



# 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 nearly 47% 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 December 21st, this report provides a new look at the number of Californians experiencing long-term unemployment, and sheds light on who is benefiting from federal extensions to UI programs.** 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 February 27th, 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.”<sup>1</sup> The second part of the report presents new measures of the number of individuals that are

receiving UI benefits for a particular week of unemployment and their breakdown by demographics and industry. For the first time, this report also includes an analysis of long-term unemployment (LTU) experienced by UI beneficiaries and an analysis of what claimants are benefiting from federal extension programs.

### Key Insights from September through February:

- **Workers faced a rough start to 2021, with nearly 1 in 5 workers paid UI benefits in February.** While the number of individuals receiving UI benefits dropped slightly in December, this decline was likely artificial. In the first six weeks of 2021, there was little change to the total number of workers receiving UI benefits in California, only movement between programs.
- **Female workers, less-educated workers, and millennials have disproportionately benefited from the extensions of the PUA and PEUC programs.** Over half of all workers receiving benefits under the PEUC and FED-ED extension programs reported having no more than a high school degree, despite making up just 33% of the labor force.

- **As of mid-February, close to 1 in 5 workers in the state (about half of the workers who have claimed UI during the crisis) have claimed over 26 weeks of UI benefits.** Long-term unemployment (LTU), defined here as claiming UI benefits for more than 26 weeks, is known to cause long-lasting "scarring" effects to workers and the economy. The incidence of LTU is particularly high among Black workers, older workers, women, less-educated workers, and PUA claimants.
- **Since mid-March 2020, over 45% of workers in the labor force in February 2020 claimed UI benefits.** Since the start of the COVID-19 crisis, 9.2 million unique California claimants have filed for some type of UI benefits. The fraction of the pre-pandemic labor force having claimed UI benefits is close to 90% among Black workers, 73% among Asian workers with no more than a high-school degree, close to 70% among Generation Z workers, and 50% among female workers.
- **Over 10% of UI claimants exited the UI system in December.** This spike in exits was likely driven by two factors: EDD began freezing claims suspected of fraud at the end of 2020, and workers who exhausted PEUC and PUA benefits prior to December 26th were (until recently) unable to certify for benefits corresponding to weeks of unemployment experienced during 2021.
- **Total Initial Claims declined in February, but were still 50% higher than the peak seen in the Great Recession.** Average initial claims were 173,000 in February, which is 40,000 fewer than in January. "Additional Claims" (the re-opening of a claim after a claimant has returned to work) continue to make up the majority (75%) of initial claims.
- **The Food Services sector was hit hard during the December surge of COVID-19 cases.** The share of initial claims from the industry have trended downwards in 2021 as case counts improve. This has coincided with a decrease in the share of regular UI claims being filed by Millennials and Gen Z workers – both of whom are more likely to work in customer-facing service industries.

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

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## Analysis of Initial Claims

Californians filed a total of 144,090 initial Unemployment Insurance (UI) claims in the week ending February 27th, and averaged 172,967 initial claims over the four weeks of February. This is a decrease relative to the 210,866 average weekly initial claims seen in January. Just 18% of initial claims in the most recent week were filed under the PUA program, down from over 30% in mid-January (Table 1).

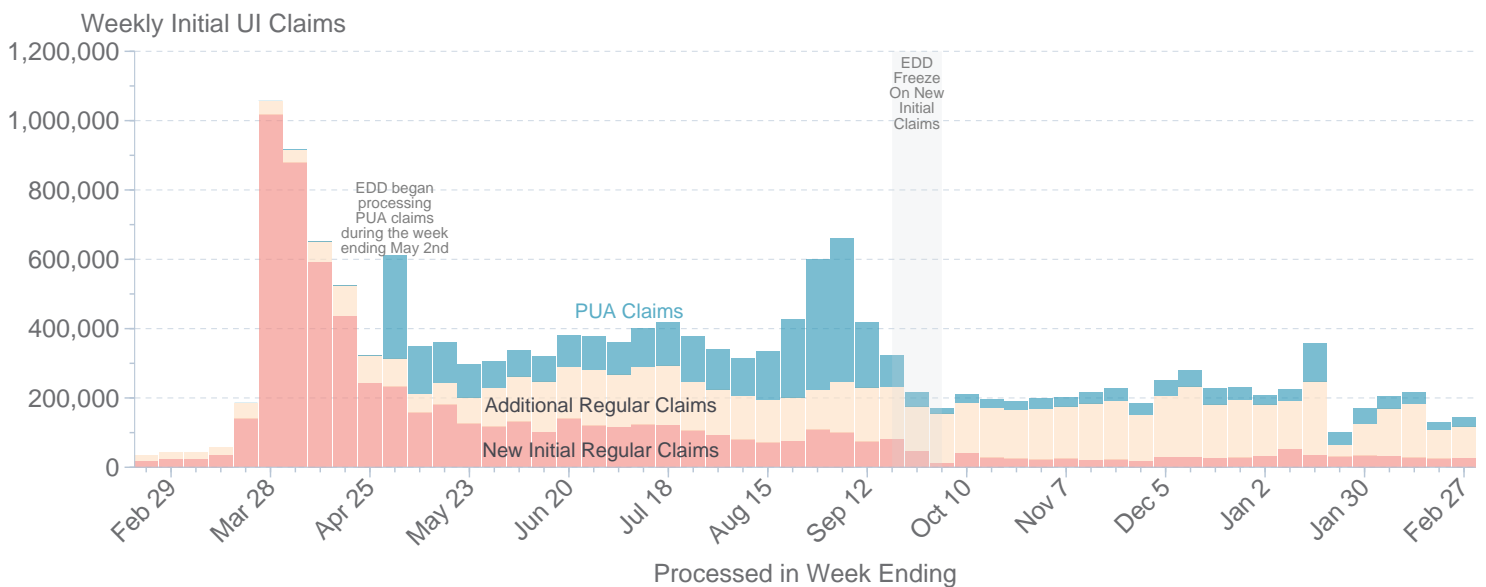
The number of initial regular claims seen in February (144,000 per week on average) is still greater than the single worst week of the Great Recession (the week ending January 9th, 2010), when California recorded 115,000 initial regular UI claims.

Initial claims for PUA have trended downwards, from nearly 50,000 per week in December, to just over 20,000 per week in late February.<sup>2</sup> The number of new initial claims for regular UI increased slightly in December, but has stayed mostly steady since then, with just over 25,000 new claims per week throughout February. **Additional claims**, which occur when a claim is interrupted by a period of employment, and then the claim re-opens before the benefit year expires, now make up the vast majority of initial claims. These additional claims made up 75% of all claims during the week ending February 27th. Figures 1 and 2, along with Table 1 show the number of

additional claimants has fluctuated dramatically throughout the first two months of 2021.

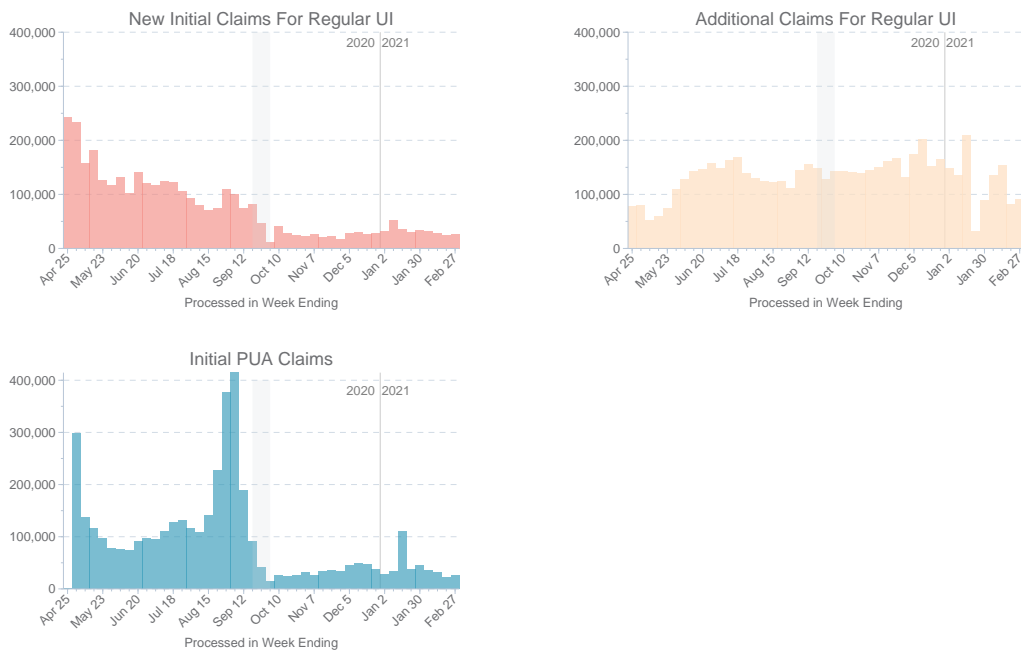
Accounting for both PUA and regular UI programs, 47% of the entire labor force in California has now filed for Unemployment Insurance benefits at some point since the start of the crisis. This number is composed of 29% of workers who filed claims for regular UI benefits, and 18% of workers filing for benefits under the PUA program. Since many claimants have filed multiple claims during the crisis—e.g., any claimant that filed at least one additional claim—this number counts unique individuals. Counting cumulated initial claims would overestimate the “share of the labor force” filing a claim by 46 percentage points (Table 2).<sup>3</sup>

FIGURE 1: Weekly Initial UI Claims (including PUA) During the COVID-19 Crisis in California, 2/22/2020–2/27/2021



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

FIGURE 2: Median Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance 2/29/2020 - 2/27/2021



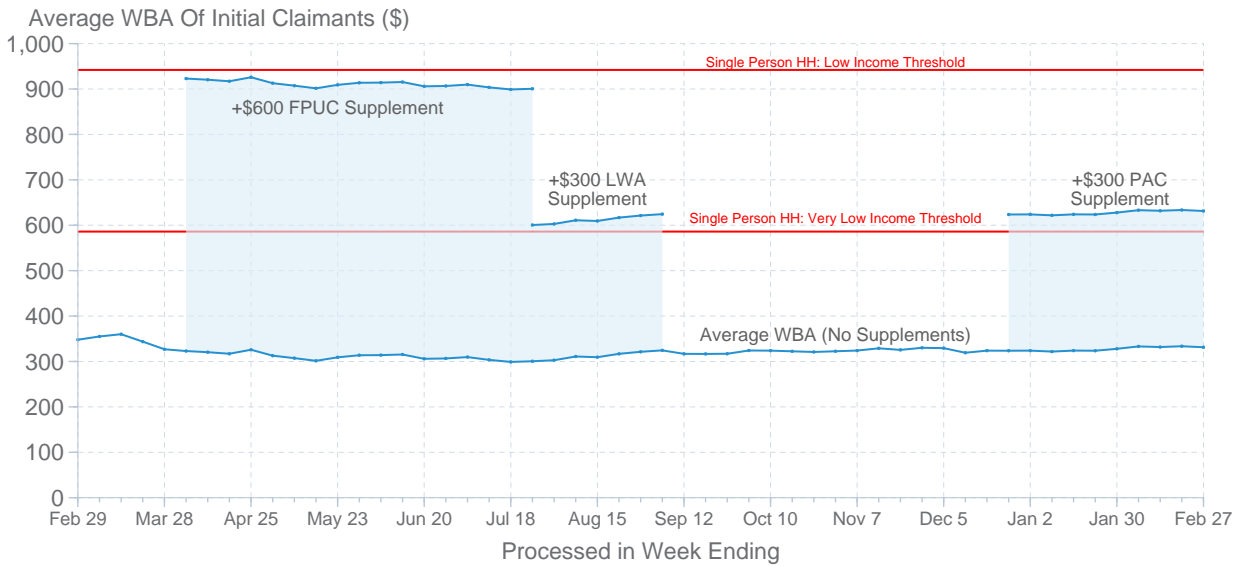
X-axis labels correspond to Saturdays.

TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 1/02/2021– 2/27/2021

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	NEW INITIAL PUA CLAIMS	ADDITIONAL REGULAR CLAIMS	ADDITIONAL PUA CLAIMS	TOTAL INITIAL CLAIMS	NEW UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS AS % OF FEB LABOR FORCE
Jan 02	31,578	11,622	149,149	15,971	208,320	25,175	8,897,764	45.8
Jan 09	53,161	24,686	134,865	9,308	222,020	33,501	8,931,265	46.0
Jan 16	35,738	62,201	209,675	47,492	355,106	60,020	8,991,285	46.3
Jan 23	31,066	27,152	32,107	10,002	100,327	45,396	9,036,681	46.5
Jan 30	34,815	20,229	89,087	24,425	168,556	43,430	9,080,111	46.7
Feb 06	31,828	10,793	136,600	24,050	203,271	33,522	9,113,633	46.9
Feb 13	28,926	8,379	153,671	23,915	214,891	29,314	9,142,947	47.1
Feb 20	25,632	7,594	81,862	14,529	129,617	26,199	9,169,146	47.2
Feb 27	26,891	8,248	90,820	18,131	144,090	26,515	9,195,661	47.3

Notes: Total initial claims refers to initial claims for regular unemployment insurance (UI) benefits and for Pandemic Unemployment Assistance among California Residents. Tabulations based on initial UI claims file. Initial Claims in a given week may be greater than the number of new unique claimants, as individuals may appear twice in the initial claims numbers - e.g., any claimant that filed at least one additional claim, or the majority of PUA claimants (since most PUA claimants must prove ineligibility for regular UI by filing a regular UI claim before their separate pua claim can be accepted). New Initial claims excludes transitions to extension programs. The cumulated unique claimants and cumulated unique claimants as a percent of labor force columns include all claims filed between March 21, 2020 and February 27th, 2021. [Appendix Table A5](#) includes all claims from March 21, 2020 through February 27th, 2021.

**FIGURE 3: Average Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance Over the Course of the COVID-19 Crisis**



X-axis labels correspond to Saturdays.  
 Does not include PUA claimants or transitions to extension programs.  
 Eligibility for FPUC, LWA, and PAC supplements are determined by the week of unemployment, not the week the initial claim was filed.

## Benefit Levels

In California, most claimants found to be eligible for regular UI are paid benefits equal to 50% of average weekly earnings in a base period, up to a maximum of \$450 per week.<sup>4</sup> The average weekly benefit amount (WBA) for initial claimants who filed at the end of February was \$331 per week.<sup>5</sup> All claimants for regular UI and PUA eligible for benefits between December 27th and March 13th also receive an additional \$300 supplement through Pandemic Additional Compensation (PAC).

To put these benefit amounts into perspective, one can compare benefit amounts to California’s 2020 state income limits, which are used for eligibility determinations of various government programs.<sup>6</sup> Table A1, in the Appendix, illustrates income classifications dependent upon on the size of households, the WBA, and the number of people receiving these benefits in the household. Figure 3 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.

One can further compare how households of different demographic groups might fare under these scenarios by examining the WBA’s shown in Table 8 and Figure 4. We see that the average WBA for initial claimants in the last two weeks (February 14th-February 27th) was \$58 lower for women than it was for men. Lower educated claimants, younger claimants,

and non-White claimants have all seen lower WBAs over the course of the crisis as well.

