



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

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SUMMARY

Since the start of the COVID-19 crisis in March 2020, 49% 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 [report](#) published on March 18th, this report provides an in-depth analysis of churn in California’s UI system, and sheds light on the rate at which unemployed Californians have been recalled to their prior employers or are finding re-employment elsewhere. To help assess the current state of the economy, the report tracks the number of Californians entering the UI system - both those filing claims for the first time ("new initial claims") and those re-opening old claims after having returned to work ("additional claims") - as well as the share of total claimants who exit the program each week. The net flows in and out of the system change the total number of claimants receiving benefits, which we discuss as well. This brief reports information on Unemployment Insurance claims through June 5th, 2021.

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 report, we will refer to these claims as "initial UI claims."¹ Our analysis of initial UI claims

in this report also includes a new measure of entries in and out of paid unemployment, which we use to analyze churn in the UI system. The second part of the report presents new measures of the rate at which UI claimants were recalled to prior employers and re-employment for UI claimants during the end of 2020. The report also includes an analysis of the number of individuals that are receiving UI benefits for a particular week of unemployment and their breakdown by demographics and industry. Finally, we conclude with a discussion of the rate at which claimants are exiting the UI system.

Key Insights from March through June:

- Of the two million claimants who entered the UI system during the second quarter of 2020 and were “fully separated” from their employer (i.e., not just working reduced hours), **only 62% had received any wages from working by the end of 2020**. Of those who had found employment, the majority (73%) had been called back to their prior employers.
- **Reemployment and recall from July to December 2020 was unevenly distributed among UI claimants**. Black workers, younger workers, lower-educated workers,

and males were less likely to be reemployed and recalled, as were workers in the Administrative & Support and Food Service industries. Reemployment and recall were less likely in more urban counties in the state, and more likely in counties with higher incomes and higher rates of broadband access.

- Initial claims dramatically overstate the number of individuals entering the UI system each week.** Between the start of March 2021 to mid-May, there were 1.1 million initial claims for regular UI— but during that same time period, there were only 662,630 individuals who entered the regular UI system. This shows the typical interpretation of the initial claims measure would overstate the number of individuals entering regular UI by 66%. The discrepancy is mostly driven by individuals filing multiple “additional claims,” which are typically filed when an individual re-opens their claim after being at work. However, these claims are often triggered in situations where a claimant has continually received unemployment benefits.
- CPL’s new measure of the number of individuals entering UI also clarifies the total amount of churn in and out of the UI system.** In early May 2021, we find that the share of entries into the UI system which were reentries — i.e., claimants who were beginning their second (or higher) spell of unemployment— was over 90%. This is substantially higher than what is implied by initial claims numbers, as less than 70% of weekly initial claims during that time were “additional” (Filed by claimants who were re-opening their old claims after a period of work). In other words, throughout the spring of 2021, the share of entrances into regular UI that arise from claimants beginning another period of unemployment is higher than what is implied by the typical interpretation of additional claims.
- The number of Californians receiving regular UI benefits fell substantially this spring, from 2.3 million in early March 2021 to just 1.47 million in May.** While some claimants are presumably exiting the UI system as they find new employment, a substantial share

of individuals have stopped receiving benefits because their benefit year has ended— at which point claimants must file “transitional claims” in order to continue receiving benefits. We estimate that during the 11 weeks between March 13th 2021 and May 22nd, 2021 (roughly corresponding to the one-year anniversary of the labor market crisis), 51% of the 850,000-person decline in the total number of claimants was due to claimants reaching the end of their benefit year. EDD recently began to automatically file extensions for some of these claimants, suggesting that the number of UI beneficiaries may rise.

The first policy brief in this series 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.

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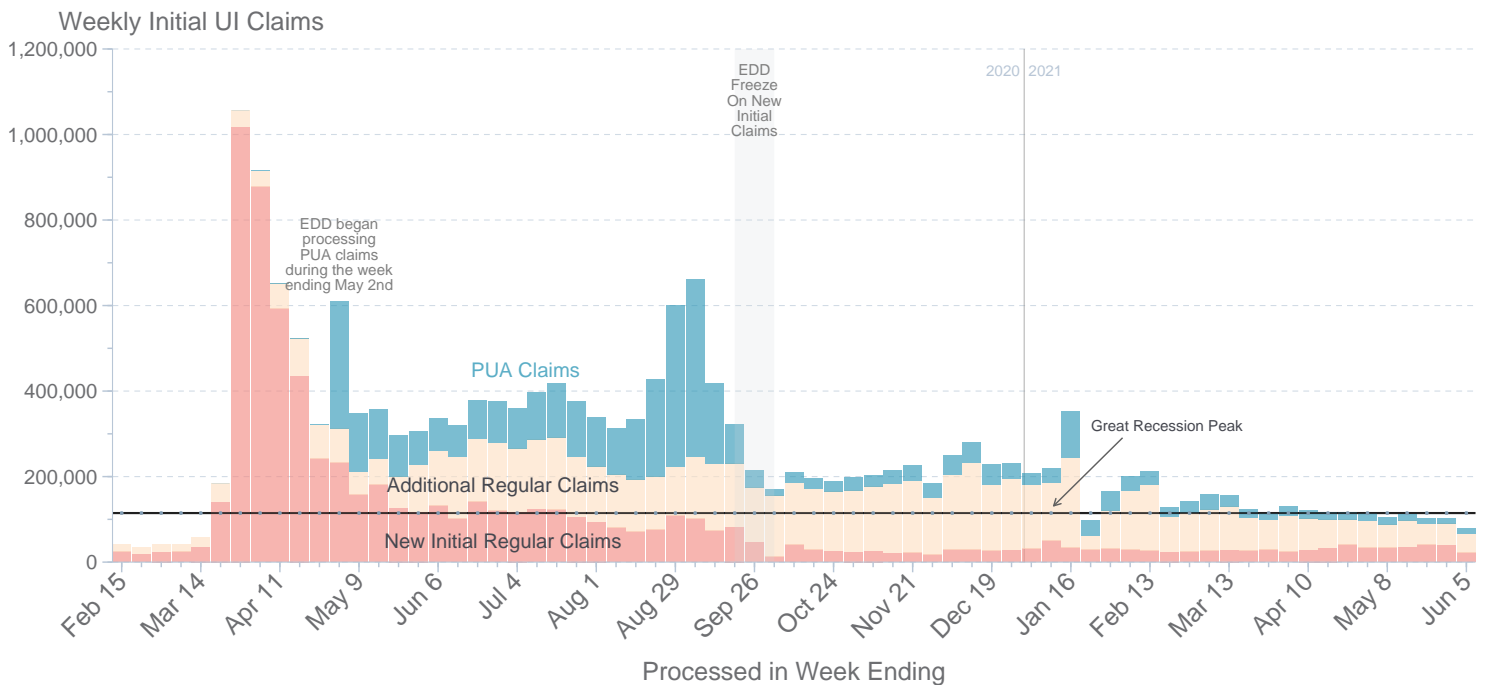
Analysis of Initial Claims and Entries into the UI system

Californians filed an average of 99,823 initial claims for Unemployment Insurance (UI) in each of the four weeks ending June 5th, the lowest four-week average seen since the start of the crisis in March 2020. This is a substantial decrease relative to the 138,631 average weekly initial claims filed during March of this year.

Initial claims for PUA have trended downwards, from an average of 25,000 weekly claims in March to just 14,000 per week in the four weeks wending June 5th — nearly a 50% decline.² Twenty percent of initial claims in the last four weeks were filed under the PUA program, down from over 30% in mid-January 2021 (Table 1).

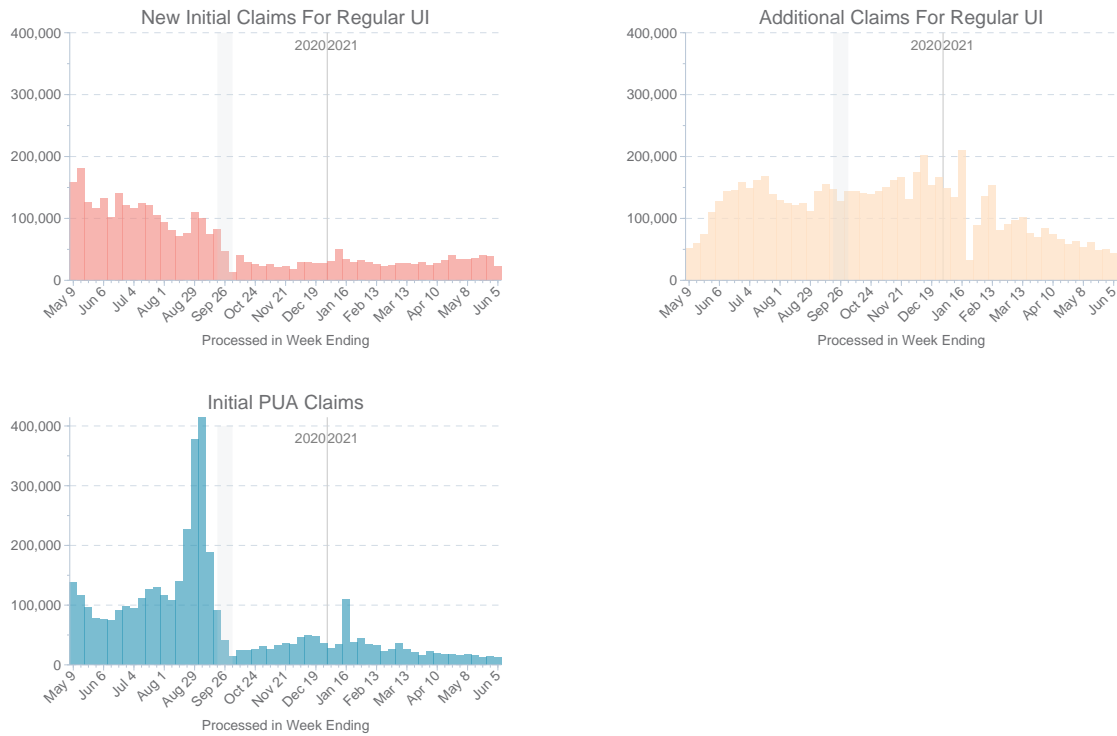
Accounting for both PUA and regular UI programs, 49% of the entire labor force in California has now filed for Unemployment Insurance benefits at some point since the start of the crisis. This number is composed of 30.5% of workers who filed claims for regular UI benefits, and 18.5% of workers filing for benefits under the PUA program. Since many claimants have filed multiple claims during the crisis—e.g., any claimant that filed an additional claim after a brief return to work—our approach is to count unique individuals. Counting cumulated initial claims would overestimate the “share of the labor force” filing a claim by 45 percentage points (Table 2).³

FIGURE 1A: Weekly Initial UI Claims (including PUA) During the COVID-19 Crisis in California (Stacked)



Notes: X-axis labels correspond to Saturdays. New Initial Regular Claims includes new initial claims for regular state UI. Additional Regular Claims includes additional claims for regular state UI and additional claims for extension programs. (DOL does not include additional claims for claimants on extension programs in their initial claims numbers, only additional claims for regular UI.) This figure does not include transitional claims, as DOL does not include them in their headline initial claim number nor do they represent flows into the UI system. California reported 114,793 initial UI claims (including additional claims) in the week ending January 9, 2010. (OUI DOLETA Table 539)

FIGURE 1B: Weekly Initial UI Claims (including PUA) During the COVID-19 Crisis in California (Separated by Claim Type)



Notes: X-axis labels correspond to Saturdays. New Initial Regular Claims includes new initial claims for regular state UI. Additional Regular Claims includes additional claims for regular state UI and additional claims for extension programs. (DOL does not include additional claims for claimants on extension programs in their initial claims numbers, only additional claims for regular UI.) This figure does not include transitional claims, as DOL does not include them in their headline initial claim number nor do they represent flows into the UI system. California reported 114,793 initial UI claims (including additional claims) in the week ending January 9, 2010. (OUI DOLETA Table 539)

Despite the gradual decline in initial claims both in California and nationwide, initial claims have not fallen by as much as one might expect, given the continued re-opening of the economy. Initial claims for regular UI are composed of two major components, as illustrated in [Figure 1: New initial claims and additional claims](#). [Figure 1](#) shows that the stubbornly high level of initial claims in California has been driven by a persistently elevated number of Additional Claims processed in each week, while new initial claims have dropped substantially and are now in line with the levels seen prior to the pandemic. To understand why, we first explain what triggers each type of claim. **New initial claims** correspond to “an application for the establishment of a benefit year”,⁴ and provides a claimant with a weekly benefit amount. Everyone attempting to collect unemployment benefits must file a new initial claim. **Additional claims** are a subset of initial claims defined by EDD as a claim which is re-opened after a “break of one or more weeks in

the claims series with intervening employment.” While this definition may seem to imply that additional claims represent individuals beginning a second (or third, or fourth) period of unemployment, this is not necessarily the case. Both new initial claims and additional claims overstate the amount of people entering (or re-entering) the UI system, but the inflation to additional claims is much larger.

There are a number of reasons why initial claims, and additional claims in particular, can overstate the amount of people entering (and re-entering) the UI system. New initial claims can overstate entries into the UI system if individuals file multiple claims within a single week, if claimants file initial claims which are denied, or if claimants filed initial claims which are accepted, but the claimant never certifies for benefits, perhaps because they found a job (after a person files a claim, they then need to certify every two weeks in order to receive benefits).

TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 4/03/2021– 6/05/2021

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	ENTRIES INTO REGULAR UI (1ST SPELL)	ADDITIONAL REGULAR CLAIMS	ENTRIES INTO REGULAR UI (2ND+ SPELL)	PUA INITIAL CLAIMS (NEW IC + ADDITIONAL)	ENTRIES INTO PUA (ANY SPELL)	CUMULATED UNIQUE CLAIMANTS (SINCE 3/15/2020)	CUMULATED UNIQUE CLAIMANTS AS % OF FEBRUARY 2020 LABOR FORCE
Apr 03	24,191	5,530	83,535	55,404	23,312	14,109	9,326,125	48.0
Apr 10	28,489	8,475	73,783	55,306	19,542	15,391	9,347,923	48.1
Apr 17	32,931	6,189	66,714	53,909	17,103	15,761	9,371,898	48.2
Apr 24	40,727	5,663	59,009	46,027	17,242	15,434	9,395,451	48.4
May 01	34,255	5,188	62,901	50,680	16,640	14,158	9,417,368	48.5
May 08	33,790	5,179	53,904	42,327	17,748	15,562	9,441,339	48.6
May 15	35,027	3,693	61,932	46,724	16,248	13,417	9,462,829	48.7
May 22	41,007	—	49,000	—	13,310	—	9,479,085	48.8
May 29	39,683	—	50,076	—	13,728	—	9,499,163	48.9
Jun 05	22,341	—	43,989	—	12,951	—	9,515,709	49.0

Notes: Total initial claims refers to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California Residents. Entries Into Regular UI correspond to the first paid week within a new period of unemployment. Further detail is provided in the text. Additional Regular claims include both additional claims for state UI and additional claims for claimants on extension programs (PEUC and FED-ED). Note that DOL does not include additional claims for claimants on extension programs in its initial claims numbers.

Additional claims are typically triggered when a UI claimant returns to full- or part-time work, but then becomes unemployed again. However, an additional claim can also be triggered by a claimant who works reduced hours for multiple weeks in a row, certifies for partial UI benefits (see page 25), and is either denied payment on one or more of these certifications because their (reduced) earnings are above the partial UI threshold.

In addition, an additional claim can be triggered if the claimant delays one or more certifications (even without a denied payment).⁵ These “breaks in the claim cycle” trigger additional claims because the partial UI claimant has ongoing employment. However, because these individuals are not actually exiting and re-entering the UI system each week, the additional claims measure will overstate the number of people flowing into the UI system.

Because additional claims have made up more than 50% of initial claims for regular UI in every single week of the 12 months ending June 5th, the degree by which initial claims numbers overstate entry (or re-entry) has been quite large during the COVID-19 crisis. Importantly, the number of additional claims each week becomes directly tied to the total number of continuing claimants. Since the total number of

continuing claimants has only slightly declined over the course of the crisis, and the share of claimants getting their payment denied each week has only fluctuated between four and ten percent of the number of continuing claimants, it is not surprising that the level of additional claims remains elevated.

An important implication of this discussion is that if (or when) the number of continuing claimants is reduced, either due to increased job finding rates or due to administrative reasons (such as benefit exhaustions, or the end of benefit-years, as we discuss later in the report), this will simultaneously decrease the number of additional claims, and therefore the total number of initial claims.

CPL’s New Measure of the Number of Individuals Entering the UI system

To better understand how well initial claims correspond to new people claiming unemployment, CPL has created a measure analogous to initial claims, which measures the actual flow of individuals into the UI system: **Entries into Paid Unemployment**. This measure is defined as the number of individuals entering a new period of paid unemployment in each week. We define a claimant as entering a **new period of unemployment** if he or she experiences a gap of one or more weeks between two weeks of compensated unemployment or

if they entered UI for the first time since January 2020. If a claimant certifies retroactively, the claimant is determined to have entered or reentered the UI system in the week in which his or her unemployment actually began, regardless of any administrative irregularities that may have affected the claim processing date or the date in which they certified for benefits.

Figure 2 compares CPL’s new measure, **Entries into Paid Unemployment**, with the traditional measure of initial claims for regular UI.

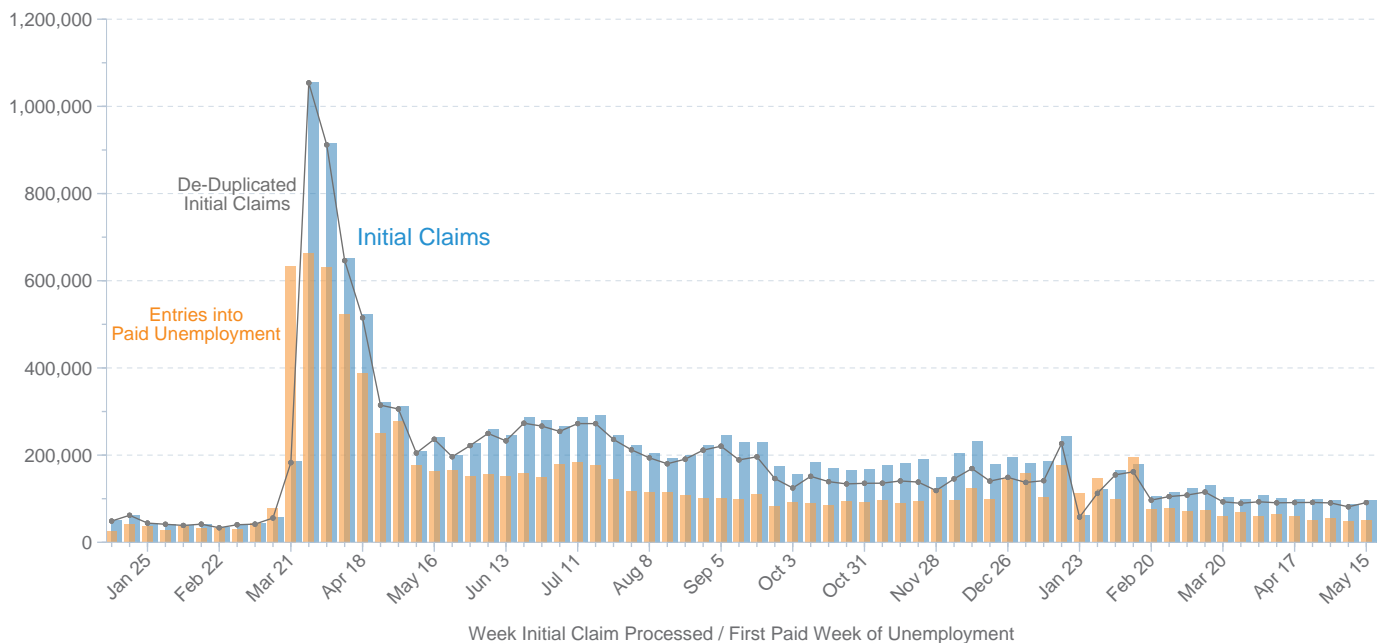
The figure shows that initial claims substantially overstated the number of entries into paid unemployment during the crisis. From the start of March 2021 to mid-May, there were 1.1 million initial claims for regular UI (blue bars). During that same time period, there were just 662,630 individuals who entered the regular UI system (orange bars). This shows that the standard initial claims measure would overstate the number of individuals entering regular UI by 66%.⁶

Our analysis provides evidence that the gap between initial claims and entries into the UI system is driven largely by additional claims that do not result in a payment (as described in the previous section). Appendix Figure 1 deconstructs Figure 1 into parts. Appendix Figure 1A compares new initial claims with the number of claimants who are entering their first period of unemployment (meaning they have not claimed benefits for any unemployment since the beginning of 2020).

