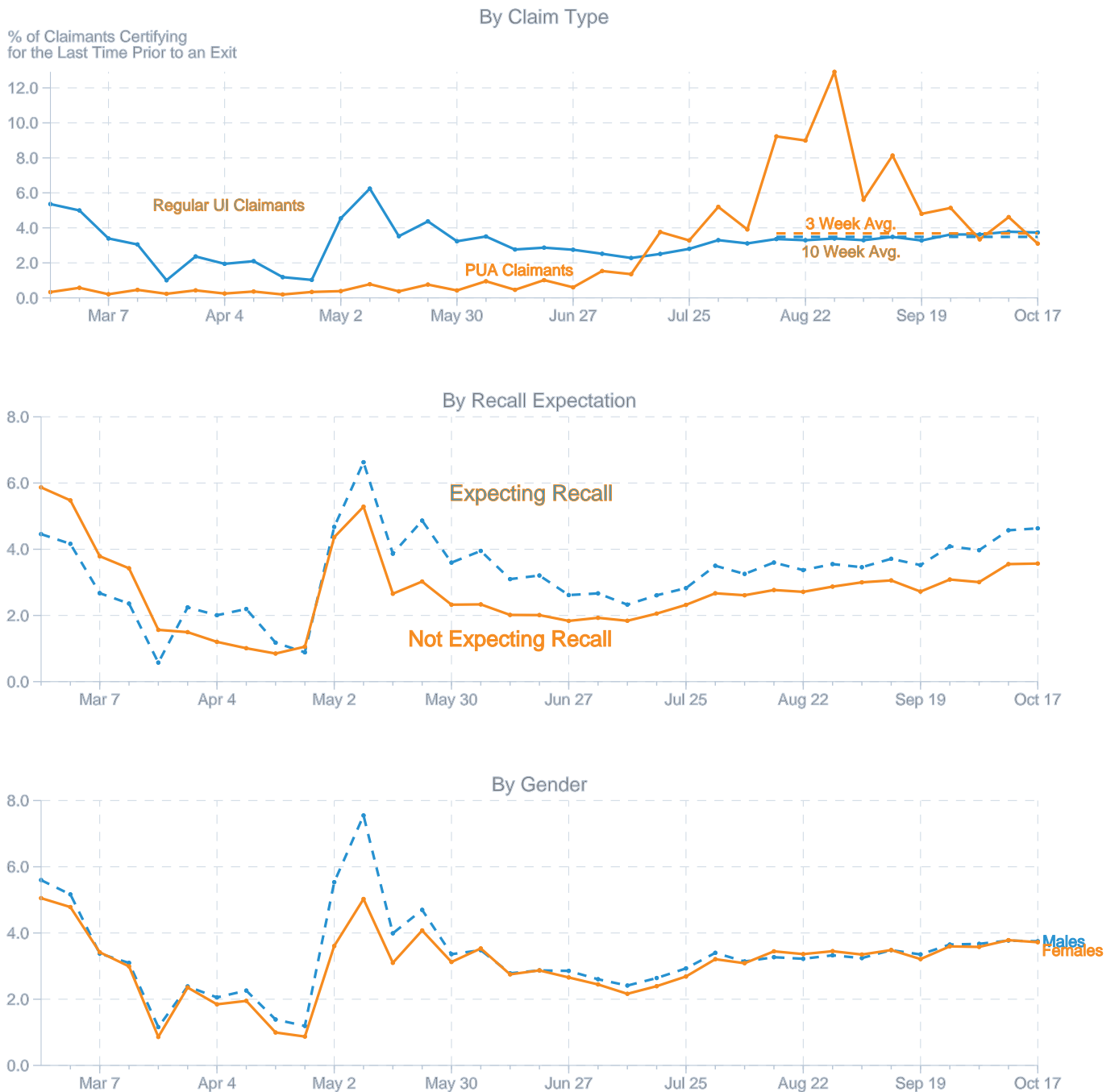
Since the start of the COVID-19 pandemic, almost half of California’s workforce has filed for unemployment insurance benefits, as discussed earlier in this report. During such a crisis of job loss, unemployment insurance can serve not only as a buffer against extreme financial shocks for impacted individuals but also as a financial stimulus for the local economies in which they live. Policymakers and advocates, however, have raised concerns about whether all affected individuals have been able to access safety net programs like unemployment insurance during the pandemic.

For this reason, we turn in this special section to retrospectively investigating geographic differences in the rate of UI benefit receipt per unemployed person earlier in the year, when unemployment levels peaked. (The limitation of looking earlier in the year is based primarily on the updating cycle of other datasets to which we compare our UI claims here, discussed in more detail soon.) For the first time in our report series, we explore neighborhood-level differences in California both in the levels of unemployment insurance claims and in the rates that unemployed residents collected benefits during the pandemic. Our findings suggest that extreme shocks to labor markets were geographically clustered, with poor neighborhoods and neighborhoods with higher concentration of workers of color being hardest-hit by reductions in work. Moreover, unemployed people in many of these neighborhoods were the least likely to have received unemployment insurance benefits. We derived these geographic patterns based on regular UI only, but have confirmed that the patterns discussed hold when PUA is included. We conclude the section with a geographic analysis of more recent continuing claims, and find that as critical federal UI expansions are set to expire at the end of the month, UI claims still remain the most elevated in poorer communities and communities of color.

At a state-wide level, we find that the number of people receiving regular unemployment benefits roughly matches the number of people estimated to be unemployed in the Current Population Survey. But our geographic analysis suggests that unemployed workers from low-income neighborhoods and from communities with higher concentration of people of color are less likely to have received UI benefits.

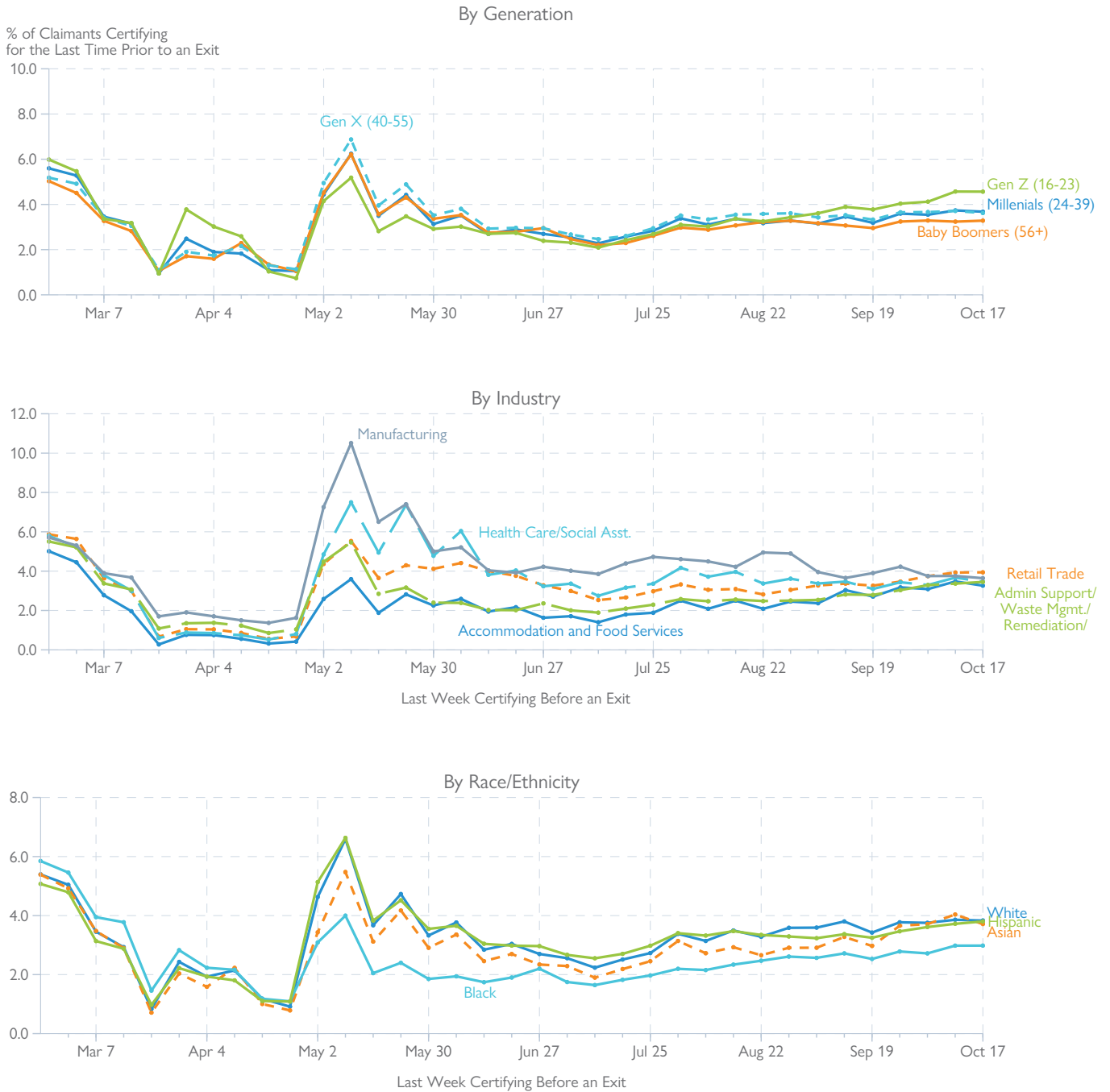
Comparing estimates of unemployment at the neighborhood-level with UI claims data reveals that many communities had large shares of unemployed workers that did not receive UI benefits. We find that unemployed people were less likely

FIGURE 13: 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 - 10/17/2020



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 14: 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, 2/20/2020 - 10/17/2020



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.

to receive benefits if they live in poorer neighborhoods, neighborhoods with more younger workers, and neighborhoods with higher concentrations of Hispanic residents.