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 4: Average Weekly Benefit Amounts of Initial Claimants for Regular Unemployment Insurance, by Demographic Group

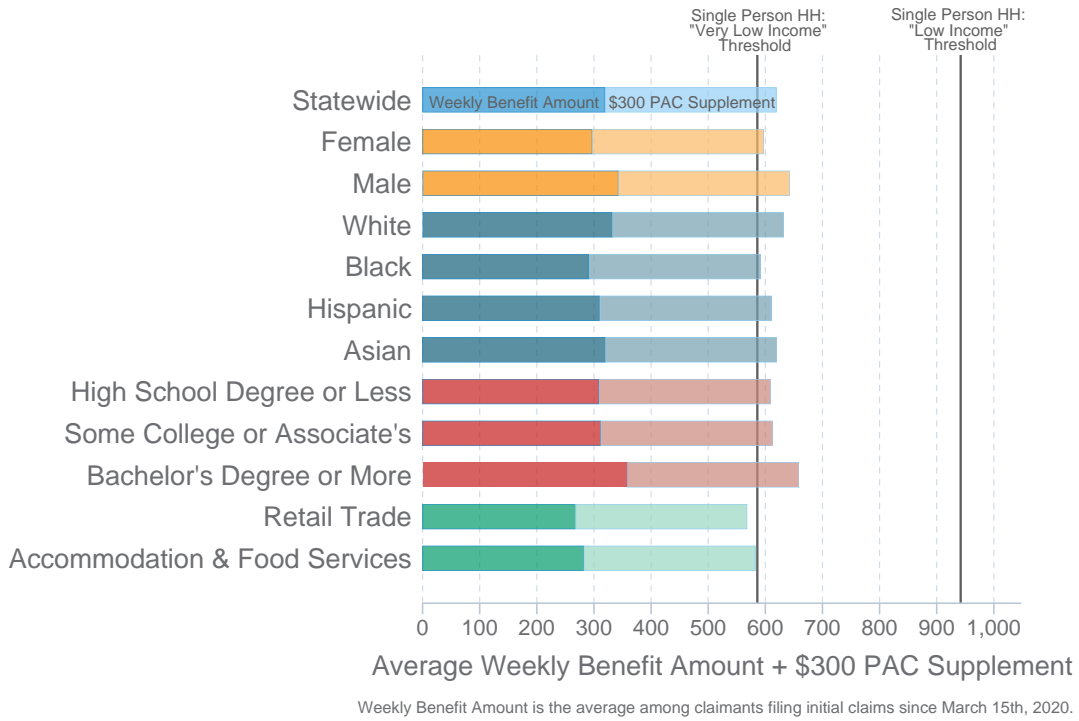
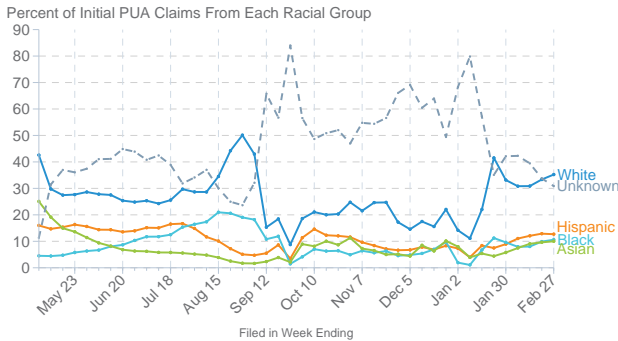
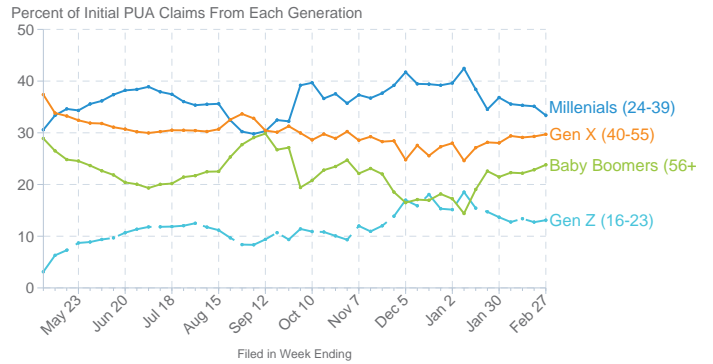
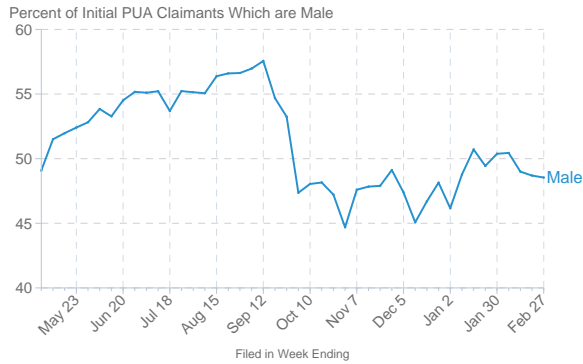


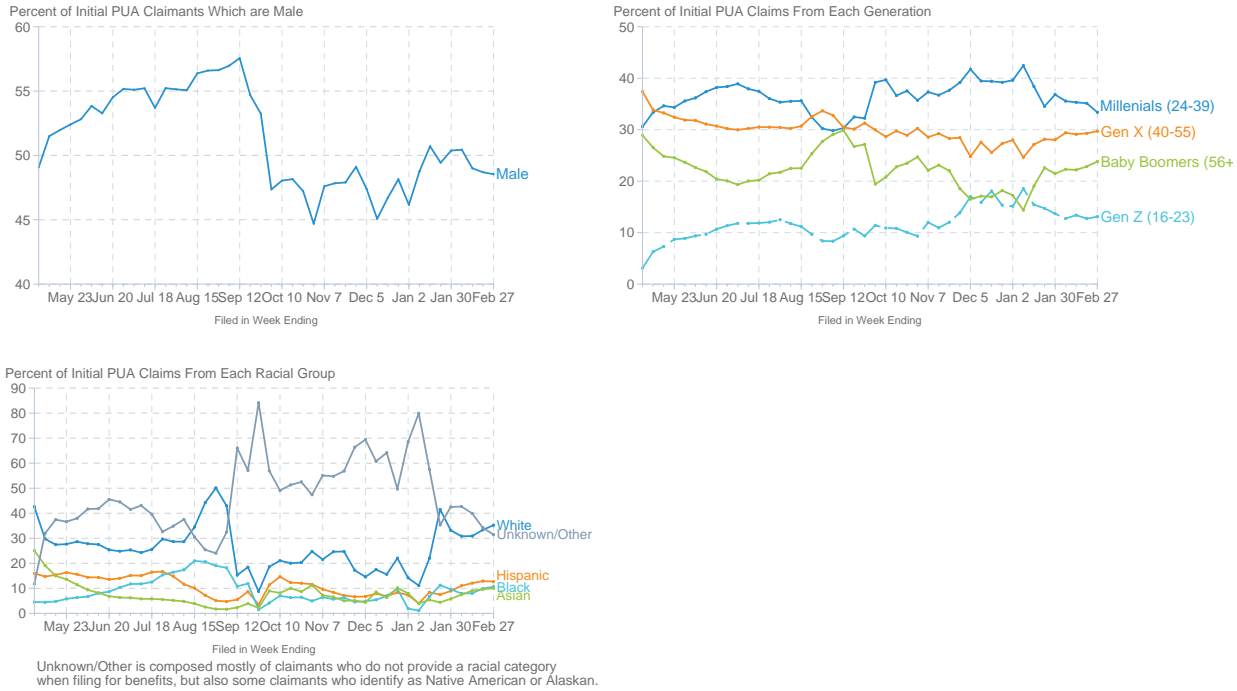
FIGURE 5A: Trends in the Demographic Characteristics of Initial non-PUA Claimants



Claimants who identify as Native American, Alaskan, or Other are not shown in this figure but are included in the denominator.

X-axis labels correspond to Saturdays.

FIGURE 5B: Trends in the Demographic Characteristics of Initial PUA Claimants



X-axis labels correspond to Saturdays.

## 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 February 27th, 51% of women in the labor force have filed initial UI claims for regular UI or PUA since the start of the crisis, compared to 44% 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”.<sup>7</sup>

Focusing just on regular UI claims (not including PUA), 42% of the Black labor force has filed a claim, compared to just 24% of White workers (Asian and Hispanic workers have seen 27% and 29% of their labor force file initial claims, respectively). Meanwhile 51% of workers in Gen Z (aged 16-23) and 31% 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 under 1 in 6 workers of either gender filing PUA claims.

Figure 5A and 5B show the demographic trends in the applicants for regular UI and PUA benefits. The demographic profile of initial claimants has been relatively stable over the past few months, with a few notable exceptions. In January and February, an increasing share of initial claims for Regular UI were filed by older workers (Gen X and Baby Boomers), with a corresponding decrease in the share filed by Millennials and Gen Z workers. The share of claims filed by men steadily increased from mid-December to mid-January, but has fallen slightly in February. The demographic profile of initial claimants for the PUA program has been much more volatile, most noticeably illustrated by a dramatic fall in the share of claimants who reported being male in September, and a similar drop in late December for the share who did not report a racial/ethnic group. 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.

The reported educational attainment of workers has been steady over the past few months of the crisis (Figure 5A). We observe self-reported education for regular UI applicants only, as this information is not collected on PUA applications. Not including PUA claimants, 53% of workers with a high school degree or less have filed for UI benefits over the course of the pandemic, compared to 13% with a Bachelor’s degree or more (Table 3).

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
<b>Statewide</b>	16,737,182	9,195,661	5,714,959	29.4	3,480,702	17.9
<b>By Gender</b>						
<b>Female</b>	8,508,910	4,469,315	2,887,820	32.7	1,581,495	17.9
<b>Male</b>	8,204,138	4,706,672	2,813,049	26.5	1,893,623	17.9
<b>By Age Group</b>						
<b>16–19</b>	572,312	367,416	242,824	45.7	124,592	23.5
<b>20–24</b>	2,231,149	1,185,507	906,088	52.0	279,419	16.0
<b>25–34</b>	4,397,624	2,306,691	1,584,642	33.2	722,049	15.1
<b>35–44</b>	3,218,561	1,728,888	1,023,255	23.8	705,633	16.4
<b>45–54</b>	2,871,179	1,563,767	901,169	23.1	662,598	17.0
<b>55–64</b>	2,390,407	1,322,732	755,145	25.0	567,587	18.8
<b>65–85</b>	935,461	646,414	293,736	25.5	352,678	30.6
<b>By Generation</b>						
<b>Gen Z (16-23)</b>	2,325,972	1,304,102	960,362	51.4	343,740	18.4
<b>Millennials (24-39)</b>	6,606,775	3,476,437	2,330,879	31.5	1,145,558	15.5
<b>Gen X (40-55)</b>	4,643,137	2,527,426	1,456,958	23.0	1,070,468	16.9
<b>Baby Boomers (56+)</b>	3,040,987	1,776,356	939,194	24.6	837,162	21.9
<b>By Race and Ethnicity</b>						
<b>White</b>	5,360,977	3,110,111	1,850,169	24.4	1,259,942	16.6
<b>Hispanic</b>	5,260,777	2,597,516	2,122,638	28.8	474,878	6.4
<b>Asian</b>	2,161,590	1,116,964	836,823	27.3	280,141	9.2
<b>Black</b>	1,332,475	936,112	438,845	41.9	497,267	47.5

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



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

GROUP	HS or Less		Some College or Associate's Degree		Bachelor's or More	
	UNIQUE CLAIMANTS SINCE MARCH 15TH	% OF GROUP'S LABOR FORCE	UNIQUE CLAIMANTS SINCE MARCH 15TH	% OF GROUP'S LABOR FORCE	UNIQUE CLAIMANTS SINCE MARCH 15TH	% OF GROUP'S LABOR FORCE
<b>Statewide</b>	3,464,141	52.7	1,677,317	33.0	1,036,740	13.3
<b>By Gender</b>						
<b>Female</b>	1,408,855	54.5	834,050	32.8	522,171	14.1
<b>Male</b>	1,577,079	39.8	691,322	25.8	434,781	11.1
<b>By Race and Ethnicity</b>						
<b>Asian</b>	368,814	73.0	209,996	37.3	220,527	11.1
<b>Black</b>	239,888	95.0	128,783	34.9	50,457	12.4
<b>Hispanic</b>	1,362,861	33.2	536,842	26.6	149,431	12.6
<b>White</b>	795,084	51.2	526,209	25.1	457,045	11.8
<b>By Generation</b>						
<b>Gen Z (16-23)</b>	571,886	70.1	300,123	36.8	54,839	23.5
<b>Millennials (24-38)</b>	1,160,742	51.1	645,202	32.9	432,200	13.6
<b>Gen X (40-55)</b>	761,645	34.4	353,081	23.6	278,042	10.6
<b>Baby Boomers (56+)</b>	483,589	39.5	224,879	23.1	189,866	11.8

Notes: Unique Claimants refers to the number of different individuals who have filed initial claims for regular unemployment insurance (UI) benefits since March 15th, 2020. Tabulations based on initial UI claims file. Table includes PUA claims. For a definition of unique claimants, see the note to Table 1.

## 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.<sup>8</sup>

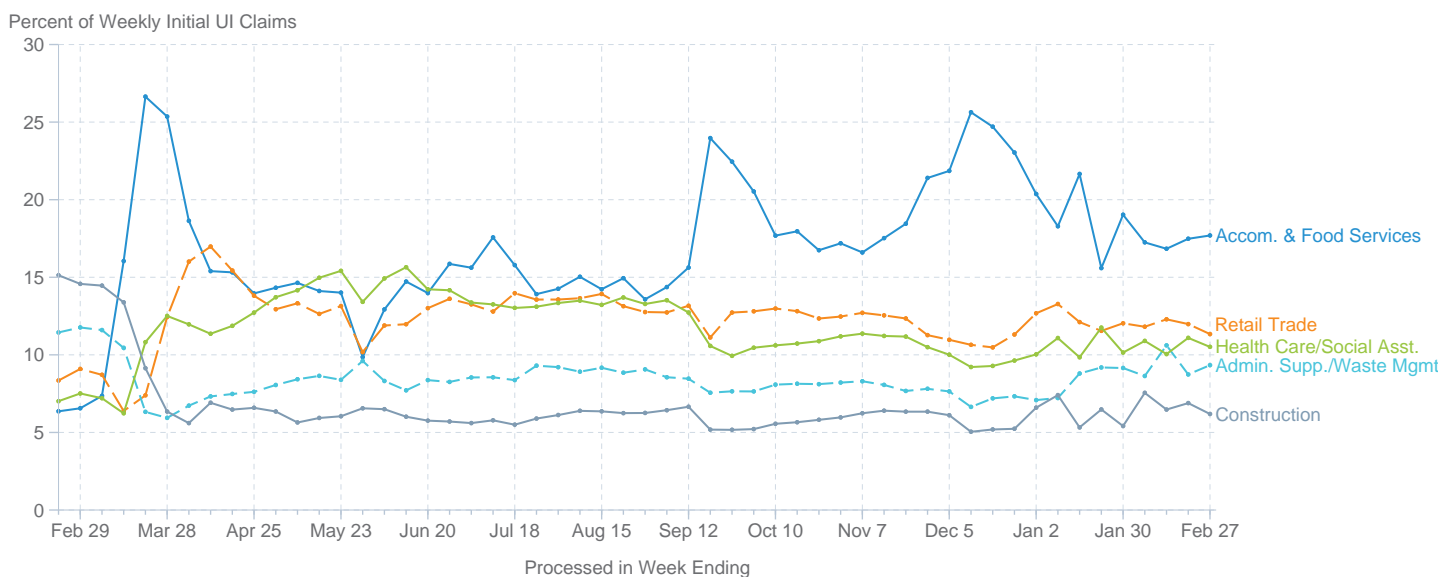
Because PUA claimants do not report all of the relevant information, we exclude PUA claims from this analysis. Throughout November and December, the share of initial claims from the Accommodation and Food Services industry increased substantially, eventually peaking at 25% of all claims in the week ending December 12th. (Figure 7) Since then, the share has steadily fallen, yet the 17% of initial claims coming from workers in the industry during February is still far above the levels seen before the pandemic.

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, along with 66% of the Education Services workforce. Over 800,000 Californians from the Accommodation and Food Services industry have filed claims since the start of the pandemic, equivalent to 46.5% of the industry’s pre-crisis labor force.

To better understand the dynamics of unemployment at the industry level, we also looked at which industries saw the most workers returning to UI after having returned to work temporarily – a scenario which results in the filing of an “Additional Claim.” Statewide, 77% of initial claims for regular UI which were processed in the week ending February 27th were additional (Table 1). Figure 7 breaks down the share of all initial claims throughout the entire crisis which were additional in the industries with the largest amount of claims. (Since the share has been rising over time, these percentages are much lower than what has been seen in recent months.)

The industries with the highest share of additional claims are Information, Construction, and Accommodation and Food Services. The high rate of additional claims in these industries, combined with the overall high number of initial claims from these industries, suggests that many claimants in who find work are finding that employment to be especially unstable, and many eventually return to UI. While there is noticeable variation in the rate of additional claims between industries, even the industries that see relatively lower rates of additional claims have still had about half of all initial claims during the crisis be additional – suggesting that employment stability has decreased across all sectors of the economy.

FIGURE 6: Share of Initial UI Claims (excluding PUA) from Most Impacted Industries During the COVID-19 Crisis in California, 2/22/2020 - 2/27/2021



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.