Appendix Figure 1B compares additional claims with claimants who are beginning a later period of unemployment (either their second, third, or higher). Besides the timing difference at the start of the crisis, the disparity between initial claims and entries is mostly driven by *Additional Claims*.

Our data allow us to further learn about the sources of these discrepancies. In particular, accounting for individuals filing multiple initial claims in the same week (the grey line of Figure 2) has some effect during the fall of 2020, but generally cannot explain much of the gap. Appendix Figures 1C and 1D present new initial claims (Panel C) and additional claims (Panel D) after accounting for multiple claims by a single person filed in any given week (the blue “de-duplicated” lines). Then, we again filter to only include claims which are found to be valid and have a payment processed within eight weeks of filing (the red lines). Comparing these lines—which only include the claims which receive payment—with the orange bars corresponding to entries (which is the same as the orange line of panels A and B), we can eliminate almost all of the disparity between measures. This exercise shows that the reason initial claims overstate entries into the UI system is (A) due to additional claims, and (B) mostly due to additional claims which are filed without receiving a corresponding payment afterwards—precisely what would occur if individuals were certifying for benefits and receiving denials for excess earnings.

FIGURE 2: Initial UI Claims Drastically Over-State Entry into the UI System (Regular UI Only)

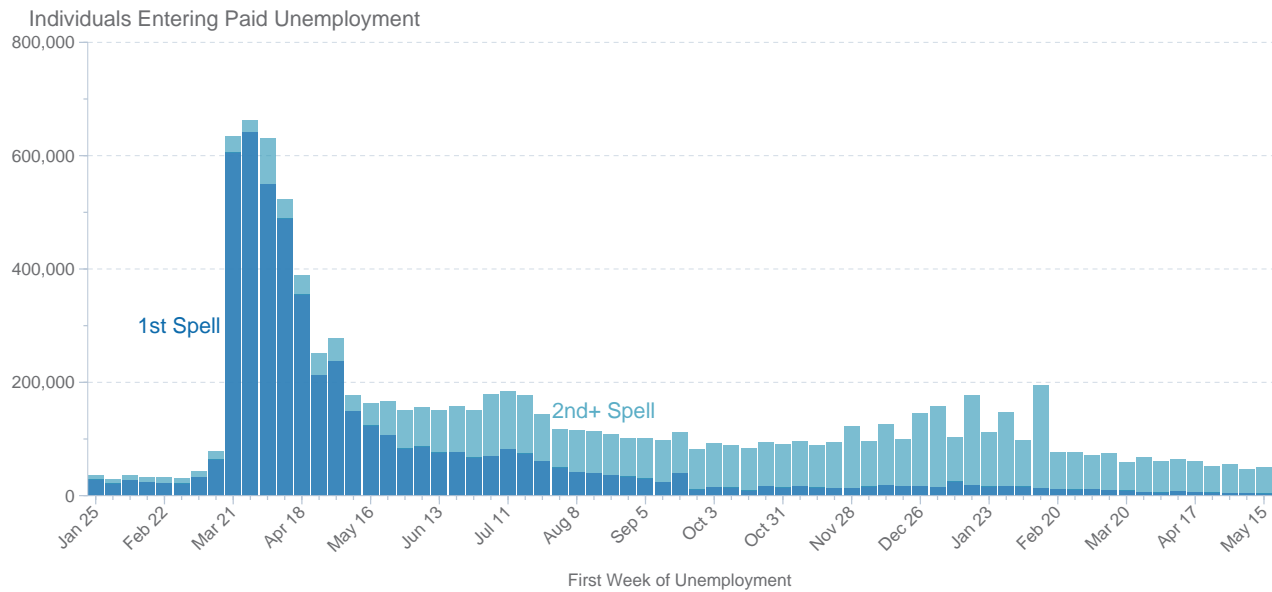


Notes: Bars are not stacked, but instead compare the different measures within the same week. The initial claims bars do not include initial claims for PUA, new initial claims for extension programs, or transitional claims. They only include new initial claims for regular UI, additional claims for regular UI, and additional claims for claimants on extension programs.

Figure 3 shows CPL's new measure of entries into the UI system, **Entries into Paid Unemployment**, broken down by the number of the UI spell. There are key differences relative to the analogous version of initial claims (Figure 1). As already discussed above, the level is lower — initial claims have overstated entries into UI by about 66% between March 2021 to mid-May. In addition, Figure 3 shows clearly that while the

number of people re-entering the UI system is lower than the number of additional claims, the *share* of all entries which are re-entries (2nd or higher spell) is higher than the share of initial claims which are additional. In other words, our measure of churn is lower in absolute terms (relative to that implied by initial claims), but higher in relative terms.

FIGURE 3: CPL's Preferred Measure of Entries into Paid Unemployment, by Spell of Unemployment (Regular UI Only) (Stacked)



Notes: Bars are stacked and mutually exclusive. An individual is determined to have begun his or her first spell of unemployment in the week which corresponds to their first paid week of unemployment. If an individual then experiences a gap in payments (one or more unpaid weeks) but then returns to paid unemployment, they are determined to have begun another "spell" of unemployment.

Churn in the UI system

Our new measure of entry (and re-entry) into the UI system allows us to describe how the amount of churn in the UI system varies between groups and over time during the pandemic. Throughout most of the crisis, the amount of reentry was stable at 30-40% of claimants who had exited the UI system, only declining slightly in April 2021.

Figure 4 takes the number of claimants who transition from a week of paid unemployment to an unpaid week, and then computes the share that return to paid unemployment within either two, four, or ten weeks. If the percent returning increases, it may imply that claimants who exit are finding their newfound employment to be more unstable (i.e., they are more likely to be laid off again at their new job or face

another reduction in work hours, bringing them back into the UI system.) **Alternatively, it could mean that they are not returning for other reasons, such as if they have exhausted their benefits.**

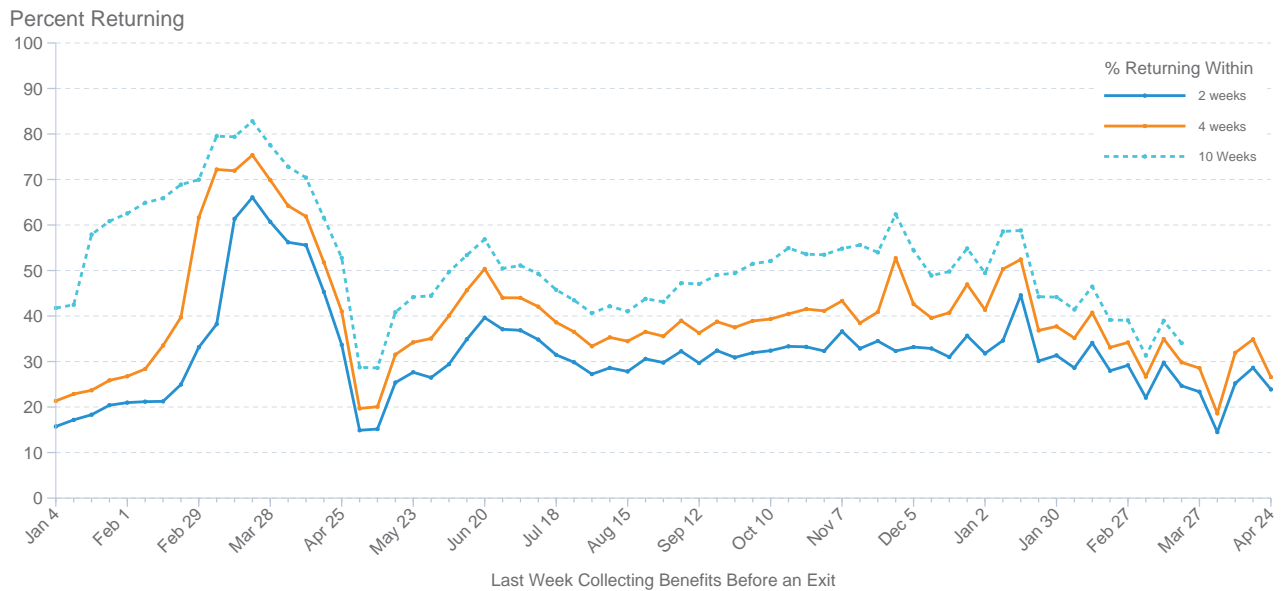
If the percent returning increases, it implies that claimants who exit are finding their newfound employment to be more unstable (i.e., they are more likely to be laid off again at their new job or face another reduction in work hours, bringing them back into the UI system).

Leading up to the crisis, claimants who exited were especially likely to return to the UI system as soon as the crisis began. However, the amount of "churn" (people entering and exiting UI) declined in April and May of 2020, partly because EDD

automatically certified individuals for benefits from March 14th, 2020 to May 9th, 2020. Between June 2020 and January 2021, the amount of churn was elevated, but remained remarkably stable, with about 30-40% of claimants who exited the UI system returning within the next two weeks. During 2021, it appears claimants who exited the UI system

found employment to be increasingly stable, and the level of churn has slowly declined between February and April. For claimants who transitioned out of paid unemployment in the week ending April 24th, 28% had returned to the UI system within the following four weeks.

FIGURE 4: Share of Claimants Who Return to the UI System Within 2, 4, and 10 Weeks After Experiencing a Gap in Payments

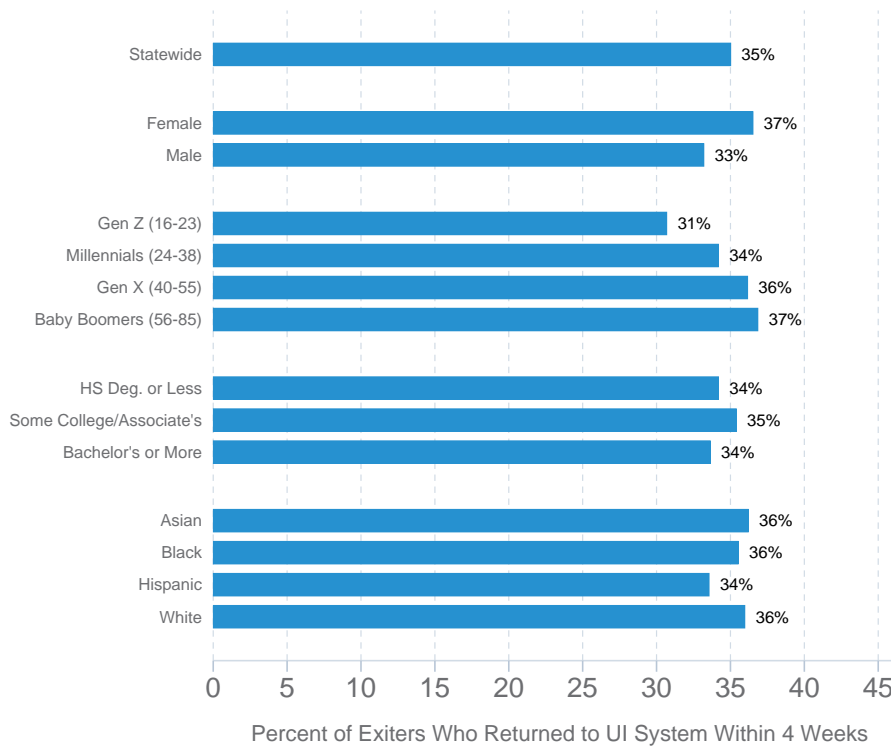


Notes: This figure takes the number of people who transition from being paid regular UI benefits in one week to not being paid in the next, and then calculates the share who are paid for any unemployment experienced in the next 2, 4, or 10 weeks. It does not include PUA claimants. It also does not include claimants who transition to unpaid in the same week that their benefit year ends.

In [Figure 5](#), we also compare differences in the level of churn between demographic groups, focusing on claimants who exited the UI system between January and May of 2021. Thirty-five percent of all claimants who exited during

this period returned within four weeks. Women and older workers who exited were especially likely return to the UI system, while Hispanic workers and younger workers were less likely to return.

FIGURE 5: Share of Claimants Who Experienced a Gap in Payments in 2021, But Returned to the UI System Within 4 Weeks, by Demographic Group



Notes: This figure takes the number of people who, for any given week of 2021, transition from being paid UI benefits in one week to not being paid in the next, and then calculates the share who are paid for any unemployment experienced in the next 4 weeks. It includes Regular UI claimants only. It does not include claimants who transition to unpaid in the same week that their benefit year ends.

Benefit Levels

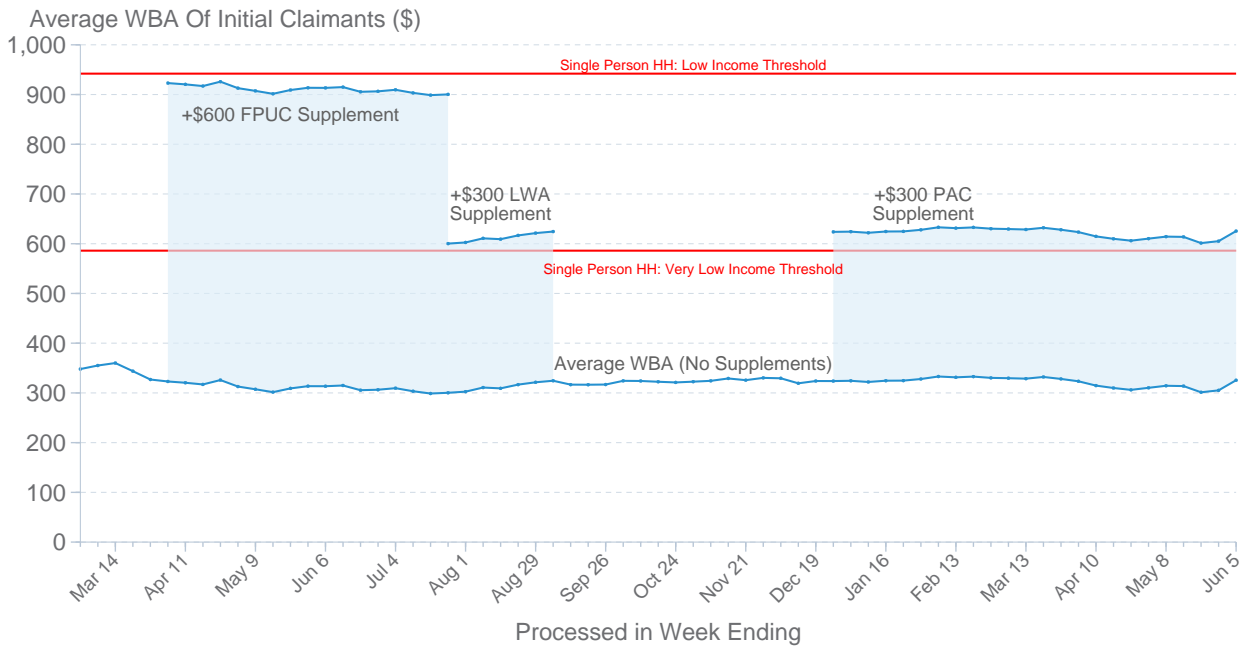
In California, most claimants found to be eligible for regular UI are paid benefits equal to 50% of their average weekly earnings in a base period, up to a maximum of \$450 per week.⁷ The average weekly benefit amount (WBA) for initial claimants who filed at the end of May was \$323 per week.⁸ All claimants for regular UI and PUA eligible for benefits between December 27th, 2020 and September 4th, 2021 also receive an additional \$300 supplement through Pandemic Additional Compensation (PAC).

These benefit amounts can be compared to California's 2020 state income limits, which are used for eligibility determinations of various government programs.⁹

[Figure 6](#) shows how weekly benefit amounts have evolved over the course of the pandemic, and how total benefit amounts (including supplements) relate to the income limits for single person household.

[Table 8](#) and [Figure 7](#) show how households of different demographic groups might fare under these scenarios. The average WBA for initial claimants in the last two weeks (May 23rd-June 5th) was \$53 lower for women than it was for men. Lower-educated claimants, younger claimants, and Asian, Hispanic, and Black claimants have all seen lower WBAs over the course of the crisis as well.

FIGURE 6: Average Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance

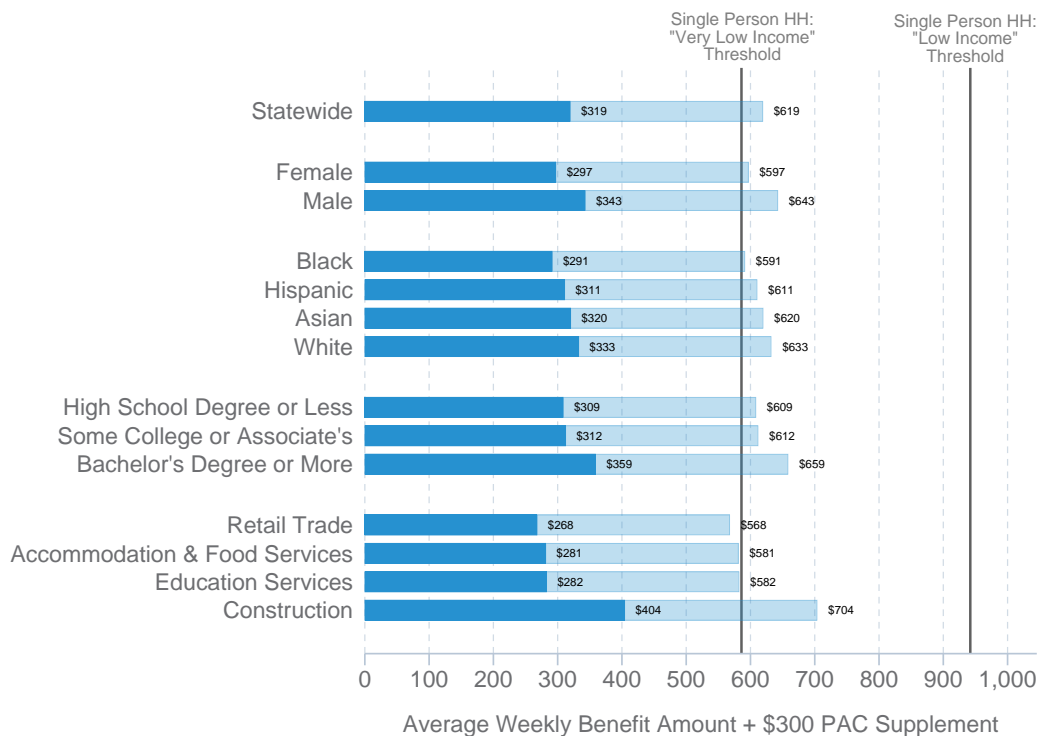


Notes: This figure takes the number of people who, for any given week of 2021, transition from being paid UI benefits in one week to not being paid in the next, and then calculates the share who are paid for any unemployment experienced in the next 4 weeks. It includes Regular UI claimants only. It does not include claimants who transition to unpaid in the same week that their benefit year ends.

Similarly, average 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 average WBAs closer to \$400 throughout the crisis (or in some cases, more – i.e., Construction and the Information industry), lower-earnings industries have seen their average WBAs vary substantially with time, (such as the Education services), indicating a changing composition of workers filing claims within the industry. For example, the average WBA for an initial claimant

from the Education Services industry was \$339 in February 2020, but only \$282 over the course of the crisis, indicating those impacted by the economic effects of the pandemic earned lower wages than those claiming benefits before the crisis.

FIGURE 7: Average Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance Over the Course of the COVID-19 Crisis



Notes: Weekly Benefit Amounts are the average among all new initial claims (for Regular UI) filed since March 15th, 2020. It does not include new claims filed when individuals transition to extension programs. The average benefit amount for individuals who either did not self-identify their race or self-identified as a different racial group is not shown.