In contrast, areas with more access to the internet, higher rates of citizenship, and more proficient English speakers saw higher rates of benefit receipt relative to the number of unemployed. Available data do not yet allow us to fully disentangle the sources of these disparities. On the one hand, differences in work authorization and other eligibility criteria may have played a key role, particularly in Hispanic neighborhoods.¹⁷ Yet on the other hand, differential rates of receipt among eligible unemployed workers also appears to play a large role for some communities. Regardless of their source, the magnitudes of these disparities are large. If unemployed workers in all neighborhoods in the state had received benefits during the pandemic at the same rate as unemployed workers in wealthier neighborhoods had, the number of weekly UI claimants would have been 23% higher. During the summer months when FPUC was paid out, such an equal-insurance scenario would have translated to as much as an additional \$445 million of regular UI benefits per week in the state of California. While this is a significant amount, it is important to note that we are unable to determine how many of these payments weren't made because the workers were ineligible to receive them, as opposed to workers failing to claim benefits they were eligible for. In other words, it is unclear the extent to which this dollar amount was lost due to differences in eligibility versus differences in take-up.

We identified these patterns via a unique linkage of three datasets at the level of the Census tract. First, we identified the tract corresponding to every regular unemployment insurance (UI) claim filed for June or July 2020 that was paid in full using de-identified program records housed at California's Employment Development Division (EDD). To make this measure as comparable as possible to survey measures of unemployment, we counted only payments made to claimants reporting \$0 of earnings during a given week (in other words, no workers receiving partial unemployment benefits are included in this sample). Second, we measured tract-level unemployment during the pandemic using the estimates constructed by Ghitza & Steitz (2020), in which the definition of unemployment was designed to mirror that in the Current Population Survey (CPS), and does not necessarily correspond to UI eligibility. Our analysis of tract-level reciprocity rates ends in July because at the time of writing this report, these estimates of unemployed people by Census tract were only updated through July. Third, we assembled a dataset of publicly available

tract-level covariates from sources including the American Community Survey (ACS) and the *Los Angeles Times*. Additional information on the data used in this report are available in the [Technical Appendix](#).

UI Reciprocity At the State Level

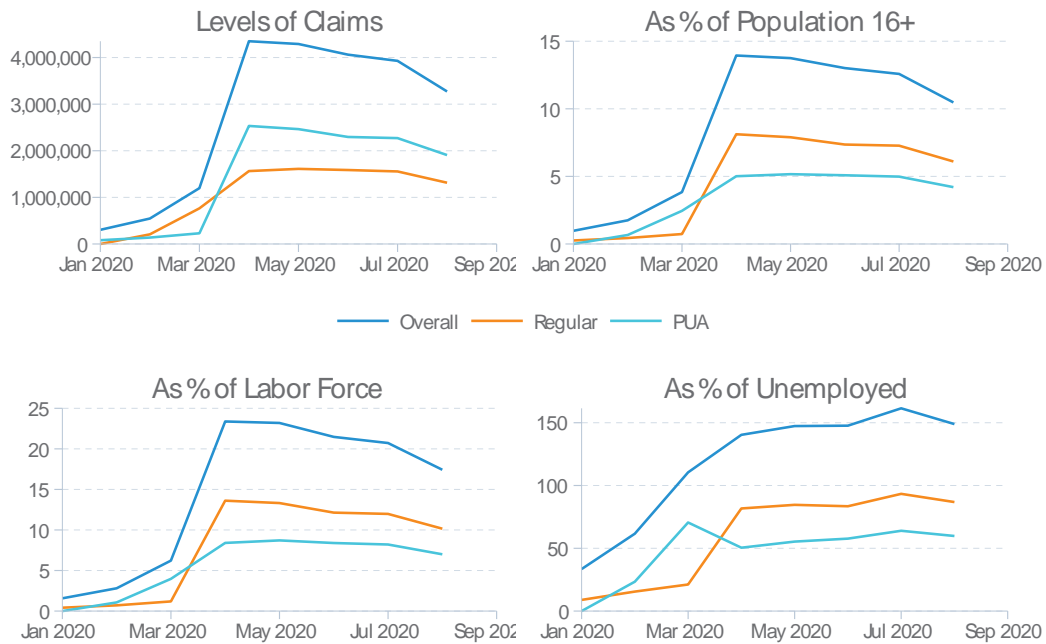
At the height of the pandemic, nearly 15% of California's working-aged population was receiving some type of UI benefit. This amounted to nearly one-quarter of its labor force, as measured by CPS state-wide estimates. Importantly, we also examine the number of claimants receiving full benefits relative to the number of unemployed people in a group estimated by CPS, which we refer to throughout this report as the Reciprocity Rate of UI:¹⁸

$$\text{Reciprocity Rate} = \frac{(\text{Number Claiming UI})}{(\text{Number Unemployed})}$$

Figure 15 shows that before the crisis, in January, the overall reciprocity rate in California was approximately 40%. Throughout the crisis, the number of claimants has surpassed the number of people typically counted by CPS as unemployed, as much as 50% above. However, if we restrict the analysis to only regular UI claimants (excluding PUA), the number of regular UI claimants hovers at just around 100% reciprocity based on the standard CPS definition of unemployment.

The increase in UI reciprocity, even above the number unemployed in the CPS, is not entirely surprising. The nature of unemployment insurance has changed dramatically during the pandemic, whereas the definition of unemployment used in the CPS has been held constant over time. For example, California suspended the requirement that claimants be searching for work, which continues to be part of the CPS definition of unemployment.¹⁹ At the same time, the PUA program dramatically expanded eligibility for unemployment insurance to the self-employed and others not ordinarily eligible. For these mechanical reasons alone, it is possible to see more paid UI claims than there are people who would typically be considered by CPS to be "unemployed." A different set of contributing factors for increased UI reciprocity during the pandemic is also due to increased benefit levels, particularly as FPUC added \$600 per week to claims from March 29th until July 25th. Since filing a UI claim requires some amount of time and effort on the part of the claimant, extra benefits could change an unemployed worker's calculation about whether it is worthwhile to file a claim. Indeed, empirical research conducted prior to the pandemic suggests that increased benefit amounts

FIGURE 15: California Continuing Claims by Program, as Percentages of Different Populations



have a substantial effect on take-up of UI (Anderson & Meyer, 1997; Blank & Card, 1991; McCall, 1995).

A more concerning reason that our measure of the reciprocity rate may have increased past 100% during the pandemic is fraudulent claims, filed by people other than unemployed Californians. In September, EDD began investigating a surge in claims concentrated in the PUA program. Because our data do not indicate which claims are suspected to be fraudulent, as we turn to exploring the geographic distribution of UI claims, we exclude from the main analysis claims made under the PUA program, and evaluate the robustness of the conclusions to the inclusion or exclusion of these claims. Whereas including PUA applicants markedly increases the levels of claiming, we have not found these claims to substantially change the spatial patterns that we report. However, an important topic for future research will be to study the role of the PUA program in expanding access to unemployment insurance for vulnerable populations.

Geographic Differences in Unemployment and Benefits Receipt

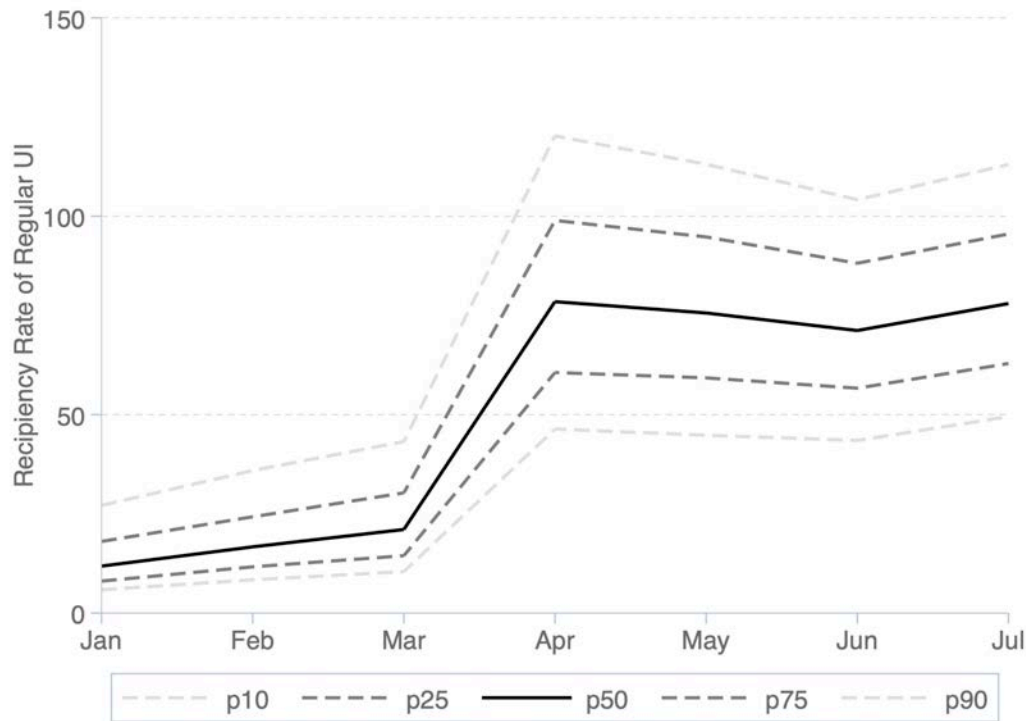
The analysis of claims at the state-wide level masks substantial heterogeneity at the neighborhood level. To explore the extent