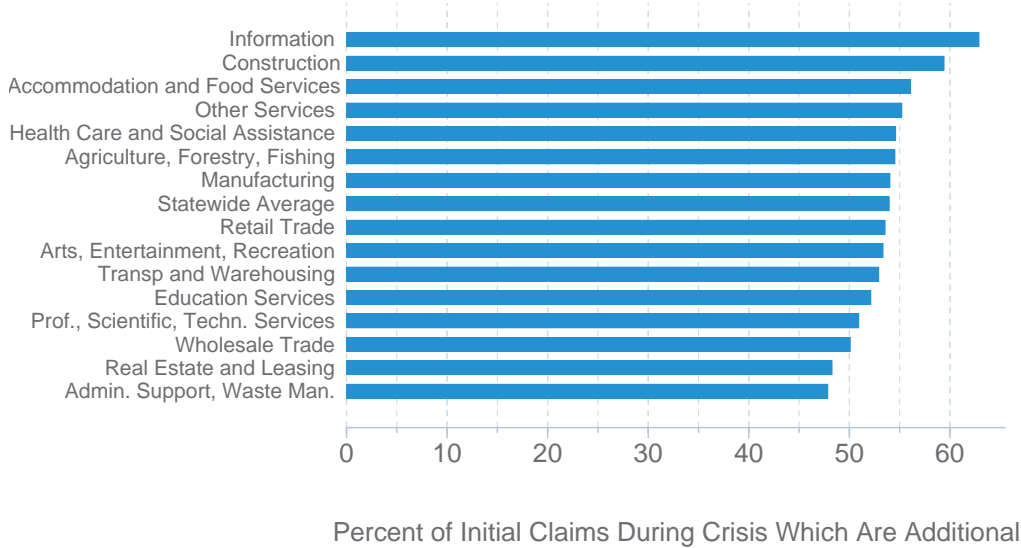
TABLE 4: Initial Regular UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	WEEK ENDING FEB 13TH	WEEK ENDING FEB 20TH	WEEK ENDING FEB 27TH	UNIQUE CLAIMANTS SINCE MARCH 15TH	WORKERS IN LABOR FORCE (PRE- CRISIS)	UNIQUE CLAIMANTS AS % OF LABOR FORCE
<b>Accommodation and Food Services</b>	28,375	16,407	19,125	801,571	1,724,000	46.5
<b>Retail Trade</b>	20,585	11,915	11,625	643,811	1,654,500	38.9
<b>Health Care and Social Assistance</b>	18,414	10,628	11,207	606,088	2,461,900	24.6
<b>Admin. Support, Waste Man. (a)</b>	12,766	7,651	8,363	379,808	1,143,700	33.2
<b>Manufacturing</b>	9,811	5,801	6,197	317,655	1,318,500	24.1
<b>Construction</b>	14,654	8,946	8,619	286,551	896,400	32.0
<b>Education Services</b>	9,574	5,106	5,709	259,313	393,100	66.0
<b>Prof., Scientific, Techn. Services (a)</b>	8,263	4,743	5,302	247,149	1,357,200	18.2
<b>Other Services</b>	7,812	4,250	5,320	218,647	581,300	37.6
<b>Arts, Entertainment, Recreation</b>	6,811	3,412	4,515	201,935	332,500	60.7
<b>Transportation, Warehousing and Utilities</b>	6,829	4,549	4,190	194,346	718,300	27.1
<b>Wholesale Trade</b>	4,480	2,645	2,795	175,026	689,700	25.4
<b>Information</b>	8,714	4,797	5,535	138,565	586,600	23.6
<b>Agriculture, Forestry, Fishing (a)</b>	4,728	2,977	3,140	90,730	431,100	21.0
<b>Real Estate and Leasing</b>	2,489	1,342	1,476	83,355	305,300	27.3
<b>Finance and Insurance</b>	1,626	986	1,093	65,865	544,100	12.1
<b>Public Administration</b>	1,601	881	1,080	46,223	2,629,700	1.8
<b>Management</b>	708	446	426	24,562	252,900	9.7
<b>Mining, Oil and Gas</b>	240	121	152	5,227	22,800	22.9
<b>Column Total</b>	168,480	97,603	105,869	4,786,427	18,043,600	26.5

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](https://www.bls.gov/iag/tgs/iag_index_naics.htm)). Column Total excludes unclassified NAICS codes and those with unreported NAICS codes.

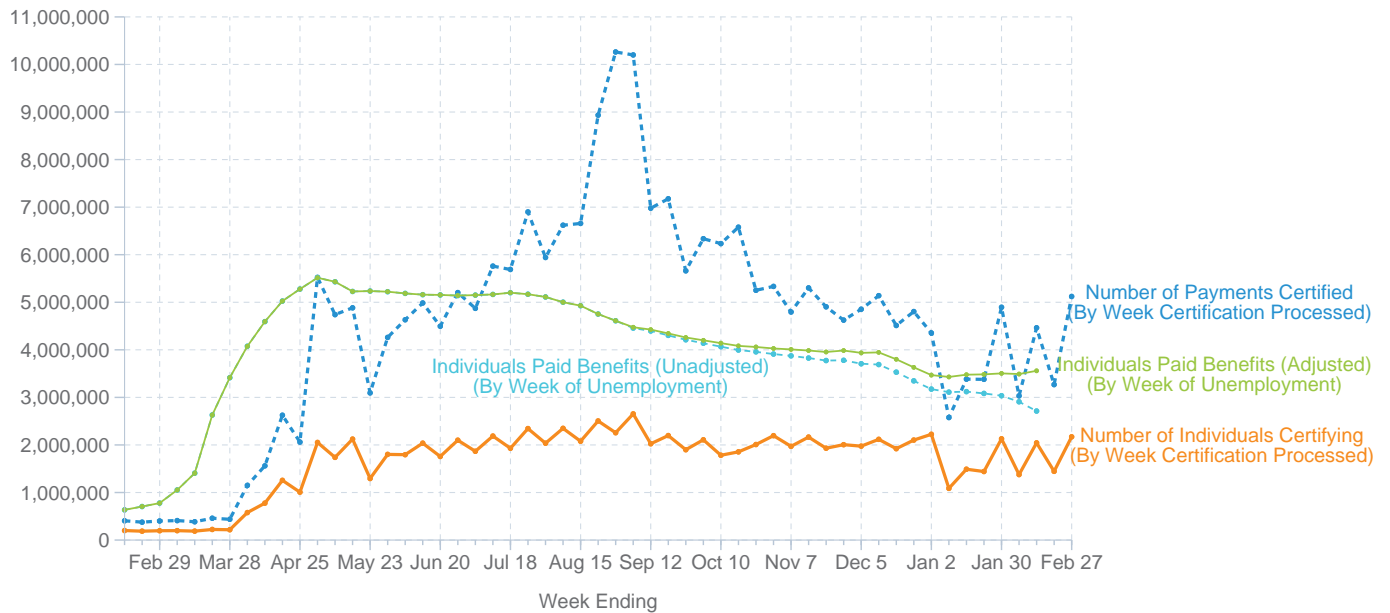
(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

**FIGURE 7: Share of Initial UI Claims (excluding PUA) which are Additional by Select Industries During the COVID-19 Crisis in California**



Includes all initial claims for regular UI processed between March 15, 2020 and February  
 Additional Claims occur when a break of one or more weeks occurs within a  
 previously established benefit year and there is intervening employment.

**FIGURE 8: All Claims: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefits by Week of Certification, and Total Number Payments Certified by Week of Certification**



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.

## Analysis of Continuing Claims

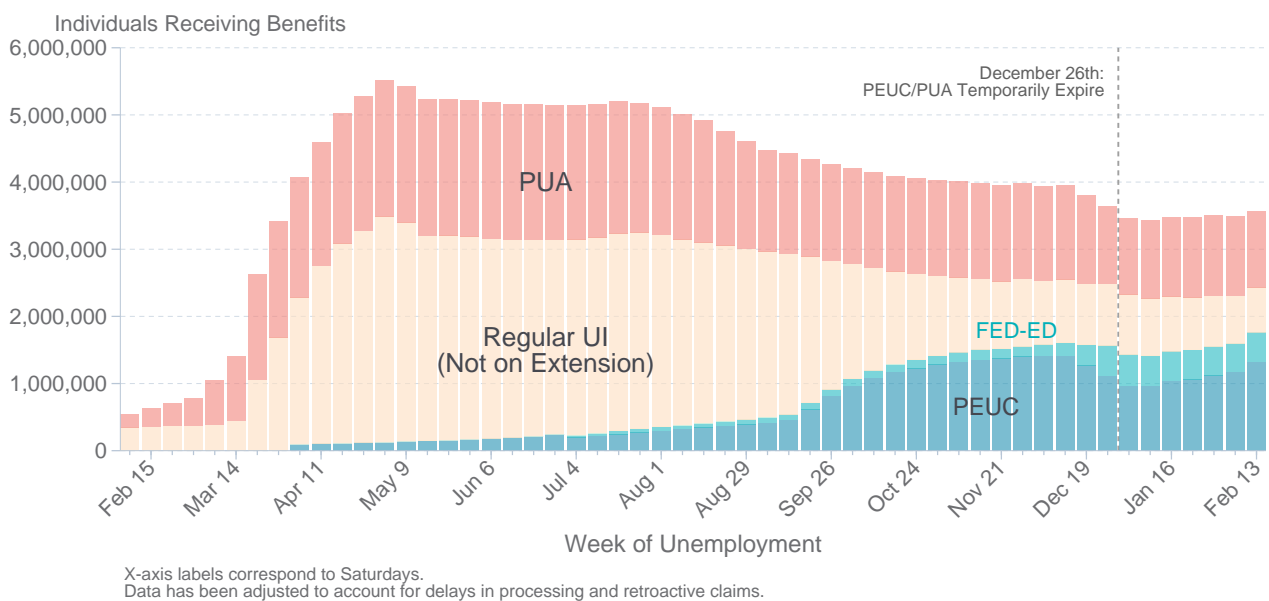
In this section, we report original estimates of the total number of individuals eligible to receive benefits based on the week in which they experienced unemployment. Published UI statistics typically show the total number of UI payments that were “certified” in a given week, not the number of UI recipients who were actually unemployed in a given week. Since individuals can certify for payments for multiple weeks retroactively, both the level and the timing of this measure (often called “continuing claims”) may not accurately reflect the number of individuals actually receiving benefits in that timeframe.<sup>9</sup> Our measure sidesteps these problems by focusing directly on the number of individuals receiving UI benefits for unemployment experienced in any given week, providing a more accurate measure of the evolving status of the labor market. This measure is more directly comparable to the number of unemployed individuals or the number of workers in the labor force reported from Current Population Survey data than existing UI statistics.

Once a UI claim is deemed eligible, the claimant must meet separate eligibility criteria in each week of unemployment to receive payment for that week. These eligibility criteria are verified through a process known as certification, which claimants complete bi-weekly in California.<sup>10</sup> We call individuals

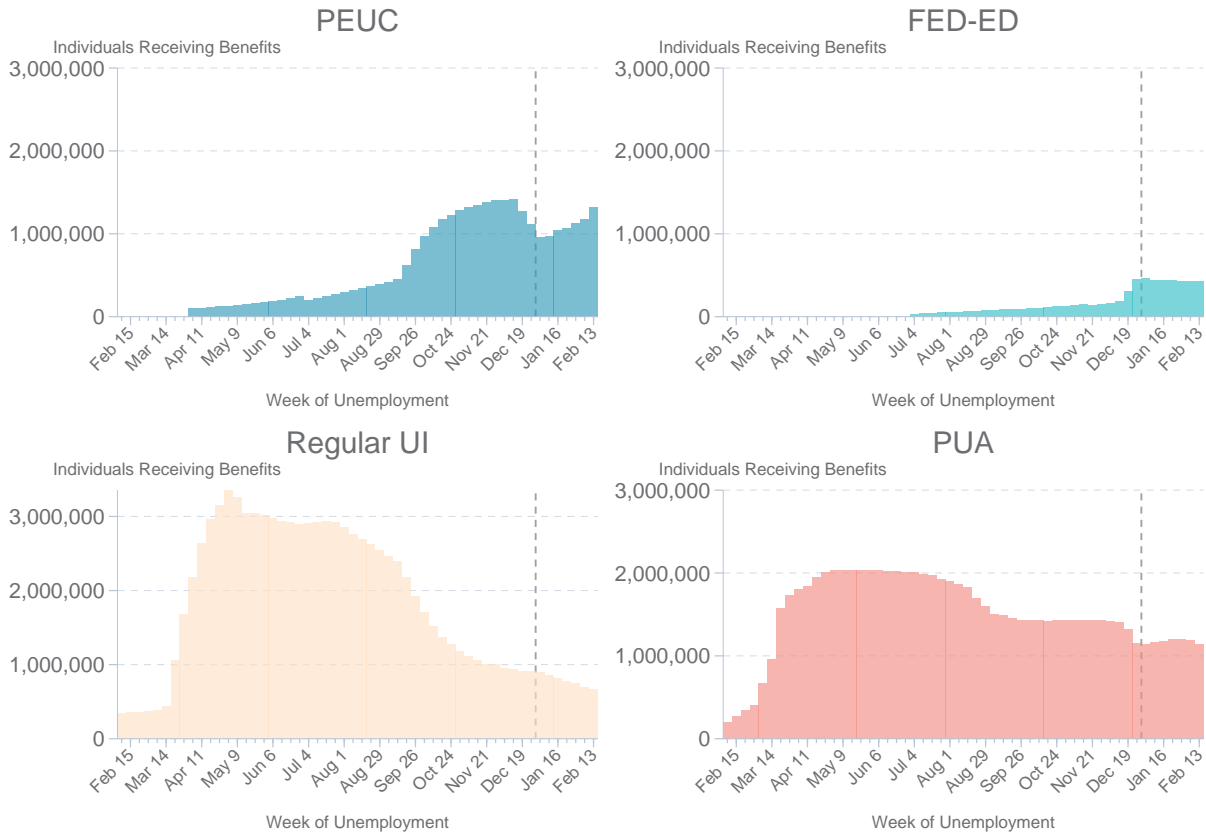
that complete certification and are either paid UI benefits for a given week, or who could have received benefits if not for excess earnings in that week, “potentially eligible claimants.” Two key characteristics of this measure are worth noting. First, at the time of certification these weeks are in the past. This means that measures of UI receipt which count certifications in each week (i.e., “continued claims”) reflect unemployment experienced for various time periods that are at least 1-2 weeks prior to those certifications. It is not possible to accurately deduce from counts of certifications processed in a given week (the more commonly reported measure) when that unemployment was experienced.<sup>11</sup> 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 8 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.

FIGURE 9: All Claims Stacked: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefits by Week of Certification, and Total Number Payments Certified by Week of Certification, 2/8/2020- 2/13/2021



**FIGURE 10: Number of Individuals Paid Unemployment Insurance Benefits, By Program and Week of Unemployment (Separated)**



The traditional measure of the number of payments certified each week grew gradually during the pandemic until skyrocketing in August. While this traditional measure of payment certifications may seem to indicate that there were millions of new filings in August, our September analysis suggested this was not the case. There was an increase in initial claims in late August, but the spike in payment certifications was driven by the fact that many of the individuals who filed claims during that period (and certified for the first time) had been certifying for multiple weeks of benefits, often all the way back to the early stages of the crisis.

The surge was particularly high among the PUA program; see [Figures A1 and A2](#) of the Appendix, where we reproduce [Figure 8](#) 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*.<sup>12</sup> This measure is shown for all programs combined in [Figure 9](#), and is also broken down by the 4 main programs (Regular UI, PUA, PEUC Extensions, and FED-ED Extensions) in [Figure 10](#). Because we do not observe certifications until they are processed, we present this series with a censoring adjustment based on recent lag patterns ([Figure 8](#) presents it with and without the adjustment).<sup>13</sup> Intuitively, we cannot directly count the number of claimants who were unemployed in recent weeks because many certifications for these weeks have yet to be processed (or potentially even submitted). The censoring adjustment inflates recent weeks’ counts of unemployed claimants by the percent of processed certifications that have typically trickled in at later dates. However, our censoring adjustment does not attempt to adjust for irregular delays in the processing of claims. Leading up to the December 26th expiration of the PUA and PEUC programs, approximately 185,000 claimants exhausted either regular UI or PUA benefits before the two programs were renewed by the Consolidated Appropriations Act, passed on December 27th.<sup>14</sup> EDD has reported that

the programming necessary for these claimants to continue certifying for benefits under the renewed extension programs would not be ready until March 7th, 2021. Our censoring adjustment does not attempt to account for these workers. Thus, when these workers are able to certify for benefits, we expect two things to occur. First, there will be a sudden jump in the number of payments certified, as these 185,000 claimants certify retroactively for 11 or more weeks of benefits, or potentially fewer if some have returned to employment since exhausting benefits. Second, we also expect our series indicating the number of individuals paid benefits by week of unemployment to shift upward by around 185,000 in each week since December 26th.

Figure 9 shows that from December 12th to January 2nd, the total number of workers receiving UI or PUA benefits fell from 3.9 million to 3.4 million – a 500,000 worker decrease. However, this decrease was likely artificial – meaning it is unlikely that 500,000 individuals stopped claiming UI benefits because they found new employment. Rather, the decline appears to have been driven by EDD’s attempts to crack down on fraudulent claims, coupled with the early exhaustees discussed above. Appendix Table A4 outlines a back-of-the envelope calculation which combines the number of claimants EDD has reported to be affected by anti-fraud measures with the observed change in the number of claimants to construct an estimate of the true

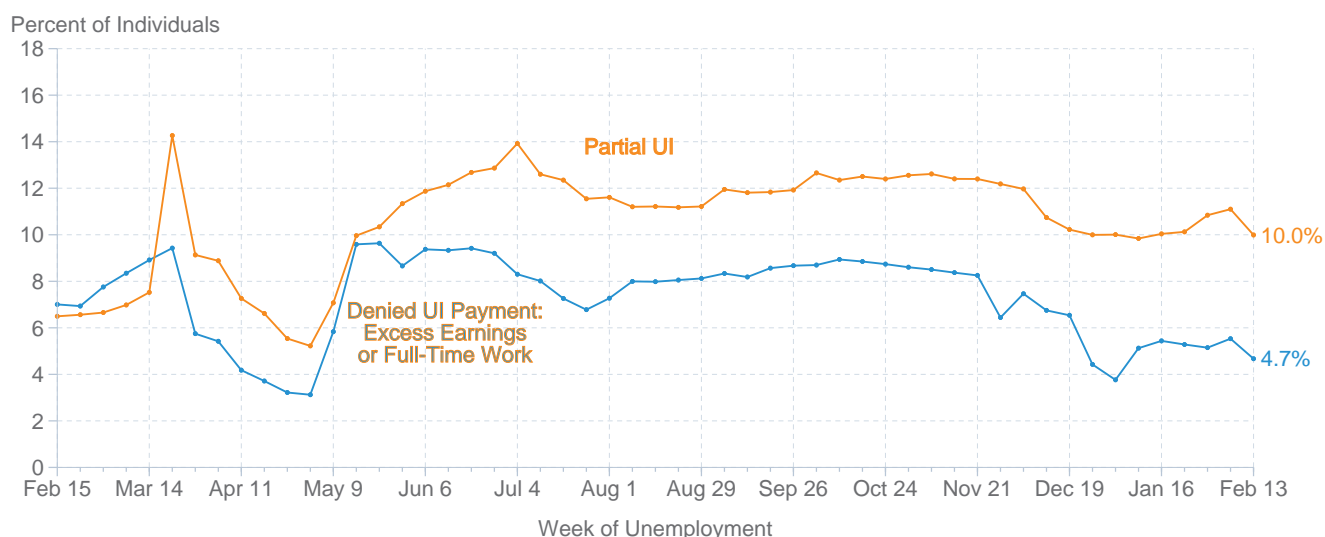
change in the real number of (non-fraudulent) claimants. We estimate that the number of claimants actually increased by about 560,000 at the end of the year.

