



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

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SUMMARY

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

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

Relative to the brief published on April 29th, this brief adds two weeks of claims data, and hence allows a better understanding of the evolution of the crisis in the labor market from its initial peak. This brief also adds analysis focused on race and ethnicity of claimants as well as information on industries within counties.

By comparing the characteristics of initial UI claims before and during the COVID-19 crisis, we arrive at the following

insights on the nature of the large increases in UI claims in California from mid-March until the week ending April 25th. Throughout, we focus on initial claims for regular UI benefits originating from claimants residing in California. In this policy brief, we will refer to these claims as "initial UI claims."¹

Key Insights from mid-March to April 25th

- 80% of initial claimants report they expect to be recalled to their prior job, down from 90% at peak of crisis, and a substantial increase from 40% who had this expectation before the crisis.
- All races and ethnicities were affected by the crisis, but the fraction of initial claims filed by Asians grew compared to other groups, particularly among Accommodation and Food Services and Health Care/Social Assistance Services.
- The fraction of the labor force that filed initial UI claims since mid-March rose to 18.8% statewide, to 45% for less educated workers, and to 30% for workers in their early 20s.

- The number of initial claims has declined for three consecutive weeks, but claims in the week ending April 25th were still eight times the pre-crisis average in February.
- The decline in claims occurred among all groups of the labor force. While the share of lower-educated workers has returned to pre-crisis levels, initial UI claimants are still disproportionately younger, female, and lower-income.
- While there are important similarities in the effect of the crisis across counties in California, industries in certain counties were more affected than others.

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

Acknowledgments

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Evolution of Total Claims and Increases in Claims by Women

There were a total of 322,599 initial unemployment insurance (UI) claims filed in the week of April 19th–April 25th in California, down from 524,958 during the week of April 12th–April 18th. This is about a third of the claims filed during the most intensive week of the crisis, March 22nd–March 28th (Table 1). While there has been a downward

trend in the number of initial claims from early April, in the week ending April 25th, the number of claims was still eight times that of the average of weekly initial claims in February.² Moreover, the total number of claims during the COVID-19 crisis has reached a historical high. Almost 3.7 million initial claims were filed in California in the six weeks between March 15th and April 25th. In contrast, during one of the worst years of the Great Recession, 2009, California experienced about 3.8 million initial claims.³

Initial UI claims began to grow quickly starting the week beginning March 15th, and hence we treat that date as a benchmark for the start of the COVID-19 related crisis in the labor market. We treat claims and employment in February as the pre-crisis benchmark. While historically the majority of UI claimants are men, women have filed 52% of the total number of initial claims filed since March 15th, and 50% of the claims in the week ending April 25th, despite making up just 45% of the labor force (Table 2).

Since the beginning of the COVID-19 crisis in the labor market in mid-March, 21.4% of women and 16.6% of men in the labor force have filed initial claims.⁴ If all 18.8% of workers claiming since March 15th are still unemployed this suggests an unemployment rate approaching 25%, compared to a rate of 5.3% in the first half of March. Typically, fewer than two-thirds of unemployed workers apply for UI benefits, so the underlying total increase in the rate of unemployment could be one-and-a-half to two times as large as 18.8%.⁵

Younger workers made up a disproportionately large share of claims

Looking at the age distribution of initial UI claimants, we see that workers of all ages saw a decrease in the number of claims in the weeks of April 12th–18th and April 19th–25th (Figure 2A). However, younger workers are disproportionately represented in the large increases in initial UI Claims (Table 3, Figure 2B), as discussed in more detail in our previous policy brief covering data until April 11th. Below, we show that this is likely due to a shift in the industries most affected by the crisis.

The last column of Table 3 shows that 29.8% of 20–24 year olds and 21.5% of 25–34 year olds in the California labor force have filed initial UI claims since the beginning of the COVID-19 crisis. Since younger unemployed workers are typically less likely to claim UI benefits, these numbers

may imply substantially higher rates of unemployment. For comparison, about 16% of 35 to 64 year-old workers have filed initial UI claims during the same period.

Lower-educated workers made up a disproportionately large share of claims

Initial UI claims among all education groups decreased since the peak of the COVID-19 crisis in the labor market during mid-late March (Figure 3A). While lower-educated workers' share of all initial claims rose from 40–50% before mid-March up to 70–80% of all UI claims at the start of the COVID-19 crisis, it has since fallen back down to 49% in the week of April 19th-April 25th. (Figure 3B, Table 4).

Overall, less educated workers were substantially more impacted by the COVID-19 crisis compared to more educated workers. Workers with a high school degree or less were responsible for almost two-thirds of all initial claims (a total of 2,246,880), despite making up just one-third of the labor force. Those with a bachelor's degree or more made up just 14% of claims (a total of 515,913), while accounting for 40% of the labor force.

The last column of Table 4 shows that since March 15th, a staggering 45% of individuals in the labor force with just a high school degree filed initial UI claims, in contrast to 17.5% for workers with some college or an Associate's degree, and 8.3% for those with a Bachelor's degree.⁶ This implies potentially very large increases in unemployment rates among lower-educated workers.

All Race and Ethnicities Were Impacted by the Covid-19 Crisis

Workers claiming UI benefits have the opportunity to self-report basic information about their race and ethnicity. This data allows us to analyze initial UI claims for individuals reporting themselves as Whites, Hispanics, Blacks, and Asians.⁷ We find that Whites and Hispanics have the highest number of initial claims both before and during the crisis (Figure 4A), perhaps not surprisingly given they comprise 75% of the state's labor force. Yet, the share of initial UI claimants that reported their race as Asian rose from 10% before the crisis to 20% at the peak of the crisis during the end of March and early April (Figure 4B). As of the week ending April 25th, this fraction has declined somewhat to about 18%.

Relative to the number of workers in the labor force in February, Black and Asian workers have been most affected. Since mid-March, 20% of Black workers and 20% of Asian workers in the labor force have filed an initial UI claim, compared to 17.5% for Hispanic workers and 16.8% for White workers (Table 5). These shares compare to a statewide share of 18.8% (Table 2). Since not all unemployed workers apply for unemployment insurance benefits, this data cannot give a full picture of the relative effect of the crisis on different groups in the labor market.

Majority of Initial Claimants Still Expect to be Recalled

Upon filing an initial UI claim, individuals are asked to report whether they expect to return to their prior job, i.e., to be "recalled." Seventy-nine percent of all initial UI claimants during the last two weeks reported that they expect to be recalled (Figure 5). This is down from the 91% of claimants who expected to be recalled in the week of March 21st-March 28th, but still significantly higher than the 40% average during February. The fraction of workers expecting to be recalled was high among all demographic groups filing an initial claim (Table 6).

In February, a higher share of male workers, older workers, White, Hispanic, and lower-educated workers reported that they expect to be recalled. At the peak of the crisis in the end of March and early April, differences in recall expectations across most groups had shrunk considerably. In the two weeks from April 12th to April 25th, differences across some demographic groups have become started to become more pronounced again, most notably by age and race.

We also analyzed the percent of workers reporting they expect to be recalled by major industry (Table 8). Before the crisis the incidence of self-reported recall expectation varied from low rates of 7.5% in Finance and Insurance and 15.6% in Management, to high rates in Construction of 56.4% and Agriculture, Forestry, Fishing and Hunting of 80.4%, with a median rate of 32% across major industries. In stark contrast, during the peak of the COVID-19 crisis, reported rates of recall were between 70 and 90% in all industries. In the two weeks from April 12th to April 25th, recall rates were still between 60% and 85%, although industries had started moving towards their pre-crisis levels of recall expectations.

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

Customer-Facing Service Industries Saw the Largest Increases in Claims

To assess the impact of COVID-19 on different industries in California we categorized claimants by the major NAICS code associated with the primary employer in their base period.⁸ We see that Accommodation and Food Services had by far the earliest and largest rise in initial UI claims in the second half of March, followed by Retail Trade and Health Care/Social Assistance (Figure 6A). It appears that most sectors have experienced a similar pattern in applications since the end of March, with a large number of claims in the first week of April and a smaller number of claims in the following weeks.