of this heterogeneity, Figure 16 reproduces the rate of regular UI reciprocity series from Figure 15, but at the level of the Census tract. In each month, quantiles are drawn corresponding to the distribution of reciprocity. Whereas the median neighborhood has seen roughly 80% of its unemployed people receive regular UI benefits during the pandemic, tremendous heterogeneity exists across neighborhoods. One-quarter of neighborhoods have seen reciprocity rates of less than 60%, whereas another quarter has seen reciprocity of nearly 100% or above.

To better understand determinants of the spatial heterogeneity of regular UI claims and reciprocity, we map these distributions during the months of June and July, averaged. Due to the overwhelming granularity of the data, we present maps here zoomed in on the city of Los Angeles; interactive maps covering the full state of California are available on our web site. All outcomes mapped are trimmed at 1% tails.

Figure 17 maps regular UI claimants in Los Angeles as a percentage of each neighborhood’s labor force. Many communities typically characterized by low-earning households have seen high rates of UI claiming during the pandemic. Hollywood, North Hollywood, Hawthorne, and Inglewood are all examples of neighborhoods in which our estimates from

FIGURE 16: Neighborhood-Level Reciprocity Rates of Regular UI During the Early Months of the Pandemic (percentiles 10, 25, 50, 75, and 90)



EDD claims data suggest approximately 15% or more of the labor force claimed regular UI benefits during June and July. However, not all low-earning communities have seen high rates of claims. East Los Angeles, Westlake, and Boyle Heights have median household incomes under \$45,000, yet only 11% of these communities' labor forces received regular UI benefits during a typical week. Conversely, examples exist of communities with high earners that also had high rates of benefit claiming. In Burbank, for instance, 16% of the labor force was collecting regular UI benefits.

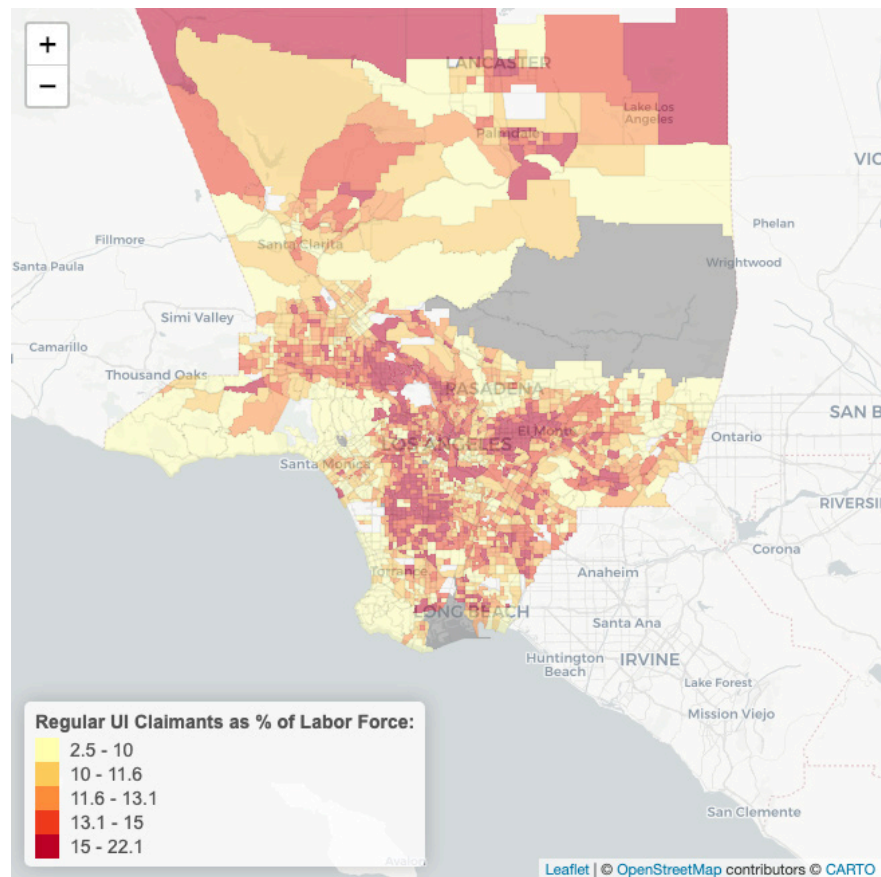
Using our spatial covariates for the entire state of California (again at the Census tract level), [Figure 18](#) shows that the geography of UI claims during the pandemic is strongly correlated with measures of poverty. Claims per labor force (regular, PUA, or overall) have been higher in areas with low median household income and those with more recipients of SNAP (food stamps). Claiming rates have also been higher in neighborhoods with higher concentrations of Black or Hispanic residents, as well as those with more residents who have limited English proficiency. Neighborhoods with higher population density or more COVID-19 cases have also seen higher levels of claims.

A key factor that makes it difficult to compare unemployment claims across neighborhoods is that some neighborhoods have experienced higher rates of unemployment during the pandemic. According to available estimates of unemployment, described in detail in the [Technical Appendix](#), areas like East Los Angeles and Boyle Heights each experienced unemployment rates in excess of 20% during the past summer, whereas the unemployment rate in Burbank, which had more claims, was estimated at only 15%.

Estimates of these neighborhoods' reciprocity rates range widely. Among unemployed workers in East Los Angeles, less than half (44%) successfully claimed unemployment insurance. In Boyle Heights, reciprocity stood at 52%. But in Burbank, the number of people receiving benefits is roughly equal to the number of people who were estimated to be unemployed. Even some lower-income areas like Hollywood and North Hollywood also experienced roughly 100% reciprocity, whereas rates of reciprocity in Inglewood and Hawthorne stood at 70% and 78%, respectively.

Despite expansions of the UI system and suspensions of job search criteria, legal eligibility may still play a role in determining who can access the employment safety net. To receive unemployment insurance benefits, an unemployed person must satisfy certain conditions, including being legally authorized to

FIGURE 17: The Geography of Regular UI Claimants in Los Angeles During the Pandemic



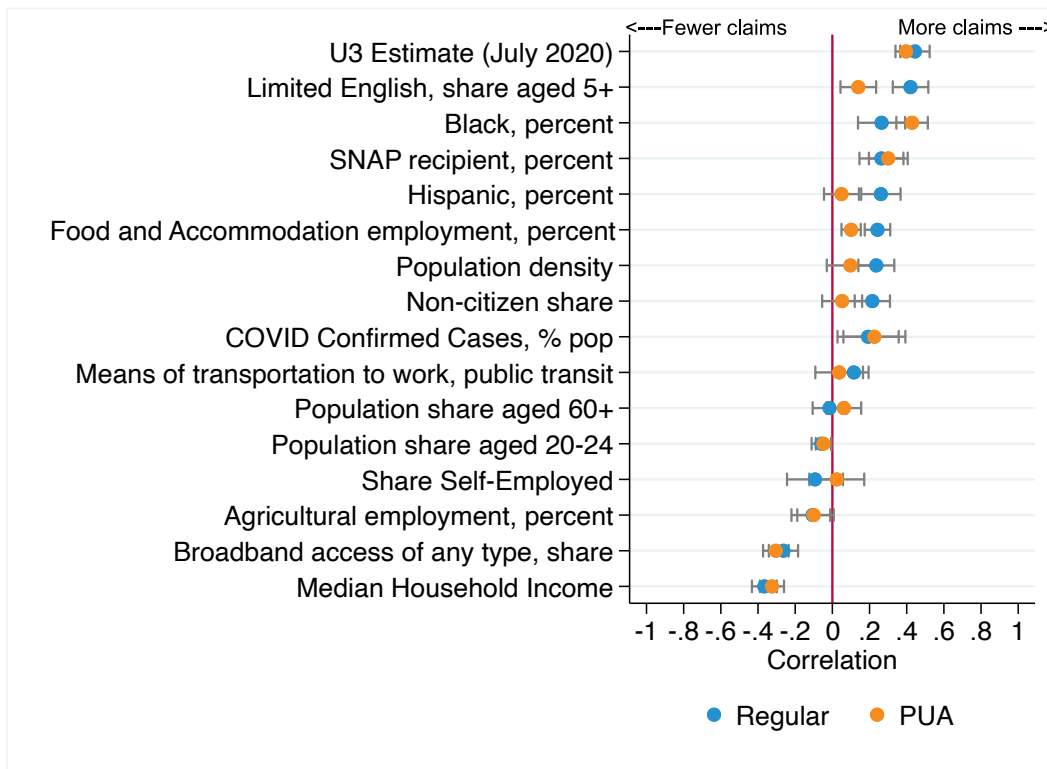
work at the time that they paid into the UI system, and when they applied for benefits (the other conditions are discussed in the Appendix). Indeed, it is worth noting that some of the lowest rates of UI reciprocity occur in neighborhoods with higher concentrations of Hispanic residents – for instance, East Los Angeles – which may also have higher shares of undocumented workers.