Demographic and Industry Breakdown of Initial Claims

Demographics

The COVID-19 crisis in the labor market has had a disproportionate impact on women, younger workers, lower-educated workers, and Black workers. By June 5th, 52% of women in the labor force have filed initial UI claims for regular UI or PUA since the start of the crisis, compared to 46% of men (Table 2). The stark gender disparity seen in the labor market (both in UI claims and in other measures) has led some to call this crisis the first “She-cession”.¹⁰

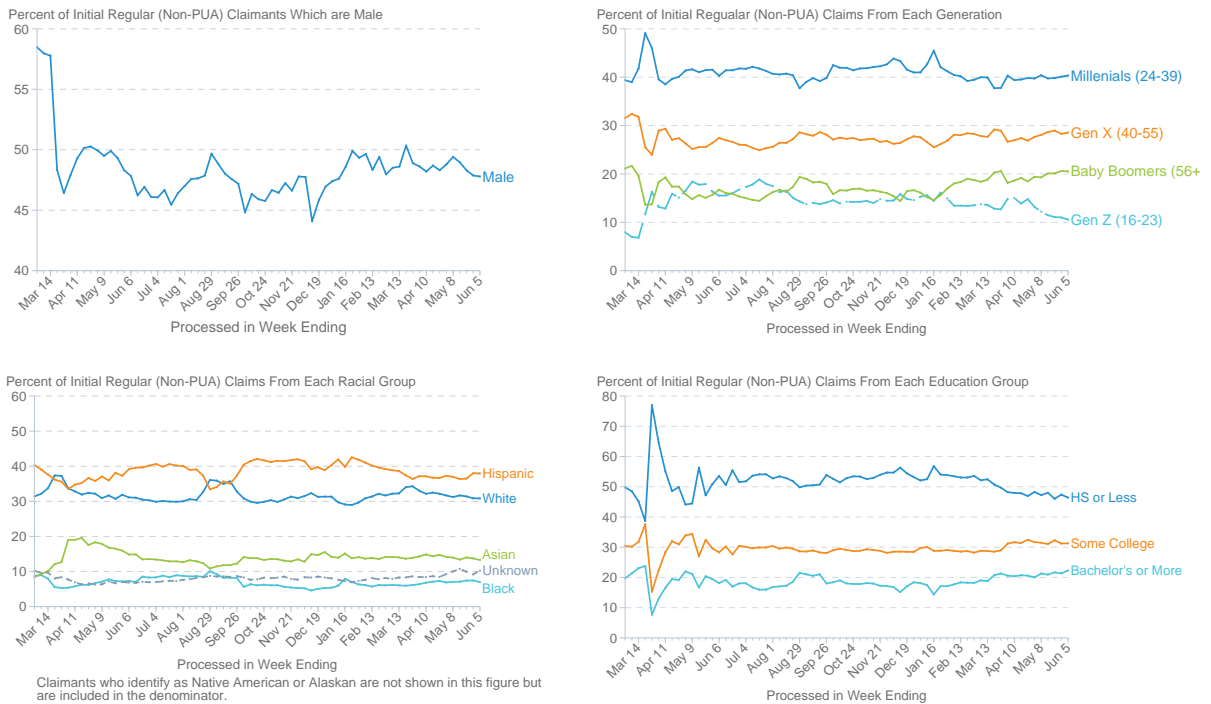
Focusing just on regular UI claims (not including PUA), 53% of workers in Gen Z (aged 16-23) and 32% of Millennials (ages 24-38) have filed regular UI claims, compared to a statewide average of 29% (Table 2). Female workers have filed more regular UI claims relative to the size of their labor force than have men, but the rate of PUA filing between the two groups is about equal, with just over 1 in 5 workers of either gender having filed a PUA claim.

TABLE 2: Total Claims Since March 15th, 2020, by Demographic Group

GROUP	ACCUMULATED INITIAL CLAIMS	TOTAL UNIQUE INITIAL CLAIMANTS	REGULAR UI		PUA	
			UNIQUE CLAIMANTS	UNIQUE CLAIMANTS AS % OF PRE-CRISIS LABOR FORCE	UNIQUE CLAIMANTS	UNIQUE CLAIMANTS AS % OF PRE-CRISIS LABOR FORCE
Statewide	18,250,574	9,515,709	5,920,745	30.5	3,594,964	18.5
By Gender						
Female	9,284,133	4,618,999	2,982,638	33.8	1,636,361	18.5
Male	8,940,415	4,875,667	2,922,927	27.6	1,952,740	18.4
By Age Group						
16–19	611,532	379,423	250,680	47.2	128,743	24.2
20–24	2,437,155	1,227,377	932,798	53.6	294,579	16.9
25–34	4,783,315	2,382,624	1,635,065	34.2	747,559	15.6
35–44	3,504,900	1,785,876	1,059,766	24.6	726,110	16.9
45–54	3,133,705	1,619,287	936,851	24.0	682,436	17.5
55–64	2,624,959	1,373,423	787,959	26.1	585,464	19.4
65–85	1,070,139	672,980	309,207	26.8	363,773	31.6
By Generation						
Gen Z (16-23)	2,527,958	1,349,480	989,379	53.0	360,101	19.3
Millennials (24-39)	7,188,478	3,590,176	2,405,780	32.5	1,184,396	16.0
Gen X (40-55)	5,065,274	2,616,254	1,513,892	23.9	1,102,362	17.4
Baby Boomers (56+)	3,343,344	1,846,104	982,385	25.7	863,719	22.6
By Race and Ethnicity						
White	5,870,079	3,246,617	1,929,700		1,316,917	
Hispanic	5,751,218	2,680,319	2,193,324		486,995	
Asian	2,365,708	1,146,478	859,040		287,438	
Black	1,441,573	967,979	452,976		515,003	
Other/Unknown	2,704,064	1,411,530	443,183		968,347	

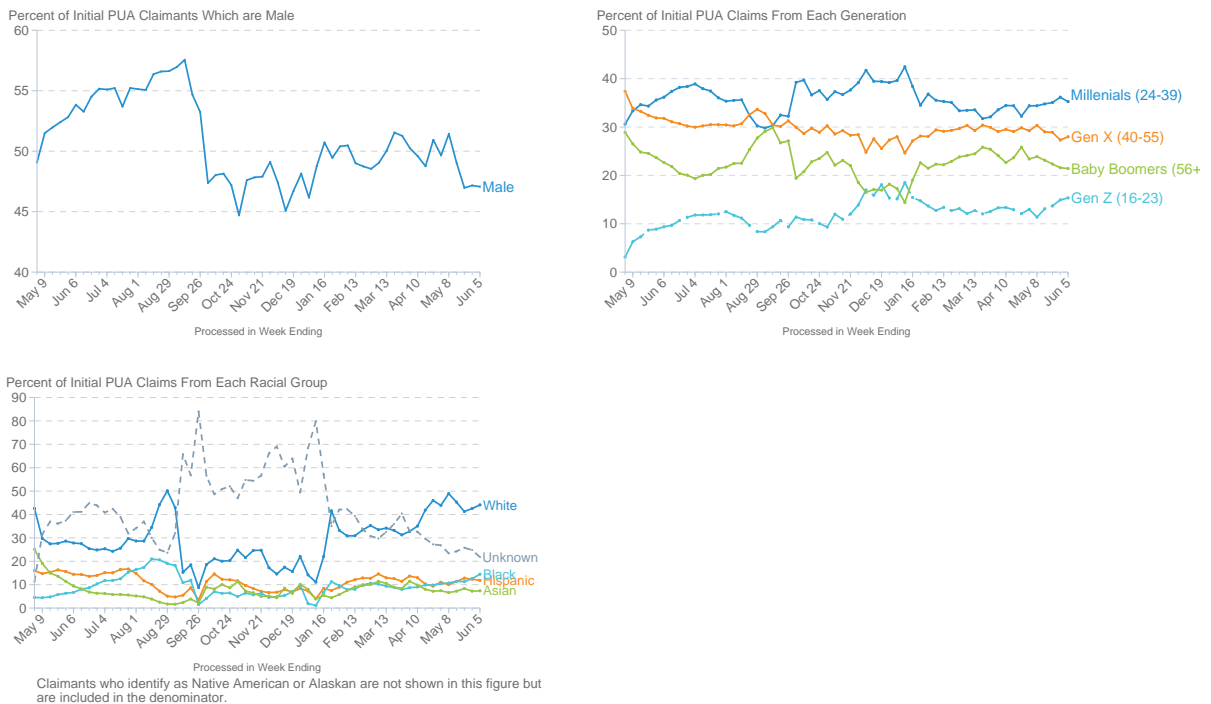
Notes: Claims refer to claims for Pandemic Unemployment Assistance and to initial claims for unemployment insurance (UI) benefits among California residents. Race and ethnicity information is based on how claimants self-identify when filing their initial claim. Table excludes claimants not reporting Gender. Table does not show information on claimants for whose race is specified as Native American or Alaskan Natives. Claimants who identify as other race categories or choose not to self-identify are included in the "Other/Unknown" category.

FIGURE 8A: Trends in the Demographic Characteristics of Initial non-PUA Claimants



Notes: Weekly Benefit Amounts are the average among all new initial claims (for Regular UI) filed since March 15th, 2020. It does not include new claims filed when individuals transition to extension programs. The average benefit amount for individuals who either did not self-identify their race or self-identified as a different racial group is not shown.

FIGURE 8B: Trends in the Demographic Characteristics of Initial PUA Claimants



Notes: Weekly Benefit Amounts are the average among all new initial claims (for Regular UI) filed since March 15th, 2020. It does not include new claims filed when individuals transition to extension programs. The average benefit amount for individuals who either did not self-identify their race or self-identified as a different racial group is not shown.

Figures 8A and 8B show the demographic trends in applicants for regular UI and PUA benefits. The demographic profile of initial claimants for regular UI has been relatively stable over the past few months, while the profiles of PUA claimants has changed more substantially.

The share of initial claims for regular UI filed by males still remains below 50%, and about 40% of claimants in May were from Millennials. (Figure 8A). In late March, the share of regular UI claimants who have a high school diploma or less fell below 50%, and is now at its lowest level in over a year. We report self-reported education levels for regular UI applicants only, as this information is not collected on PUA applications. Not including PUA claimants, 54% of workers with a high school degree or less have filed for UI benefits over the course of the pandemic, compared to 14% with a Bachelor's degree or more (Table 3).

The demographic profile of initial claimants for the PUA program has been much more volatile than that of regular UI claimants, most noticeably illustrated by a dramatic fall in the share of claimants who reported being male in September 2020, and a similar drop in late December 2020 for the share who did not report a racial/ethnic group. (Figure 8B). These swings may be partially driven by EDD's efforts to clamp down on fraudulent PUA claims, which has coincided with a dramatic reduction in the number of initial claims for the PUA program since September. More recently, the share of PUA claimants who identify as either White or Black has continued its upward trend, while the share of claimants for whom no race information is available continues to fall. The share of claimants identifying as Hispanic or Asian has remained relatively constant since the start of the year.

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	3,560,489	54.1	1,737,220	34.2	1,095,007	14.1
By Gender						
Female	1,445,456	55.9	861,828	33.9	548,221	14.8
Male	1,625,554	41.0	718,255	26.8	463,819	11.8
By Race and Ethnicity						
Asian	820,663		545,678		488,871	
Black	1,404,988		556,205		155,732	
Hispanic	245,625		133,952		53,132	
White	374,841		216,118		229,811	
Other/Unknown	207,863		117,785		82,351	
By Generation						
Gen Z (16-23)	589,002	72.2	308,953	37.9	57,089	24.5
Millennials (24-38)	1,189,955	52.3	668,267	34.1	451,428	14.2
Gen X (40-55)	783,387	35.4	366,735	24.5	296,542	11.3
Baby Boomers (56+)	500,363	40.9	234,019	24.1	204,870	12.7

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. Table does not show information on claimants for whose race is specified as Native American or Alaskan Natives. Claimants who identify as other race categories or choose not to self-identify are included in the "Other/Unknown" category.

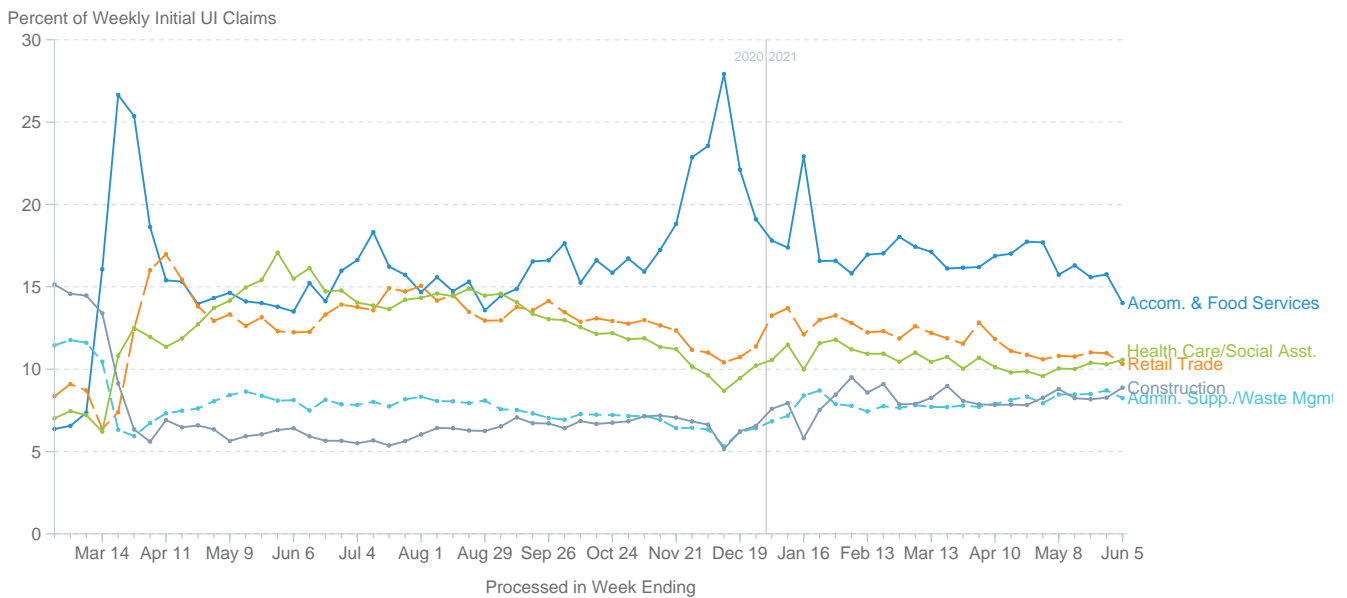
Industries

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.¹¹

Because PUA claimants do not report all of the relevant information, we exclude PUA claims from this analysis. Between April 24th and June 5th 2021, the share of initial claims from the Accommodation and Food Services industry fell by nearly four percentage points, from 17.7% to 14.0% (Figure 9). This is still far above the levels seen prior to the crisis, when the industry's share of initial claims was less than 10 percent. At the same time, the share of claims from the Health Care and Social Assistance Industry and the Construction Industry have gradually risen, by 2-3 percentage points each.

Table 4 shows how many workers from each industry have been affected over the course of the crisis and provides more detail on recent trends in initial claims by industry. Sixty one percent of the Arts, Entertainment, and Recreation industry workforce has filed at least one regular UI claim since March 15th, 2020 along with 67% of the Education Services workforce. Over 810,000 Californians from the Accommodation and Food Services industry have filed claims since the start of the pandemic, equivalent to 47% of the industry's pre-crisis labor force.

FIGURE 9: Share of Initial UI Claims (excluding PUA) from Most Impacted Industries During the COVID-19 Crisis in California



Notes: X-axis labels correspond to Saturdays. This figure is based on initial claims for regular UI. It does not include information from claims for Pandemic Unemployment Assistance, most of which were self-employed. Additional claims are included.

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 JUNE 5TH	WEEK ENDING MAY 29TH	WEEK ENDING MAY 22ND	UNIQUE CLAIMANTS SINCE MARCH 15TH	WORKERS IN LABOR FORCE (PRE- CRISIS)	UNIQUE CLAIMANTS AS % OF LABOR FORCE
Accommodation and Food Services	7,740	9,815	10,677	810,301	1,724,000	47.0
Retail Trade	5,565	6,938	7,236	664,165	1,654,500	40.1
Health Care and Social Assistance	5,825	6,894	7,053	627,083	2,461,900	25.5
Admin. Support, Waste Man. (a)	4,553	5,750	6,024	395,966	1,143,700	34.6
Manufacturing	3,408	3,576	3,524	330,405	1,318,500	25.1
Construction	5,025	5,742	5,864	299,201	896,400	33.4
Education Services	4,477	4,353	4,781	264,039	393,100	67.2
Prof., Scientific, Techn. Services (a)	2,911	3,792	3,847	258,148	1,357,200	19.0
Other Services	2,035	2,671	2,650	221,648	581,300	38.1
Transportation, Warehousing and Utilities	2,864	3,311	3,661	204,936	718,300	28.5
Arts, Entertainment, Recreation	2,344	2,877	2,899	202,868	332,500	61.0
Wholesale Trade	1,390	1,756	1,697	181,346	689,700	26.3
Information	3,278	3,961	3,862	143,409	586,600	24.4
Agriculture, Forestry, Fishing (a)	1,630	1,931	1,941	96,574	431,100	22.4
Real Estate and Leasing	731	876	981	86,031	305,300	28.2
Finance and Insurance	733	917	937	71,656	544,100	13.2
Public Administration	592	711	753	47,959	2,629,700	1.8
Management	321	312	335	25,816	252,900	10.2
Mining, Oil and Gas	28	46	62	5,410	22,800	23.7
Column Total	55,450	66,229	68,784	4,936,961	18,043,600	27.4

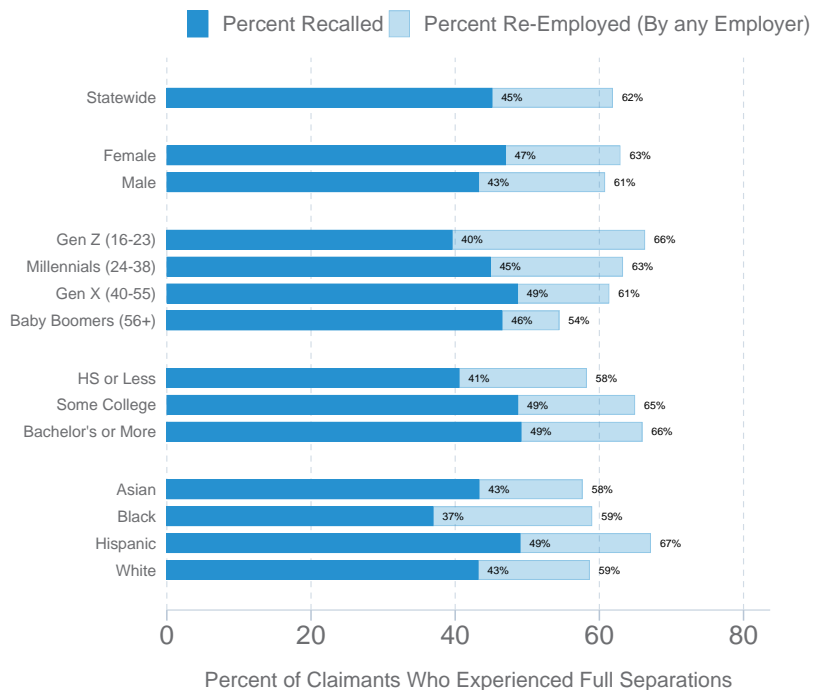
Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Industry of main employer prior to layoff was obtained from the Quarterly Census of Employment and Wages according to North American Industrial 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.

Analysis of Observed Recall and Re-employment

For the first time, we are able to analyze the number of UI claimants who have been recalled to their previous employer. [Figure 10](#) and [Table 5](#) show that of the two million claimants who entered the UI system during the second quarter of 2020 and who were “fully separated” from their employers (meaning they did not report any earnings in their first week of certifying for benefits), 62% had found some type of employment by the end of 2020, and 45% had been recalled to a prior employer. Among those that had reported some earnings in the following 2 quarters, 73% had been recalled to their prior employer. Claimants’ recall expectations upon initial filing of their UI claim were fairly predictive, with 51% of those who initially expected to be recalled actually being so, compared to just 30% of those who did not report they expected to be recalled.¹² Overall, the relatively high rate of recall suggests that workers and firms have maintained some ties during the job separations of the pandemic.