Relative to claimants' industries before the crisis, Accommodation and Food Services, Retail Trade and Health Care and Social Assistance have accounted for a substantially higher share of total initial claims since March 15th than they did before the crisis (Figure 6B). The unusual incidence of initial UI claims in these sectors is not surprising in light of social distancing and 'stay in place' orders. About 34% of workers in the Accommodation and Food Services industry and 26% of workers in the Retail Trade industry had filed initial UI claims since mid-March. In several other industries, the fraction of the California labor force (within that industry) that filed an initial UI claim between March 15th and April 25th was close to or over 20% (Table 7). As previously mentioned, historically less than two-thirds of laid off workers have applied for UI benefits, so the implied increase in the overall unemployment rate by industry could be one-and-a-half to two times these numbers.

Variation in Claims Between Industries Can Partly Explain Differences in the Age and Education of Claimants

The disproportionate rise in initial UI claim filing by younger and lower-educated workers is partially explained by the type of businesses affected by the COVID-19 crisis. In contrast, the differences in the patterns of claimants by race and ethnicity seem to hold within the four industries that experienced particularly large increases in initial claims.

We find no increase in the share of younger initial UI claimants within the major industries that experienced large increases in claims (Figure 7A). In fact, we see that within sectors more mature workers are somewhat more likely to file initial UI claims, a sign that the crisis affected workers whose jobs are typically more stable. Similarly, we find that after a temporary rise in the share of less educated workers in these sectors, the share of education groups among initial UI claims has returned to pre-crisis levels by the second half of April (Figure 7B).

In contrast, we find that the increase in the share of claims by Asian workers and the slight reduction in the share of claims by Black workers has occurred within the major industries that experienced large increases in claims (Figure 7C). In particular, we find a more pronounced increase in the share of UI claims from Asian workers and a reduction in the share for Black workers in Accommodation and Food Services and Health Care/Social Services. The same pattern is visible in Retail Trade and Administrative Support, Waste Management, and Remediation Services, although to a more moderate degree. Data on racial and ethnic breakdown by employment among different industries will be needed to better understand these patterns.

The Share of Initial Claimants Receiving the Maximum Weekly Benefit Amount Dropped Significantly from Feb. to April

Lower-wage workers were particularly affected by the COVID-19 crisis in the labor market. The Weekly Benefit Amount (WBA) in California is determined by prior wages during a base period and is capped at a maximum weekly UI benefit amount of \$450.⁹ Any worker earning approximately \$900/week (or \$45,000/year at 50 working weeks) or more in the

highest earning quarter of the base period receives the maximum WBA. Hence, the fraction of initial claimants that receives the maximum weekly benefit can be used as a measure of prior earnings levels among initial claimants. In February, around 40% of initial UI claimants received the maximum WBA. Starting in mid-March, coinciding with the dramatic increase in the total number of claimants, the share of claimants receiving the maximum WBA began to decline, and was about 20-25% by the end of the first week of April (Figure 8). Since then, the share of claimants receiving the maximum WBA has slowly begun to rise, with 31.5% of claimants receiving the maximum in the week ending April 25th. Overall, this implies that the increase in claims is still being predominantly driven by low-wage workers.

As we discussed in our previous report, this could simply be a result of the increasing share of younger and less-educated workers among recent claimants, since such workers have lower earnings in their base periods. Yet, these shifts cannot explain the decline in the fraction of initial claimants at the benefit maximum that we observe. Instead, the decline also occurs within specific groups of claimants, including several groups with typically higher earnings — men, workers with at least a college degree, and older workers (Table 6).

The picture among industries is more uneven. In several sectors hard hit by the crisis, including Accommodation and Food Services, and Retail Trade, and Health Care and Social Assistance, the fraction receiving the maximum WBA increased slightly, consistent with the fact that the age distribution of claimants from those sectors has shifted slightly towards older workers (Figure 7A), and claims were being filed by typically more stable, higher-earning workers. Several other sectors saw a reduction in the fraction of workers receiving the maximum amount, such as Professional, Scientific, and Technical Services and Education Services (Table 8). Hence, the proportion of lower-wage workers claiming benefits rose among most major demographic and some industry groups in the California labor market during the COVID-19 crisis.

Increases in UI Claims More Pronounced in Urban Counties

We also analyzed whether the COVID-19 crisis had disparate impacts across the state. Among the most populous counties (Table 9), Los Angeles County saw the largest total of initial claims since March 7th, followed by San Diego County, while Orange County saw the third most initial claims.¹⁰ Since these

counties differ in population, we also computed the fraction of the labor force in the respective county that filed initial claims. In Los Angeles County, 20.2% of individuals in the labor force filed initial UI claims, while it was 20.4% in San Diego County, and 20.1% in Orange County. Because not all unemployed workers file for UI, the actual number of people who are unemployed could be larger.

We also examined differences across regions, especially with an eye towards how areas with traditionally higher unemployment fared during this crisis. Figure 9 shows the growth in initial claims since the beginning of the COVID-19 crisis relative to the average number of initial UI claims prevailing in February in six economic areas of the state.¹¹ As we discussed in our prior report, the growth in daily initial UI claims relative to the average in February has affected all regions in the state, but has been particularly pronounced in the usually economically strong areas of the state, the Bay Area, Los Angeles County, and the rest of southern California. Throughout April, the number of initial UI claims has declined in all regions, though it is still multiple times the average number of weekly claims in February.

The data also allows assessing how industries fared across counties. In Figure 10, we show the industry shares of claims in the 20 largest counties of the state. While Accommodation and Food Services, Retail Trade, and Health Care/Social Services were the most impacted industries in all counties, there are some noticeable differences in the numbers of initial claims by industry across counties. For example, the Accommodation and Food Services industry made up 33% of initial UI claims in San Francisco County, presumably reflecting the role of the COVID-19 crisis on the tourism industry. Turning to other sectors, the share of initial UI claims in Manufacturing is 10% and 9% in Santa Clara and Alameda County, respectively, but only 6% in Los Angeles and San Bernardino County. Similarly, Construction has a 12% share in Santa Clara County, but only a small share in Los Angeles County. As restrictions relating to efforts to contain the COVID-19 pandemic are lifted, it will be important to monitor whether some sectors recover faster than others, and how this affects the fortunes of regions across the state.

FIGURE 1: Daily Initial UI Claims During the COVID-19 Crisis in California, 2/29/2020–4/25/2020

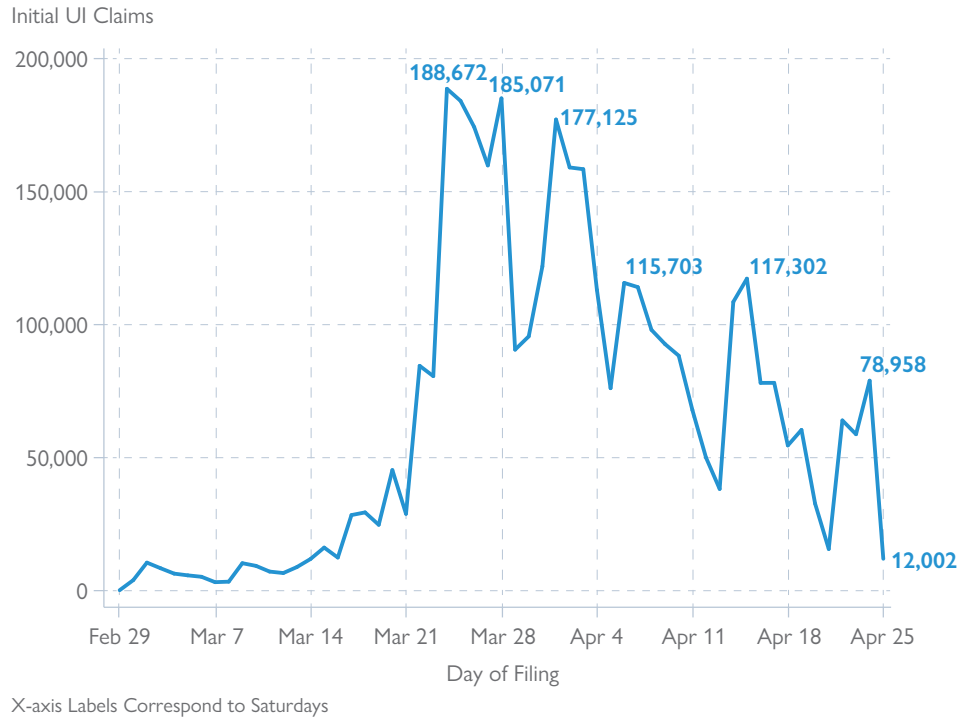


TABLE 1: Weekly Initial UI Claims During the COVID-19 Crisis in California, 1/11/2020–4/25/2020