We expect that the true number of unemployed Californians receiving benefits for unemployment experienced towards the end of 2020 and in early 2021 will become more clear as the dust from EDD’s fraud investigation settles.

Figure 10 also illustrates the flow of individuals between regular UI and the different extension programs available to claimants. In September, the first wave of claimants (those who began filing in March) began transitioning out of Regular UI and into the PEUC program as they exhausted their 26 weeks of benefits. Then in December (13 weeks later), many of these claimants transitioned out of PEUC and into the FED-ED program (which provides 20 additional weeks of benefits when economic conditions are sufficiently dire). Since the new year (after the renewal of PEUC and PUA), more claimants have continued to transition out of the regular UI program and into PEUC. The number of PUA claimants has remained remarkably steady, outside of a drop at the end of December, which is likely due to the administrative reasons discussed above.

For the week ending on February 13th (the last week this can be measured in our data given typical processing lags), we estimate that 2.5 million individuals were potentially eligible

FIGURE 11: Percent of Potentially Eligible Claimants with Payment Denied Due to Excess Earnings, and Percent of Paid Claimants Receiving Partial UI



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 number of paid claims and the number of denied claims because of excess weekly earnings or full time work (see text). Does not include PUA Claims.

TABLE 5: Individuals Potentially Eligible for Regular UI Benefits and Receiving Regular UI Benefits, Total and as Fraction of the Labor Force and the Unemployed, and Share with Reduced UI Benefits, for Unemployment in the Week Ending February 13th.

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
<b>Statewide</b>	2,543,535	2,424,829	10.0	4.7	13.1	127.2
<b>By Gender</b>						
<b>Female</b>	1,301,047	1,238,745	12.1	4.8	14.7	135.2
<b>Male</b>	1,239,836	1,183,578	7.8	4.5	11.7	119.9
<b>By Age Group</b>						
<b>16–19</b>	40,922	42,185	9.0	6.4	7.7	34.0
<b>20–24</b>	350,195	336,247	10.0	4.0	20.1	142.3
<b>25–34</b>	744,549	714,439	9.7	4.0	15.6	136.4
<b>35–44</b>	498,704	474,839	9.8	4.8	11.6	139.8
<b>45–54</b>	404,969	381,576	10.9	5.8	10.4	124.5
<b>55–64</b>	354,189	334,986	10.4	5.4	11.7	129.6
<b>65–85</b>	143,116	137,817	8.8	3.7	12.4	118.6
<b>By Race and Ethnicity</b>						
<b>White</b>	722,986	683,484	10.5	5.5	9.6	108.4
<b>Hispanic</b>	912,463	868,571	10.0	4.8	12.5	88.6
<b>Asian</b>	351,427	334,700	14.4	4.8	11.6	182.0
<b>Black</b>	220,832	215,065	6.7	2.6	21.3	246.0
<b>By Education</b>						
<b>High School Degree or Less</b>	1,420,543	1,359,805	9.5	4.3	21.6	152.2
<b>Associate's Deg., Some College</b>	699,789	667,540	10.6	4.6	13.8	141.5
<b>Bachelor's Degree or More</b>	358,897	336,806	10.5	6.2	4.6	62.0

Notes: Numbers are adjusted for delays in processing and expected retroactive claims which have not yet been processed. "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table does not include PUA claimants.



TABLE 6: Individuals Potentially Eligible for Regular UI Benefits and Receiving Regular UI Benefits, Total and as Fraction of the Labor Force and the Unemployed, and Share with Reduced UI Benefits, for Unemployment in the Week Ending Feb. 13th

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
<b>Accommodation and Food Services</b>	458,284	436,354	16.1	4.8	26.6	19.3
<b>Retail Trade</b>	270,568	259,584	11.1	4.1	16.4	11.5
<b>Health Care and Social Assistance</b>	245,529	234,581	12.0	4.5	10.0	10.4
<b>Admin. Support, Waste Man. (a)</b>	227,789	220,399	5.1	3.2	19.9	9.7
<b>Manufacturing</b>	130,260	124,728	6.8	4.3	9.9	5.5
<b>Construction</b>	126,448	117,199	3.3	7.3	14.1	5.2
<b>Other Services</b>	119,007	112,875	14.5	5.2	20.5	5.0
<b>Prof., Scientific, Techn. Services (a)</b>	116,864	110,957	7.2	5.1	8.6	4.9
<b>Arts, Entertainment, Recreation</b>	112,469	106,845	10.6	5.0	33.8	4.7
<b>Transportation, Warehousing and Utilities</b>	110,456	110,887	8.6	4.0	15.4	4.9
<b>Education Services</b>	103,161	95,972	13.3	7.0	26.2	4.2
<b>Agriculture, Forestry, Fishing (a)</b>	86,239	85,109	1.2	1.3	20.0	3.8
<b>Wholesale Trade</b>	77,327	74,749	7.2	3.3	11.2	3.3
<b>Information</b>	71,414	64,138	6.6	10.2	12.2	2.8
<b>Real Estate and Leasing</b>	42,349	40,764	8.0	3.7	13.9	1.8
<b>Finance and Insurance</b>	36,032	35,127	6.4	2.5	6.6	1.6
<b>Public Administration</b>	18,427	20,162	11.7	5.3	0.7	0.9
<b>Management</b>	9,644	10,982	7.4	4.3	3.8	0.5
<b>Mining, Oil and Gas</b>	813	2,356	4.7	19.4	3.6	0.1

Notes: Numbers are adjusted for delays in processing and expected retroactive claims which have not yet been processed. This table does not include claims for Pandemic Unemployment Assistance (PUA). "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work.

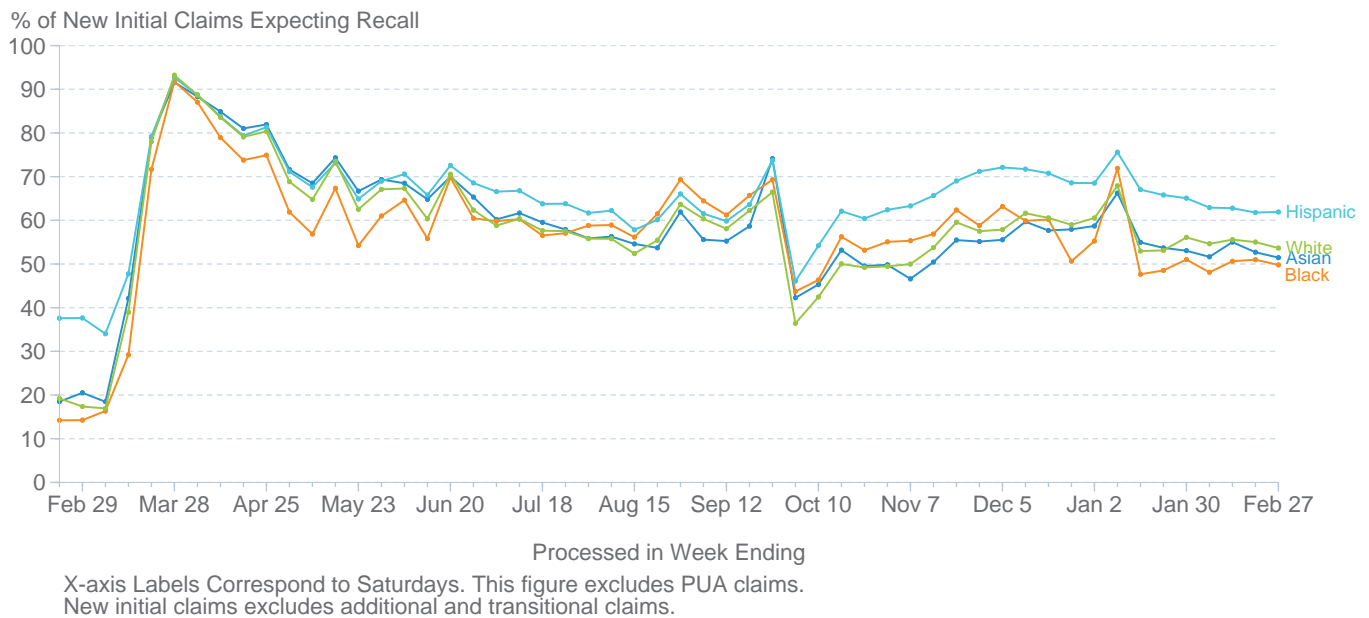
(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

TABLE 7: Different Measures of the Fraction of the Labor Force Potentially Eligible For UI Benefits, Receiving UI Benefits, and Regular UI Claimants Receiving Full WBA for the Week Ending Feb 13th

GROUP	FEBRUARY 2020 LABOR FORCE			DECEMBER 2020 LABOR FORCE		
	INDIVIDUALS POTENTIALLY ELIGIBLE AS A % OF LABOR FORCE	INDIVIDUALS PAID AS A % OF LABOR FORCE	INDIVIDUALS PAID FULL WBA AS A % OF LABOR FORCE	INDIVIDUALS POTENTIALLY ELIGIBLE AS A % OF LABOR FORCE	INDIVIDUALS PAID AS A % OF LABOR FORCE	INDIVIDUALS PAID FULL WBA AS A % OF LABOR FORCE
<b>Statewide</b>	13.1	12.5	11.2	13.6	12.9	11.6
<b>By Gender</b>						
<b>Female</b>	14.7	14.0	12.3	15.3	14.5	12.8
<b>Male</b>	11.7	11.2	10.3	12.1	11.6	10.7
<b>By Age Group</b>						
<b>16–19</b>	7.7	7.9	7.2	7.8	8.0	7.3
<b>20–24</b>	20.1	19.3	17.4	22.0	21.1	19.0
<b>25–34</b>	15.6	14.9	13.5	16.1	15.5	14.0
<b>35–44</b>	11.6	11.0	10.0	12.1	11.6	10.4
<b>45–54</b>	10.4	9.8	8.7	10.7	10.1	9.0
<b>55–64</b>	11.7	11.1	9.9	11.9	11.2	10.1
<b>65–85</b>	12.4	12.0	10.9	12.7	12.2	11.2
<b>By Race and Ethnicity</b>						
<b>White</b>	9.6	9.1	8.1	9.9	9.3	8.3
<b>Hispanic</b>	12.5	11.9	10.7	12.9	12.3	11.1
<b>Asian</b>	11.6	11.0	9.4	12.4	11.8	10.1
<b>Black</b>	21.3	20.7	19.3	21.8	21.2	19.8
<b>By Education</b>						
<b>High School Degree or Less</b>	21.6	20.7	18.7	23.2	22.2	20.1
<b>Associate’s Deg., Some College</b>	13.8	13.2	11.8	14.2	13.6	12.1
<b>Bachelor’s Degree or More</b>	4.6	4.3	3.9	4.6	4.4	3.9

Notes: Numbers are adjusted for delays in processing and expected retroactive claims which have not yet been processed. "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table does not include PUA claimants.

FIGURE 12: Percent of New Initial Claimants for Regular UI Reporting They Expect to be Recalled to Prior Job, 2/22/2020 - 2/27/2021



to receive regular UI benefits (Table 5) This number will likely increase as individuals who exhausted benefits in December become able to begin certifying for benefits, and as claimants with frozen claims continue to verify their identities. Including both regular UI and PUA, we estimate 3.5 million claimants were paid benefits for the week ending February 13th (Table A2, in the Appendix). Both 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.

### Partial UI & Denials

In the past, changes in the rate at which UI beneficiaries have reported some earnings have been predictive of changes in economic conditions. Workers receiving UI benefits are allowed to also earn partial wages up to a threshold before becoming ineligible for UI in that week. For claimants whose Weekly Benefit Amount (WBA) is below the maximum of \$450, the threshold is typically two-thirds of prior average weekly earnings.<sup>15</sup> If earnings are above that threshold, UI benefits are denied for that week – but if earnings fall the week after, claimants can collect benefits again.

If reported earnings are below that threshold but above zero, an individual receives a reduced UI payment for that week. This system is often referred to as “partial UI.”<sup>16</sup> Since partial

UI benefits are determined at the payment level, a partial UI claimant may later receive higher UI payments (up to their full WBA) if their earnings decrease in subsequent weeks. Similarly, a claimant whose payment is denied in a given week due to excessive earnings can later receive partial UI or full benefits if their earnings decrease in subsequent weeks.

Throughout the fall and into the winter of 2020, about 12% of regular UI claimants were receiving partial UI. In February, the share fell down to 10%. (Table 5 and Figure 11)

Similarly, the share of UI claimants who certified for benefits but were denied payment due to excess earnings or full time work remained steady through October, but has trended downwards since mid-November. We warn that interpreting trends in the share of claims which are partial or denied should be done cautiously. It’s possible that workers receiving partial UI or Denied Payment in one week are especially likely to return to work full-time in the next, (and cease certifying altogether), then a downward trend in these measures could actually be a sign of an *improving* labor market

Despite the recent declines, the overall prevalence during the pandemic of denials due to excess earnings and partial UI suggests that a potentially large number of workers with some employment are still attached to the UI system. This has two important implications. First, some of these workers would benefit from either increases in the earnings disregard for

TABLE 8: 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 (FEB 14TH-FEB 27TH)	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	LAST 2 WEEKS (FEB 14TH-FEB 27TH)
<b>Statewide</b>	27.0	75.8	56.8	350	319	332
<b>By Gender</b>						
<b>Female</b>	23.9	76.5	56.1	317	297	303
<b>Male</b>	29.6	75.0	57.4	374	343	361
<b>By Age Group</b>						
<b>16–19</b>	30.5	73.7	53.2	184	143	154
<b>20–24</b>	27.3	73.1	51.6	269	229	232
<b>25–34</b>	24.2	75.0	52.6	342	327	332
<b>35–44</b>	23.6	76.2	56.3	369	356	366
<b>45–54</b>	28.5	77.5	59.8	373	356	365
<b>55–64</b>	31.5	77.8	62.3	369	353	360
<b>65–85</b>	38.2	78.0	66.3	332	317	321
<b>By Education Group</b>						
<b>High School Degree or Less</b>	36.5	81.6	62.5	327	309	325
<b>Associate’s Deg., Some College</b>	19.7	70.3	51.6	353	312	324
<b>Bachelor’s Degree or More</b>	13.2	65.3	49.9	399	359	367
<b>By Race and Ethnicity</b>						
<b>White</b>	18.3	75.4	54.4	376	333	348
<b>Hispanic</b>	38.7	76.9	61.9	331	310	323
<b>Asian</b>	19.0	77.3	52.0	370	320	333
<b>Black</b>	15.0	68.9	50.4	310	291	315

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

TABLE 9: Percent of Initial UI Claimants Expecting Recall and the Median Weekly Benefit Amount at Various Stages of the COVID-19 Crisis in California

MAJOR INDUSTRY (2 DIGIT NAICS)	PERCENT EXPECTING RECALL			MEDIAN WEEKLY BENEFIT AMOUNT (\$)		
	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	2 WEEKS (FEB 14TH- FEB 27TH)	FEBRUARY 2020 AVERAGE	SINCE MARCH 15TH, 2020	2 WEEKS (FEB 14TH- FEB 27TH)
<b>Accommodation and Food Services</b>	19.7	80.2	53.6	288	282	291
<b>Retail Trade</b>	12.6	74.8	50.5	287	268	263
<b>Health Care and Social Assistance</b>	13.9	73.6	46.8	319	329	323
<b>Admin. Support, Waste Man. (a)</b>	23.6	68.1	53.5	309	303	318
<b>Manufacturing</b>	25.5	73.9	53.8	377	382	384
<b>Education Services</b>	44.8	76.8	63.0	416	403	419
<b>Construction</b>	15.1	74.0	49.6	339	282	302
<b>Prof., Scientific, Techn. Services (a)</b>	12.8	66.3	41.4	396	370	379
<b>Other Services</b>	13.7	79.4	49.9	323	280	292
<b>Arts, Entertainment, Recreation</b>	23.6	84.0	60.6	319	300	316
<b>Transportation, Warehousing and Utilities</b>	27.8	70.0	51.9	347	348	351
<b>Wholesale Trade</b>	13.3	71.6	46.3	378	371	373
<b>Information</b>	26.1	73.2	44.9	415	383	412
<b>Real Estate and Leasing</b>	80.8	83.9	87.4	286	297	297
<b>Agriculture, Forestry, Fishing (a)</b>	10.5	70.8	43.6	370	353	352
<b>Finance and Insurance</b>	6.0	56.9	33.3	396	359	366
<b>Public Administration</b>	24.4	71.2	47.6	348	274	286
<b>Management</b>	2.7	66.6	44.4	405	389	399

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

partial UI benefits, as discussed in our earlier [Policy Analysis](#), or from wider use of the Work Sharing program (discussed more thoroughly in our [June Report](#)). A California bill ([AB 1731](#)) was recently enacted to streamline the process for employers to apply for California's Work Sharing program. Second, some of these workers receiving partial UI benefits may report that they are employed in survey data. Thus, when comparing the number of UI recipients to measures of Unemployment (such as the CPS), one should account for these part-time workers who are technically "employed" but are eligible for UI – as is done in our recent [Reciprocity Rate Analysis](#). To better understand how partial UI and denials due to excess earnings have been influenced by the pandemic (and policy responses to it), [Figure A3](#), in the Appendix, plots these measures by industry. The Accommodation and Food Services Sector has seen consistently high rates of partial UI during the pandemic, though all major industries have exhibited downward trends in recent weeks. As COVID-19 cases surge and re-opening efforts are scaled back, these high levels of partial UI in service-focused industries suggest employers may be reducing hours rather than laying off workers in order to accommodate the uncertainty.