While 45% of all claimants had been recalled in 2020, substantial heterogeneity exists across demographic groups, industries, and geographies. [Figure 15](#) contrasts how our measures of recall and re-employment vary across demographic groups. Although older workers have had among the lowest rates of reemployment, their likelihood of recall was among the highest, suggesting that recall has been more common among longer-tenured workers. Women, more educated workers, and workers identifying as Hispanic have each seen relatively high rates of both recall and overall re-employment.

FIGURE 10: Recall and Re-employment Rates by Demographic Groups



Notes: The denominator for each bar includes all regular UI claimants from that demographic group who filed a UI claim during the 2nd quarter of 2020. The numerator consists of the subset of those claimants who had found any type of employment in the following 2 quarters, and those who became re-employed by their separating employer.

TABLE 5 : Observed Recall for Claimants With a Benefit Year Beginning in Quarter 2 of 2020.

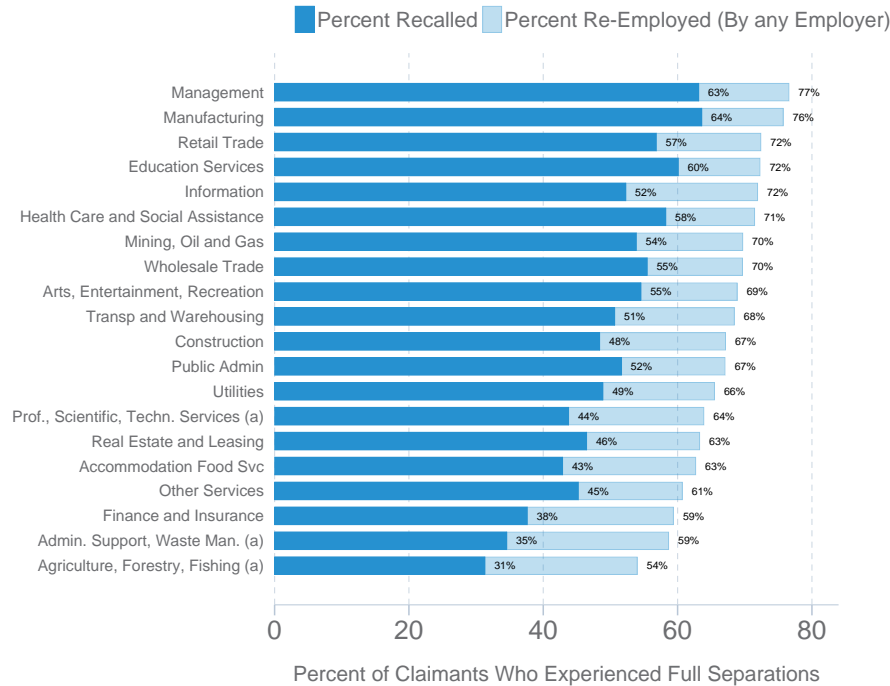
GROUP	ALL CLAIMANTS (INCLUDING THOSE NOT EXPERIENCING FULL SEPARATIONS)	ALL CLAIMANTS IN SAMPLE (EXPERIENCING FULL SEPARATIONS)	NUMBER EMPLOYED WITHIN 2 QUARTERS	NUMBER RECALLED TO PRIOR EMPLOYER WITHIN 2 QUARTERS	% OF SAMPLE RE-EMPLOYED WITHIN 2 QUARTERS (OBSERVED EARNINGS IN BASE WAGE FILE)	% OF SAMPLE RECALLED	% OF RE-EMPLOYED WHO WERE RECALLED TO PRIOR EMPLOYER	% OF THOSE EXPECTING RECALL ACTUALLY EXPERIENCING RECALL
Statewide	2,737,643	2,080,813	1,286,672	938,638	61.8	45.1	73.0	50.8
By Gender								
Female	1,389,097	1,047,327	658,941	491,890	62.9	47.0	74.6	52.6
Male	1,342,444	1,029,159	625,270	444,964	60.8	43.2	71.2	48.9
By Generation								
Gen Z (16-23)	485,556	380,597	252,368	150,640	66.3	39.6	59.7	48.1
Millennials (24-38)	1,085,164	821,550	519,508	368,564	63.2	44.9	70.9	51.8
Gen X (40-55)	701,411	529,819	325,093	257,698	61.4	48.6	79.3	52.5
Baby Boomers (56+)	454,751	341,594	185,830	158,817	54.4	46.5	85.5	48.9
By Education								
HS or Less	1,243,290	952,527	554,582	386,200	58.2	40.5	69.6	44.7
Some College	802,590	618,290	401,364	300,966	64.9	48.7	75.0	56.9
Bachelor's or More	489,860	374,046	246,595	183,798	65.9	49.1	74.5	58.3
By Race/Ethnicity								
Asian	462,076	355,800	205,078	154,085	57.6	43.3	75.1	48.4
Black	224,332	169,390	99,903	62,572	59.0	36.9	62.6	43.7
Hispanic	971,072	739,926	496,548	362,569	67.1	49.0	73.0	55.8
White	848,938	646,929	379,305	279,381	58.6	43.2	73.7	49.1

Notes: In this table, recall is defined as follows. First, we identify the three highest-paying employers in quarter 2 of 2020 (the quarter the claimant filed their initial claim). Then, we remove from the sample all claimants that reported any earnings in their first week of UI (those that did not experience "full separations"). Finally, we define recall as the presence of any earnings from a separating employer in either of the following 2 quarters (Quarter 3 or Quarter 4 of 2020). Our sample is comprised of 2.7 million unique claimants for the regular UI program during the 2nd quarter of 2020, who have reported their last work dates, received at least one payment, and did not report any earnings in their first week of certification. Table does not show information on claimants for whose race is specified as Native American or Alaskan Natives, or individuals in other race categories or who choose not to self-identify.

Figure 11 and Table 6 compare rates of recall and re-employment across industries. Workers in Management, Manufacturing, and Education industries have all seen rates of recall of at least 60%. Those industries also had among the highest rates of re-employment, each topping 70%. Other industries with lower recall but similarly high

re-employment rates include Retail Trade, Information, and Health Care and Social Assistance. The three industries with the lowest rates of both re-employment (under 60%) and recall (under 40%) are Finance and Insurance, Administrative Support and Waste Management, and Agriculture, Forestry, and Fishing.

FIGURE 11: Recall and Re-employment Rates by Major Industries



Notes: The denominator for each bar includes all regular UI claimants from that industry who filed a UI claim during the 2nd quarter of 2020 and were "fully separated" from their employer (i.e., not just working reduced hours). The numerator consists of the subset of those claimants who had found any type of employment in the following 2 quarters, and those who became re-employed by their separating employer. a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting, Professional, Scientific, and Technical Services

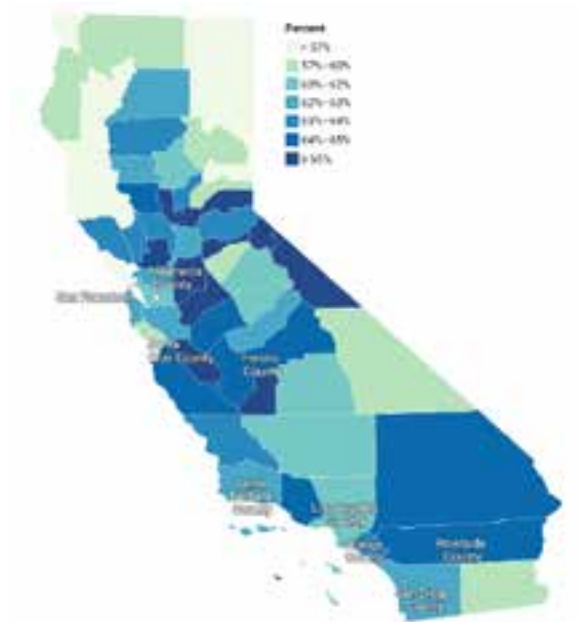
Rates of recall also vary substantially by geography. Figure 17 maps recall at the county level across California, which is also presented in Appendix Table 1. Of the 20 most impacted counties, those with the highest rates of recall include San Francisco, Kern, and Tulare, and Sacramento, whereas Orange, Sonoma, and Ventura had among the lowest rates. Figure 18 presents spatial correlations of these county-level recall rates with a variety of socioeconomic factors. (Appendix Figures A3 and A4 show how these factors are correlated with the share of claimants finding any employment, and the probability of being recalled to a prior employer, conditional on finding any employment). Some of the strongest county-level predictors of recall that we analyzed are measures of economic well-being, including poverty, fraction receiving SNAP/CalFresh benefits, and

access to broadband internet. We also see importance of measures of urbanicity, namely population density and the share of workers who take public transit to work. In addition to more urban counties, those areas of California with higher shares of self-employed workers also saw lower recall rates. Taken together, these results suggest that by the end of 2020, jobless workers had continued to maintain some employment ties with their former employers. Patterns of recall and re-employment have not been uniform across demographic groups, industries, or counties. Still, these early results point to a promising foundation for re-opening through 2021. We will continue to update our analysis of recall and re-employment as new quarters of wage data become available.

FIGURE 12: Map: Recall Rates by County (Left) and Re-employment Rates by County (Right)

In the left map, each county is colored according to the share of claimants from that county that had filed a UI claim and were fully separated from their employer during the 2nd quarter of 2020, and then became re-employed by their separating employer within the following 2 quarters.

Percent of sample recalled to their prior employer within two quarters



In the right map, each county is colored according to the share of claimants from that county that had filed a UI claim during the 2nd quarter of 2020 who became re-employed by any employer during the following 2 quarters.

Percent of sample recalled to any employer within two quarters

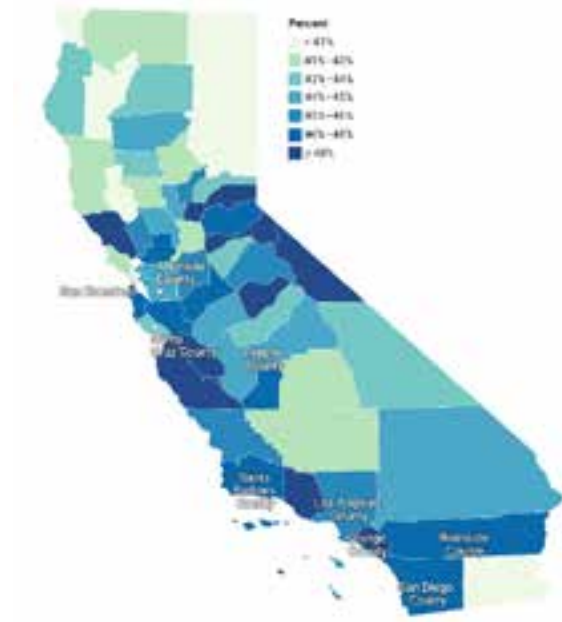


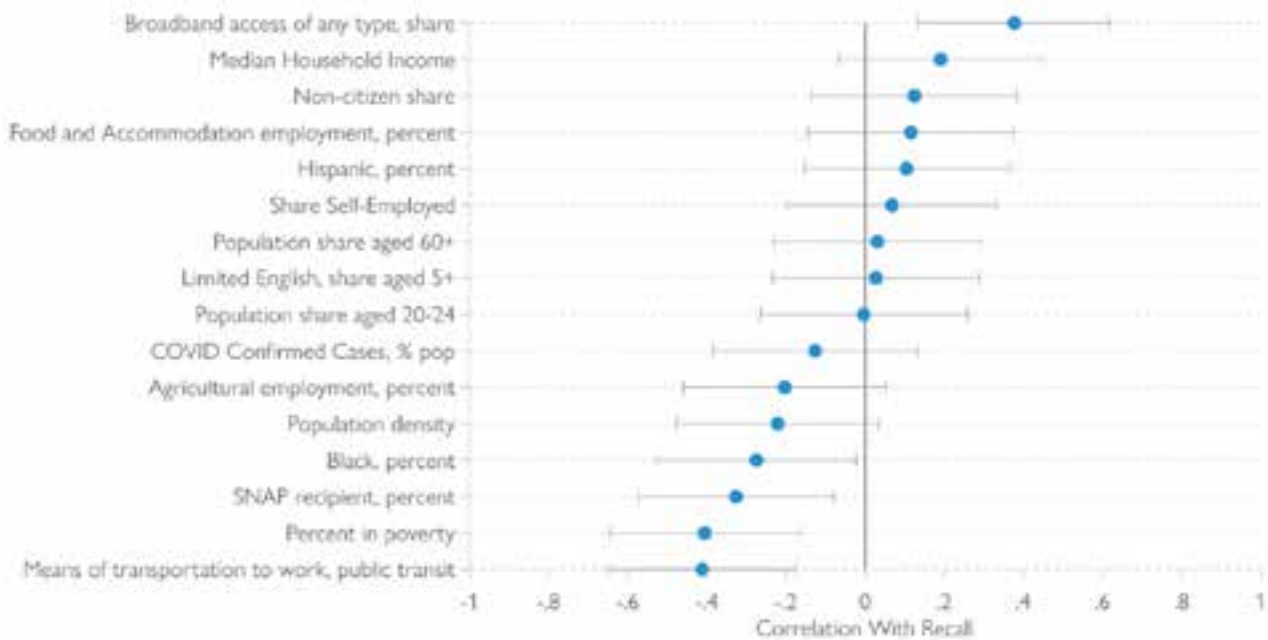
TABLE 6: Observed Recall for Claimants With a Benefit Year Beginning in Quarter 2 of 2020, by Industry

GROUP	ALL CLAIMANTS (INCLUDING THOSE NOT EXPERIENCING FULL SEPARATIONS)	ALL CLAIMANTS IN SAMPLE (EXPERIENCING FULL SEPARATIONS)	NUMBER EMPLOYED WITHIN 2 QUARTERS	NUMBER RECALLED TO PRIOR EMPLOYER WITHIN 2 QUARTERS	% OF SAMPLE RE-EMPLOYED WITHIN 2 QUARTERS (OBSERVED EARNINGS IN BASE WAGE FILE)	% OF SAMPLE RECALLED	% OF RE-EMPLOYED WHO WERE RECALLED TO PRIOR EMPLOYER	% OF THOSE EXPECTING RECALL ACTUALLY EXPERIENCING RECALL
Retail Trade	315,220	259,729	188,075	147,613	72.4	56.8	78.5	67.3
Accommodation Food Svc	316,682	259,540	162,750	111,259	62.7	42.9	68.4	50.2
Health Care and Social Assistance	267,228	196,872	140,718	114,650	71.5	58.2	81.5	67.2
Admin. Support, Waste Man. (a)	187,783	155,740	91,380	53,828	58.7	34.6	58.9	41.9
Manufacturing	145,711	119,475	90,485	75,981	75.7	63.6	84.0	71.3
Education Services	138,877	109,274	79,000	65,687	72.3	60.1	83.1	66.8
Prof., Scientific, Techn. Services (a)	117,646	95,991	61,364	42,015	63.9	43.8	68.5	52.1
Construction	106,522	92,009	61,782	44,525	67.1	48.4	72.1	56.3
Arts, Entertainment, Recreation	105,687	87,867	60,517	47,921	68.9	54.5	79.2	59.3
Other Services	96,953	82,283	49,960	37,214	60.7	45.2	74.5	51.0
Transp and Warehousing	96,097	74,475	50,988	37,706	68.5	50.6	74.0	59.6
Wholesale Trade	82,518	66,010	45,992	36,624	69.7	55.5	79.6	65.3
Information	64,621	54,195	38,978	28,336	71.9	52.3	72.7	57.9
Real Estate and Leasing	37,871	31,060	19,659	14,427	63.3	46.4	73.4	55.3
Agriculture, Forestry, Fishing (a)	33,421	29,664	16,018	9,288	54.0	31.3	58.0	33.7
Finance and Insurance	29,186	23,037	13,682	8,668	59.4	37.6	63.4	48.2
Public Admin	23,011	17,735	11,899	9,158	67.1	51.6	77.0	58.5
Management	12,550	9,992	7,654	6,309	76.6	63.1	82.4	72.2
Mining, Oil and Gas	3,108	2,681	1,869	1,444	69.7	53.9	77.3	58.3
Utilities	1,595	1,377	902	673	65.5	48.9	74.6	62.2

Notes: In this table, recall is defined as follows. First, we identify the three highest-paying employers in quarter 2 of 2020 (the quarter the claimant filed their initial claim). Then, we remove from the sample all claimants that reported any earnings in their first week of UI (those that did not experience "full separations"). Finally, we define recall as the presence of any earnings from a separating employer in either of the following 2 quarters (Quarter 3 or Quarter 4 of 2020).

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

FIGURE 13: County-level correlations with recall



Notes: This figure illustrates the correlation between various county-level characteristics and the rate at which individuals who filed for UI benefits in that county during quarter 2 of 2020 were recalled to their separating employer (within the following 2 quarters). The county-level characteristics are constructed from ACS 5-year estimates from 2014-2018. The information on COVID confirmed cases is sourced from the Los Angeles Times.

Analysis of Continuing Claims

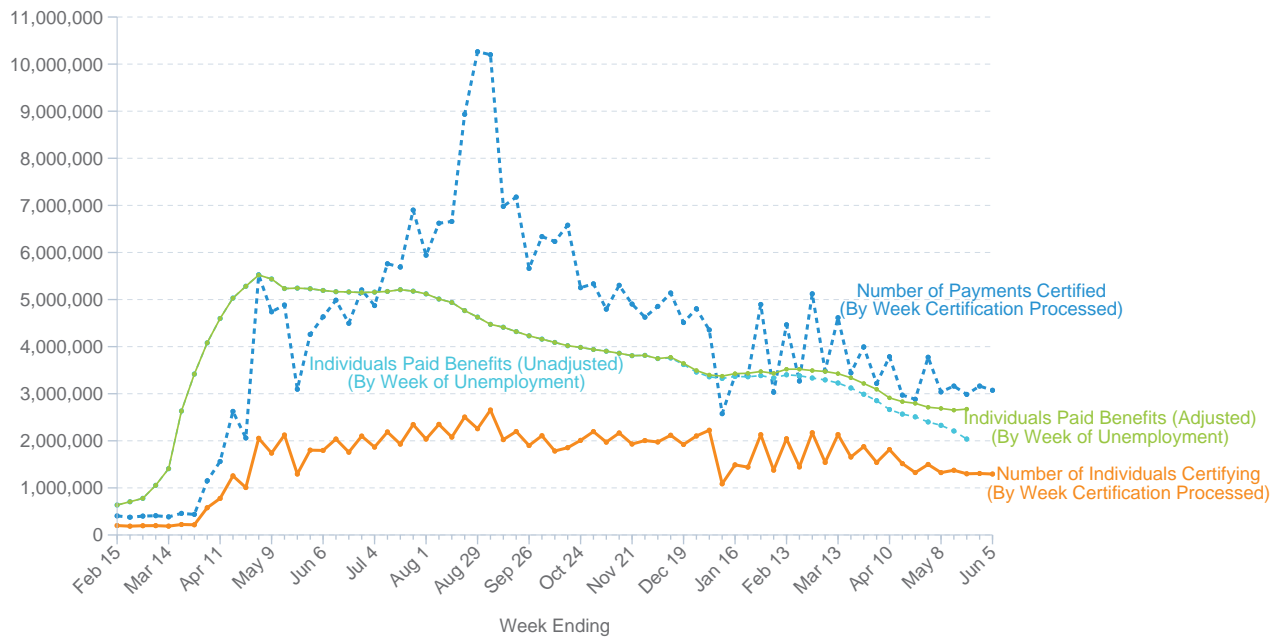
In this section, we report original estimates of the total number of individuals receiving UI benefits based on the week in which they experienced unemployment. We find that the number of individuals receiving UI benefits has declined substantially over the course of the spring, and is at the lowest level seen since the start of the pandemic. However, our analysis of individual-level exits data indicates that half of this recent decline appears to be driven by administrative factors that lead claimants to disproportionately exit the UI program in the week in which their benefit year ends.

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 retroactively certify for payments for multiple weeks, 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.¹³ Our measure sidesteps these problems by focusing directly on the number of individuals receiving UI benefits for unemployment experienced in

any given week, providing a more accurate measure of the evolving status of the labor market. This measure is more directly comparable to the number of unemployed individuals or the number of workers in the labor force reported from Current Population Survey data than existing UI statistics.