WEEK ENDING	TOTAL INITIAL CLAIMS	CUMULATED INITIAL CLAIMS SINCE MARCH 15TH
Jan 25	46,376	–
Feb 01	43,511	–
Feb 08	40,754	–
Feb 15	43,623	–
Feb 22	35,129	–
Feb 29	42,265	–
Mar 07	43,609	–
Mar 14	57,707	–
Mar 21	185,545	185,545
Mar 28	1,057,167	1,242,712
Apr 04	915,815	2,158,527
Apr 11	652,886	2,811,413
Apr 18	524,958	3,336,371
Apr 25	322,599	3,658,970

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file.

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

GENDER	WEEK ENDING APRIL 11TH	WEEK ENDING APRIL 18TH	WEEK ENDING APRIL 25TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
Female	329,548	261,045	160,032	1,887,598	8,824,000	21.4
Male	320,604	262,707	161,766	1,762,524	10,605,000	16.6
Column Total	650,152	523,752	321,798	3,650,122	19,429,000	18.8
% Female	50.7	49.8	49.7	51.7	45.4	—

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

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

AGE GROUP	WEEK ENDING APRIL 11TH	WEEK ENDING APRIL 18TH	WEEK ENDING APRIL 25TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
16–19	20,435	21,902	12,341	124,669	531,000	23.5
20–24	80,226	77,014	45,728	519,138	1,741,000	29.8
25–34	164,860	138,708	86,125	1,027,052	4,780,000	21.5
35–44	125,906	97,196	60,769	693,778	4,303,000	16.1
45–54	119,760	88,273	54,672	609,883	3,904,000	15.6
55–64	101,942	74,120	46,417	503,840	3,019,000	16.7
65–85	35,236	25,639	15,229	166,322	1,152,000	14.4
Column Total	648,365	522,852	321,281	3,644,682	19,430,000	18.8

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Column Total excludes claimants with unreported age or those reporting age less than 16 or greater than 85.

FIGURE 2A: Initial UI Claims During the COVID-19 Crisis in California by Age Group, 2/29/2020–4/25/2020

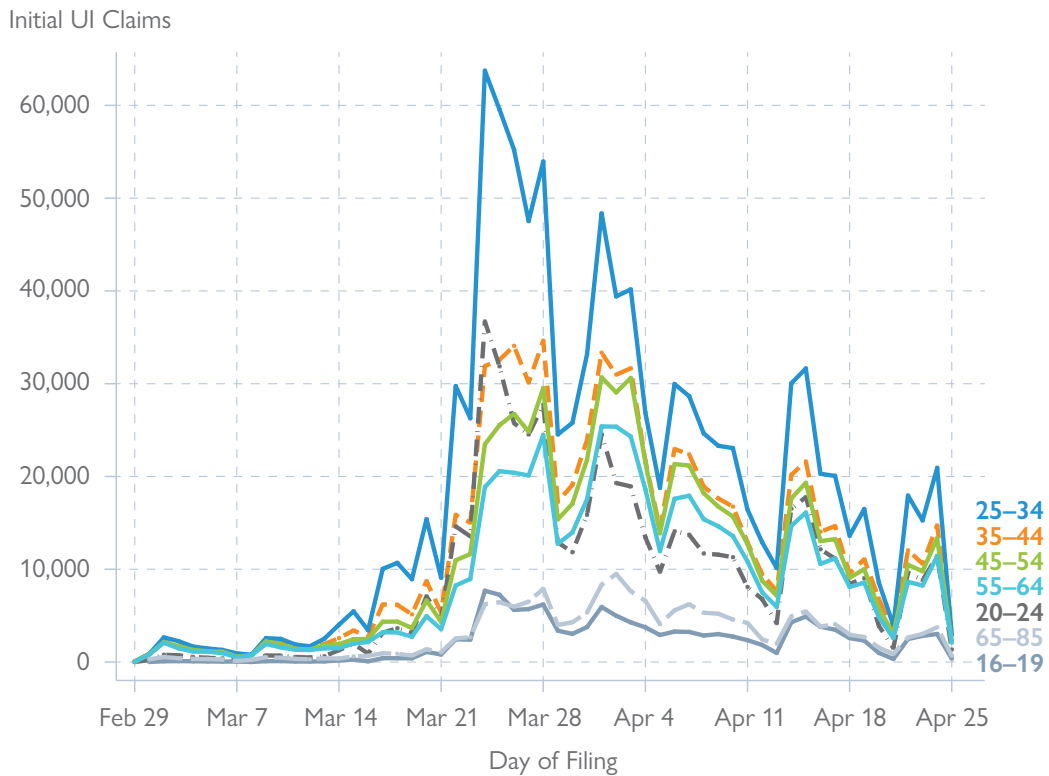


FIGURE 2B: Age Distribution of Initial UI Claims Since the Start of COVID-19 Crisis in Mid-March vs. Jan–Feb. 2020

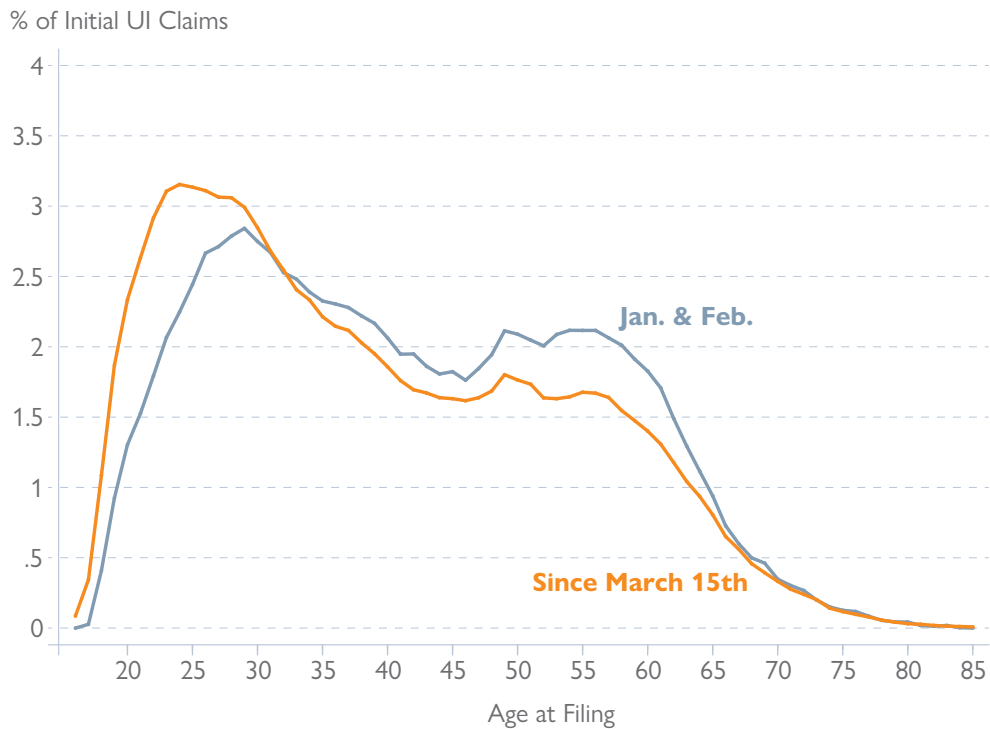


FIGURE 3A: Initial UI Claims During the COVID-19 Crisis in California by Education Group, 2/29/2020–4/25/2020