## 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 both claimants from each program. 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 February 13th (the latest available) is substantially higher for groups that have been most affected by the crisis.

For example, the fraction of the pre-crisis labor force potentially eligible for any type of UI benefits in the week of February 13th was above 24% for workers aged 20-24, and over 31% for Black workers. In contrast, among workers with a Bachelor's or more, less than 5% of the pre-crisis labor force was potentially eligible to receive benefits.

[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 February 13th) receiving benefits are Arts, Entertainment, and Recreation (33.8% of the labor

force), Education Services (26.2% of the labor force) and Accommodation and Food Services (26.6% of the labor force). The Accommodation and Food Services industry accounted for nearly one of every five continuing claims paid to regular UI claimants in February.

## Recall and Exits by Program

### Recall

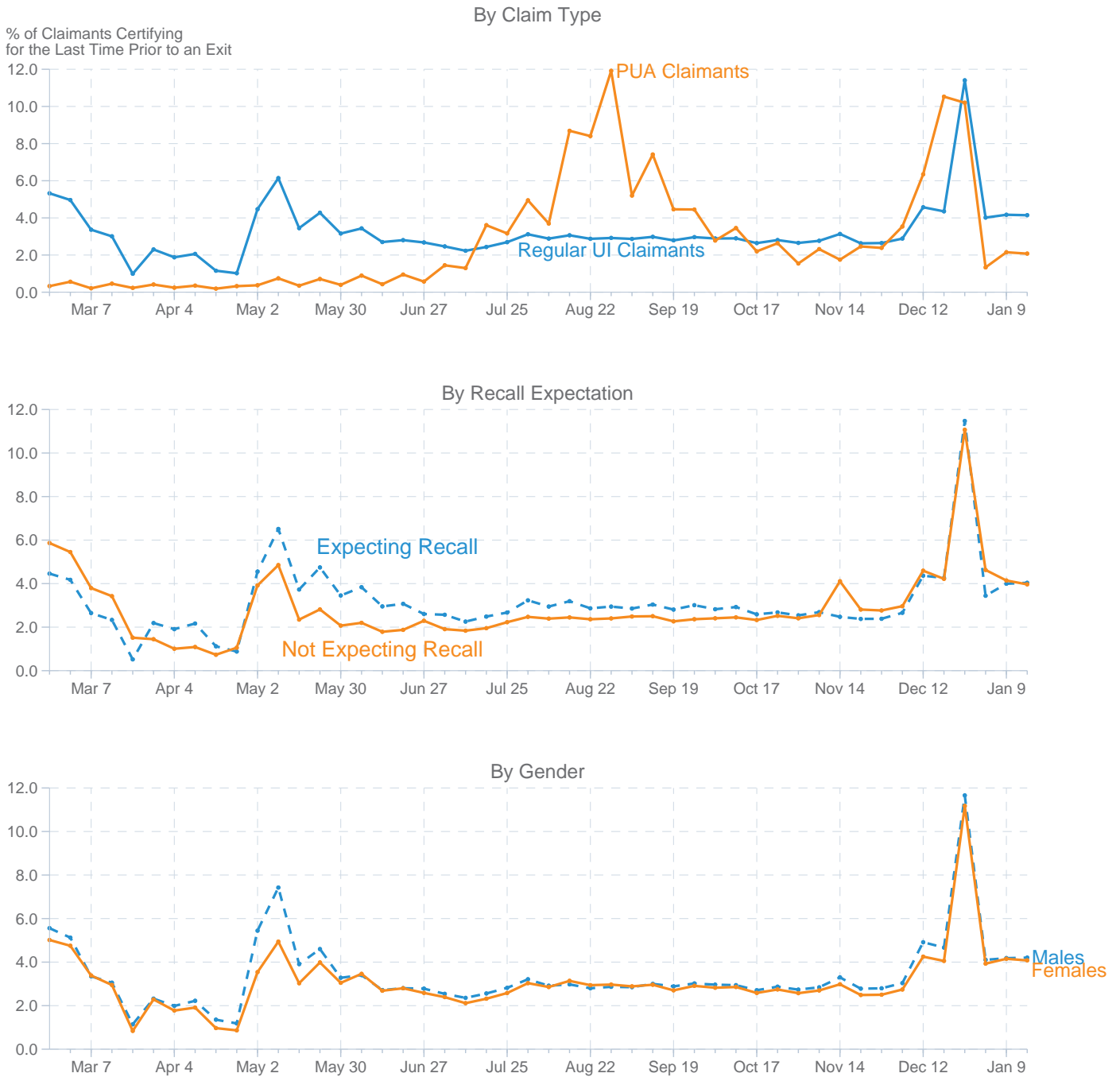
Upon filing an initial UI claim, individuals are asked to report whether they expect to return to their prior job, i.e., to be "recalled." 57% of all new initial UI claimants during the most recent two weeks reported that they expect to be recalled. This number peaked at about 90% at the onset of the crisis, and steadily declined over the next few months. Recall expectations remained steady throughout the fall and into winter, but have declined in the new year, and are now consistently below 60% ([Figure 12](#)). Still, 57% is substantially higher than the 27% average seen during February. Claimants' high hopes for recall suggest many claimants believe they will be able to return to their old jobs once the public health situation allows for it. Furthermore, the fraction of workers expecting to be recalled was still substantially above the pre-crisis average even when looking within various demographic groups filing an initial claim ([Table 8](#)).<sup>17</sup>

Although recall information is self-reported by the claimant and may change in the course of the unemployment spell, this does suggest some reason for optimism about the economic effects of the COVID-19 crisis. While still costly both for the workers themselves and for the economy as a whole, temporary job separations in which the worker eventually returns to the same employer are likely to be much less costly than permanent separations.

### Exits

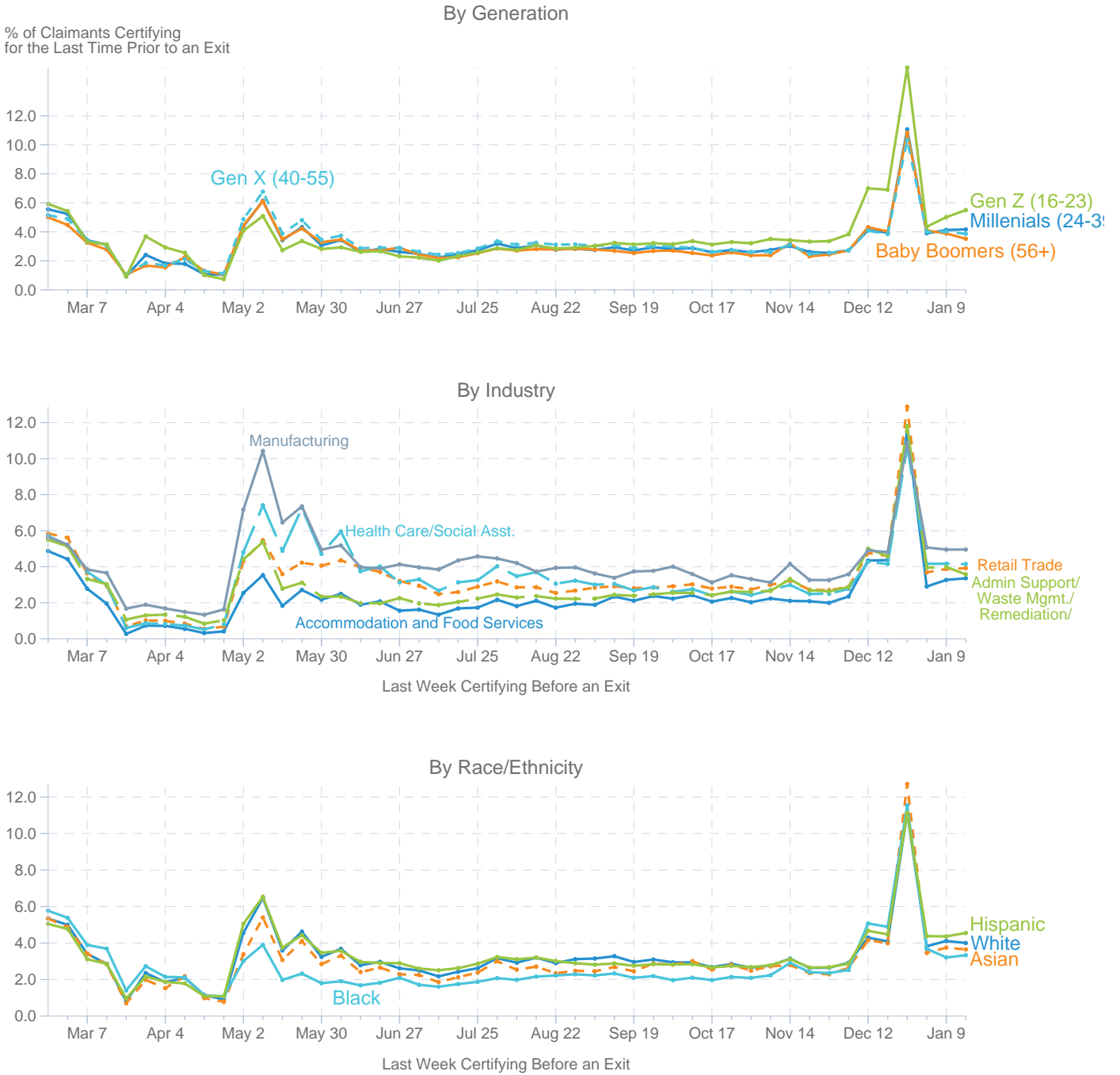
Part of the reason the total number of claimants is declining while the flow of new initial claimants remains steady is that each week, a small share of claimants stops certifying for benefits. We refer to this flow of individuals out of UI as "exits." We consider an individual to have exited from the UI system in the last week for which they certified for unemployment benefits. (Because California requires claimants to certify 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

**FIGURE 13: Percent of Claimants Potentially Eligible for UI Benefits For Unemployment Experienced in That Week Who Are Certifying for the Last Time Prior to an Exit**



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.

**FIGURE 14: Percent of Claimants Potentially Eligible for UI Benefits For Unemployment Experienced in That Week Who Are Certifying for the Last Time Prior to an Exit**



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



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.

Immediately apparent in [Figures 13](#) and [14](#) is the December spike in exit rates. This is likely a result of three separate factors: EDD's attempts to eliminate fraudulent claims, genuine exits into employment, and a group of claimants who exhausted their benefits prior to December 26th, and have been unable to continue certifying (after the PEUC and PUA programs were renewed) until at least March 7th. [Appendix Table A4](#) illustrates how these factors may have contributed to a substantial rise in exits.

Exit rates among various sub-groups (excluding PUA claimants) are shown in the panels of [Figures 13](#) and [14](#). 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, the composition of claimants who originally indicated they expected to be recalled gradually shifted toward claimants not expecting recall (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. As the racially disparate impacts of the pandemic surface, these lower exit rates among Black workers could be a sign of employers being less likely to recall Black workers they had previously laid off ([Table 8](#) reports differences in recall expectations by race 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.<sup>18</sup>

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

## Analysis of Long-Term Unemployment Patterns

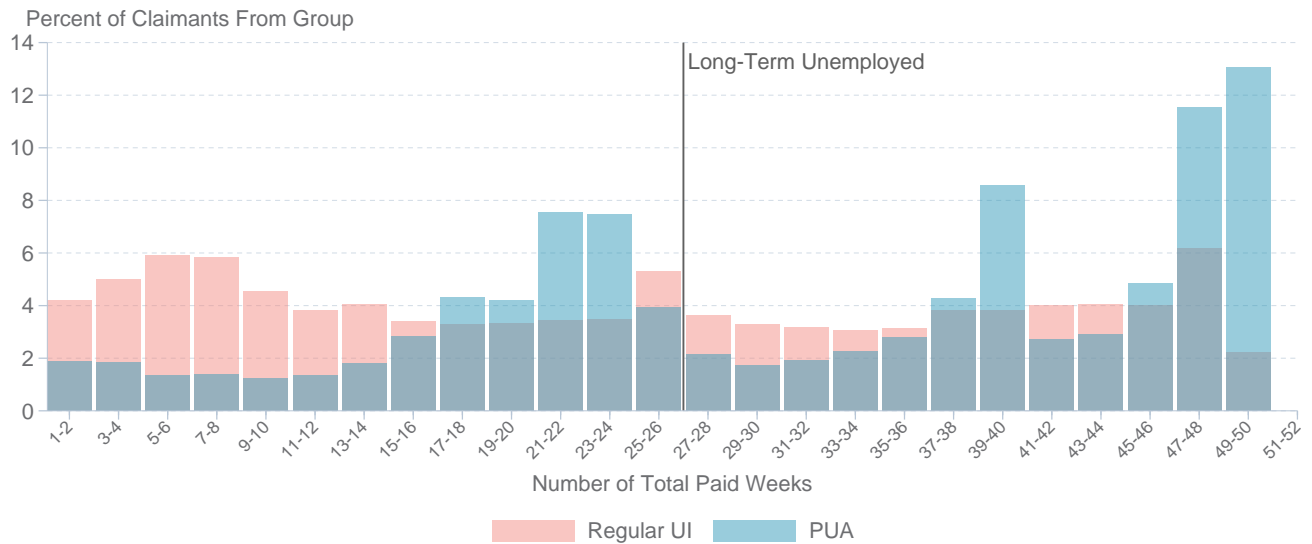
After a claimant receiving regular UI benefits has exhausted the benefits available to them (26 weeks for most claimants, but sometimes less), they are automatically transitioned by EDD into an extension program. First, claimants transition into the PEUC program, and after those benefits have been exhausted, eligible claimants transition to the FED-ED program, which currently provides an additional 20 weeks of benefits. (The monetary eligibility requirements for receiving FED-ED benefits are more stringent than those associated with the PEUC program.)

Research shows that workers who experience extended periods of unemployment tend to have difficulty re-entering the labor market. For instance, job applicants with histories of long-term unemployment experience lower call-back rates than otherwise similar applicants (Farber et al., 2019). This can contribute to longer unemployment spells and lower earnings even after re-employment, as illustrated by another paper which finds that each additional month of non-employment leads to a wage reduction of 0.8 percent (Schmieder et al.<sup>19</sup>). Other research shows that for workers whose unemployment lasts long enough to exhaust UI benefits, five months *after* they've exhausted, their incomes were still 15% below their pre-job-separation levels. (Rothstein and Valetta, 2018)<sup>20</sup> Other studies point to adverse financial, health, and social outcomes associated with extended unemployment durations.<sup>21</sup> Understanding the scale and incidence of long-term unemployment in the wake of the COVID-19 crisis will be critical for policymakers hoping to mitigate the damage caused by the ongoing recession.

The BLS defines "Long-term unemployment" as those who remain jobless for 27 weeks or more. We diverge slightly from this definition by instead counting how many weeks of UI (or PUA) benefits an individual has received since the start of the pandemic (between March 15, 2020, and February 13, 2021), and classify a claimant as "long-term unemployed" if he or she has received 27 or more payments.