Once a UI claim is deemed eligible, the claimant must meet separate eligibility criteria in each week of unemployment to receive payment for that week. These eligibility criteria are verified through a process known as certification, which claimants in California complete bi-weekly.¹⁴ 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

FIGURE 14: 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 (All Claims)



Notes: X-axis labels correspond to Saturdays. 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. This figure includes claimants receiving benefits for regular UI, PUA, and PEUC.

counts of certifications processed in a given week (the more commonly reported measure) when that unemployment was experienced.¹⁵ 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.

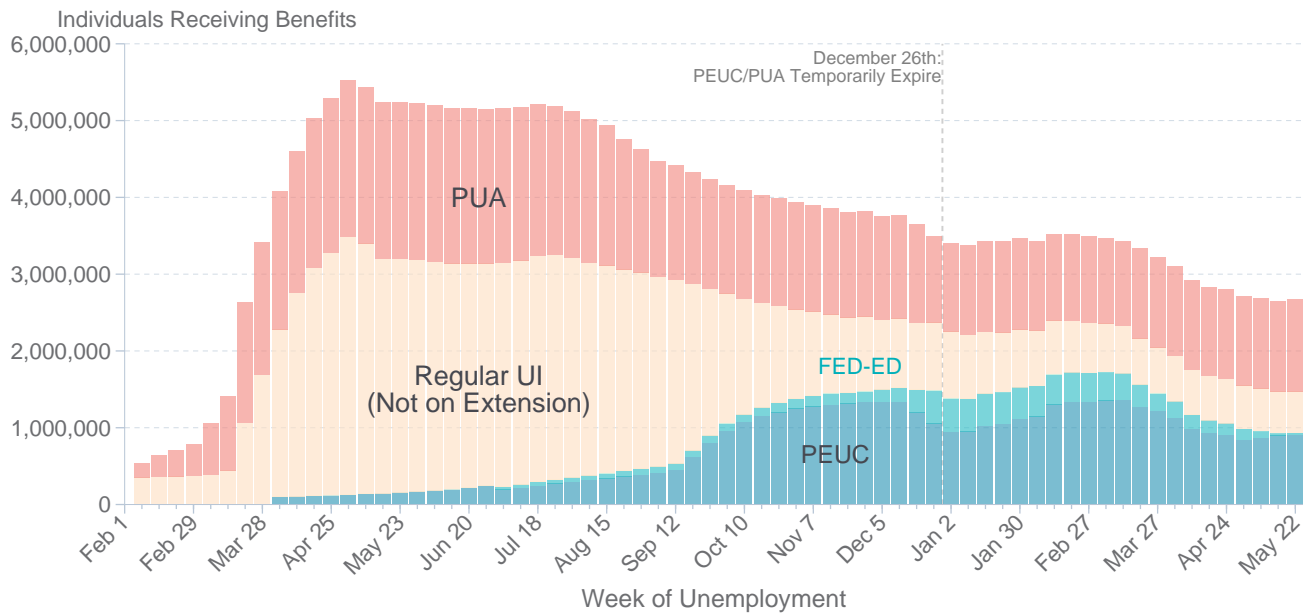
Figure 14 illustrates our key findings about the complex and evolving relationship between certifications processed in a week and the number of Californians who experienced unemployment that week. The dashed dark blue line shows the number of payments certified each week, and is analogous to "continued 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 2020. 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 A5 and A6 of the Appendix, where we reproduce Figure 14 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.

Next, we turn to our preferred measure of the number of individuals receiving UI: claimants receiving UI benefit payments by week of unemployment.¹⁶ This measure is shown for all programs combined in Figure 15, and is also broken down by the four main programs (Regular UI, PUA, PEUC Extensions, and FED-ED Extensions) in Figure 16. Because we do not observe certifications until they are processed, we present this series with a censoring adjustment based on recent lag patterns (Figure 14 presents it with and without the adjustment).¹⁷ 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

FIGURE 15: 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 (All Programs Stacked)



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

claimants by the percent of processed certifications that have typically trickled in at later dates. However, our censoring adjustment does not attempt to adjust for irregular delays in the processing of claims.

We estimate that 2.67 million individuals were paid benefits for unemployment experienced during the week ending May 22nd, (the last week this can be measured in our data given typical processing lags), while 2.76 million claimants were potentially eligible for benefits corresponding to that week. These 2.67 million individuals receiving payment are composed of 1.2 million PUA claimants and 1.47 million claimants receiving regular UI benefits (including claimants receiving extension programs). This 2.67 million estimate is less than half of the “peak” number of claimants seen during the crisis (5.5 million individuals received benefits for unemployment experienced during the week ending May 2nd, 2020), but still multiple times higher than seen each week prior to the pandemic. Each of these estimates include a censoring adjustment, which accounts for typical trends in the delayed processing of claims – but does not account for irregular processing delays, as discussed above.

Figure 15 shows that in the eleven weeks from March 7th, 2021 (week ending March 13th) to May 22nd, the total number of workers receiving regular UI benefits fell from 2.32 million to 1.47 million – a 850,000-person decrease.

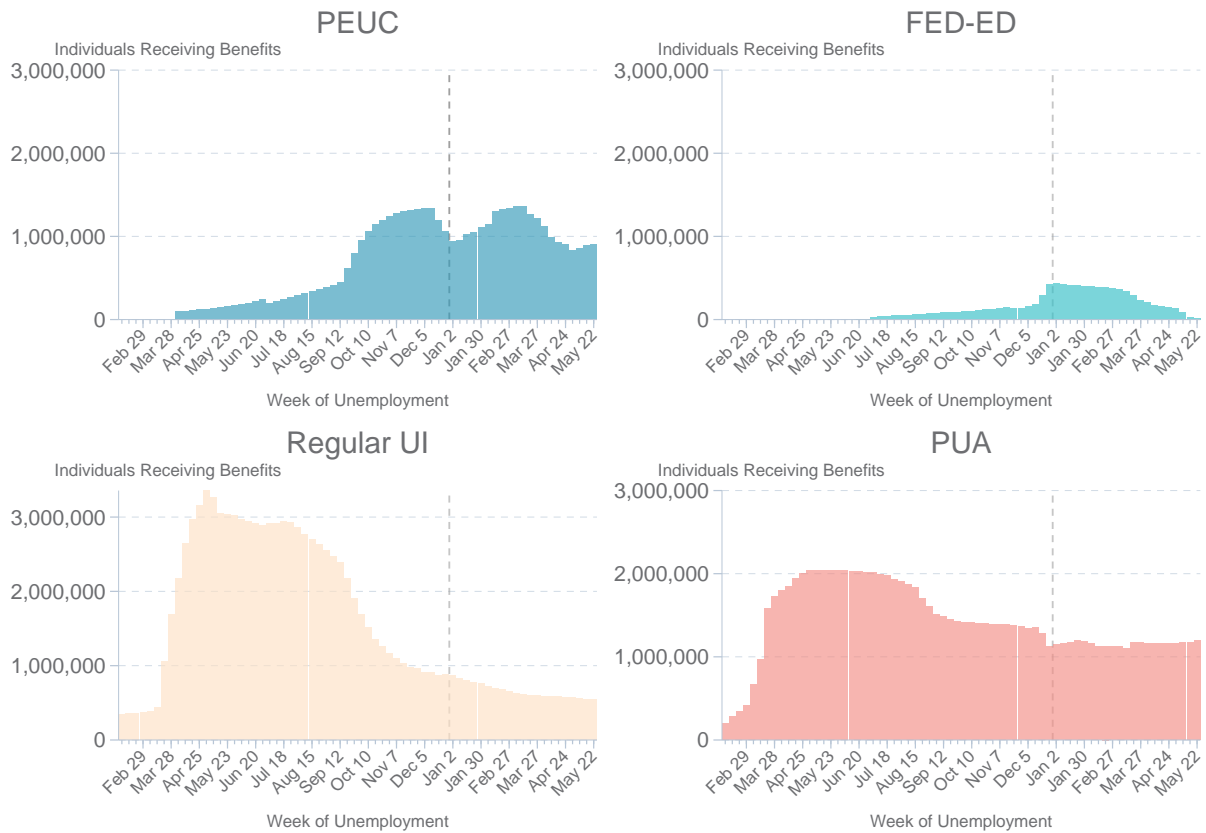
Figure 3 indicates that during these eleven weeks, there was little change in the rate at which individuals entered the UI system, implying that the sudden change in the total number of claimants was due to an increase in the rate at which people were exiting the UI system.

While at face value the rapid decline in certifications for weeks of unemployment during this eleven-week span could indicate an increase in the rate of job-finding (thus causing a rise in exit rates), the drop in certifications broadly coincides with the one-year anniversary of the economic crisis, when a disproportionate share of claimants began their benefit year. When claimants reach the end of their benefit years (12 months after their claim started), they must re-apply for benefits in order to continue their claim.¹⁸ In addition, Figure 16 shows that the decline in the number of claimants is concentrated among claimants on extension programs, (PEUC and FED-ED), and not among non-extension regular UI or PUA. These extension program claimants are precisely the types of claimants most likely to face administrative burdens at the end of their benefit years (the PUA program does not follow the same benefit-year format). Our analysis of EDD microdata suggests that over 50% of the decline in the total number of continuing claimants during this six-week span is due to claimants reaching the end of their benefit years (Appendix Figure A7). For these reasons, we encourage caution when inferring trends about the state from the current decline in the stock of individuals receiving UI benefits, because deeper analysis may be needed to understand if economic conditions are truly changing, or if administrative reasons such as the end of the benefit year are why the UI numbers appear to be declining.

Partial UI & Denials

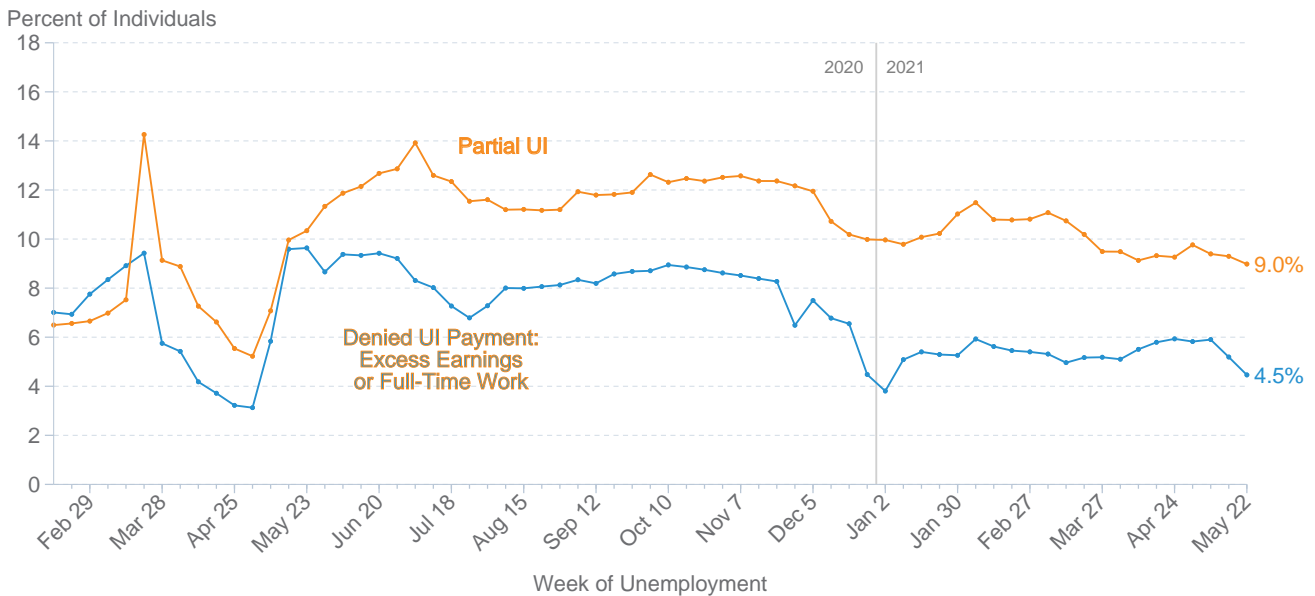
Workers receiving UI benefits are allowed to also earn partial wages up to a threshold before becoming ineligible for UI

FIGURE 16: Number of Individuals Paid Unemployment Insurance Benefits, By Program and Week of Unemployment (Separated)



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

FIGURE 17: Percent of Potentially Eligible Claimants with Payment Denied Due to Excess Earnings, and Percent of Paid Claimants Receiving Partial UI



Notes: 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 claimants and the number of individuals denied payment because of excess weekly earnings or full time work (see text). Does not include PUA Claims.

TABLE 7: 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 May 22nd.

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 PRE-CRISIS LABOR FORCE	INDIVIDUALS RECEIVING FULL WBA AS A % OF UNEMPLOYED IN DECEMBER
Statewide	1,540,925	1,472,283	9.0	4.5	7.9	87.7
By Gender						
Female	796,469	760,127	11.0	4.6	9.0	106.5
Male	742,831	710,533	6.8	4.4	7.0	74.1
By Age Group						
16–19	23,385	22,732	6.1	3.4	4.4	22.5
20–24	192,001	185,293	7.5	3.5	11.0	70.8
25–34	443,475	427,222	8.2	3.7	9.3	142.7
35–44	313,143	298,971	9.0	4.5	7.3	93.7
45–54	248,960	235,366	10.5	5.5	6.4	69.8
55–64	225,209	212,592	10.3	5.6	7.5	90.8
65–85	92,651	88,170	9.3	4.8	8.0	69.7
By Race and Ethnicity						
White	451,087	428,600	8.9	5.0		
Hispanic	553,771	528,850	8.0	4.5		
Asian	218,052	207,981	14.7	4.6		
Black	151,162	147,271	6.0	2.6		
Other/Unknown	155,510	148,647	7.7	4.4		
By Education						
High School Degree or Less	792,313	761,583	7.8	3.9	12.0	101.0
Associate's Deg., Some College	457,185	436,919	9.9	4.4	9.0	85.0
Bachelor's Degree or More	233,222	218,380	10.8	6.4	3.0	52.6

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 does not show information on claimants for whose race is specified as Native American or Alaskan Natives. Claimants who identify as other race categories or choose not to self-identify are included in the "Other/Unknown" category.

TABLE 8: 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 May 22nd

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 PRE-CRISIS LABOR FORCE	% OF PAID REGULAR UI CLAIMANTS FROM THIS INDUSTRY
Accommodation and Food Services	209,855	199,754	14.0	4.8	12.2	15.0
Health Care and Social Assistance	162,562	157,024	10.8	3.4	6.6	11.8
Retail Trade	161,993	157,231	8.8	3.3	9.8	11.8
Admin. Support, Waste Man. (a)	150,395	146,012	4.4	2.9	13.1	11.0
Manufacturing	83,657	81,804	5.7	3.3	6.3	6.1
Construction	82,493	77,529	2.7	6.0	9.2	5.8
Transportation, Warehousing and Utilities	74,406	72,720	7.7	4.3	10.4	5.5
Prof., Scientific, Techn. Services (a)	73,526	70,305	6.4	4.4	5.4	5.3
Agriculture, Forestry, Fishing (a)	63,921	63,305	1.4	2.0	14.8	4.8
Other Services	59,949	57,557	15.6	4.0	10.3	4.3
Education Services	58,586	53,419	13.1	8.8	14.9	4.0
Wholesale Trade	47,579	46,285	6.2	2.7	6.9	3.5
Arts, Entertainment, Recreation	46,638	43,080	12.0	7.6	14.0	3.2
Information	40,683	36,543	7.4	10.2	6.9	2.7
Finance and Insurance	26,173	25,904	5.9	1.9	4.8	1.9
Real Estate and Leasing	24,587	23,720	6.5	3.5	8.1	1.8
Public Administration	12,925	12,349	11.1	5.6	0.5	0.9
Management	7,164	6,965	6.3	3.9	2.8	0.5
Management	7,164	6,965	6.3	3.9	2.8	0.4

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 9: 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 May 22nd

PRE-CRISIS (FEB 2020) LABOR FORCE				MAY 2021 LABOR FORCE			
GROUP	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	
Statewide	7.9	7.6	6.9	8.2	7.8	7.1	
By Gender							
Female	9.0	8.6	7.7	9.3	8.9	7.9	
Male	7.0	6.7	6.2	7.3	7.0	6.5	
By Age Group							
16–19	4.4	4.3	4.0	4.2	4.0	3.8	
20–24	11.0	10.6	9.8	12.0	11.6	10.8	
25–34	9.3	8.9	8.2	9.7	9.4	8.6	
35–44	7.3	6.9	6.3	7.7	7.3	6.6	
45–54	6.4	6.0	5.4	6.6	6.2	5.6	
55–64	7.5	7.0	6.3	7.5	7.1	6.4	
65–85	8.0	7.7	6.9	8.0	7.6	6.9	
By Education							
High School Degree or Less	11.6	10.7	12.7	12.7	12.2	11.3	
Associate’s Deg., Some College	8.6	7.8	9.4	9.4	9.0	8.1	
Bachelor’s Degree or More	2.8	2.5	3.0	3.0	2.8	2.5	

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.

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.¹⁹ If reported 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.”²⁰ 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.

If more people are reporting earnings, that could suggest a change in economic conditions. Between late February and mid-May, the share of paid claimants who received partial UI benefits fell from 11% to 9% (Table 5 and Figure 11).

The share of UI claimants who certified for benefits but were denied payment due to excess earnings or full-time work

hovered between 5% and 6% from January through April, before falling to just 4.5% in May. Interpreting trends in the share of claims which are partial or denied should be done with caution. It’s possible workers receiving partial UI or who were denied a UI payment in one week are especially likely to return to work full-time in the next, (and cease certifying altogether), and thus a downward trend in these measures could actually be a sign of an *improving* labor market.

To better understand how partial UI and denials due to excess earnings have been influenced by the pandemic (and policy responses to it), Appendix Figure A5 plots these measures by industry. The Accommodation and Food Services Sector has seen consistently high rates of partial UI during the pandemic, and has seen less of a decline in the rate of partial benefits during 2021 than that of other industries. Similarly, the Accommodation and Food Services industry has seen a larger share of claimants with payment denied relative to other industries, but still well below the levels seen during the summer of 2020. Other industries have seen a steady decline in the rate of payment denials over the last 11 months.

TABLE 10: Percent of Initial UI Claimants Expecting Recall and the Average Weekly Benefit Amount Before and After the Start of the COVID-19 Crisis in California

GROUP	PERCENT EXPECTING RECALL			WEEKLY BENEFIT AMOUNT (\$)		
	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	LAST 2 WEEKS MAY 23RD - JUNE 5TH)	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	LAST 2 WEEKS MAY 23RD - JUNE 5TH)
Statewide	27.0	74.8	54.3	350	319	328
By Gender						
Female	23.9	75.5	54.0	317	297	303
Male	29.6	74.0	54.7	374	343	355
By Age Group						
16–19	30.5	72.9	50.8	184	144	180
20–24	27.3	72.1	49.4	269	230	242
25–34	24.2	73.9	51.9	342	327	326
35–44	23.6	75.1	54.3	369	356	355
45–54	28.5	76.5	57.7	373	356	355
55–64	31.5	76.8	58.3	369	352	353
65–85	37.9	77.3	63.6	331	317	318
By Education Group						
High School Degree or Less	36.5	80.7	58.7	327	309	316
Associate’s Deg., Some College	19.7	69.3	52.3	353	312	320
Bachelor's Degree or More	13.2	64.3	48.7	399	359	358
By Race and Ethnicity						
White	18.3	74.4	51.9	376	333	342
Hispanic	38.7	75.9	56.6	331	311	321
Asian	19.0	76.4	55.1	370	320	321
Black	15.0	68.0	51.1	310	291	302
Other/Unknown	20.7	75.9	56.2	364	328	346

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. Average weekly benefit amount calculation excludes claimants receiving no benefits. Table does not show information on claimants for whose race is specified as Native American or Alaskan Natives. Claimants who identify as other race categories or choose not to self-identify are included in the "Other/Unknown" category.