The magnitudes of these differences, which are discussed in more detail in the next section, are difficult to ignore. To highlight one, consider the case of East Los Angeles (which has a labor force of about 60,000).²⁰ Whereas we find that only 44% of unemployed residents of this neighborhood received regular UI compensation for their unemployment, one can imagine a hypothetical scenario in which 100% of these unemployed residents had received such compensation. The state-wide average weekly benefit amount at this time was approximately \$950 per week (\$350 base benefits plus \$600 FPUC). Under such a full-insurance scenario, evaluated at these state-wide average benefit amounts, we estimate that East Los Angeles would have received as much as \$7 million more relief

from regular UI claims per week than it actually did. Even if 90% of these unemployed residents had been compensated for their unemployment, this would still have amounted to \$5.8 million more stimulus into the community. Equivalent in magnitude to payments of about \$100 per week to each worker (regardless of unemployment), the effects of such added stimulus on the long-run recovery of the local labor market could have been substantial.

To better describe the determinants of neighborhoods' reciprocity rates, Figure 21 correlates regular UI reciprocity with our state-wide spatial covariates. (Figure A5, in the Appendix, finds similar patterns when PUA claims are included in calculating reciprocity rates.) A clue that eligibility plays a strong role in driving reciprocity is that areas with more young workers and those with certain industries typically less likely to be covered by regular UI, such as agriculture,²¹ also rank low in reciprocity. While Hispanic neighborhoods have more claims per capita, these neighborhoods are also more likely to have substantially fewer claims per unemployed. On the other hand, reciprocity is not very highly correlated with other racial

FIGURE 18: Spatial Correlates of Claims Per Labor Force



and ethnic categories, such as share of individuals who are Black. (Appendix Table A2 suggests that a modest amount, but not all, of the correlation of reciprocity rates with share Hispanic is reduced when controlling for the available tract-level information on citizenship status.)

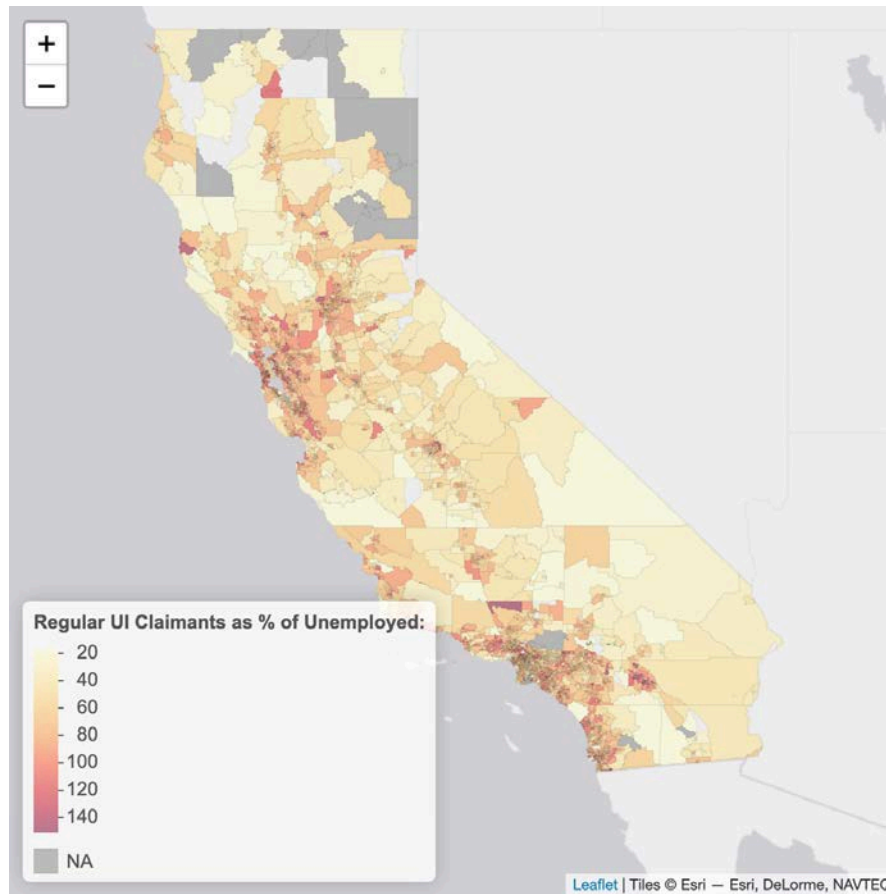
Whereas our analysis of claims per capita suggested that benefits were flowing relatively freely into poorer areas during the pandemic, the reverse is true once we account for the higher levels of unemployment in these areas. Figure 21 shows that the correlation between a census tract’s median household income and its reciprocity rate is approximately .2, implying that lower-income neighborhoods also saw lower reciprocity rates. Conditional on being unemployed, workers in low-income neighborhoods or those with higher shares of residents below the poverty line are less likely to have received benefits.

Figure 21 also shows that factors that might signal ability to access benefits exhibit correlations with UI reciprocity. Areas in which residents tend to have more limited English proficiency, despite having higher rates of UI claiming per labor force, have lower rates of claiming per unemployed worker. A similar pattern emerges for the share of households that have access to high-speed broadband internet. Although far from causal evidence, these correlations raise the possibility that

language and technological barriers may have played a role in the differences in UI reciprocity we see across neighborhoods. The overwhelming surge in claims, and EDD’s challenges in processing them in a timely manner, may have also contributed to some drop-off among eligible workers. Emerging qualitative evidence has also highlighted barriers to take-up of UI during the pandemic, such as by Fields-White et al. (2020), with a focus on systemic racism (including stigma, burdens to produce documentation, and the digital divide).

Appendix Table A2 combines some of these correlations in a multivariate regression framework to test hypotheses relating to eligibility versus access. Although we do not observe all individual-level factors contributing to differences in eligibility, we evaluate whether the correlation of reciprocity with poverty shares or race or ethnicity are substantially affected by the inclusion of a neighborhood-level factor that seems very likely to relate to eligibility for regular UI: percentage of residents who are citizens. As an alternative hypothesis, we also test the role of a variable more likely to proxy for the ability of eligible claimants to access benefits: broadband internet access. Despite how rough these proxies might be for true determinants of eligibility and access, both variables are significant in predicting differences in reciprocity rates on their own, together, or with

FIGURE 20: Rates of Regular UI Reciprocity in California During the Pandemic



The magnitude of the lost UI claims can also be quantified in dollar terms. The previous counterfactual suggested a deficit of approximately 468,000 claims per week. The median weekly benefit amount (WBA) during this time (June and July) was approximately \$350 across the state, with an additional \$600 paid by FPUC. By these numbers, these communities saw as much as \$445 million less benefits per week, composed of \$164 million of state benefits and \$281 million of federal funds.²² The substantial under-insurance of communities in which poorer people live may have important implications for understanding the ability of different communities to recover from the labor market shocks brought on by the pandemic, which we turn to investigating next.

Geographic Patterns in Recovery

Whereas the previous extended analysis has focused on reciprocity of UI during summer months, here we provide a brief update on geographic differences in the path to recovery, incorporating geocoded continuing claims data as of the end of

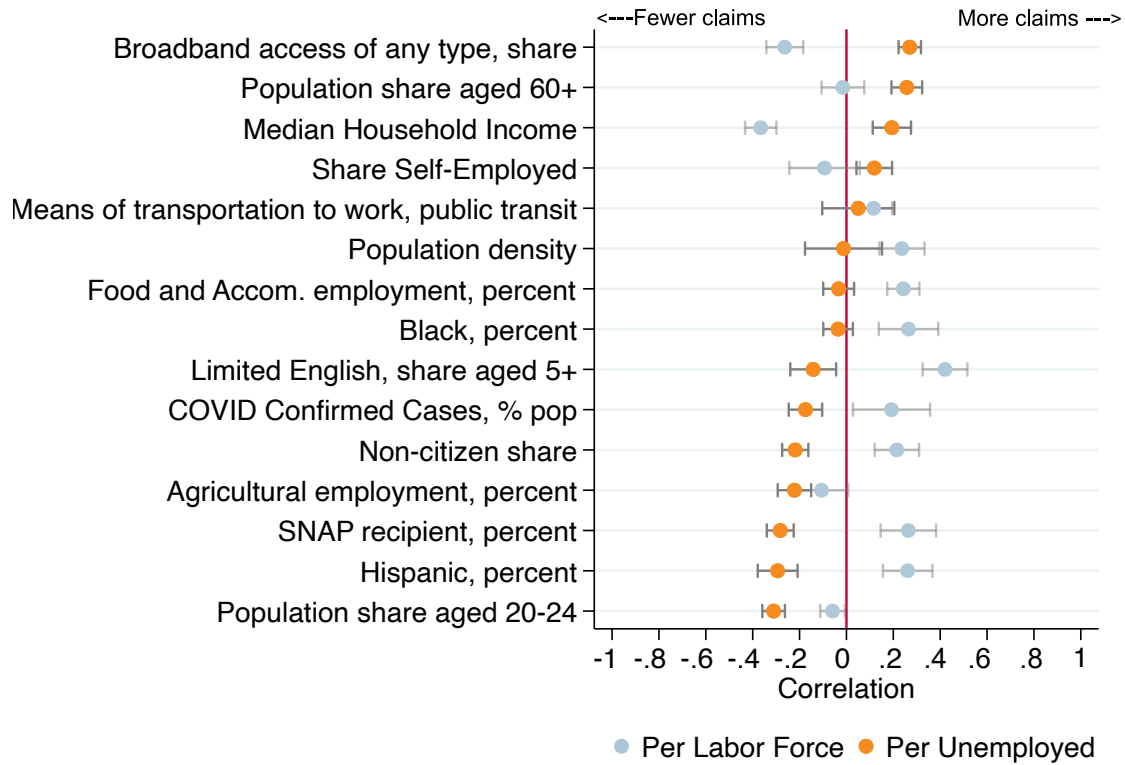
October. As a summary measure for a neighborhood's recovery, we define for each neighborhood the following index:

$$\text{Recovery Index} = \left(1 - \frac{\text{Claimants}_{\text{October}} - \text{Claimants}_{\text{January}}}{\text{Claimants}_{\text{May}} - \text{Claimants}_{\text{January}}} \right) * 100$$

The numerator of our recovery measure represents the number of excess residents currently claiming UI relative to a pre-crisis benchmark. To relate recent levels to their peaks, we normalize this number by the number of excess residents claiming in May, which was when UI stocks reached their highest levels across the state. For easier interpretation, we subtract this number from 1 and multiply it by 100.

The resulting Recovery Index can be interpreted as gauging the extent to which each neighborhood is closer to its crisis peak versus its pre-crisis benchmark. For instance, a neighborhood's Recovery Index will be 0% if a neighborhood still has as many residents claiming UI as it did in May. Conversely, the Recovery Index will be 100% for a neighborhood in which the number of UI claimants has fallen back to its pre-crisis benchmark. Across

FIGURE 21: Spatial Correlates of Regular UI Reciprocity



Notes: Each dot represents the correlation between the covariate and UI claims per labor force (averaged over CPS weeks in June and July). All variables are at the level of the Census tract, except for COVID cases, which are at the county level, and self-employed share, which is at the PUMA level. Error bars represent a 95% confidence interval when standard errors are clustered at the county level.

FIGURE 22: Neighborhood Income and Unemployment Claims, Binned Scatter plots of Unemployment, UI Claims, and Claims per Unemployed People by Neighborhood Poverty Share

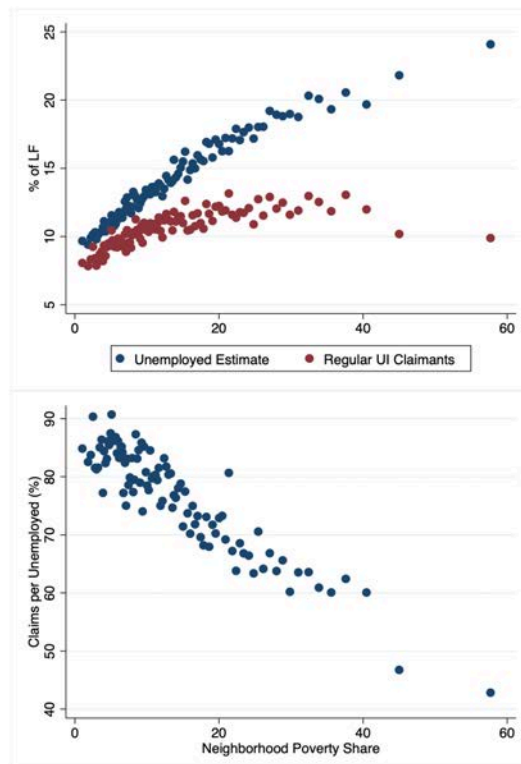
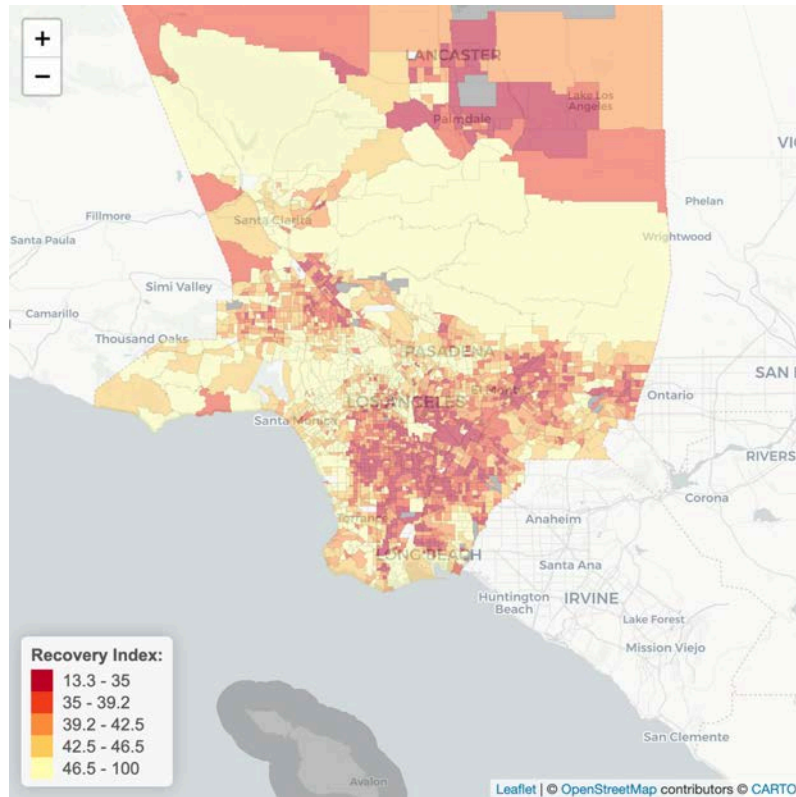


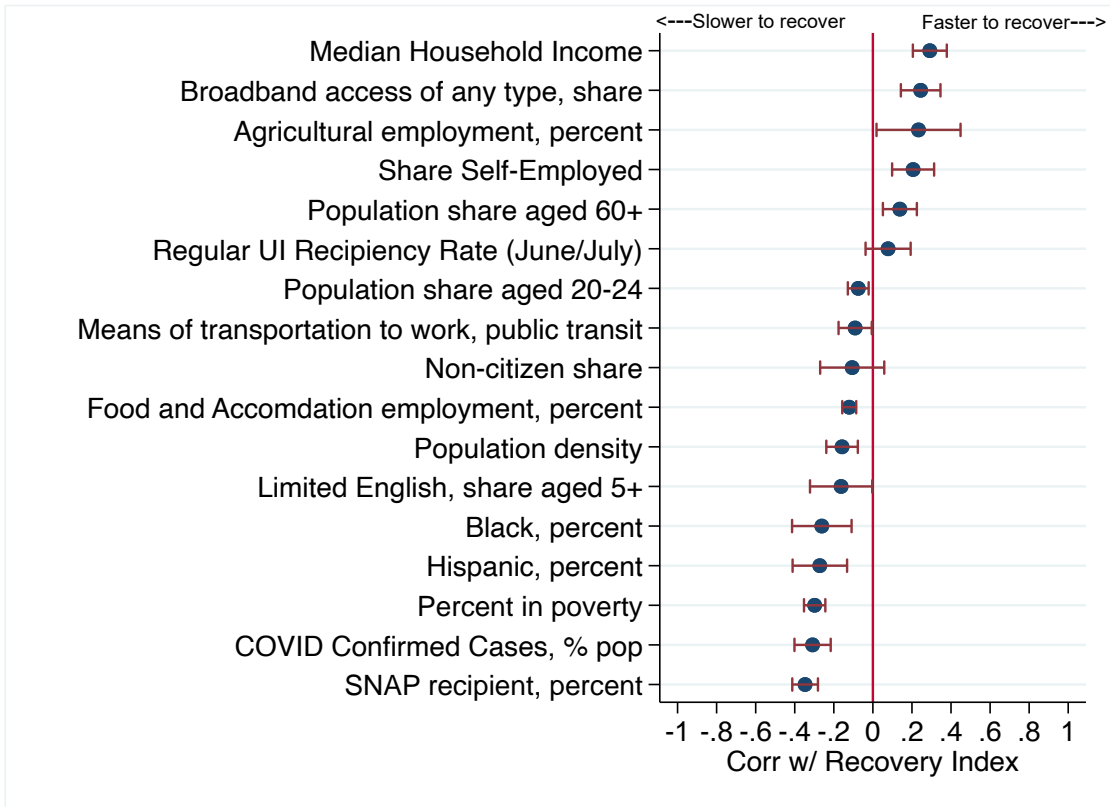
FIGURE 23: Patterns of Recovery in Los Angeles



California's 8,000 Census tracts, the average neighborhood scored about 45% on the Recovery Index, with half of tracts falling between roughly 40% and 50%. This means that UI claims in the vast majority of neighborhoods in California are still closer to their mid-crisis peaks than to their pre-crisis benchmarks.