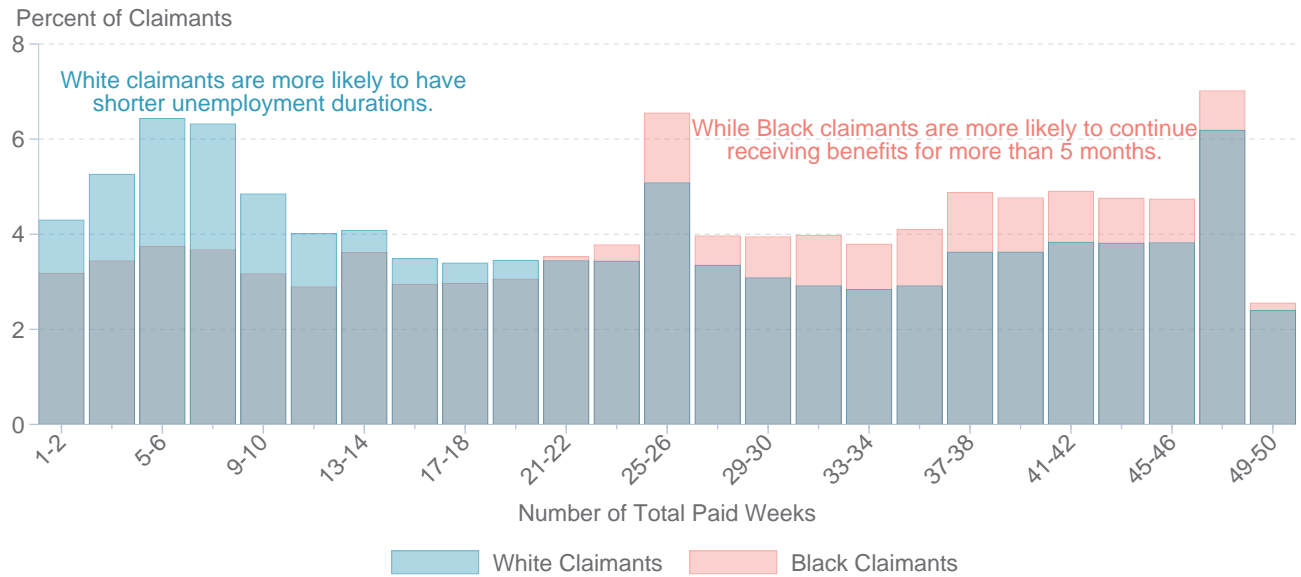
In the last 49 weeks, 7.6 million unique individuals received at least one payment for unemployment insurance. We split these unemployed workers into two groups, those who originally received regular UI benefits (5.3 million), and those who received benefits through the PUA program (2.3 million) ([Table 11](#)). [Figure 15](#) shows the distribution of the number of payments each claimant has received for either Regular

**FIGURE 15: Distribution of the Number of Weeks Of Payments Received By Workers Participating in Either the UI or PUA Program**



Sample limited to all claimants who certified for at least 1 payment after March 15th, 2020. Includes both ongoing claims and claimants who have exited or exhausted.

**FIGURE 16: Distribution of the Number of Weeks Of Regular UI Payments Received During the COVID-19 Crisis, By Race**



Sample limited to all claimants who certified for at least 1 payment after March 15th, 2020. Includes both ongoing claims and claimants who have exited or exhausted.

TABLE 10: Long-Term Benefit Claiming During the COVID-19 Pandemic, By Demographic Group

GROUP	REGULAR UI			PANDEMIC UNEMPLOYMENT ASSISTANCE (PUA)		
	NUMBER OF LONG-TERM CLAIMANTS (27+ WEEKS)	GROUP'S SHARE OF LONG-TERM CLAIMANTS	% OF RECIPIENTS CLAIMING > 26 WEEKS OF BENEFITS	NUMBER OF LONG-TERM CLAIMANTS (27+ WEEKS)	GROUP'S SHARE OF LONG-TERM CLAIMANTS	% OF RECIPIENTS CLAIMING > 26 WEEKS OF BENEFITS)
<b>Statewide</b>	2,372,211	-	44.4	1,395,687	-	58.8
<b>By Gender</b>						
<b>Female</b>	1,207,917	52.5	45.2	696,187	47.5	61.3
<b>Male</b>	1,091,384	47.5	42.4	769,151	52.5	58.5
<b>By Generation</b>						
<b>Gen Z (16-23)</b>	314,851	13.7	39.4	134,099	9.3	57.3
<b>Millennials (24-38)</b>	983,419	42.9	44.5	506,988	35.3	60.5
<b>Gen X (40-55)</b>	575,765	25.1	42.6	456,187	31.8	60.0
<b>Baby Boomers (56+)</b>	419,194	18.3	47.3	338,363	23.6	59.5
<b>By Race/Ethnicity</b>						
<b>White</b>	689,327	30.2	42.4	442,015	30.3	51.6
<b>Hispanic</b>	823,560	36.0	41.3	232,217	15.9	72.2
<b>Asian</b>	358,703	15.7	46.8	164,804	11.3	74.8
<b>Black</b>	196,862	8.6	53.4	166,478	11.4	48.2
<b>Unknown</b>	216,900	9.5	46.4	451,550	31.0	65.0
<b>By Education Group</b>						
<b>HS or Less</b>	1,240,886	57.1	46.1			
<b>Some College</b>	605,672	27.9	43.3			
<b>Bachelor's or More</b>	326,856	15.0	38.2			

Notes: PUA claimants do not report information on educational attainment. Some individuals identified themselves as Native American or Alaskan - they are not included in the "Unknown" group in the Race/Ethnicity section.

TABLE 11: Long-Term Benefit Claiming During the COVID-19 Pandemic, By Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	REGULAR UI ONLY		
	NUMBER OF LONG-TERM CLAIMANTS (27+ WEEKS)	GROUP'S SHARE OF LONG-TERM CLAIMANTS	% OF RECIPIENTS FROM GROUP CLAIMING > 26 WEEKS OF BENEFITS
<b>Accommodation &amp; Food Services</b>	458,020	21.3	56.9
<b>Arts, Entertainment, Recreation</b>	119,505	5.6	56.9
<b>Other Services</b>	121,330	5.6	54.3
<b>Admin. Support, Waste Man. (a)</b>	189,848	8.8	47.5
<b>Transp and Warehousing</b>	93,990	4.4	47.0
<b>Information</b>	69,290	3.2	46.5
<b>Real Estate and Leasing</b>	39,107	1.8	46.4
<b>Finance and Insurance</b>	29,732	1.4	43.3
<b>Public Admin</b>	19,241	0.9	42.7
<b>Prof., Scientific, Techn. Services (a)</b>	107,661	5.0	40.8
<b>Retail Trade</b>	250,704	11.7	39.6
<b>Education Services</b>	97,902	4.6	39.2
<b>Wholesale Trade</b>	70,241	3.3	38.9
<b>Management</b>	10,457	0.5	38.4
<b>Mining, Oil and Gas</b>	2,229	0.1	38.1
<b>Agriculture, Forestry, Fishing (a)</b>	57,959	2.7	36.9
<b>Health Care and Social Assistance</b>	210,930	9.8	35.9
<b>Utilities</b>	1,462	0.1	35.2
<b>Manufacturing</b>	109,815	5.1	32.3
<b>Construction</b>	91,320	4.2	30.5

Notes : Does not include PUA claimants.

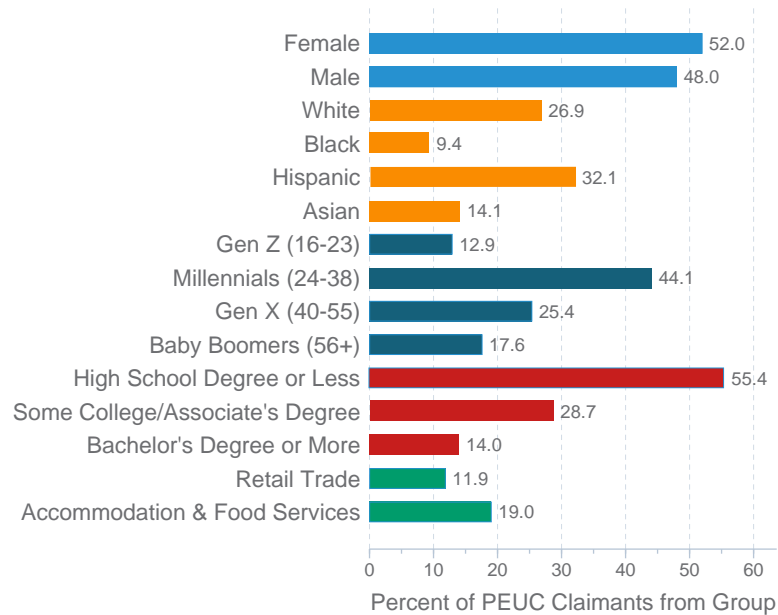
(a) Full Names of Sectors: Administrative Support, Waste Management, and Remediation. Agriculture, Forestry, Fishing, and Hunting. Professional, Scientific, and Technical Services.

TABLE 12: Characteristics of Claimants Receiving UI Benefits Under the Pandemic Emergency Unemployment Compensation Program (PEUC) and Extended Benefits (FED-ED)

GROUP	PEUC		FED-ED	
	TOTAL NUMBER OF RECIPIENTS	% OF ALL PEUC RECIPIENTS	TOTAL NUMBER OF RECIPIENTS	% OF ALL FED-ED RECIPIENTS
<b>Statewide</b>	1,320,245	-	433,519	-
<b>By Gender</b>				
<b>Female</b>	686,251	52.0	221,053	51.0
<b>Male</b>	633,402	48.0	212,229	49.0
<b>By Generation</b>				
<b>Gen Z (16-23)</b>	170,684	12.9	41,975	9.7
<b>Millennials (24-38)</b>	581,666	44.1	189,076	43.6
<b>Gen X (40-55)</b>	334,965	25.4	114,717	26.5
<b>Baby Boomers (56+)</b>	232,355	17.6	87,533	20.2
<b>By Race/Ethnicity</b>				
<b>White</b>	354,727	26.9	138,024	31.8
<b>Hispanic</b>	423,961	32.1	152,019	35.1
<b>Asian</b>	186,612	14.1	65,959	15.2
<b>Black</b>	123,609	9.4	38,332	8.8
<b>Unknown</b>	222,500	16.9	36,030	8.3
<b>By Education</b>				
<b>HS or Less</b>	731,985	55.4	280,248	64.6
<b>Some College</b>	379,289	28.7	100,422	23.2
<b>Bachelor's or More</b>	184,728	14.0	49,007	11.3

Notes: Some individuals identified themselves as Native American or Alaskan - they are not included in the "Unknown" group in the Race/Ethnicity section, but are included in the denominator to calculate the percent of claimants from each group. The number of claimants in each program has been adjusted to account for regular delays in claim processing.

**FIGURE 17: Characteristics of Claimants Receiving UI Benefits Under the Pandemic Emergency Unemployment Compensation Program (PEUC)**



UI or PUA since the start of the crisis. The distribution of durations for regular UI claimants is much flatter than that of PUA claimants, who are much more likely to have claimed the maximum number of payments.

There are 2.3 million regular UI claimants (44%) who are “long-term unemployed,” meaning they have received more than 26 separate benefit payments in the past roughly year-long period. Among PUA claimants, 1.4 million (58%) are long-term unemployed. Nearly 25% of PUA claimants (583,000) have been collecting benefits for over 46 weeks.

**Figure 16** illustrates how the distribution of benefit claiming differs for White and Black claimants. Black claimants are much more likely to have a longer duration of unemployment, with 53% of claimants experiencing long-term unemployment, compared to just 42% of White claimants.

**Appendix Figures A4 - A7** and **Tables 10** and **11** provide more detail on how the distribution of benefit claiming durations varies by racial and ethnic group, generation, gender, education, and industry. (Figures subset to regular UI claimants only)

There are considerable differences in the rates of long-term unemployment by self-reported racial and ethnic groups. 53% of regular UI claimants identifying as Black have been unemployed for more than 26 weeks, compared to 47% of Asian claimants, 42% of White claimants and 41% of Hispanic claimants. There are only small differences between genders, with a slightly larger

share of female claimants receiving 27 or more payments than male claimants (45% vs 42%, respectively).

The differences by generation and education are more substantial. Forty-seven percent of workers from the Baby Boomer generation (56-85 year olds) are long-term unemployed, compared to 39% of Gen Z workers.

Claimants from the Accommodation & Food Services sector were especially likely to see longer-lasting unemployment, with 57% of all claimants receiving benefits for more than 26 weeks. Claimants from industries with less face-to-face exposure, such as manufacturing and construction, tended to see shorter durations, with 32% and 31% of claimants experiencing long-term unemployment, respectively.

### Analysis of Extension Program Beneficiaries

**Table 12** and **Figure 17** shows that in the latest week of data (February 13th), 1.3 million claimants were receiving PEUC benefits, and 433,000 claimants were receiving benefits under the FED-ED extension. Of the claimants receiving benefits under the PEUC program, 52% were female, 44% were Millennials (ages 24-38), 32% were Hispanic (9% were Black, and 27% were White), and over 55% had a high school degree or less. The demographic patterns of claimants receiving benefits under the FED-ED program are qualitatively similar.

## Acknowledgments

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## Background on the data in this report

The size and richness of the administrative data we use allows us to analyze how the crisis in the labor market has affected workers by gender, age, education, race, and ethnic groups, as well as by detailed regions and industries. These analyses complement both traditional survey-based measures of labor market outcomes, which are very detailed but suffer from large lags and low frequency, and weekly publications of total UI claims, which are timely but lack the detail available here. These data allow us to track the fast-moving nature of the crisis and to help inform assistance for workers and firms affected by the upheaval in the labor market.

*For inquiries about the definitions, methodology, and findings of this policy brief, please contact Till von Wachter.  
Email: [twachter@econ.ucla.edu](mailto:twachter@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](mailto:Muhammad.Akhtar@edd.ca.gov).*

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## Supplementary Appendix

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

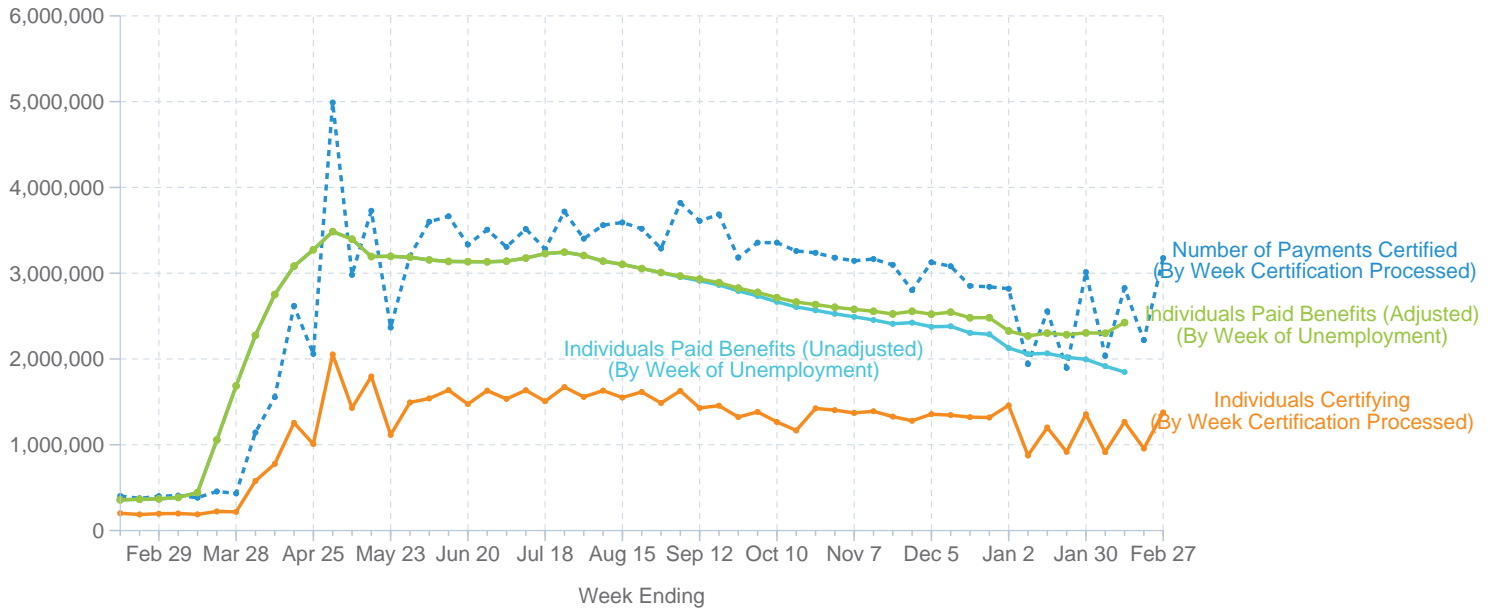
INCOME LIMIT (DEPENDING ON SIZE OF HOUSEHOLD)					
	1 Person	2 People	3 People	4 People	
Above Moderate Income					
Moderate Income:	1,407	1,608	1,809	2,010	
Median Income:	1,173	1,340	1,508	1,675	
Low Income:	942	1,077	1,212	1,346	
Very Low Income	586	670	754	838	