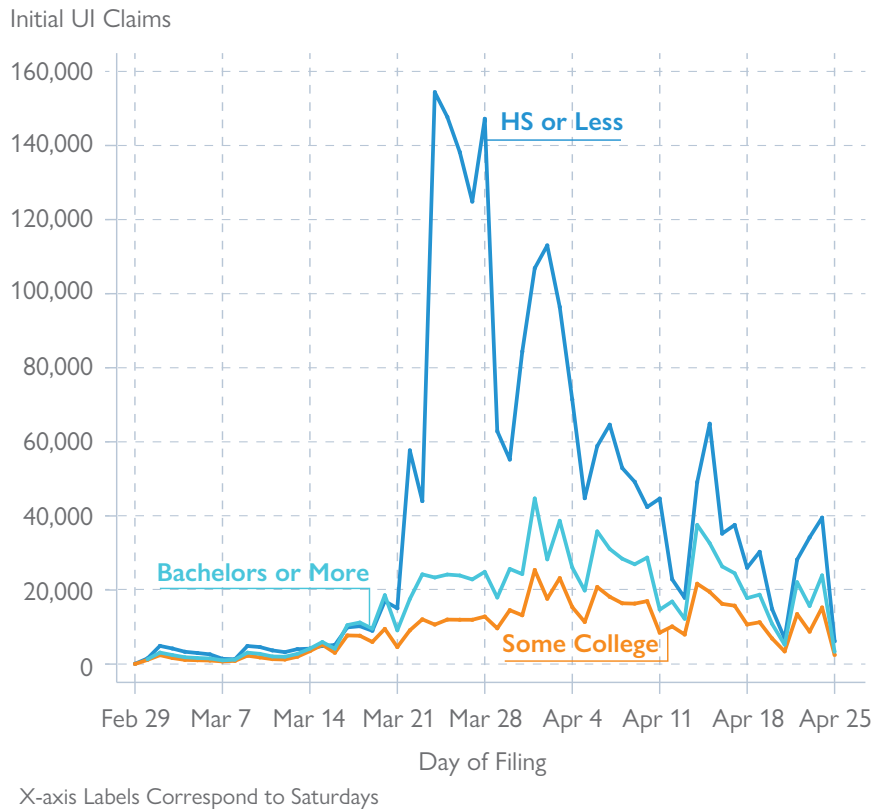


FIGURE 3B: Share of Initial UI Claims During the COVID-19 Crisis in California by Education Group, 2/29/2020–4/25/2020

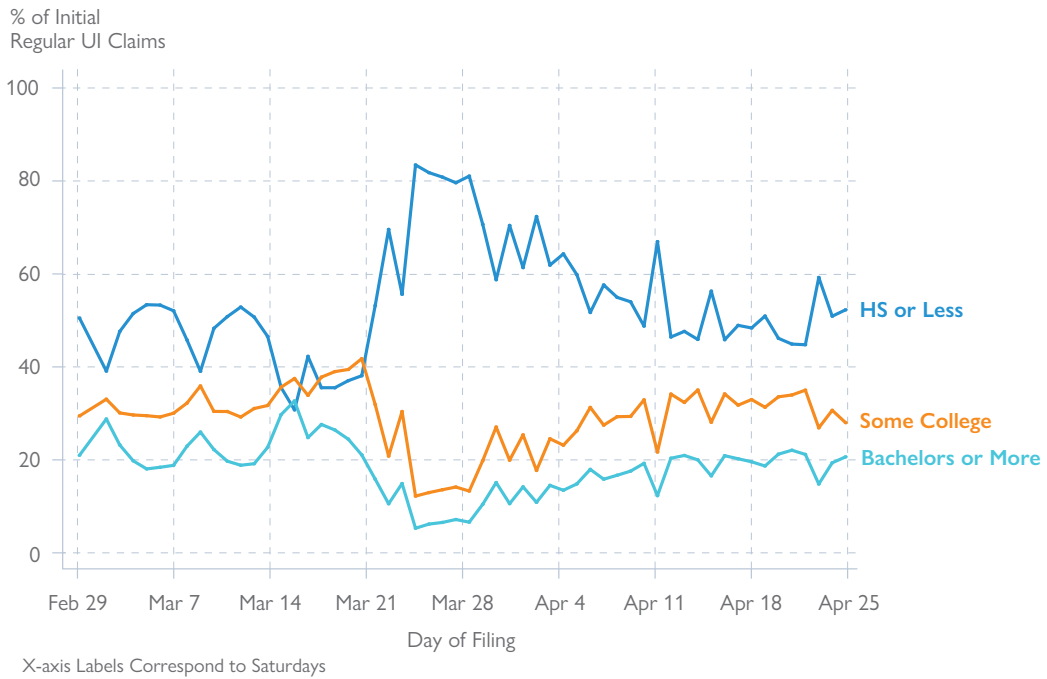


TABLE 4: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Education

EDUCATION GROUP	WEEK ENDING APRIL 11TH	WEEK ENDING APRIL 18TH	WEEK ENDING APRIL 25TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
Less Than High School Degree	70,642	58,429	35,134	317,871	2,283,877	13.9
High School Degree or GED	286,888	195,171	125,017	1,929,011	4,295,053	44.9
Associate's Degree or Some College	185,664	168,106	99,929	889,739	5,075,283	17.5
Bachelor's Degree	85,335	79,735	48,031	408,936	4,927,569	8.3
Graduate Degree	23,285	22,346	13,656	106,977	2,848,218	3.8
Column Total	651,814	523,787	321,767	3,652,534	19,430,000	18.8

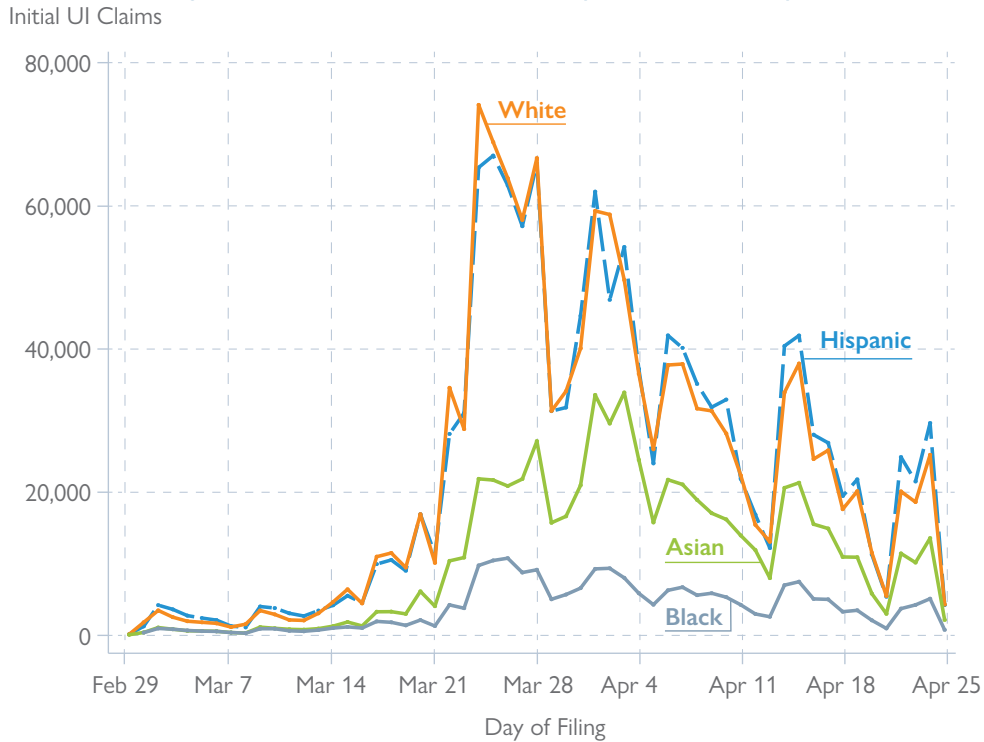
Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Column Total excludes claimants with unreported education level. Labor force numbers have been calculated using a 12 month moving average ending in February from the CPS to be consistent with EDD's numbers, instead of using the month of February as in the previous report.