Figure 23 shows a map of our Recovery Index in Los Angeles, and Figure 24 systematically correlates our Recovery Index with various socio-economic descriptors across the state. A clear spatial pattern emerges that neighborhoods with poorer or more minority residents – in addition to more COVID cases – are lower on our recovery index. This neighborhood-level finding on income levels echoes the findings of ongoing research by Chetty et al. (2020) that joblessness remains more elevated for lower-income workers. Although the correlation of our recovery index with reciprocity rates from the summer is not statistically significant, the positive point estimate suggests that neighborhoods in which a higher share of unemployed people have accessed UI have recovered more quickly, which would be consistent with a multiplier effect. As the labor market crisis continues, we will continue to monitor and report on neighborhood-level recovery patterns across California.

FIGURE 24: Correlates of Neighborhood-Level Recovery in California



Notes: Each dot represents the population-weighted bivariate correlation between the covariate and the Recovery Index measure, as defined in the text. All variables are at the level of the Census tract, except for COVID cases, which are at the county level, and self-employed share, which is at the PUMA level. Error bars represent a 95% confidence interval when standard errors are clustered at the county level.

Acknowledgments

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Background on the data in this report

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.

A technical appendix on the geographic patterns of receipt is available on the [CPL website](#).

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

Email: twachter@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

CATEGORIZATION BASED ON TYPE OF CLAIMANTS					
	1 Person	2 People	3 People	4 People	
Size of Household:	Regular Benefits				Total UI Income (\$)
1x Median WBA	Very Low Income	Very Low Income	Very Low Income	Very Low Income	350
1x Maximum WBA	Very Low Income	Very Low Income	Very Low Income	Very Low Income	450
2x Median WBA	N/A	Low Income	Very Low Income	Very Low Income	700
2x Maximum WBA	N/A	Low Income	Low Income	Low Income	900
Including \$300 from Bipartisan Stimulus Proposal					
1x Median WBA	Low Income	Very Low Income	Very Low Income	Very Low Income	650
1x Maximum WBA	Low Income	Low Income	Very Low Income	Very Low Income	750
2x Median WBA	N/A	Median Income	Median Income	Low Income	1,300
2x Maximum WBA	N/A	Median Income	Median Income	Median Income	1,500
Including \$600 FPUC Benefits					
1x Median WBA	Median Income	Low Income	Low Income	Low Income	950
1x Maximum WBA	Median Income	Low Income	Low Income	Low Income	1,050
2x Median WBA	N/A	Above Moderate Income	Above Moderate Income	Moderate Income	1,900
2x Maximum WBA	N/A	Above Moderate Income	Above Moderate Income	Above Moderate Income	2,100

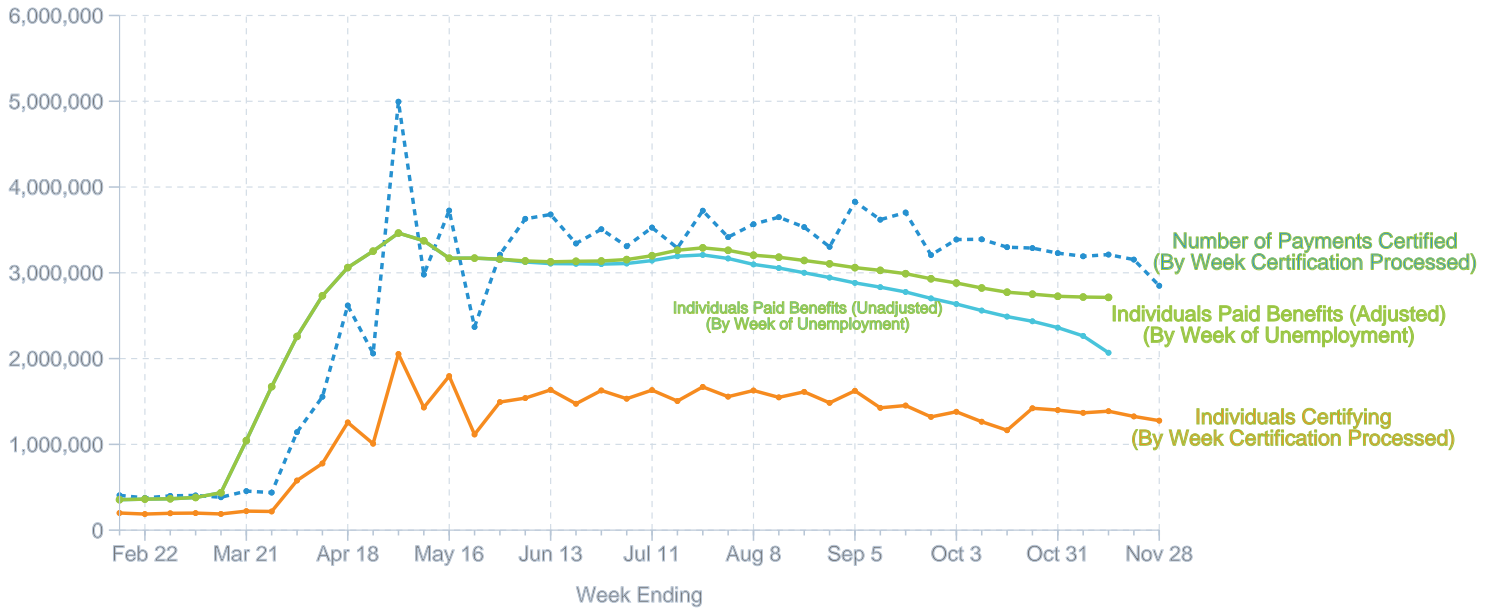
TABLE A2: Eligibility vs Access for Patterns of UI Receipt by Poverty and Race

This table presents the coefficients from eight multivariate regressions in which all variables were standardized to have mean 0 and standard deviation 1. The outcome of all regressions is regular UI reciprocity rates at the tract level. Columns 1 through 4 explore the tract-level relationship between reciprocity rates and poverty share. Column 1 presents the baseline pattern. Column 2 shows that while the share of neighborhood residents who are not citizens is also a significant predictor of reciprocity rates, controlling for this variable slightly reduces but does not remove the baseline pattern between poverty rates and reciprocity. Column 3 shows a similar mediating role of broadband Internet and Column 4 shows that while both Internet access and citizenship are jointly significant in predicting reciprocity, the inclusion of both variables still does not fully explain the poverty-reciprocity gradient, though it is substantially reduced. Columns 5-8 repeat a similar analysis to explore patterns of reciprocity by racial/ethnic differences across neighborhoods, particularly the share of residents who are Hispanic, and come to qualitatively similar conclusions. Standard errors (at the tract level) are in parentheses and regressions are weighted by tracts' February 2020 labor forces.

	Outcome: Reciprocity Rate of Regular UI							
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Poverty Share	-0.348***	-0.298***	-0.260***	-0.237***				
	(0.0106)	(0.0122)	(0.0152)	(0.0159)				
Non-Citizen Share		-0.107***		-0.0861***		-0.0759***		-0.0478**
		(0.0130)		(0.0136)		(0.0161)		(0.0167)
Broadband Internet			0.129***	0.102***			0.163***	0.153***
			(0.0160)	(0.0165)			(0.0169)	(0.0171)
Black Share					-0.0208*	-0.0221*	0.00557	0.00318
					(0.00890)	(0.00892)	(0.00972)	(0.00969)
Hispanic Share					-0.324***	-0.280***	-0.228***	-0.206***
					(0.0102)	(0.0144)	(0.0145)	(0.0173)
Constant	0.00572	0.00903	0.00274	0.00602	0.0188	0.0198	0.0108	0.0119
	(0.0114)	(0.0114)	(0.0114)	(0.0114)	(0.0115)	(0.0115)	(0.0115)	(0.0115)
N	7892	7892	7892	7892	7894	7894	7892	7892
R-sq	0.116	0.125	0.125	0.130	0.108	0.112	0.124	0.125