CATEGORIZATION BASED ON TYPE OF CLAIMANTS					
	1 Person	2 People	3 People	4 People	Total UI Income (\$)
Number of claimants and WBA amount	<b>Regular UI Benefits</b>				
1x Average WBA	Very Low Income	Very Low Income	Very Low Income	Very Low Income	332
1x Maximum WBA	Very Low Income	Very Low Income	Very Low Income	Very Low Income	450
2x Median WBA	N/A	Low Income	Very Low Income	Very Low Income	664
2x Maximum WBA	N/A	Low Income	Low Income	Low Income	900
	<b>Including \$300 PAC Supplement</b>				
1x Average WBA	Low Income	Very Low Income	Very Low Income	Very Low Income	632
1x Maximum WBA	Low Income	Low Income	Very Low Income	Very Low Income	750
2x Median WBA	N/A	Median Income	Median Income	Low Income	1,264
2x Maximum WBA	N/A	Median Income	Median Income	Median Income	1,264
	<b>Including \$600 FPUC Supplement</b>				
1x Average WBA	Median Income	Low Income	Low Income	Low Income	932
1x Maximum WBA	Median Income	Low Income	Low Income	Low Income	1,050
2x Median WBA	N/A	Above Moderate Income	Above Moderate Income	Moderate Income	1,864
2x Maximum WBA	N/A	Above Moderate Income	Above Moderate Income	Above Moderate Income	2,100

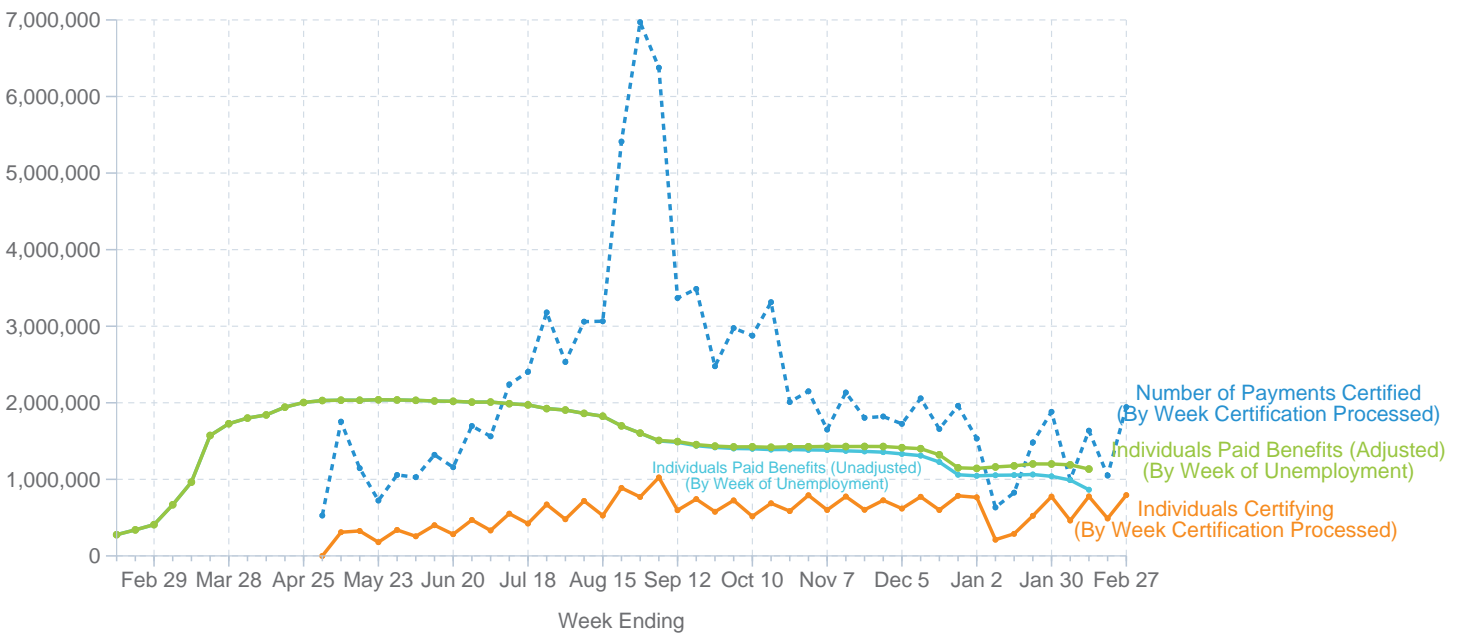


FIGURE A1: Regular UI: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefit by Week of Certification, and Total Number Payments Certified by Week of Certification



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

FIGURE A2: PUA: Total Number of Individuals Paid Benefits by Week of Unemployment, Total Number of Individuals Certifying for Benefits by Week of Certification, and Total Number Payments Certified by Week of Certification



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 February 13th.

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
<b>Statewide</b>	3,695,866	3,559,575	7.6	3.7	19.0
<b>By Gender</b>					
<b>Female</b>	1,861,547	1,788,867	9.4	3.9	21.1
<b>Male</b>	1,830,067	1,766,611	5.8	3.5	17.3
<b>By Age Group</b>					
<b>16–19</b>	72,848	69,834	6.5	4.1	13.7
<b>20–24</b>	432,502	417,752	8.4	3.4	24.8
<b>25–34</b>	995,528	962,359	7.6	3.3	20.8
<b>35–44</b>	757,368	729,858	7.1	3.6	17.6
<b>45–54</b>	637,544	610,122	7.9	4.3	16.3
<b>55–64</b>	552,139	529,009	7.7	4.2	18.3
<b>65–85</b>	242,380	235,181	6.6	3.0	21.0
<b>By Race and Ethnicity</b>					
<b>White</b>	1,083,655	1,037,470	7.6	4.3	14.4
<b>Hispanic</b>	1,112,317	1,066,123	8.5	4.2	15.2
<b>Asian</b>	490,911	471,840	11.7	3.9	16.2
<b>Black</b>	326,571	320,333	4.8	1.9	31.4
<b>By Education</b>					
<b>HS Deg. or Less</b>	1,440,601	1,379,202	9.5	4.3	21.9
<b>Some College/ Associate's</b>	706,776	674,257	10.5	4.6	13.9
<b>Bachelor's or More</b>	362,747	340,507	10.5	6.1	4.7

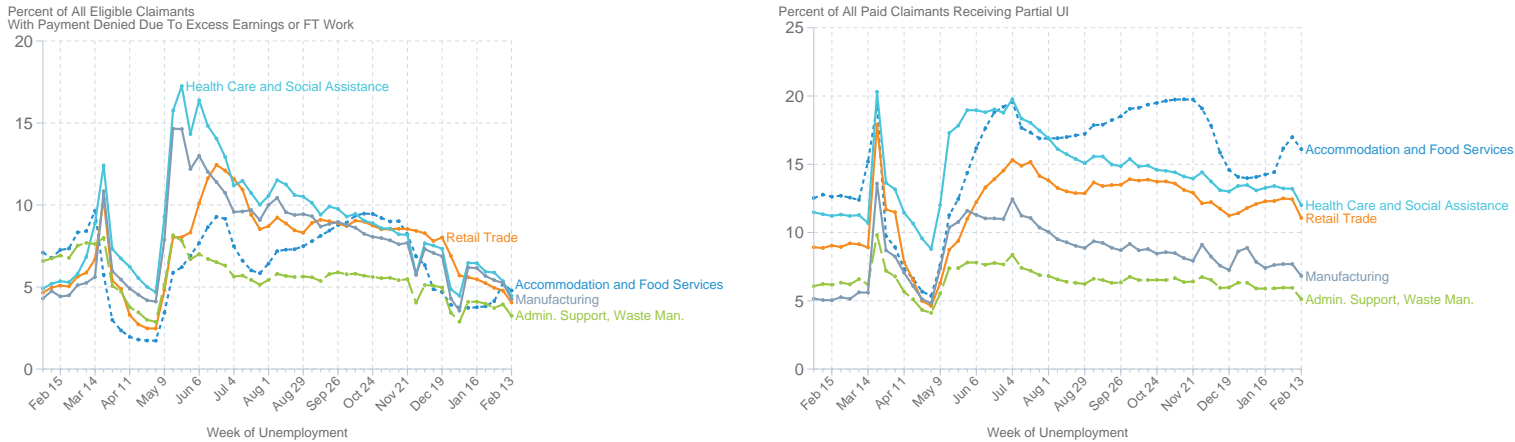
Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table includes both PUA claimants and claimants for regular UI.

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 February 13th.

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
<b>Statewide</b>	1,152,331	1,134,747	2.4	1.5	5.9
<b>By Gender</b>					
<b>Female</b>	560,500	550,122	3.2	1.9	6.4
<b>Male</b>	590,231	583,033	1.7	1.2	5.6
<b>By Age Group</b>					
<b>16–19</b>	27,982	27,649	2.7	1.2	5.3
<b>20–24</b>	82,291	81,491	1.9	1.0	4.7
<b>25–34</b>	250,940	247,912	1.6	1.2	5.2
<b>35–44</b>	258,634	255,007	2.1	1.4	6.0
<b>45–54</b>	232,545	228,541	2.9	1.7	6.0
<b>55–64</b>	197,910	194,012	3.1	2.0	6.6
<b>65–85</b>	99,252	97,352	3.5	1.9	8.6
<b>By Race and Ethnicity</b>					
<b>White</b>	360,669	353,986	2.0	1.9	4.8
<b>Hispanic</b>	199,853	197,552	1.8	1.2	2.7
<b>Asian</b>	139,483	137,140	5.0	1.7	4.6
<b>Black</b>	105,739	105,268	0.8	0.4	10.2
<b>By Education</b>					
<b>HS Deg. or Less</b>	20,023	19,388	5.4	3.2	0.3
<b>Some College/ Associate's</b>	5,670	6,713	5.7	3.6	0.1
<b>Bachelor's or More</b>	2,914	3,688	5.2	3.6	0.0

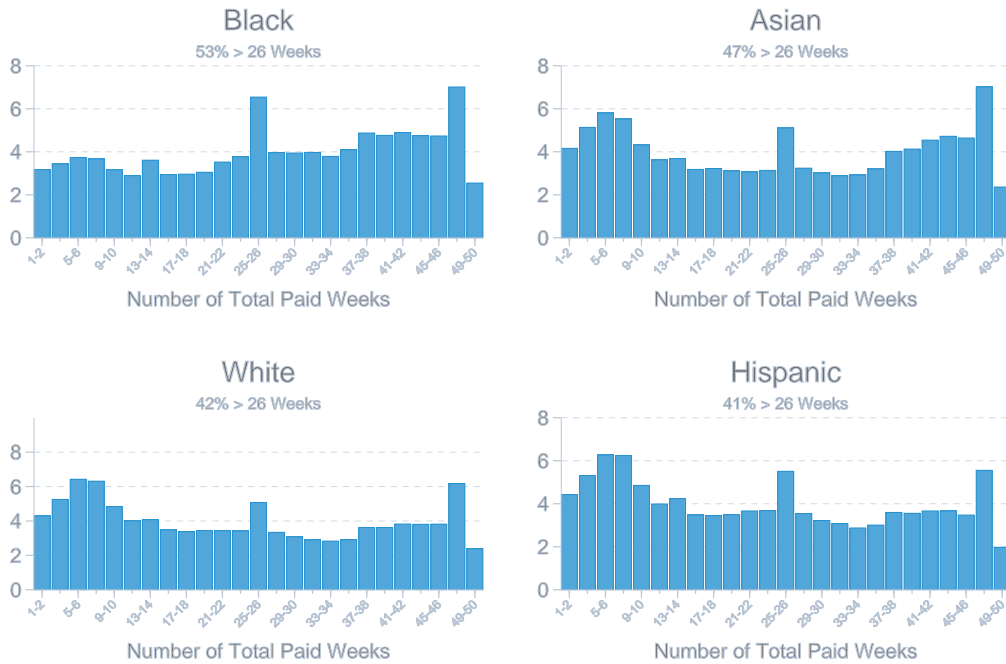
Notes: "Potentially Eligible" includes claims which are either paid or have payment denied due to excess weekly earnings or full-time work. This table includes only PUA claimants.

**FIGURE A3: Percent of Potentially Eligible Claims with Payment Denied Due to Excess Earnings, and Partial UI as a Percent of Paid Claims, by Industry, 1/26/2020- 2/13/2021**



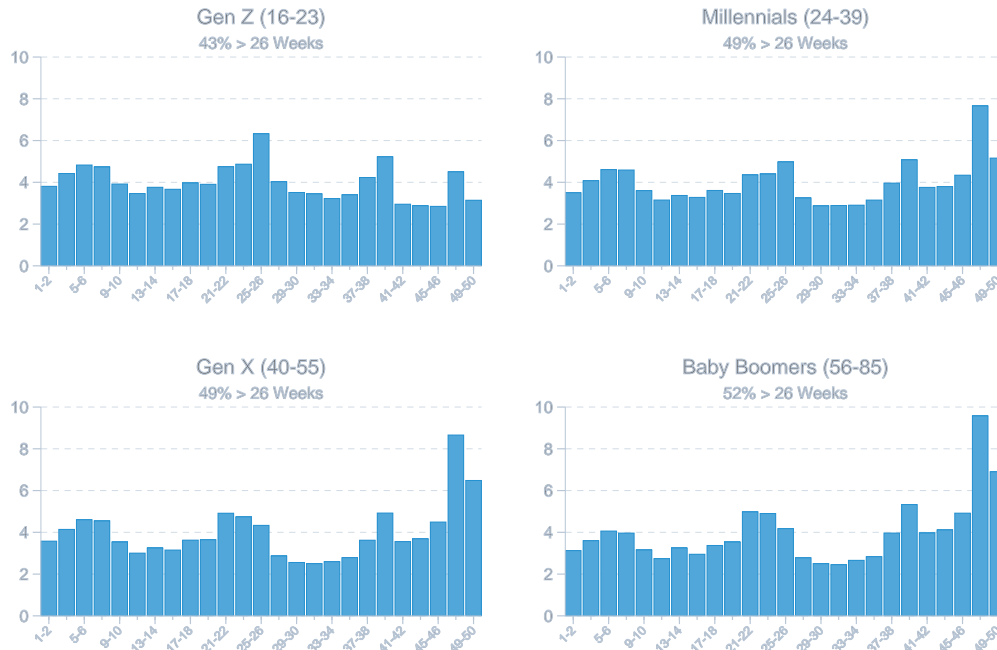
X-axis labels correspond to Saturdays. Does not include PUA claims. Partial UI is as a percent of all paid claimants. Denied UI payment is a percent of potentially eligible claimants, which is the sum of the number of paid claimants and the number of claimants denied because of excess weekly earnings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

**FIGURE A4: Distribution of the Number of Weeks Of Regular UI Payments Received During the COVID-19 Crisis, by Race and Ethnicity**



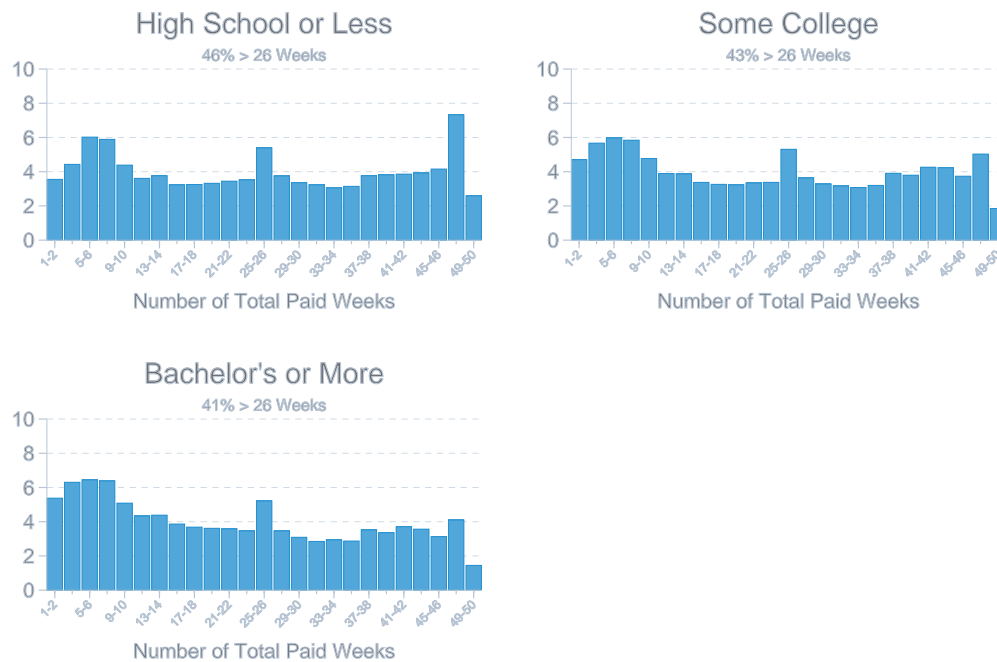
Y-axis denotes the percent of claimants receiving that number of payments. Regular UI Claims only. Includes both ongoing claims and claimants which have exited or exhausted.