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

RACE	WEEK ENDING APRIL 11TH	WEEK ENDING APRIL 18TH	WEEK ENDING APRIL 25TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
White	214,421	167,765	104,756	1,258,949	7,506,246	16.8
Hispanic	227,043	184,969	118,086	1,280,999	7,304,335	17.5
Asian	124,049	102,587	56,498	613,732	3,035,206	20.2
Black	37,834	32,964	19,896	206,700	1,038,524	19.9
Column Total	603,347	488,285	299,236	3,360,380	18,884,310	17.8

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

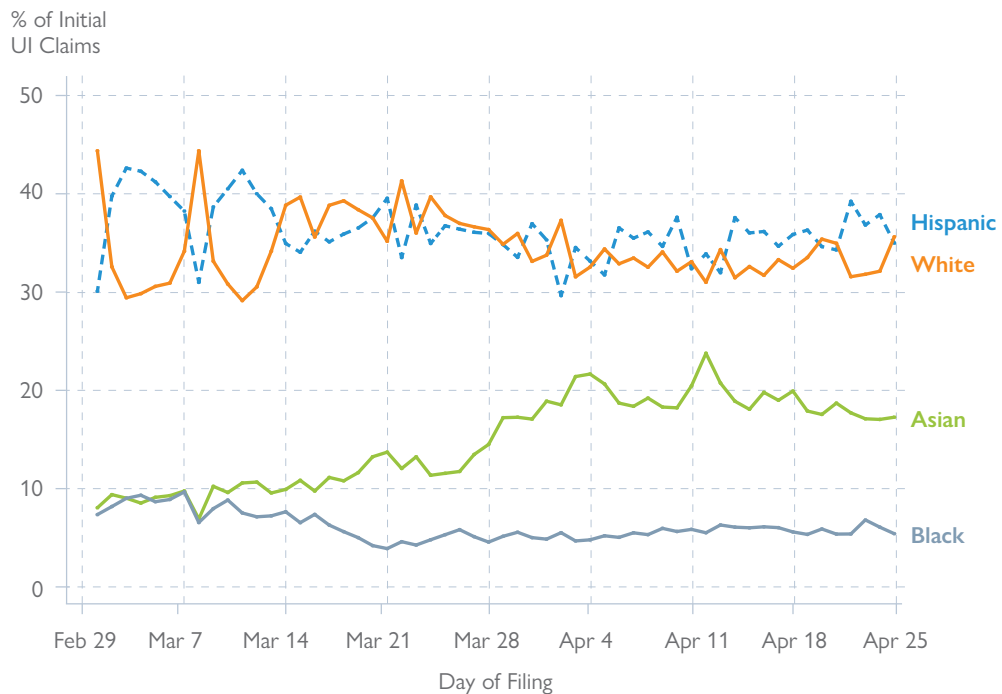
FIGURE 4A: Initial UI Claims During the COVID-19 Crisis in California by Race and Ethnicity, 2/29/2020–4/25/2020



X-axis Labels Correspond to Saturdays

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

FIGURE 4B: Share of Initial UI Claims During the COVID-19 Crisis in California by Race and Ethnicity, 2/29/2020–4/25/2020



X-axis Labels Correspond to Saturdays

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

FIGURE 5: Percent of Claimants Reporting They Expect to be Recalled to Prior Job Before and After Start of COVID-19 Crisis in California in Mid-March

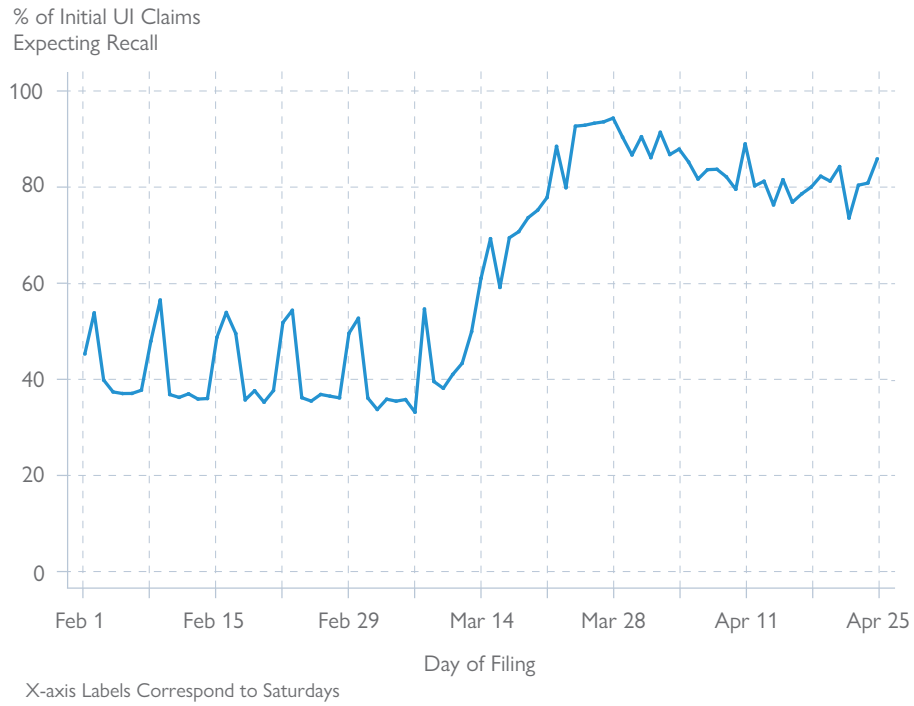


TABLE 6: Percent of Initial UI Claimants Expecting Recall and Receiving the Maximum Weekly Benefit Amount Before and After the Start of the COVID-19 Crisis in California

GROUP	PERCENT EXPECTING RECALL			PERCENT RECEIVING MAXIMUM WBA		
	FEB. AVERAGE	SINCE MARCH 15TH	LAST 2 WEEKS (APRIL 12-25)	FEB. AVERAGE	SINCE MARCH 15TH	LAST 2 WEEKS (APRIL 12-25)
Statewide	39.3	85.0	78.8	43.2	29.0	29.0
By Gender						
Female	33.3	85.6	79.2	30.0	22.4	24.0
Male	42.8	84.3	78.4	52.5	36.0	36.8
By Age Group						
16–19	32.4	87.4	80.9	2.7	0.8	0.9
20–24	33.5	85.1	77.3	14.2	7.9	8.1
25–34	34.7	85.0	78.4	36.9	29.0	29.3
35–44	36.8	85.1	80.7	50.2	38.4	37.0
45–54	41.3	85.9	83.0	52.5	36.9	34.3
55–64	44.1	86.1	83.7	51.0	34.4	31.7
65–85	50.1	87.4	85.3	38.9	24.8	21.7
By Education Group						
High School Degree or Less	46.5	90.6	83.0	33.1	24.9	24.4
Associate’s Deg., Some College	33.8	77.4	75.9	44.4	30.2	29.7
Some College or Associate’s	27.6	73.7	73.1	66.5	44.7	46.7
By Race and Ethnicity						
White	35.1	85.1	78.6	56.5	33.6	36.8
Hispanic	48.3	85.1	79.3	33.0	22.8	26.1
Asian	28.4	85.4	80.9	49.6	25.3	29.2
Black	23.1	80.4	72.3	28.6	28.6	23.7

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file.