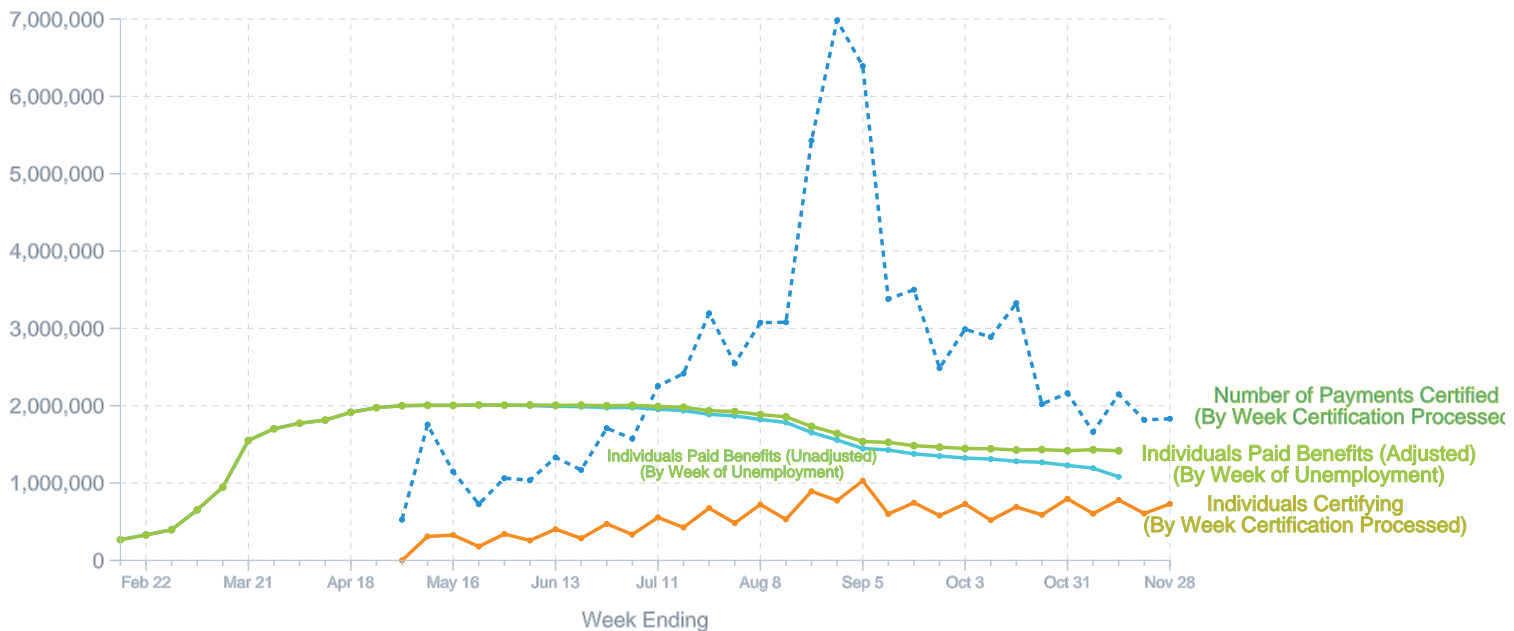
* p<0.05 ** p<0.01 *** p<0.001

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- 11/28/2020



X-axis labels correspond to Saturdays.
 This figure excludes PUA claimants, and includes payments to individuals on extension programs.
 The "Number of Payments Certified" refers to the number of payments that were certified during a given week (the common definition of continued UI claims). The "Number of Individuals Certifying" refers to the number of people that certify for UI benefits in a given week.

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- 11/28/2020



X-axis labels correspond to Saturdays.
 This figure includes PUA claimants only.
 The "Number of Payments Certified" refers to the number of payments that were certified during a given week (the common definition of continued UI claims). The "Number of Individuals Certifying" refers to the number of people that certify for UI benefits in a given week.

TABLE A3: Individuals Potentially Eligible for Any (Regular and PUA) UI Benefits and Receiving Any 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 November 14th

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A % OF ALL PAID CLAIMS	% OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS AS A % OF FEB LABOR FORCE	INDIVIDUALS RECEIVING FULL WBA AS A % OF UNEMPLOYED IN OCTOBER
Statewide	4,296,698	4,131,502	8.1	3.9	22.1	183.9
By Gender						
Female	2,144,151	2,053,019	10.2	4.3	24.3	183.1
Male	2,133,068	2,059,348	6.1	3.5	20.1	183.0
By Age Group						
16–19	125,374	121,204	6.2	3.3	23.6	115.8
20–24	533,619	514,214	9.3	3.6	30.7	166.0
25–34	1,146,479	1,106,367	8.3	3.5	24.0	155.1
35–44	838,953	806,151	7.5	3.9	19.5	225.0
45–54	708,542	676,061	8.3	4.6	18.1	212.5
55–64	614,849	587,782	8.5	4.4	20.4	198.6
65–85	279,734	271,099	7.8	3.1	24.3	200.7
By Race and Ethnicity						
White	1,277,223	1,221,867	8.1	4.3	17.0	150.8
Hispanic	1,317,979	1,261,654	9.1	4.3	18.0	133.7
Asian	577,833	552,282	11.9	4.4	19.0	180.2
Black	445,942	437,983	4.5	1.8	42.9	236.1
By Education						
High School Degree or Less	1,561,997	1,496,496	10.5	4.2	23.7	165.1
Associate’s Deg., Some College	805,146	769,023	11.7	4.5	15.9	96.7
Bachelor’s Degree or More	433,263	407,851	11.7	5.9	5.6	65.4

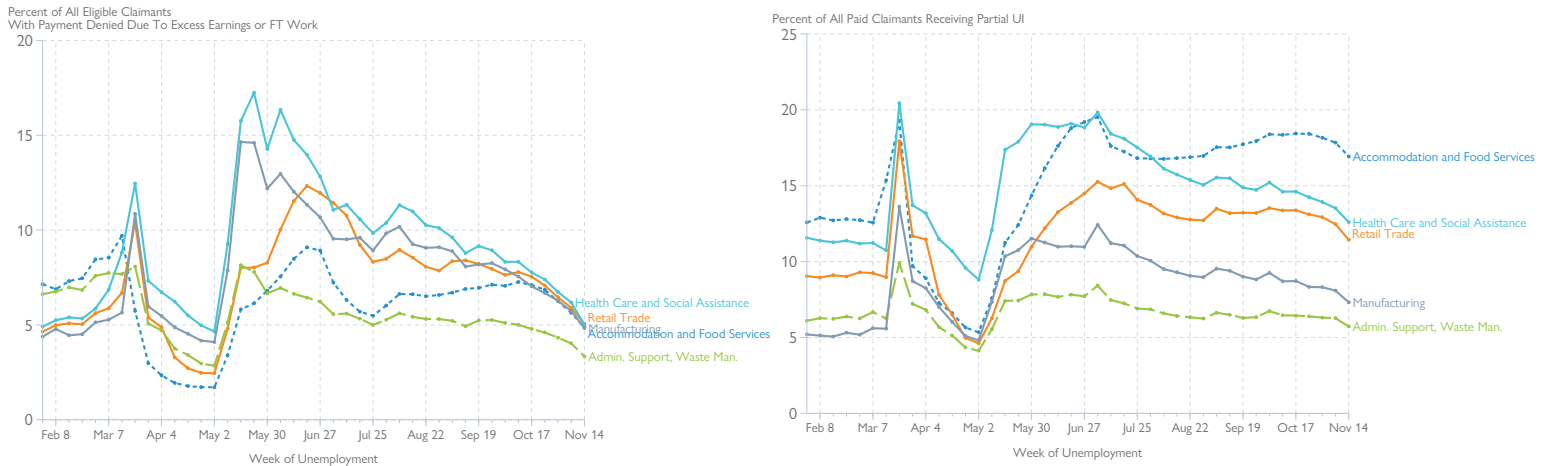
Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table includes both PUA claimants and claimants for regular UI, except for the "By Education" section, which only includes claimants for Regular UI.

TABLE A4: Individuals Potentially Eligible for PUA Benefits and Receiving PUA Benefits, Total and as Fraction of the Labor Force and the Unemployed, and Share with Reduced Benefits, for Unemployment in the Week Ending November 14th.

GROUP	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS	INDIVIDUALS WITH CLAIMS PAID	INDIVIDUALS WITH PARTIAL UI PAYMENTS AS A % OF ALL PAID CLAIMS	% OF POTENTIALLY ELIGIBLE INDIVIDUALS WITH PAYMENT DENIED	INDIVIDUALS WITH POTENTIALLY ELIGIBLE CLAIMS AS A % OF FEB LABOR FORCE	INDIVIDUALS RECEIVING FULL WBA AS A % OF UNEMPLOYED IN OCTOBER
Statewide	1,440,263	1,417,787	2.6	1.6	7.4	79.9
By Gender						
Female	676,013	663,527	3.5	1.8	7.7	78.4
Male	762,692	752,725	1.9	1.3	7.2	81.1
By Age Group						
16–19	49,422	49,035	2.5	0.8	9.3	53.9
20–24	99,584	98,499	1.9	1.1	5.7	45.8
25–34	312,871	308,956	1.7	1.3	6.5	69.9
35–44	312,426	307,716	2.2	1.5	7.3	90.4
45–54	276,844	271,713	3.1	1.9	7.1	88.9
55–64	236,325	231,498	3.6	2.0	7.8	82.3
65–85	126,092	123,690	4.3	1.9	10.9	147.2
By Race and Ethnicity						
White	437,985	429,813	2.5	1.9	5.8	81.6
Hispanic	245,557	242,790	2.1	1.1	3.4	27.6
Asian	155,410	152,545	5.4	1.8	5.1	75.4
Black	170,289	169,811	0.7	0.3	16.4	124.4

Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table includes only 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- 11/14/2020