FIGURE A5 : Distribution of the Number of Weeks Of Regular UI Payments Received During the COVID-19 Crisis, by Generation



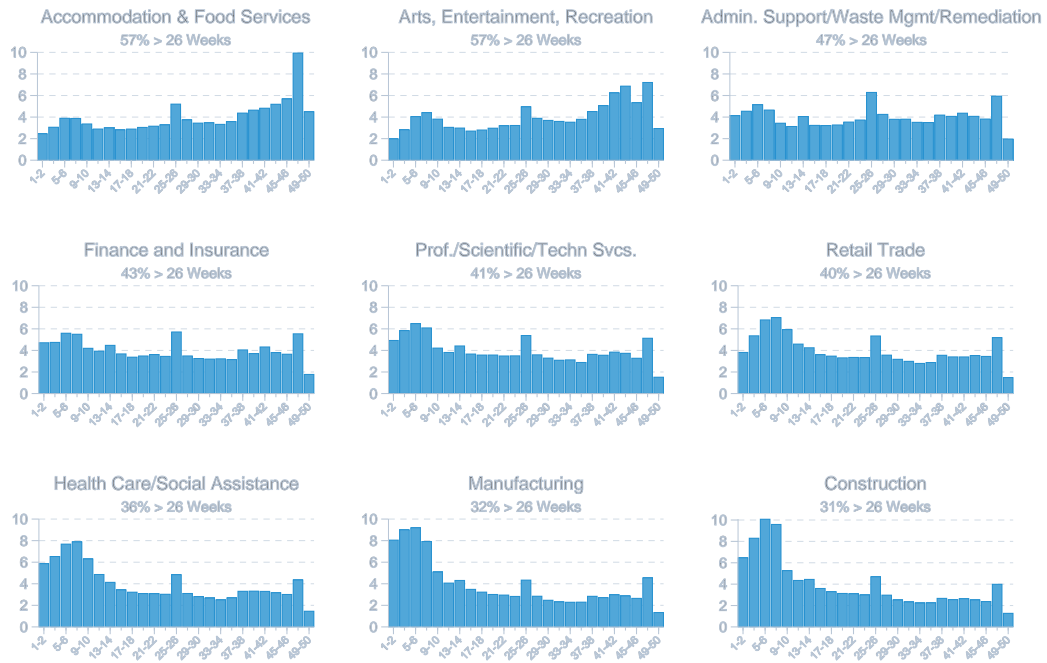
Y-axis denotes the percent of claimants receiving that number of payments. Regular UI Claims only. Includes both ongoing claims and claimants which have exited or exhausted.

FIGURE A6 : Distribution of the Number of Weeks Of Regular UI Payments Received During the COVID-19 Crisis, by Educational Attainment



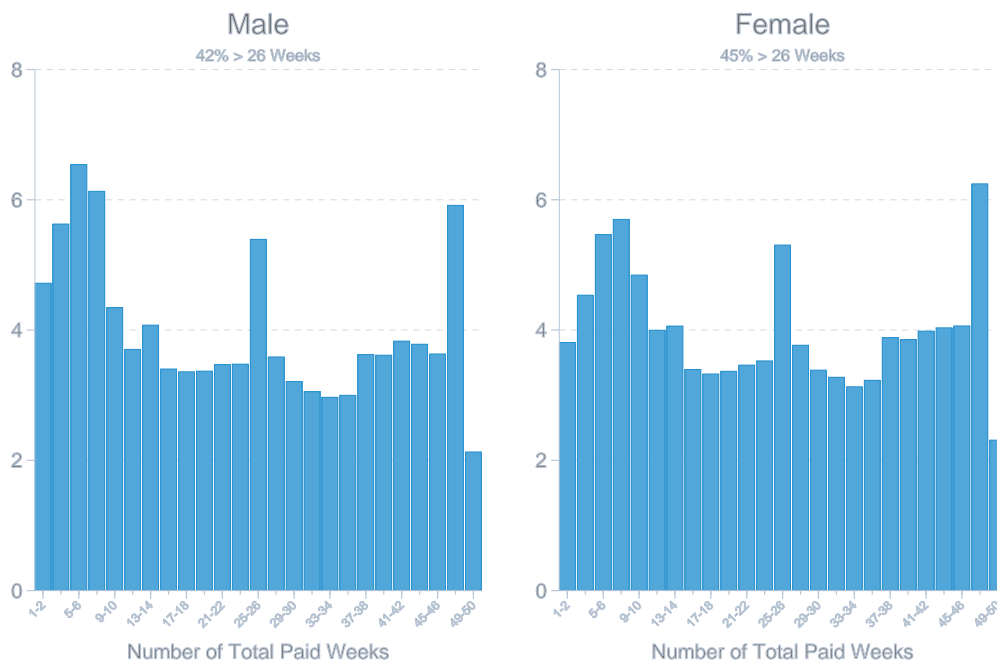
Y-axis denotes the percent of claimants receiving that number of payments. Regular UI Claims only. Includes both ongoing claims and claimants which have exited or exhausted.

FIGURE A7 : Distribution of the Number of Weeks Of Regular UI Payments Received During the COVID-19 Crisis, by Industry



Y-axis denotes the percent of claimants receiving that number of payments.  
Regular UI Claims only. Includes both ongoing claims and claimants which have exited or exhausted.

FIGURE A8 : Distribution of the Number of Weeks Of Regular UI Payments Received During the COVID-19 Crisis, by Gender



Y-axis denotes the percent of claimants receiving that number of payments.  
Regular UI Claims only. Includes both ongoing claims and claimants which have exited or exhausted.

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APPENDIX EXHIBIT A1 : [Back of Envelope Calculation Estimating the True Change in UI Recipients During December 2020.](#)

At the end of 2020, the number of people receiving benefits for unemployment insurance dropped by 500,000. However, it is unlikely that this was the result of claimants returning to work. Instead, it was likely driven by anti-fraud efforts and other logistical issues which stopped a large number of claimants from continuing to certify for benefits.

At the end of the year, EDD suspended payment on 1.4 million claims that were identified as potentially fraudulent based on additional fraud screenings.<sup>22</sup> Around the same time, many claimants receiving benefits through the PEUC and PUA programs began to exhaust benefits. EDD has reported that 185,000 claimants exhausted benefits before the end of the CARES Act on December 26th.<sup>23</sup> This group of “pre December 26th exhaustees” will have to file new claims, and according to EDD, they will be unable to begin certifying for benefits again until at least March 7th. Due to the fact that this requires a new claim for these exhaustees be established, they are unable to begin certifying for benefits again until at least March 7th. Since we know how many claimants were unable to continue certifying for benefits, and we have a rough idea of when they stopped certifying (December), we can compare this count with the observed change in the number of individuals receiving benefits in our data to get an estimate of the true change in the number of UI claimants during this period.

APPENDIX TABLE A4 : **Back of Envelope Calculation Estimating the True Change in UI Recipients During December 2020.**

**At the end of 2020, EDD suspended 1.4 million claims.**

200,000	Disqualified or given questionnaire
100,000	Mailed Paper requests
1,100,000	Sent email to confirm eligibility through ID.me
<b>1,400,000</b>	<b>Total suspended claims</b>

**Of the 1.1 million instructed to verify through ID.me:**

409,000	Successfully verified
454,000	Never Opened Email
10,000	In Progress
71,000	Unable to verify
67,000	Known Fraud
73,000	Opened but never started verification

**675,000** Have not verified as of Feb 15th, 2021 (thus cannot continue to certify)<sup>24</sup>

Combining the 875,000 claimants who have not verified and cannot continue certifying (675,000 that were sent an email to use ID.me plus the 200,000 who were disqualified without an email) with the 185,000 early exhaustees (who cannot certify until March 7th), we would expect the number of claimants to fall by at least 1,060,000.

675,000	Have not verified
100,000	Disqualified or given questionnaire
185,000	Early exhaustees (could not certify until March 7th, 2021)

**1,060,000** Total number of prior claimants now unable to certify

However, we observed the number of claimants observed fall by 500,000 between December 12th and January 2nd - leaving us with 560,000 more claimants than expected.

**Total claimants observed (Regular and PUA)**

December 12th, 2020	3,900,000
January 2nd, 2021	3,400,000

**500,000** Fewer claimants observed

**Conclusion:** In December of 2020, the true number of claimants may have increased by at least 560,000 (such that an expected reduction of 1,060,000 eligible claimants was partially offset by a rise of 560,000, yielding a net decline of 500,000).



TABLE A5: 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	NEW INITIAL PUA CLAIMS	ADDITIONAL REGULAR CLAIMS	ADDITIONAL PUA CLAIMS	TOTAL INITIAL CLAIMS	NEW UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS AS % OF FEB LABOR FORCE
Mar 21	140,703	—	44,324	13	185,040	183,009	183,009	0.9
Mar 28	1,017,468	—	38,740	28	1,056,236	1,051,799	1,234,808	6.4
Apr 04	878,831	—	35,852	87	914,770	893,231	2,128,039	11.0
Apr 11	592,342	—	58,718	274	651,334	597,463	2,725,502	14.0
Apr 18	435,247	—	87,651	797	523,695	443,942	3,169,444	16.3
Apr 25	243,225	—	77,512	967	321,704	249,455	3,418,899	17.6
May 02	232,904	296,183	80,243	1,529	610,859	360,764	3,779,663	19.5
May 09	157,862	135,681	51,879	1,990	347,412	232,268	4,011,931	20.6
May 16	181,689	111,815	60,179	4,194	357,877	245,095	4,257,026	21.9
May 23	126,387	91,468	74,386	4,720	296,961	188,183	4,445,209	22.9
May 30	117,238	71,890	109,809	5,671	304,608	170,306	4,615,515	23.8
Jun 06	132,275	70,212	127,657	6,103	336,247	186,007	4,801,522	24.7
Jun 13	101,565	68,204	143,418	6,493	319,680	157,205	4,958,727	25.5
Jun 20	141,131	83,815	146,280	6,621	377,847	209,235	5,167,962	26.6
Jun 27	120,897	89,901	158,543	7,752	377,093	196,885	5,364,847	27.6
Jul 04	116,974	87,079	149,425	7,242	360,720	188,552	5,553,399	28.6
Jul 11	123,895	102,230	162,599	8,911	397,635	208,415	5,761,814	29.7
Jul 18	122,171	117,232	168,726	9,396	417,525	216,879	5,978,693	30.8
Jul 25	105,857	122,289	139,676	8,241	376,063	214,602	6,193,295	31.9
Aug 01	93,833	107,676	129,549	7,934	338,992	190,515	6,383,810	32.9
Aug 08	80,257	100,131	124,040	8,489	312,917	168,468	6,552,278	33.7
Aug 15	71,359	131,894	122,070	8,602	333,925	192,890	6,745,168	34.7
Aug 22	75,545	217,094	124,212	9,780	426,631	282,207	7,027,375	36.2
Aug 29	109,903	368,524	112,326	9,070	599,823	460,730	7,488,105	38.5
Sep 05	101,144	405,028	144,753	9,607	660,532	493,381	7,981,486	41.1
Sep 12	74,103	178,305	155,377	9,686	417,471	243,247	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. Tabulations based on initial UI claims file. Initial Claims in a given week may be greater than the number of new unique claimants, as individuals may appear twice in the initial claims numbers - e.g., any claimant that filed at least one additional claim, or the majority of PUA claimants (since most PUA claimants must prove ineligibility for regular UI by filing a regular UI claim before their separate pua claim can be accepted). New Initial claims excludes transitions to extension programs.

Table continues on next page

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

WEEK ENDING	NEW INITIAL CLAIMS FOR REGULAR UI	NEW INITIAL PUA CLAIMS	ADDITIONAL REGULAR CLAIMS	ADDITIONAL PUA CLAIMS	TOTAL INITIAL CLAIMS	NEW UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS	CUMULATED UNIQUE CLAIMANTS AS % OF FEB LABOR FORCE
Sep 19	82,238	82,310	148,027	9,415	321,990	153,392	8,378,125	43.1
Sep 26	46,714	33,011	128,545	7,392	215,662	72,337	8,450,462	43.5
Oct 03	12,470	6,317	143,388	8,708	170,883	15,898	8,466,360	43.6
Oct 10	41,057	16,386	143,545	8,567	209,555	48,542	8,514,902	43.8
Oct 17	29,222	15,046	141,294	9,705	195,267	36,432	8,551,334	44.0
Oct 24	25,480	15,626	139,603	10,094	190,803	32,770	8,584,104	44.2
Oct 31	23,429	14,756	144,521	16,114	198,820	30,327	8,614,431	44.3
Nov 07	25,928	15,740	149,945	10,426	202,039	33,140	8,647,571	44.5
Nov 14	21,062	19,512	161,294	13,130	214,998	31,231	8,678,802	44.7
Nov 21	22,932	24,533	167,287	11,131	225,883	32,367	8,711,169	44.8
Nov 28	18,186	24,531	131,281	9,358	183,356	23,458	8,734,627	45.0
Dec 05	29,105	34,357	174,678	11,592	249,732	33,833	8,768,460	45.1
Dec 12	29,728	30,991	201,578	17,727	280,024	35,490	8,803,950	45.3
Dec 19	27,267	33,649	153,026	13,610	227,552	33,575	8,837,525	45.5
Dec 26	28,178	21,767	165,917	15,007	230,869	35,064	8,872,589	45.7
Jan 02	31,578	11,622	149,149	15,971	208,320	25,175	8,897,764	45.8
Jan 09	53,161	24,686	134,865	9,308	222,020	33,501	8,931,265	46.0
Jan 16	35,738	62,201	209,675	47,492	355,106	60,020	8,991,285	46.3
Jan 23	31,066	27,152	32,107	10,002	100,327	45,396	9,036,681	46.5
Jan 30	34,815	20,229	89,087	24,425	168,556	43,430	9,080,111	46.7
Feb 06	31,828	10,793	136,600	24,050	203,271	33,522	9,113,633	46.9
Feb 13	28,926	8,379	153,671	23,915	214,891	29,314	9,142,947	47.1
Feb 20	25,632	7,594	81,862	14,529	129,617	26,199	9,169,146	47.2
Feb 27	26,891	8,248	90,820	18,131	144,090	26,515	9,195,661	47.3

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

## 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](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 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.
- 5 The data on initial claims used in this report contain an indicator whether a claimant is eligible for UI benefits based on their prior earnings history. For those eligible, the data also contains an estimate of the WBA. This information is not based on actual benefit payments, and in some cases actual weekly payment amounts may deviate from what is recorded in the initial claims file.
- 6 <https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/Income-Limits-2020.pdf>
- 7 <https://www.nytimes.com/2020/05/09/us/unemployment-coronavirus-women.html>
- 8 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.
- 9 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>
- 10 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.
- 11 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.
- 12 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.
- 13 The censoring adjustment should be interpreted with caution, as it assumes that the recent lag structure will persist into the future.
- 14 [https://edd.ca.gov/About\\_EDD/pdf/news-21-12.pdf](https://edd.ca.gov/About_EDD/pdf/news-21-12.pdf)
- 15 We exclude PUA claims from this section since most of them are filed by self-employed individuals. Benefits are denied if 75% of earnings in a given week are above the Weekly Benefit Amount (WBA), i.e., if  $0.75 \times \text{earnings}$  (or earnings less \$25, whichever is smaller) are greater than the claimant’s WBA. Thus the claimant can earn  $4/3$  of their WBA and maintain eligibility. The WBA, and hence the earnings cut off for partial UI, depends on the highest earning quarter in the base period, and is generally about  $1/2$  of average prior weekly earnings. Thus, a claimant can earn about  $4/3 \times 1/2 = 2/3$  of their prior average weekly earnings while maintaining eligibility.
- 16 In partial UI, the first 25% of earnings in a week, or \$25 (whichever is less) is disregarded, to incentivize part-time work. Every dollar earned beyond this disregard amount is deducted 1 for 1 from the claimants WBA. Thus, for claimants earning greater than \$25 a week but less than 133% of their WBA, the following applies: Partial UI Payment = WBA –  $0.75 \times \text{Weekly Earnings}$ . If the claimant earns \$25 or less per week, they receive the full WBA, and if they earn more than 133% of their WBA, they are not considered unemployed by EDD, and thus do not receive payment.
- 17 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.
- 18 For a more detailed analysis of pandemic-related factors driving widening economic gaps by race, see, among others, <https://www.epi.org/publication/black-workers-covid/>
- 19 Schmieder, Johannes F., Till von Wachter, and Stefan Bender. 2016. “The Effect of Unemployment Benefits and Nonemployment Durations on Wages.” *American Economic Review*, 106 (3): 739-77.
- 20 Rothstein, J. and Valletta, R.G. (2017), Scraping by: Income and Program Participation After the Loss of Extended Unemployment Benefits. *J. Pol. Anal. Manage.*, 36: 880-908. <https://doi.org/10.1002/pam.22018>
- 21 For example, Classen and Dunn (2011) argue that long-term unemployment spells are a “significant risk factor for suicide” and that “. . . the duration of unemployment is a more important determinant of suicide risk than job loss in itself.”
- 22 [https://edd.ca.gov/About\\_EDD/pdf/news-21-11.pdf](https://edd.ca.gov/About_EDD/pdf/news-21-11.pdf)
- 23 [https://edd.ca.gov/About\\_EDD/pdf/news-21-09.pdf](https://edd.ca.gov/About_EDD/pdf/news-21-09.pdf)
- 24 [https://edd.ca.gov/About\\_EDD/pdf/news-21-11.pdf](https://edd.ca.gov/About_EDD/pdf/news-21-11.pdf)