FIGURE 6A: Initial UI Claims by Five Most Impacted Industries During the COVID-19 Crisis in California, 2/29/2020–4/25/2020

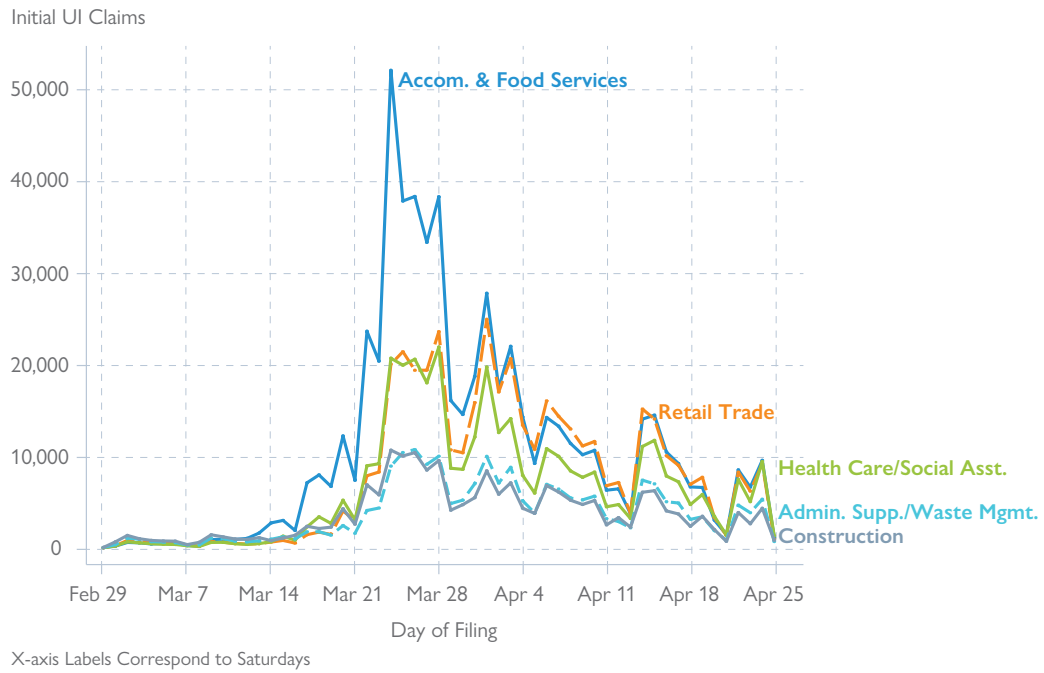


FIGURE 6B: Shares of Initial Claims by Major Industry in California, Before and After Start of COVID-19

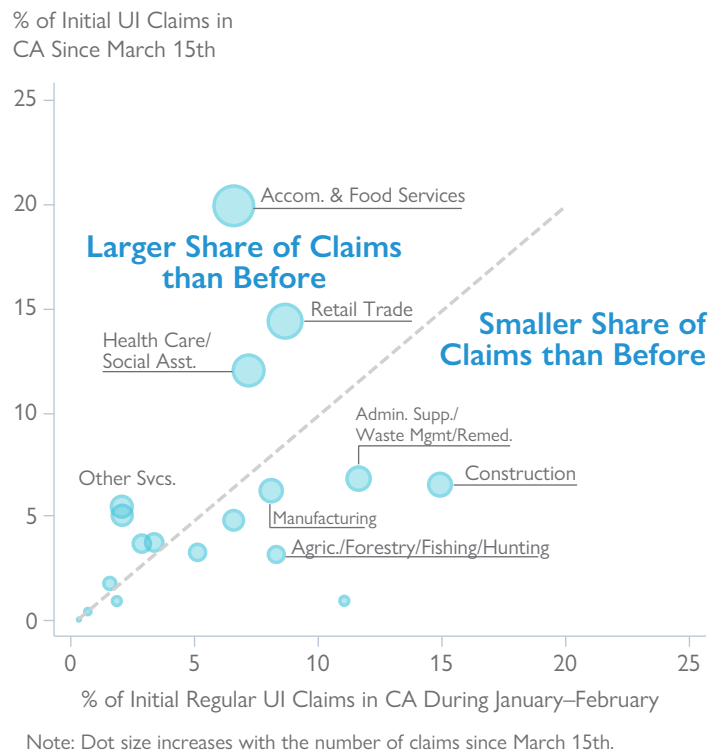


TABLE 7: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force by Major Industry

MAJOR INDUSTRY (2 DIGIT NAICS)	WEEK ENDING APRIL 11TH	WEEK ENDING APRIL 18TH	WEEK ENDING APRIL 25TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
Accommodation and Food Services	73,851	63,823	36,129	587,668	1,724,000	34.1
Retail Trade	82,121	64,880	36,193	424,662	1,654,500	25.7
Health Care and Social Assistance	54,594	49,544	33,235	355,050	2,461,900	14.4
Admin. Support, Waste Mgmt. (a)	35,914	31,802	20,135	202,253	1,143,700	17.7
Construction	33,558	27,355	17,347	193,718	896,400	21.6
Manufacturing	31,387	31,029	18,847	185,256	1,318,500	14.1
Other Services	26,574	19,408	10,382	162,602	581,300	28.0
Arts, Entertainment, Recreation	21,308	22,858	19,606	150,465	332,500	45.3
Prof., Scientific, Techn. Services (a)	25,177	22,676	14,658	143,414	1,357,200	10.6
Wholesale Trade	19,713	17,515	11,043	112,135	689,700	16.3
Education Services	16,444	15,205	9,183	110,451	393,100	28.1
Transportation, Warehousing, Utilities	18,317	16,286	10,787	98,056	718,300	13.7
Information	15,939	13,184	8,590	95,092	586,600	16.2
Real Estate and Leasing	9,121	7,356	4,337	54,160	305,300	17.7
Agriculture, Forestry, Fishing (a)	6,793	5,512	4,050	29,655	431,100	6.9
Finance and Insurance	5,200	4,990	3,100	29,300	544,100	5.4
Management	3,009	2,379	1,578	14,434	252,900	5.7
Mining, Oil, Gas	742	630	489	3,121	22,800	13.7
Column Total	479,762	416,432	259,689	2,951,492	15,413,900	19.1

Notes: Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Industries sorted in descending order of total UI claims since March 15th. Tabulations based on initial UI claims file. Industry of main employer prior to layoff was obtained from the Quarterly Census of Employment and Wages according to North American Industrial Classification Systems (NAICS, see https://www.bls.gov/iag/tgs/iag_index_naics.htm). Column Total excludes NAICS Code 92 (Public Admin), 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 7A: Age Distribution of Initial Claimants During the COVID-19 Crisis in California vs. January–February 2020