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

FIGURE A4: Spatial Correlates of Claims per Labor Force and per Population

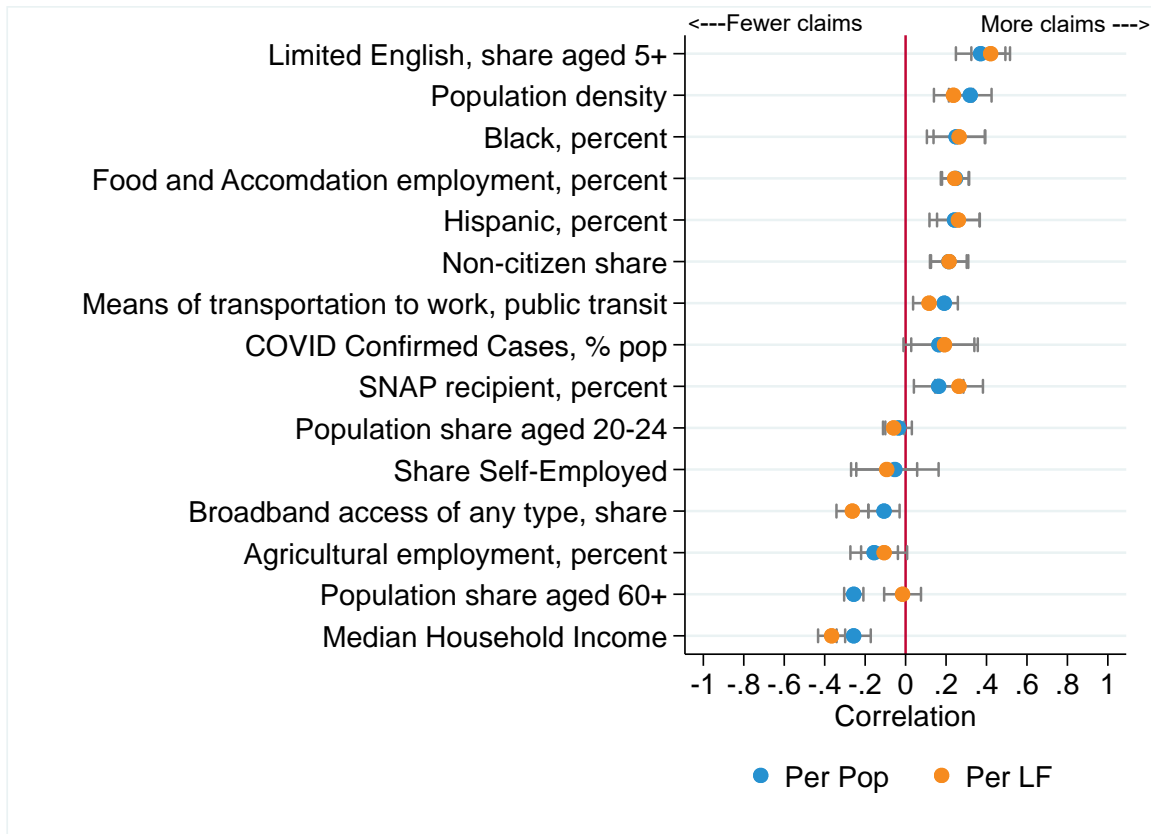
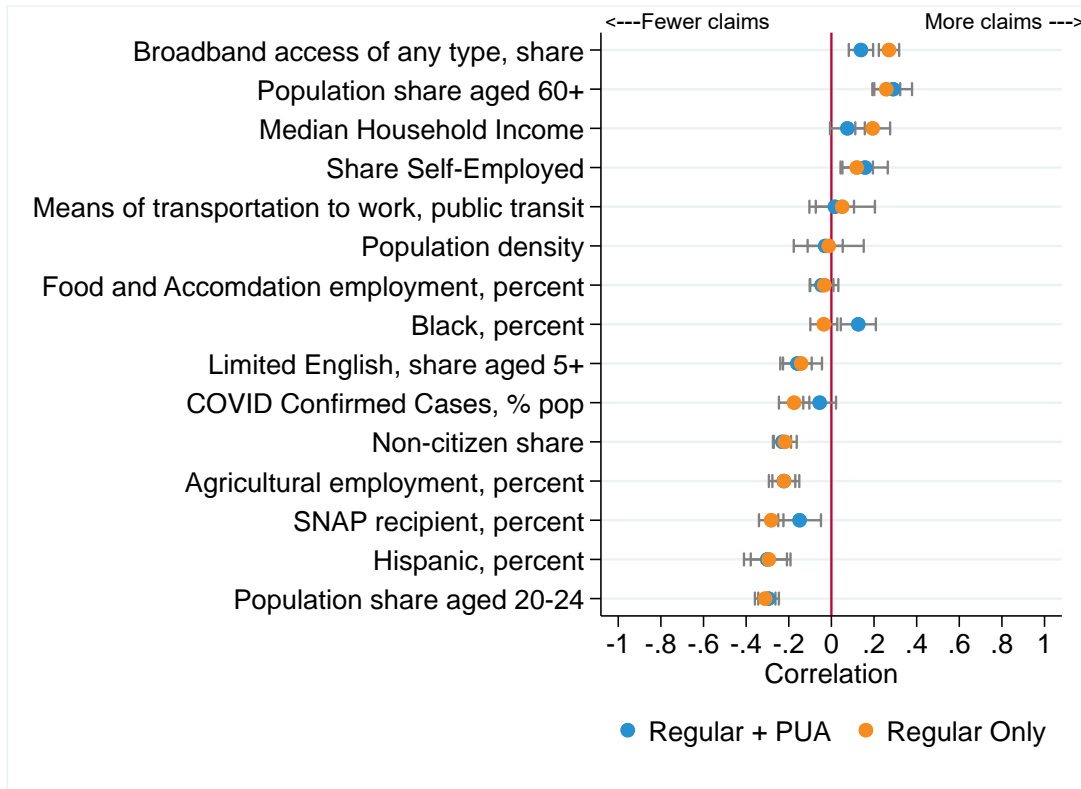


FIGURE A5 : Spatial Correlates of Reciprocity, with and without PUA



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 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.
- 3 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, the WBA is reduced if a claimant earns above a disregard.
- 4 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.
- 5 <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2020.pdf>
- 6 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>.
- 7 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.
- 8 <https://www.gao.gov/reports/GAO-21-191/#appendix23>
- 9 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.
- 10 Since UI claimants in California typically certify for payments for two weeks at a time, the total number of individuals certifying per week – in ordinary times – 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 has diverged substantially during the COVID-19 crisis due to retroactive certifications, processing delays, delays in workers’ certifications, and the bi-weekly nature of certifications in California.
- 11 The censoring adjustment should be interpreted with caution, as it assumes that the recent lag structure will persist into the future.
- 12 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 $\frac{4}{3}$ 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 $\frac{1}{2}$ of average prior weekly earnings. Thus, a claimant can earn about $\frac{4}{3} \times \frac{1}{2} = \frac{2}{3}$ of their prior average weekly earnings while maintaining eligibility.
- 13 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.
- 14 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.
- 15 https://twitter.com/CA_EDD/status/1253514809158430722?s=20
- 16 For a more detailed analysis of pandemic-related factors driving widening economic gaps by race, see, among others, <https://www.epi.org/publication/black-workers-covid/>
- 17 To be eligible for UI benefits, unemployed workers must meet two broad sets of criteria: monetary and non-monetary. Monetary criteria consist of minimum earnings requirements in a pre-claim base period. Non-monetary criteria are more complex, notably limiting UI eligibility to workers who lost their jobs through no fault of their own and, especially important for our analyses, to workers who are legally authorized to work in the US. For a detailed discussion of immigration and work authorization requirements during the base period and while claiming UI benefits, see <https://www.nelp.org/publication/immigrant-workers-eligibility-unemployment-insurance/>. For a more information of eligibility criteria more generally, see <https://www.edd.ca.gov/unemployment/Eligibility.htm>.
- 18 Although our definition of the reciprocity rate broadly mirrors prior literature, it is worth noting that it is an aggregate-level rather than individual-level measure. Thus, a 100% reciprocity rate does not necessarily mean that every unemployed person is receiving benefits provided there are some people collecting benefits who are not considered by CPS to be “unemployed.”
- 19 <https://edd.ca.gov/Unemployment/Eligibility.htm>
- 20 EDD reported the East Los Angeles labor force as of November 20, 2020, to be 58,500: <https://www.labormarketinfo.edd.ca.gov/file/lfmonth/lasub.xls>

- 21 In California, agricultural work is covered by UI (https://edd.ca.gov/pdf_pub_ctr/de231ee.pdf). Still, the low coverage rate in this industry may arise due to family-owned farms or farms worked by undocumented migrants.
- 22 The calculation of \$164 million must inherently make certain assumptions about benefit levels because we cannot observe what benefit levels unemployed workers who did not collect UI benefits would have qualified for had they collected benefits for their job loss. For simplicity, this calculation assumes all actual or counterfactual claimants would receive the state-wide WBA of \$350. A more precise calculation of this number would use information on the WBA of claimants in each Census tract to approximate the amount of dollars lost. We do not perform that calculation because we have not yet analyzed nor assembled information on benefit levels at this level of aggregation, though this is also an important topic for future related research. Moreover, it is useful to highlight for context that although the \$164 million component of the overall \$445 million figure depends on which assumptions one chooses to make about benefit levels, the larger component of the overall reported magnitude – the \$281 million of lost FPUC funding – does not depend in any way on such assumptions about benefit levels because that payment size was the same for all claimants.