TABLE 11: Percent of Initial UI Claimants Expecting Recall and the Median Weekly Benefit Amount at Various Stages of the COVID-19 Crisis in California, by Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	PERCENT EXPECTING RECALL			MEDIAN WEEKLY BENEFIT AMOUNT (\$)		
	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	2 WEEKS (MAY 23RD - JUNE 5TH)	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	2 WEEKS (MAY 23RD - JUNE 5TH)
Accommodation and Food Services	19.7	79.6	60.2	288	281	285
Retail Trade	13.9	73.0	41.7	287	268	263
Health Care and Social Assistance	13.9	72.2	44.3	319	328	305
Admin. Support, Waste Man. (a)	23.6	67.0	50.1	309	303	311
Manufacturing	25.5	72.4	43.9	377	382	380
Construction	44.8	75.6	58.2	416	404	414
Education Services	15.1	73.1	61.1	339	283	303
Prof., Scientific, Techn. Services (a)	12.8	64.9	43.1	396	370	370
Other Services	13.7	78.7	56.0	323	280	277
Transportation, Warehousing and Utilities	27.8	67.4	47.9	346	345	337
Arts, Entertainment, Recreation	23.6	83.6	66.1	319	299	304
Wholesale Trade	13.3	70.0	39.0	378	371	365
Information	26.1	71.7	54.9	415	382	402
Agriculture, Forestry, Fishing (a)	80.8	83.1	77.8	286	294	303
Real Estate and Leasing	10.5	69.5	41.3	370	353	355
Finance and Insurance	6.0	54.4	29.9	396	361	385
Public Administration	24.4	69.7	42.2	348	276	308
Management	2.7	64.6	33.9	405	389	403

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. 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.

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, while **Table A2** combines claimants from both programs. The fraction of the labor force potentially eligible to receive UI benefits (meaning they certified for benefits, but may not have received payment if they earned too much income or worked full time) for unemployment experienced in the week ending May 22nd (the latest available) is substantially higher for females, younger workers, and less-educated workers.

Table 6 analyzes the number 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 May 22nd) receiving benefits are Education Services (14.9% of the labor force), Agriculture, Forestry, and Fishing (14.8% of the labor force), and Arts, Entertainment, and Recreation (14.0% of the labor force). The Accommodation and Food Services industry had the fifth largest share of all workers claiming benefits (12.2% of the labor force), but still accounted for the largest share of all claimants, with nearly one of every seven continuing claims paid to regular UI claimants in May coming from that industry.

Methodology update: In previous reports, CPL estimated the share of each major racial and ethnic group's labor force that had filed an initial claim for unemployment insurance. This was done by comparing the counts of UI claimants who self-identified as one of the major racial or ethnic groups to estimates of the size of these groups' labor force, which were constructed with data from the Current Population Survey (CPS). However, upon further analysis, due to the fluctuating share of UI claimants who choose not to provide this information to EDD, and inconsistencies between how race and ethnicity are asked in EDD's initial claim application versus in the CPS, we no longer report these statistics. In particular, the CPS asks about race and Hispanic ethnicity in two separate questions, allowing one to construct categories such as "Black Non-Hispanic," or "Hispanic" (where the latter category includes all individuals who identify as Hispanic, regardless of the race they identify as in the first survey question). EDD's initial claim application, however, asks individuals to choose if they are Black or Hispanic in a single question. This means that individuals cannot self-identify as both Black *and* Hispanic (or White *and* Hispanic, etc.).

An individual who self-identifies as Black and Hispanic may have been classified as "Black and Hispanic" in the CPS data, whereas the EDD application would require them to choose Black or Hispanic. Due to these differences in data collection, CPL stopped using this data to make comparisons based on racial and ethnic groupings, since they could either over-estimate or under-estimate the size of the pre-crisis labor force. This issue also highlights the importance of improving data collection and reporting in the broader UI system.

Recall Expectations and Exits by Program

Recall Expectations

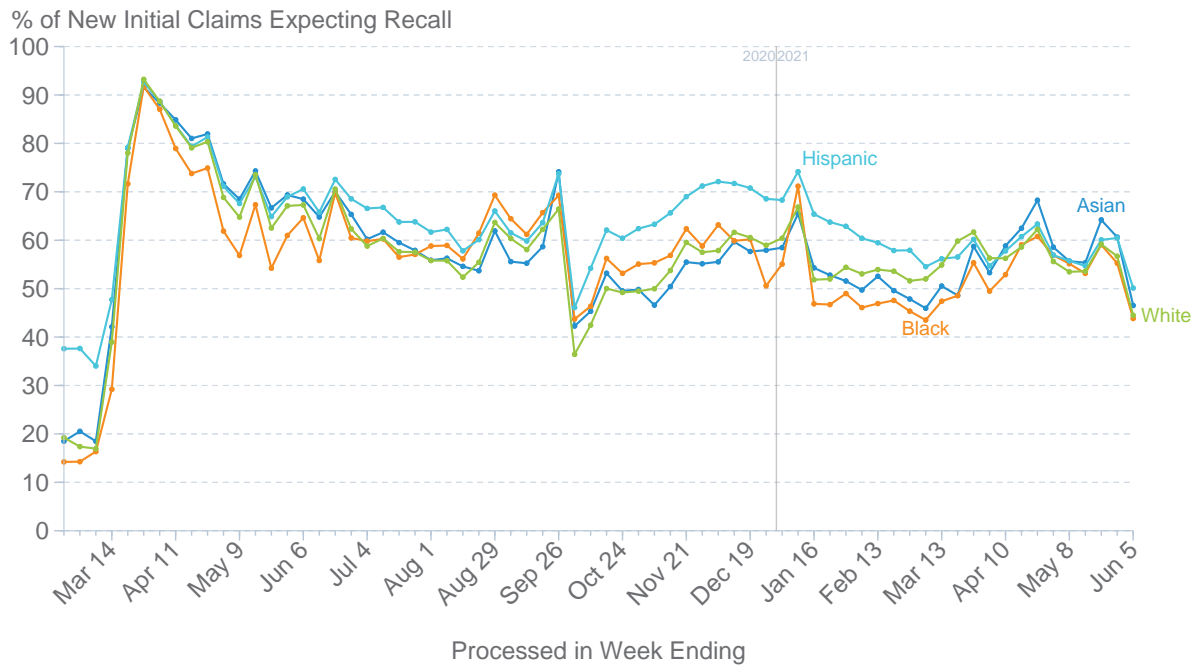
Upon filing an initial UI claim, individuals are asked to report whether they expect to return to their prior job, i.e., to be "recalled." Fifty-six percent of all new initial UI claimants during the most recent two weeks reported that they expect to be recalled. This number peaked at about 90% at the onset of the crisis, and steadily declined over the next few months. Recall expectations remained steady throughout the fall and into winter, but have declined in 2021, and are now consistently below 60% (**Figure 12**). Still, 57% is substantially higher than the 27% average seen during February 2020. 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. The fraction of workers expecting to be recalled was still substantially above the pre-crisis average even when looking within various demographic groups filing an initial claim (**Table 8**).²¹

Although recall information is self-reported by the claimant and may change in the course of the unemployment period, 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 leaving the UI system as "exits." We consider an individual to have exited from the UI system in the last week for which they

FIGURE 18: Percent of New Initial Claimants for Regular UI Reporting They Expect to be Recalled to Prior Job, by Race/Ethnicity



Notes: X-axis Labels Correspond to Saturdays. This figure excludes PUA claims. New initial claims exclude additional and transitional claims.

certified for unemployment benefits. (Because California requires claimants to certify every other week to maintain a valid claim, we check that no certifications occurred in the two subsequent weeks in order to determine an exit.) By comparing the number of individuals exiting UI (certifying for the last time) with the total number of claimants who were potentially eligible for benefits in that week, we construct an exit rate which can be used to compare across different groups of claimants.

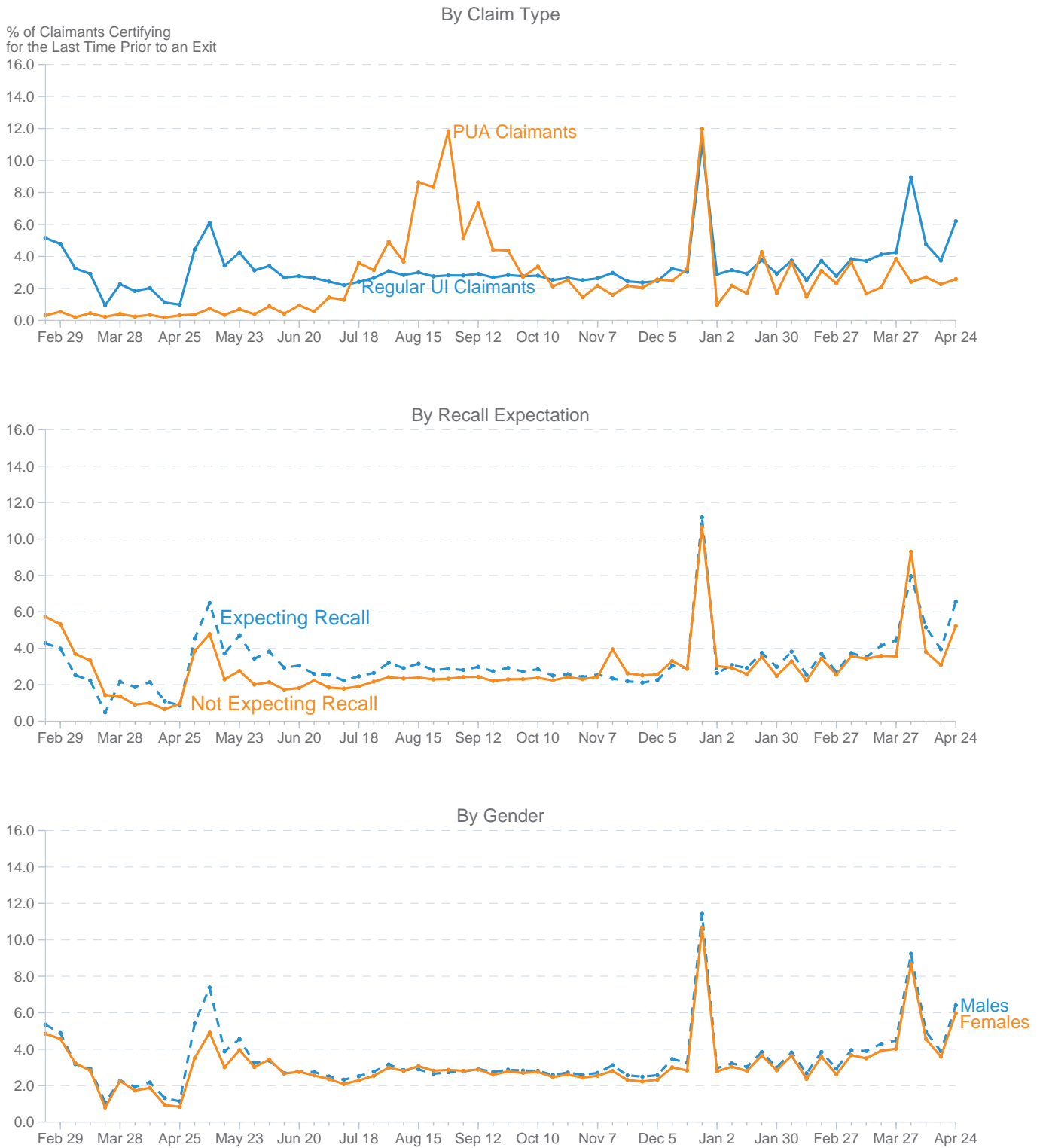
As discussed in the *Analysis of Continuing Claims* section, there has recently been a surge in exits driven by claimants reaching the end of their benefit year. Since these exits are less likely to correspond to changes in economic conditions, and instead are more likely to be due to administrative frictions (i.e., the requirement to file a transitional claim at the end of their benefit year in order to continue receiving benefits), we adjust our exit rates to account for this. For each week, we calculate the exit rate after excluding the individuals who are in the last week of their benefit year. This lowers our exit rates substantially during the spring of 2021, as a historic number of claimants began their benefit years during the spring of 2020. This does not necessarily mean that the remaining exits are solely driven by claimants finding work — claimants who have *exhausted* benefits across all programs, but are not at the end of their benefit year may also exit

despite remaining unemployed (A typical UI claim is allotted 26 weeks' worth of payments. Once those weeks are used up, along with any additional weeks provided by extension programs, the claimant has exhausted their claim, regardless of if they are still within their benefit year.) This scenario likely drives the spikes in exit rates seen at the end of December 2020 (when PUA and PEUC briefly expired) and may play a role in the spike seen during the week ending April 3rd, 2021. Nevertheless, we find that trends in exit rates over time and between groups can be informative of labor market conditions. [Figure 13](#) illustrates our (adjusted) weekly exit rates over time and between various demographic and industry groups.

In the first panel of [Figure 19](#), we see that the exit rate among Regular UI claimants began to rise at the start of March, and continued to do so through April (abstracting away from the 1-week spike which may be driven by administrative reasons). PUA claimants have also seen a rise in exit rates, albeit less pronounced than that seen by Regular UI claimants.

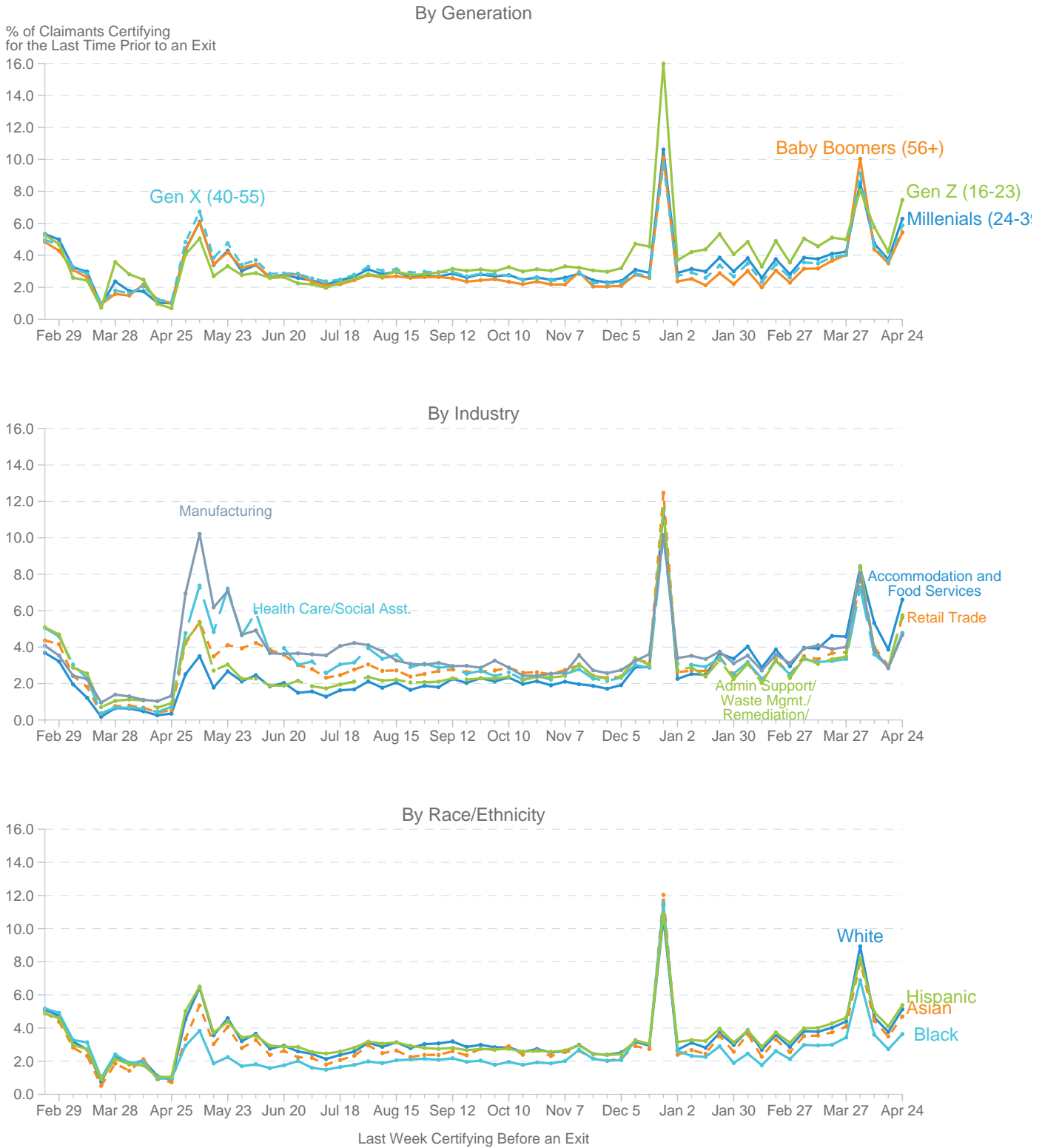
Early in the crisis, claimants who indicated they expect to be recalled by their employer exited UI at significantly higher rates than claimants who did not expect to be recalled. However, as the crisis dragged on, some claimants indicated they expected to be recalled actually were recalled, while

FIGURE 19: 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



Notes: All figures except panel 1 (By Claim 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. In each week, we exclude from both the numerator and denominator claimants who are in the last week of their benefit year.

FIGURE 20: 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



Notes: All figures except panel 1 (By Claim 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. In each week, we exclude from both the numerator and denominator claimants who are in the last week of their benefit year.

the remaining claimants who indicated they expected to be recalled fell out of contact with their employers, thus making the two groups quite similar (since when a claimant is recalled, they are no longer in the denominator of current claimants). This has led to a convergence in exit rates between the two groups.

Differences by gender do not appear to be evident, but the differences in exit rates by race and ethnicity, industry, and generation are large enough to lead to dramatic differences over time in the total number of claimants. We see that Black claimants have consistently had lower rates of exit over the course of the crisis. The lower exit rates among Black workers could be a sign of Black workers being less likely to be recalled to their prior employer or working at employers that are less likely to recall their workers — a finding supported by our earlier analysis of observed recall. (Table 8 reports differences in recall expectations by race and ethnicity since March 15th). Other factors at play in racial disparities likely include differences in whether people can work from home and elevated spread of the virus through communities of color, as well as a variety of other confluences of the public health crisis with pre-existing social and economic problems.²²

As discussed above, our measure of exits should not be interpreted to mean that all claimants who exit the UI system have found new employment. In order to make conclusions about the rate at which UI claimants have found work again, we need to include other data sources, such as the state of California’s “Base Wage File”, which we use in our earlier section on observed recall.

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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.

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

Email: twwachter@econ.ucla.edu.