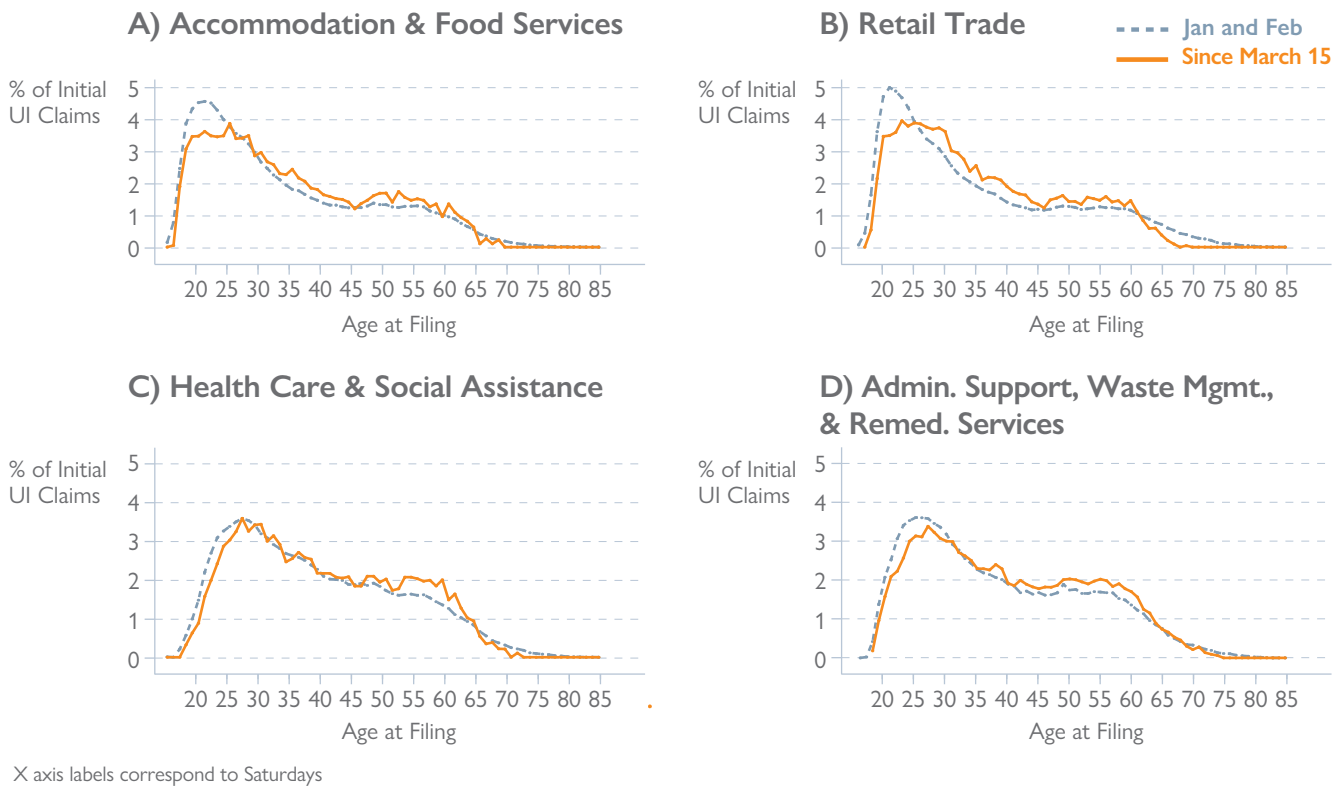


FIGURE 7B: Education Distribution of Initial Claimants During the COVID-19 Crisis in California vs. January–February 2020

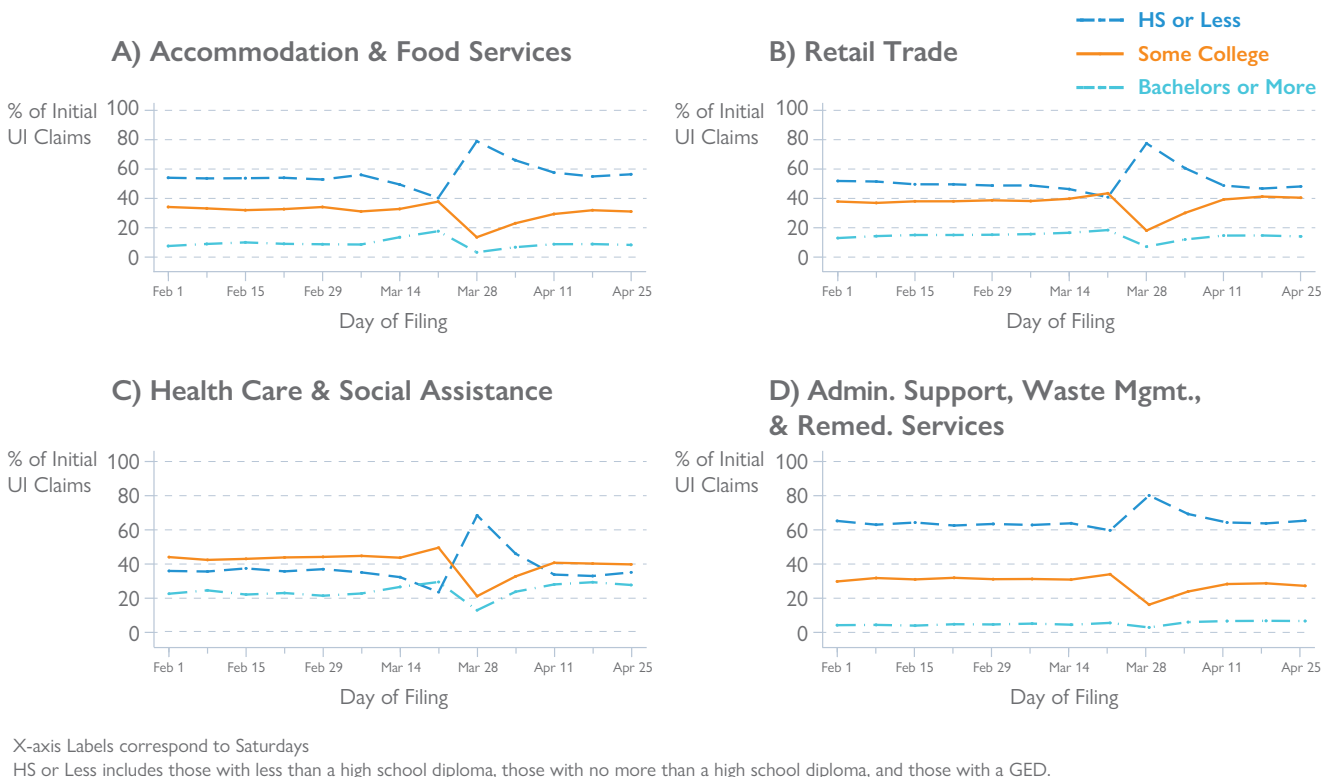
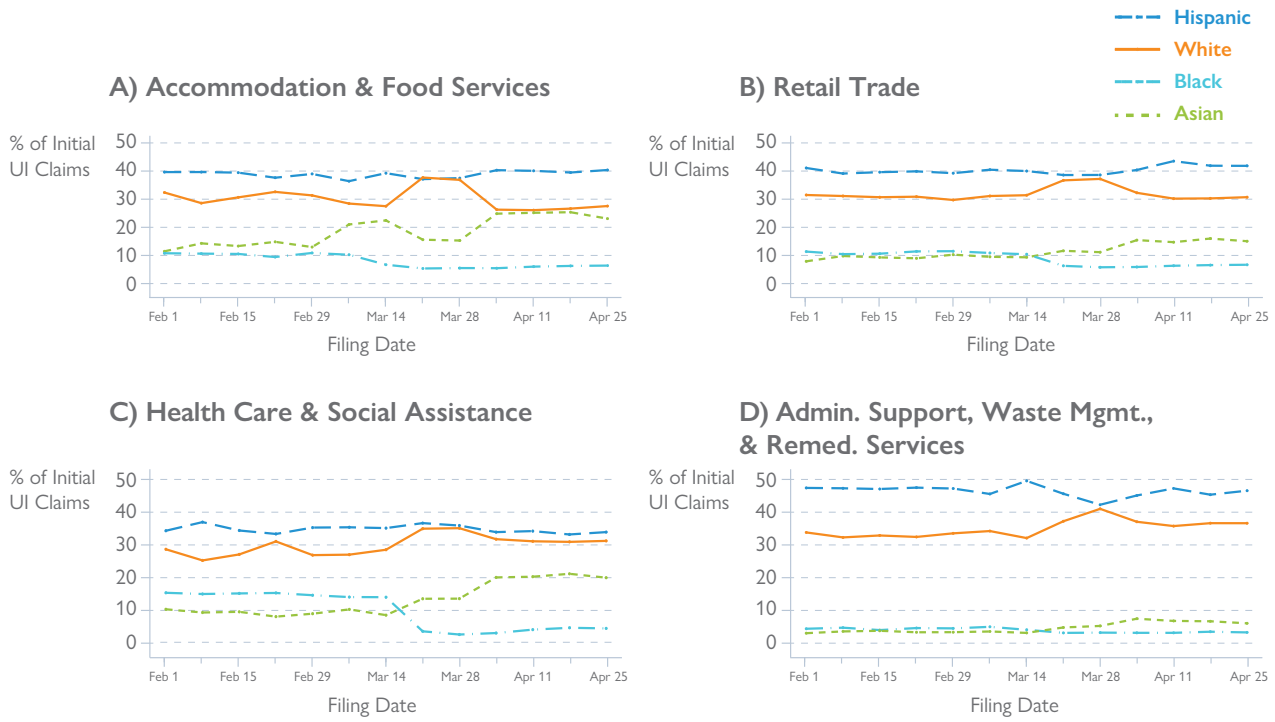