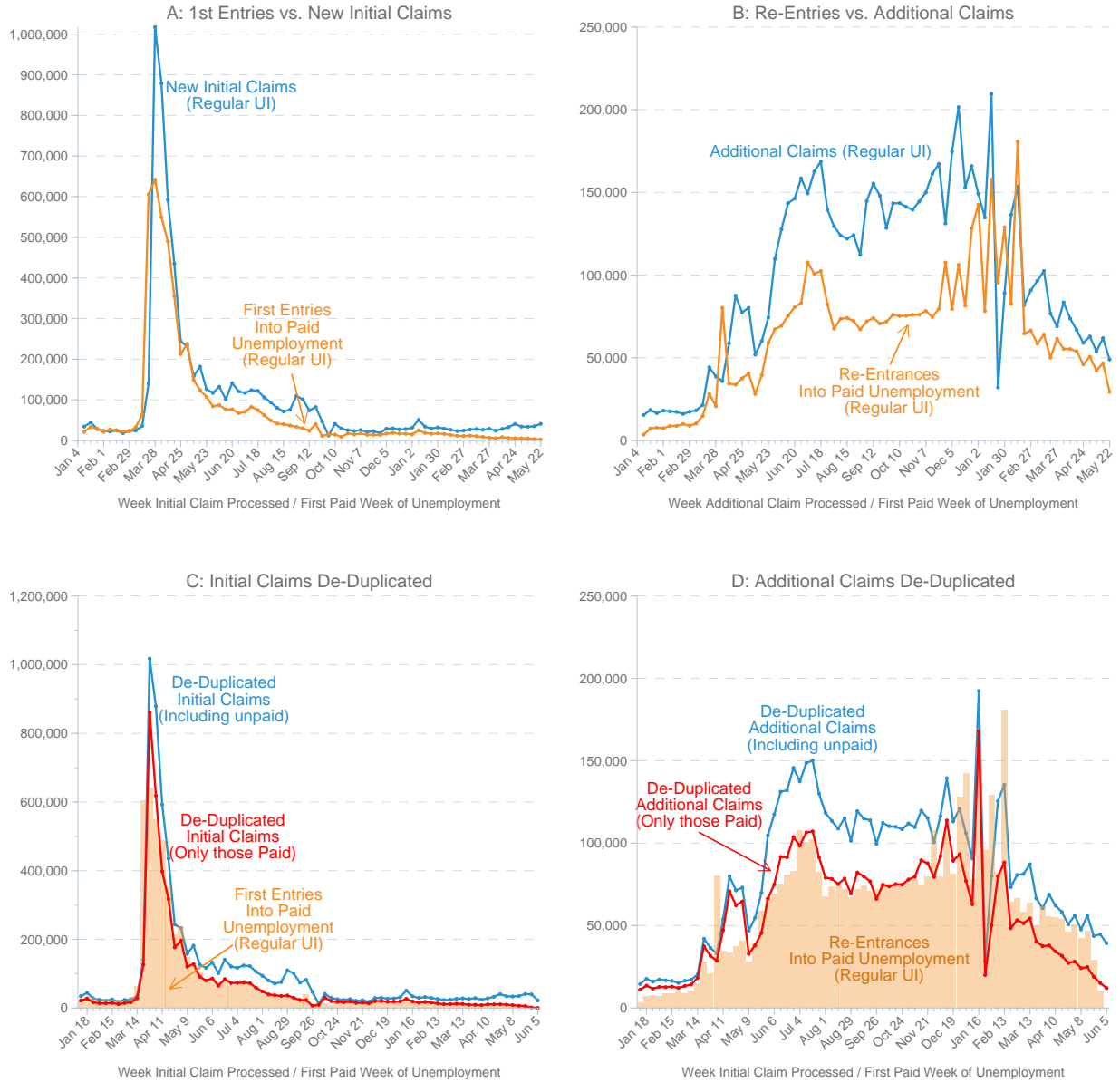
To obtain the data tabulations used in this policy brief, please contact: Dr. Muhammad Akhtar, Chief, Labor Market Information Division, California Employment Development Department. Email: Muhammad.Akhtar@edd.ca.gov.

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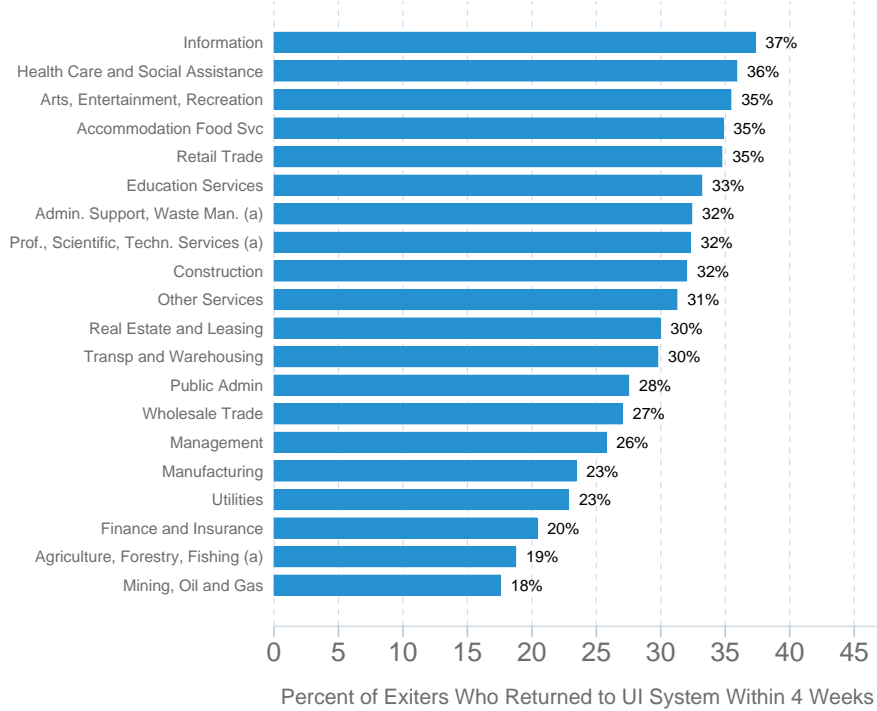
Supplementary Appendix

FIGURE A1: Initial UI Claims Compared to Entries into Paid Unemployment), Re-Entries vs. Additional Claims, Initial Claims De-Duplicated and Additional Claims De-Duplicated (Regular UI Only)



Notes : This figure only includes initial claims (or entries) into the regular UI system — it does not include PUA claims or entries into PUA.

FIGURE A2: Share of Claimants Who Experienced a Gap in Payments in 2021, but Returned to the UI System Within 4 Weeks, by Industry



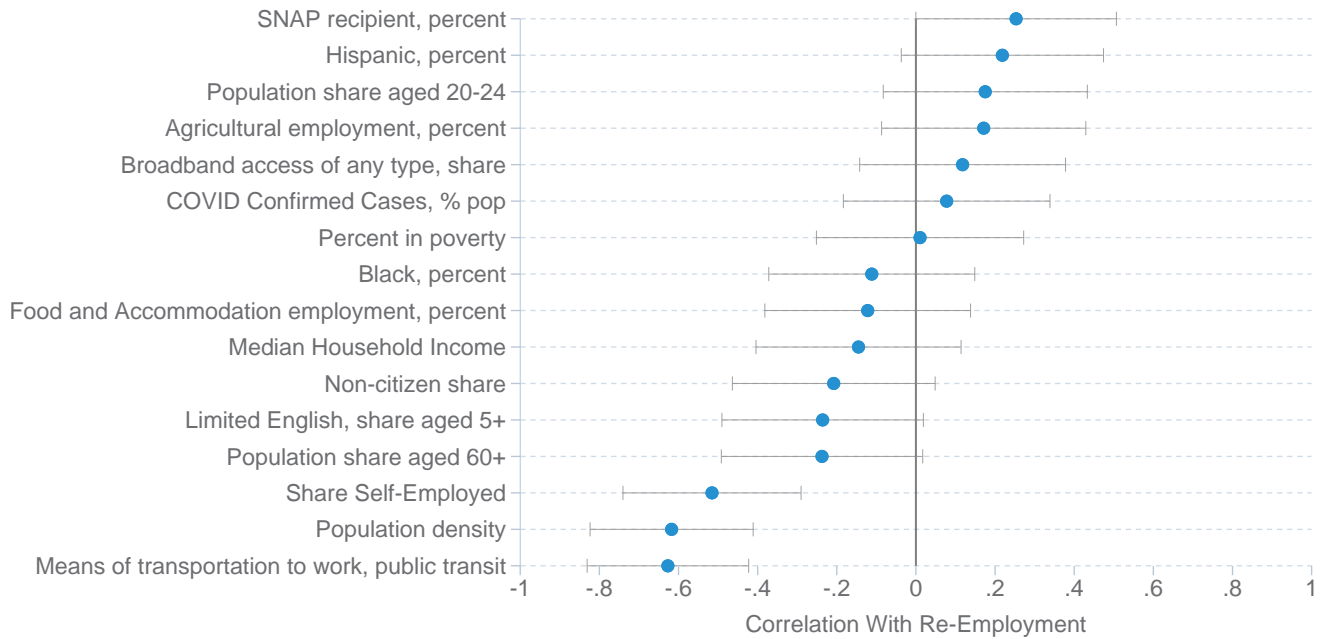
Notes : This figure takes the number of people who, for any given week of 2021, transition from being paid UI benefits in one week to not being paid in the next, and then calculates the share who are paid for any unemployment experienced in the next 4 weeks. It includes Regular UI claimants only. It does not include claimants who transition to unpaid in the same week that their benefit year ends.

TABLE A1: Observed Recall and Re-employment for Claimants With a Benefit Year Beginning in Quarter 2 of 2020. (20 Most-Impacted Counties) (Sorted from Lowest Re-employment Rate to Highest)

GROUP	ALL CLAIMANTS (INCLUDING THOSE NOT EXPERIENCING FULL SEPARATIONS)	ALL CLAIMANTS IN SAMPLE (EXPERIENCING FULL SEPARATIONS)	NUMBER EMPLOYED WITHIN 2 QUARTERS	NUMBER RECALLED TO PRIOR EMPLOYER WITHIN 2 QUARTERS	% OF SAMPLE RE-EMPLOYED WITHIN 2 QUARTERS (OBSERVED EARNINGS IN BASE WAGE FILE)	% OF SAMPLE RECALLED	% OF RE-EMPLOYED WHO WERE RECALLED TO PRIOR EMPLOYER	% OF THOSE EXPECTING RECALL ACTUALLY EXPERIENCING RECALL
San Francisco	59,667	47,049	26,282	18,925	55.9	40.2	72.0	45.0
Kern	54,875	42,740	26,275	17,610	61.5	41.2	67.0	47.2
Tulare	25,845	20,145	12,452	8,533	61.8	42.4	68.5	47.5
Sacramento	99,109	76,892	47,943	32,710	62.4	42.5	68.2	49.3
San Bernardino	150,360	114,105	73,056	50,477	64.0	44.2	69.1	51.1
Contra Costa	72,008	57,142	35,385	25,434	61.9	44.5	71.9	50.2
Alameda	110,622	87,250	53,507	38,926	61.3	44.6	72.7	50.3
Fresno	57,470	43,707	28,162	19,680	64.4	45.0	69.9	51.5
Los Angeles	785,040	606,829	369,360	274,731	60.9	45.3	74.4	49.9
San Joaquin	50,795	40,024	26,281	18,363	65.7	45.9	69.9	53.0
Solano	27,910	21,729	14,140	10,011	65.1	46.1	70.8	52.9
Santa Clara	108,831	86,319	54,033	39,770	62.6	46.1	73.6	51.5
Santa Barbara	22,279	17,399	10,870	8,021	62.5	46.1	73.8	52.5
San Diego	223,319	173,373	108,392	79,934	62.5	46.1	73.7	51.5
San Mateo	43,777	34,430	21,301	16,174	61.9	47.0	75.9	52.5
Riverside	170,162	130,603	84,289	61,503	64.5	47.1	73.0	53.2
Stanislaus	34,810	27,194	18,030	12,846	66.3	47.2	71.2	54.8
Orange	238,195	184,252	116,166	87,520	63.0	47.5	75.3	52.3
Sonoma	28,084	22,209	14,004	10,557	63.1	47.5	75.4	53.0
Ventura	52,319	40,768	26,146	19,753	64.1	48.5	75.5	53.5

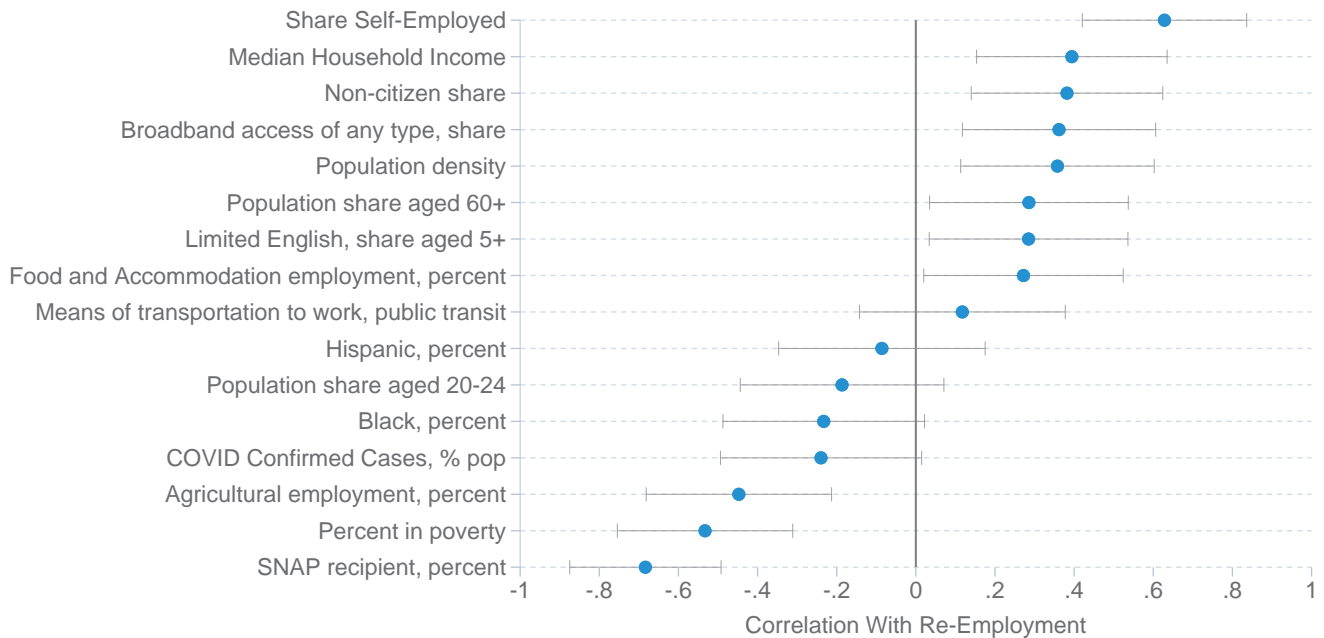
Notes: In this table, recall is defined as follows. First, we identify the three highest-paying employers in quarter 2 of 2020 (the quarter the claimant filed their initial claim). Then, we remove from the sample all claimants that reported any earnings in their first week of UI (those that did not experience "full separations"). Finally, we define recall as the presence of any earnings from a separating employer in either of the following 2 quarters (Quarter 3 or Quarter 4 of 2020).

FIGURE A3: County-Level correlations with the reemployment probability (what percent of UI claimants were re-employed in the following 2 quarters)



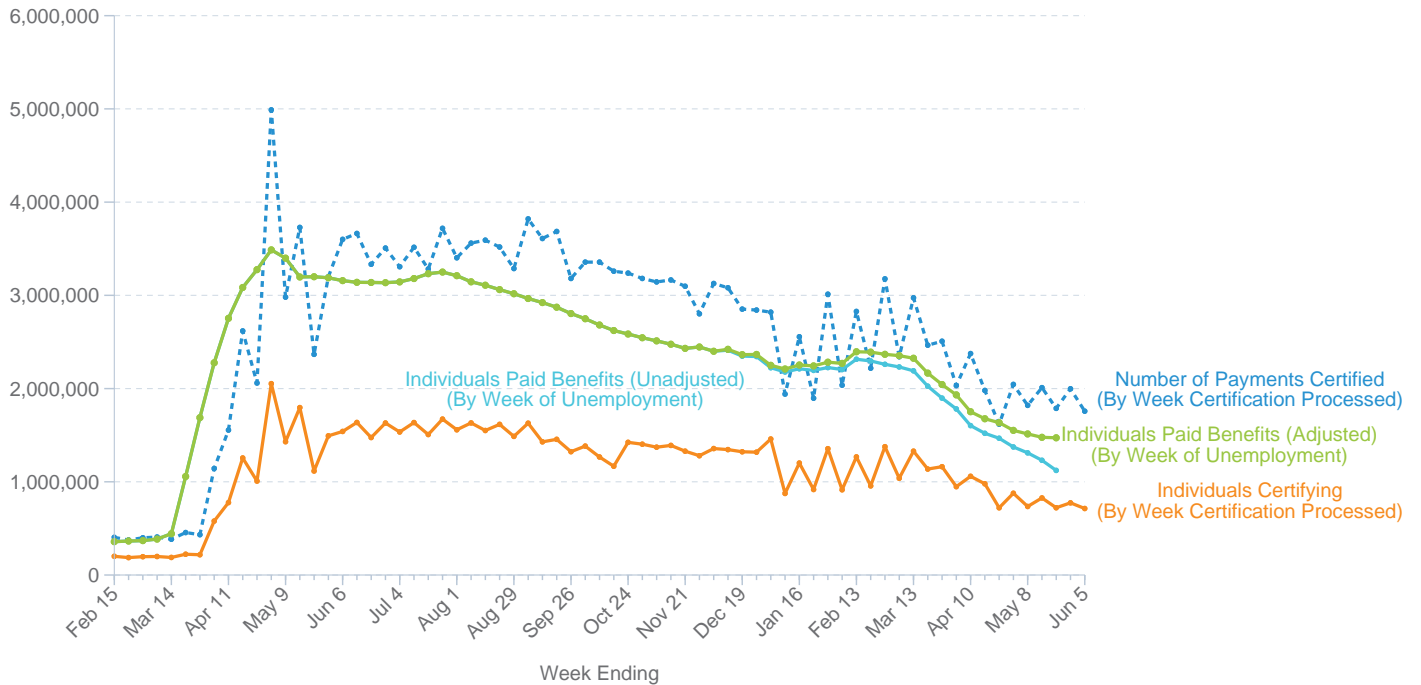
Notes: This figure illustrates the correlation between various county-level characteristics and the rate at which individuals who filed for UI benefits in that county during quarter 2 of 2020 were re-employed (by any employer) within the following 2 quarters. The county-level characteristics are constructed from ACS 5-year estimates from 2014-2018. The information on COVID confirmed cases is sourced from the Los Angeles Times.

FIGURE A4: County-Level correlations with the conditional recall probability (what percent of individuals who were re-employed were re-employed by their former employer)



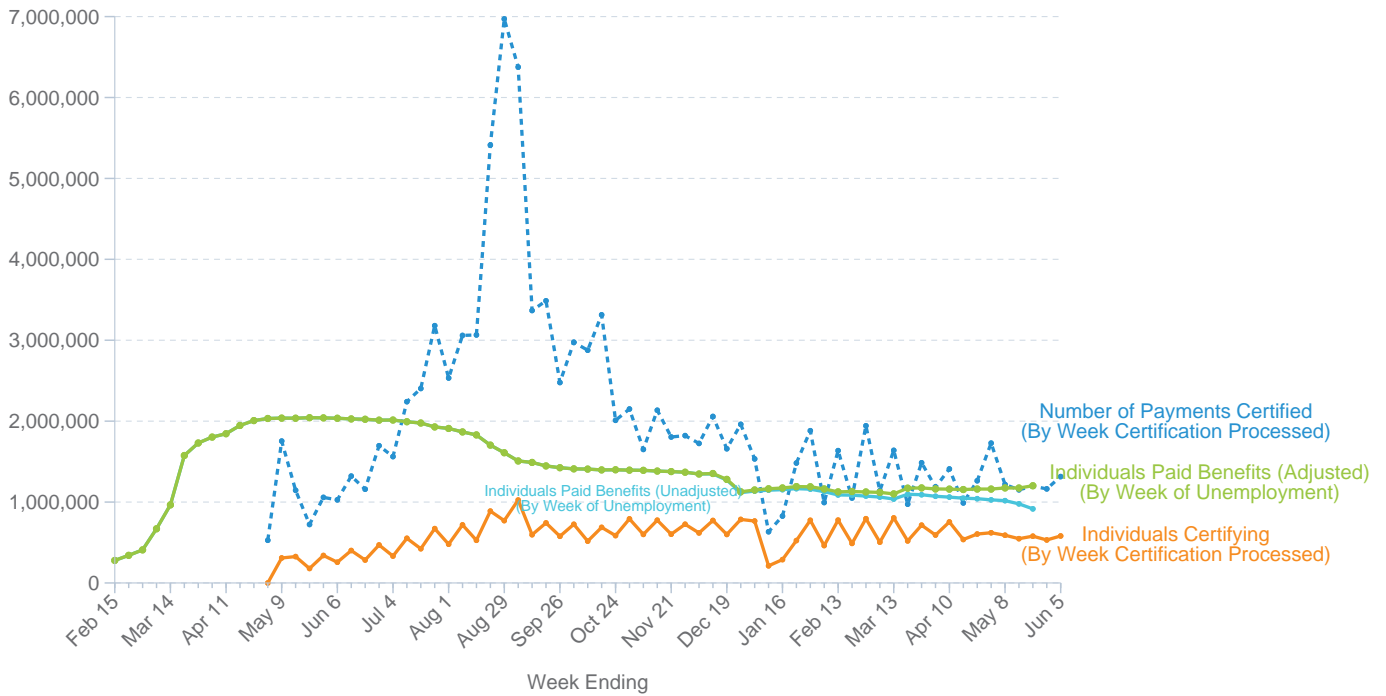
Notes: This figure illustrates the correlation between various county-level characteristics and the conditional probability that a claimant from that county who filed for UI benefits during quarter 2 of 2020 and was re-employed (by any employer) within the following 2 quarters found re-employment. In other words, the probability a claimant was recalled, given they were re-employed. The county-level characteristics are constructed from ACS 5-year estimates from 2014-2018. The information on COVID confirmed cases is sourced from the Los Angeles Times.

FIGURE A5: 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



Notes: 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 A6: 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



Notes: 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 A2: Individuals Potentially Eligible for Regular UI or PUA Benefits and Receiving Regular UI or PUA Benefits, Total and as Fraction of the Labor Force, and Share with Reduced UI Benefits, for Unemployment in the Week Ending May 22nd.

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 PRE-CRISIS LABOR FORCE
Statewide	2,757,606	2,673,963	6.3	3.0	14.2
By Gender					
Female	1,380,235	1,335,693	8.0	3.2	15.6
Male	1,373,877	1,334,799	4.6	2.9	13.0
By Age Group					
16–19	54,391	53,343	4.2	1.9	10.2
20–24	279,380	272,048	5.7	2.6	16.0
25–34	705,599	687,083	5.8	2.6	14.8
35–44	581,536	564,397	6.0	2.9	13.5
45–54	493,768	476,679	7.0	3.5	12.6
55–64	437,351	421,151	7.2	3.7	14.5
65–85	200,571	194,094	6.7	3.2	17.4
By Race and Ethnicity					
White	825,443	797,070	6.0	3.4	
Hispanic	765,198	738,433	6.4	3.5	
Asian	362,644	350,590	11.4	3.3	
Black	267,536	263,231	3.7	1.6	
Unknown/Other	516,652	504,969	4.4	2.3	
By Education					
HS Deg. or Less	811,270	780,066	7.8	3.8	12.3
Some College/ Associate's	463,876	443,419	9.9	4.4	9.1
Bachelor's or More	236,814	221,850	10.7	6.3	3.0

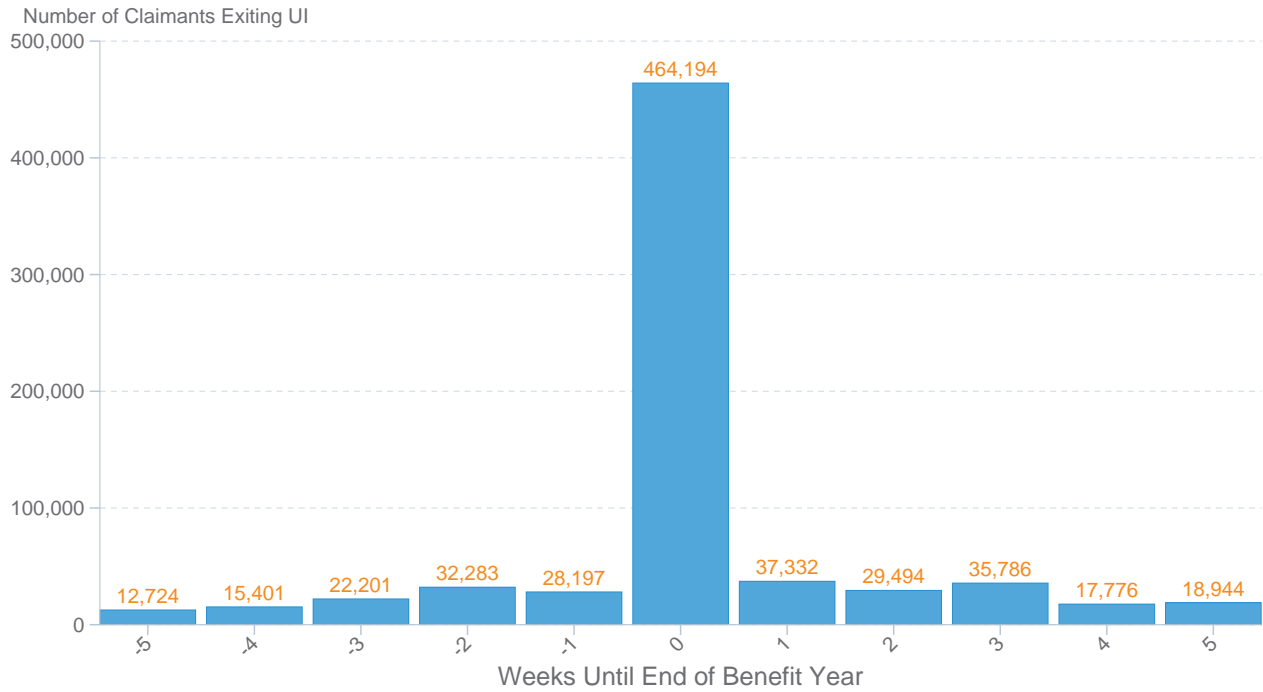
Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table does not include both PUA claimants and claimants for regular UI. Table does not show information on claimants for whose race is specified as Native American or Alaskan Natives. Claimants who identify as other race categories or choose not to self-identify are included in the "Other/Unknown" category.

TABLE A3: Individuals Potentially Eligible for PUA Benefits and Receiving PUA Benefits, Total and as Fraction of the Labor Force, and Share with Reduced Benefits, for Unemployment in the Week Ending May 22nd.

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 PRE-CRISIS LABOR FORCE
Statewide	1,216,681	1,201,680	3.0	1.2	6.3
By Gender					
Female	583,767	575,566	4.0	1.4	6.6
Male	631,046	624,266	2.1	1.1	6.0
By Age Group					
16–19	30,851	30,609	2.8	0.8	5.8
20–24	87,358	86,750	1.9	0.7	5.0
25–34	262,057	259,861	1.8	0.9	5.5
35–44	268,349	265,421	2.5	1.1	6.2
45–54	244,767	241,313	3.7	1.4	6.3
55–64	212,104	208,547	4.0	1.7	7.0
65–85	107,909	105,914	4.5	1.8	9.4
By Race and Ethnicity					
White	374,356	368,469	2.6	1.6	
Hispanic	211,427	209,583	2.2	0.9	
Asian	144,592	142,610	6.7	1.4	
Black	116,374	115,960	0.8	0.4	
Unknown/Other	361,142	356,322	3.1	1.3	

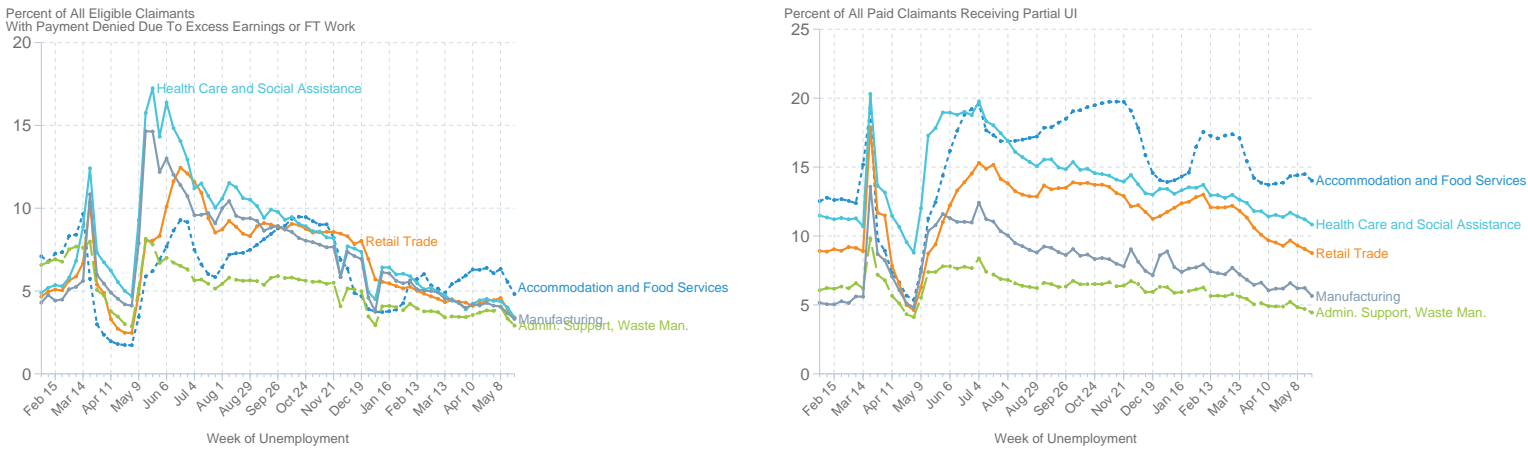
Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table does include both PUA claimants and claimants for regular UI. Table does not show information on claimants for whose race is specified as Native American or Alaskan Natives. Claimants who identify as other race categories or choose not to self-identify are included in the "Other/Unknown" category.

FIGURE A7: Number of Claimants Exiting the Regular UI System Between March 7th, 2021 and May 22nd, 2021, by the Number of Weeks Until the End of Their Benefit Year



Notes : Includes claimants for Regular UI only. An exit is defined as the last payment before a gap of two or more weeks without a certification for benefits. (If a claimant certifies for those weeks retroactively, they are not counted as having exited). Upon reaching the end of their benefit year, claimants who have earned income in the preceding 18 months are required to file a transitional claim in order to continue receiving UI benefits. EDD has recently revised the benefit-year-end process so that claimants who do not earn wages in the last 18 months will no longer have to reapply for benefits (Claimants who did earn sufficient wages will still have to reapply)

FIGURE A8: Total Percent of Potentially Eligible Claims with Payment Denied Due to Excess Earnings, and Partial UI as a Percent of Paid Claims, by Industry



Notes : 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).

TABLE A4: Weekly Initial UI Claims During the COVID-19 Crisis in California, 3/21/2020– 9/12/2020 (page 1 of 2)

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	ENTRIES INTO REGULAR UI (1ST SPELL)	ADDITIONAL REGULAR CLAIMS	ENTRIES INTO REGULAR UI (2ND+ SPELL)	PUA INITIAL CLAIMS (NEW IC + ADDITIONAL)	ENTRIES INTO PUA (ANY SPELL)	CUMULATED UNIQUE CLAIMANTS (SINCE 3/15/2020)	CUMULATED UNIQUE CLAIMANTS AS % OF FEBRUARY 2020 LABOR FORCE
Mar 21	140,703	605,804	44,324	28,281	—	617,820	183,009	0.9
Mar 28	1,017,468	641,882	38,740	20,760	—	188,285	1,234,808	6.4
Apr 04	878,831	549,893	35,852	80,246	—	161,266	2,128,039	11.0
Apr 11	592,342	489,499	58,717	34,447	—	81,087	2,725,502	14.0
Apr 18	435,247	355,063	87,651	33,752	—	115,338	3,169,444	16.3
Apr 25	243,225	212,767	77,511	37,566	—	68,725	3,418,899	17.6
May 02	232,904	238,204	80,242	40,603	297,713	42,152	3,779,663	19.5
May 09	157,862	149,027	51,879	28,144	137,671	25,130	4,011,931	20.6
May 16	181,689	124,143	60,179	39,504	116,009	31,154	4,257,026	21.9
May 23	126,387	107,023	74,385	58,998	96,189	24,573	4,445,209	22.9
May 30	117,238	84,000	109,809	67,281	77,561	21,238	4,615,515	23.8
Jun 06	132,275	87,321	127,655	69,345	76,317	20,048	4,801,522	24.7
Jun 13	101,565	76,291	143,415	75,377	74,700	19,833	4,958,727	25.5
Jun 20	141,131	76,811	146,277	80,602	90,439	18,214	5,167,962	26.6
Jun 27	120,897	67,295	158,538	83,201	97,658	20,610	5,364,847	27.6
Jul 04	116,974	70,402	149,422	107,700	94,324	22,397	5,553,399	28.6
Jul 11	123,895	82,549	162,597	100,814	111,142	22,374	5,761,814	29.7
Jul 18	122,171	74,918	168,722	102,451	126,630	27,762	5,978,693	30.8
Jul 25	105,857	61,759	139,673	82,393	130,530	18,393	6,193,295	31.9
Aug 01	93,833	49,507	129,548	67,637	115,602	14,497	6,383,810	32.9
Aug 08	80,257	42,068	124,036	73,517	108,619	16,424	6,552,278	33.7
Aug 15	71,359	40,133	122,069	74,130	140,497	16,377	6,745,168	34.7
Aug 22	75,545	36,764	124,209	72,251	226,877	16,987	7,027,375	36.2
Aug 29	109,903	33,773	112,324	67,190	377,596	15,659	7,488,105	38.5
Sep 05	101,144	30,029	144,747	72,083	414,641	17,826	7,981,486	41.1
Sep 12	74,103	24,064	155,376	74,026	187,992	26,900	8,224,733	42.3

Notes: Total initial claims refers to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California Residents. Entries Into Regular UI are correspond to the first paid week of within a new period of unemployment. Further detail is provided in the text. Additional Regular claims include both additional claims for state UI and additional claims for claimants on extension programs (PEUC and FED-ED). Note that DOL does not include additional claims for claimants on extension programs in its initial claims numbers.

Table continues on next page

TABLE A5: Weekly Initial UI Claims During the COVID-19 Crisis in California, 9/19/2020 - 3/27/2021 (page 2 of 2)

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	ENTRIES INTO REGULAR UI (1ST SPELL)	ADDITIONAL REGULAR CLAIMS	ENTRIES INTO REGULAR UI (2ND+ SPELL)	PUA INITIAL CLAIMS (NEW IC + ADDITIONAL)	ENTRIES INTO PUA (ANY SPELL)	CUMULATED UNIQUE CLAIMANTS (SINCE 3/15/2020)	CUMULATED UNIQUE CLAIMANTS AS % OF FEBRUARY 2020 LABOR FORCE
Sep 19	82,238	40,343	148,026	70,756	91,726	33,831	8,378,125	43.1
Sep 26	46,714	10,898	128,545	71,882	40,403	14,911	8,450,462	43.5
Oct 03	12,470	15,789	143,387	75,962	15,026	16,062	8,466,360	43.6
Oct 10	41,057	14,557	143,543	75,351	24,955	17,294	8,514,902	43.8
Oct 17	29,222	8,894	141,286	75,359	24,759	16,966	8,551,334	44.0
Oct 24	25,480	17,373	139,595	76,048	25,728	20,687	8,584,104	44.2
Oct 31	23,429	14,959	144,516	76,089	30,875	21,294	8,614,431	44.3
Nov 07	25,928	17,305	149,941	78,330	26,170	20,671	8,647,571	44.5
Nov 14	21,062	14,223	161,292	74,695	32,644	22,233	8,678,802	44.7
Nov 21	22,932	13,970	167,284	79,643	35,667	21,376	8,711,169	44.8
Nov 28	18,186	13,551	131,280	107,686	33,890	24,641	8,734,627	45.0
Dec 05	29,105	16,807	174,672	79,511	45,955	19,313	8,768,460	45.1
Dec 12	29,728	19,049	201,578	106,253	48,718	54,175	8,803,950	45.3
Dec 19	27,267	16,826	153,015	81,573	47,270	22,764	8,837,525	45.5
Dec 26	28,155	16,573	165,913	128,317	36,778	27,707	8,872,589	45.7
Jan 02	31,381	14,902	149,147	142,683	27,595	112,804	8,897,764	45.8
Jan 09	50,754	25,015	134,861	78,269	33,998	27,069	8,931,265	46.0
Jan 16	34,132	18,654	209,670	157,703	109,662	30,745	8,991,285	46.3
Jan 23	29,401	16,488	32,106	95,436	37,104	31,718	9,036,681	46.5
Jan 30	32,209	17,373	89,083	128,999	44,583	27,065	9,080,111	46.7
Feb 06	29,194	16,189	136,595	82,608	34,791	18,928	9,113,633	46.9
Feb 13	26,033	13,597	153,664	180,664	32,235	19,138	9,142,947	47.1
Feb 20	22,901	11,549	81,857	64,611	22,063	16,939	9,169,146	47.2
Feb 27	23,457	11,009	90,812	66,560	26,323	17,046	9,195,661	47.3
Mar 06	25,935	11,787	96,630	58,526	36,048	16,575	9,224,774	47.5
Mar 13	26,969	10,584	102,470	64,079	26,542	17,145	9,252,928	47.6
Mar 20	25,458	8,897	76,765	50,104	20,259	81,568	9,280,329	47.8
Mar 27	27,487	6,846	69,082	61,513	16,090	16,691	9,305,923	47.9

Notes: Total initial claims refers to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California Residents. Entries Into Regular UI are correspond to the first paid week of within a new period of unemployment. Further detail is provided in the text. Additional Regular claims include both additional claims for state UI and additional claims for claimants on extension programs (PEUC and FED-ED). Note that DOL does not include additional claims for claimants on extension programs in its initial claims numbers.

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 An exception to the decline in new PUA claims occurred in the week ending January 16th, where over 100,000 PUA claims were processed, however this was likely the result of a backlog of claims being processed as opposed to a sudden shift in economic conditions.
- 3 Unique initial claims since March 15th chiefly consist of new initial claims. If an individual that was a UI recipient before the start of the crisis, and filed an additional or a transitional claim on or after March 15th, they would be included in unique claims.
- 4 https://www.edd.ca.gov/uibdg/Miscellaneous_MI_5.htm
- 5 When a partial UI claimant receives a payment denial, and then attempts to certify again for the following week (because they have not returned to full employment, and are still working reduced hours) they could trigger an additional claim — regardless of whether that certification results in a payment. In other words, an individual who has not experienced any change to their employment status, but is instead consistently working reduced hours while regularly submitting their bi-weekly certifications can trigger a large number of additional claims — since, for each certification, they’ve experienced a “break in the claim series” (payment denial) with “intervening employment” (part-time work). Alternatively, a claimant could complete their first certification on time, be receiving partial UI payments, but then be delayed in completing their second or further certification — this too would involve a break in the claim series (as measured by processing dates) with intervening employment, potentially triggering an additional claim.
- 6 In addition, during the initial surge of claims during the earliest stages of the crisis, our measure shows entries started a week earlier and were slightly more evenly distributed across weeks. This is likely a result of a large number of claimants who entered a new period of unemployment in the week ending March 21st, but were unable to have their initial claim processed until weeks later, as EDD became overwhelmed with claimants attempting to file for benefits. 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.
- 7 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.
- 8 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.
- 9 <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2020.pdf>
- 10 <https://www.nytimes.com/2020/05/09/us/unemployment-coronavirus-women.html>
- 11 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.
- 12 For this analysis, recall is defined as follows. First, we identify the quarter prior to separation using the claimant’s self-reported last worked date. Second, we identify the three highest-paying employers in the separating quarter. Third, we remove from the sample all claimants that reported any earnings in their first week of UI. Finally, we define recall as the presence of any earnings from a separating employer in a future quarter. Our sample is comprised of 2.7 million unique claimants for the regular UI program during the 2nd quarter of 2020, who have reported their last work dates, received at least one payment, and did not report any earnings in their first week of certification.
- 13 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.” <https://www.gao.gov/reports/GAO-21-191/#appendix23>
- 14 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.
- 15 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. 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.
- 16 This is different from the number of claimants “Potentially Eligible” for payment, as it does not include claimants who certify for benefits but are denied due to excess earnings or full-time work.
- 17 The censoring adjustment should be interpreted with caution, as it assumes that the recent lag structure will persist into the future

- 18 From EDD: "Under the new process, claimants who did not earn wages in the last 18 months will no longer have to reapply for benefits. Instead, EDD will automatically process benefits on their behalf and add a federal extension to the expired claim, or continue their existing extension. Claimants who did earn enough wages in the past 18 months to potentially establish a new claim will still have to reapply for benefits, even if they are currently on an extension." https://edd.ca.gov/About_EDD/pdf/news-21-33.pdf
- 19 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.
- 20 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: $\text{Partial UI Payment} = \text{WBA} - 0.75 \times \text{Weekly Earnings}$. If the claimant earns \$25 or less per week, they receive the full WBA, and if they earn more than 133% of their WBA, they are not considered unemployed by EDD, and thus do not receive payment.
- 21 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.
- 22 For a more detailed analysis of pandemic-related factors driving widening economic gaps by race, see, among others, <https://www.epi.org/publication/black-workerscovid/>