FIGURE 7C: Initial UI Claims in Major Industries During the COVID-19 Crisis in California, By Race and Ethnicity, 2/29/2020- 4/25/2020



X-axis Labels Correspond to Saturdays

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

TABLE 8: Percent of Initial UI Claimants Expecting Recall and Receiving the Maximum Weekly Benefit Amount, By Major Industry Before and After the Start of the COVID-19 Crisis in California

MAJOR INDUSTRY (2 DIGIT NAICS)	PERCENT EXPECTING RECALL			PERCENT RECEIVING MAXIMUM WBA		
	FEBRUARY AVERAGE	SINCE MARCH 15TH	2 WEEKS (APRIL 12- 25TH)	FEBRUARY AVERAGE	SINCE MARCH 15TH	2 WEEKS (APRIL 12-25TH)
Accommodation and Food Services	30.6	87.0	78.8	24.0	24.8	20.0
Retail Trade	17.7	83.5	76.9	22.2	25.5	22.8
Health Care and Social Assistance	18.5	83.9	75.8	31.0	37.5	40.1
Admin. Support, Waste Mgmt. (a)	32.5	78.3	69.8	28.8	26.9	27.0
Construction	56.4	82.8	77.2	73.5	68.6	67.3
Manufacturing	33.1	83.1	79.1	48.4	49.9	58.6
Other Services	21.2	86.1	78.7	34.5	21.3	23.9
Arts, Entertainment, Recreation	40.0	88.4	85.4	34.8	27.2	30.2
Prof., Scientific, Techn. Services (a)	23.8	76.4	68.9	67.1	52.2	57.2
Wholesale Trade	19.7	80.0	74.2	52.1	47.8	53.2
Education Services	33.2	82.7	75.3	41.1	18.2	21.2
Transportation, Warehousing and Utilities	41.6	79.6	73.2	40.5	40.2	42.1
Information	46.7	78.9	73.0	79.5	54.5	59.9
Real Estate and Leasing	19.2	81.0	72.1	50.3	44.7	47.8
Agriculture, Forestry, Fishing (a)	80.4	85.7	83.4	17.1	19.2	17.8
Finance and Insurance	7.5	69.3	60.3	61.5	45.2	48.7
Management	15.6	79.4	73.8	67.7	57.7	63.7
Mining, Oil, Gas	37.7	73.7	69.5	86.0	87.6	89.4

Notes: Industries sorted in descending order of total UI claims since March 15th, as in Table 6. Table refers to information from initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Industry of main employer in base period (see text) according to North American Industrial Classification Systems (NAICS see https://www.bls.gov/iag/tgs/iag_index_naics.htm).

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

FIGURE 8: Percent of Initial UI Claimants Receiving Maximum Weekly Benefit Amount Before and After Start of COVID-19 Crisis in California in Mid-March, 2/1/2020–4/25/2020



FIGURE 9: Growth in Initial UI Claims During the COVID-19 Crisis by Areas in California, 2/29/2020–4/25/2020

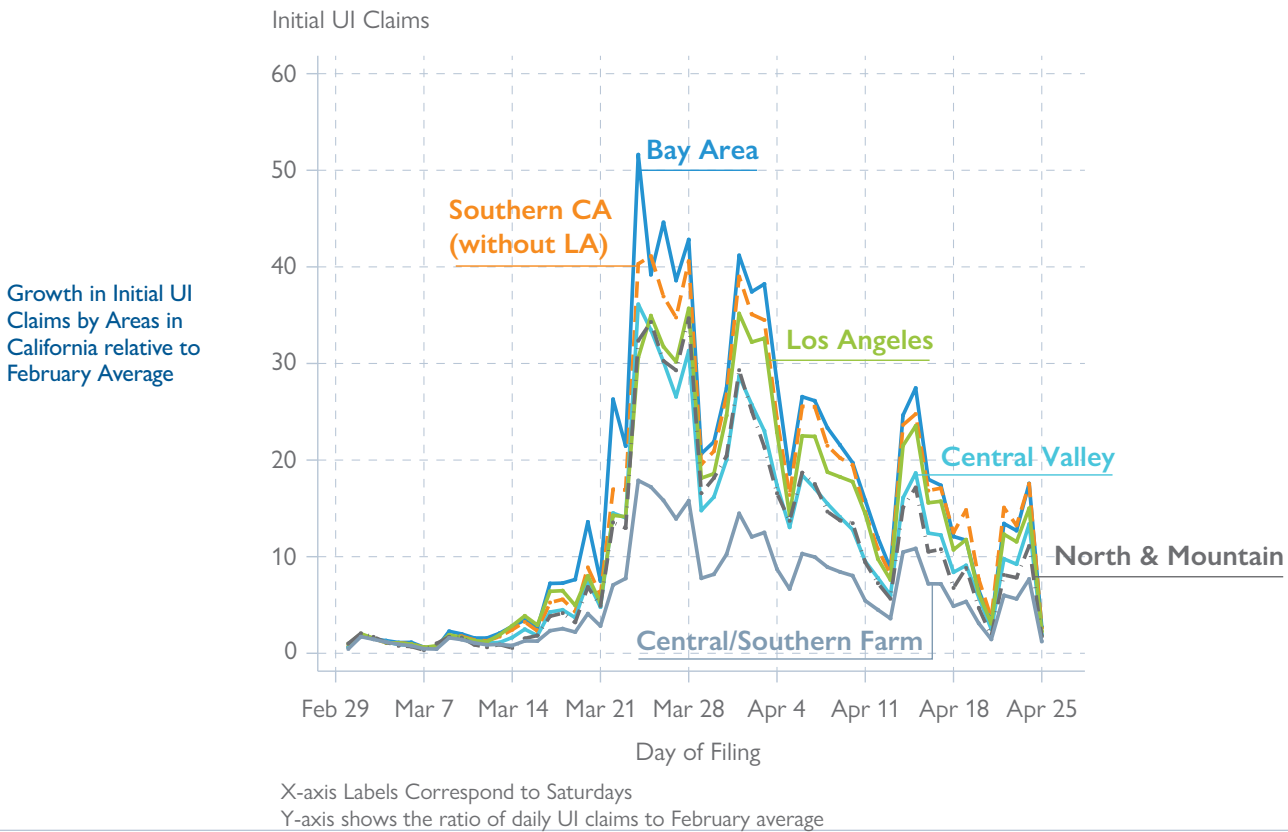


TABLE 9: Initial UI Claims During the COVID-19 Crisis and Total UI Claims as a Fraction of Labor Force in 20 Largest Counties

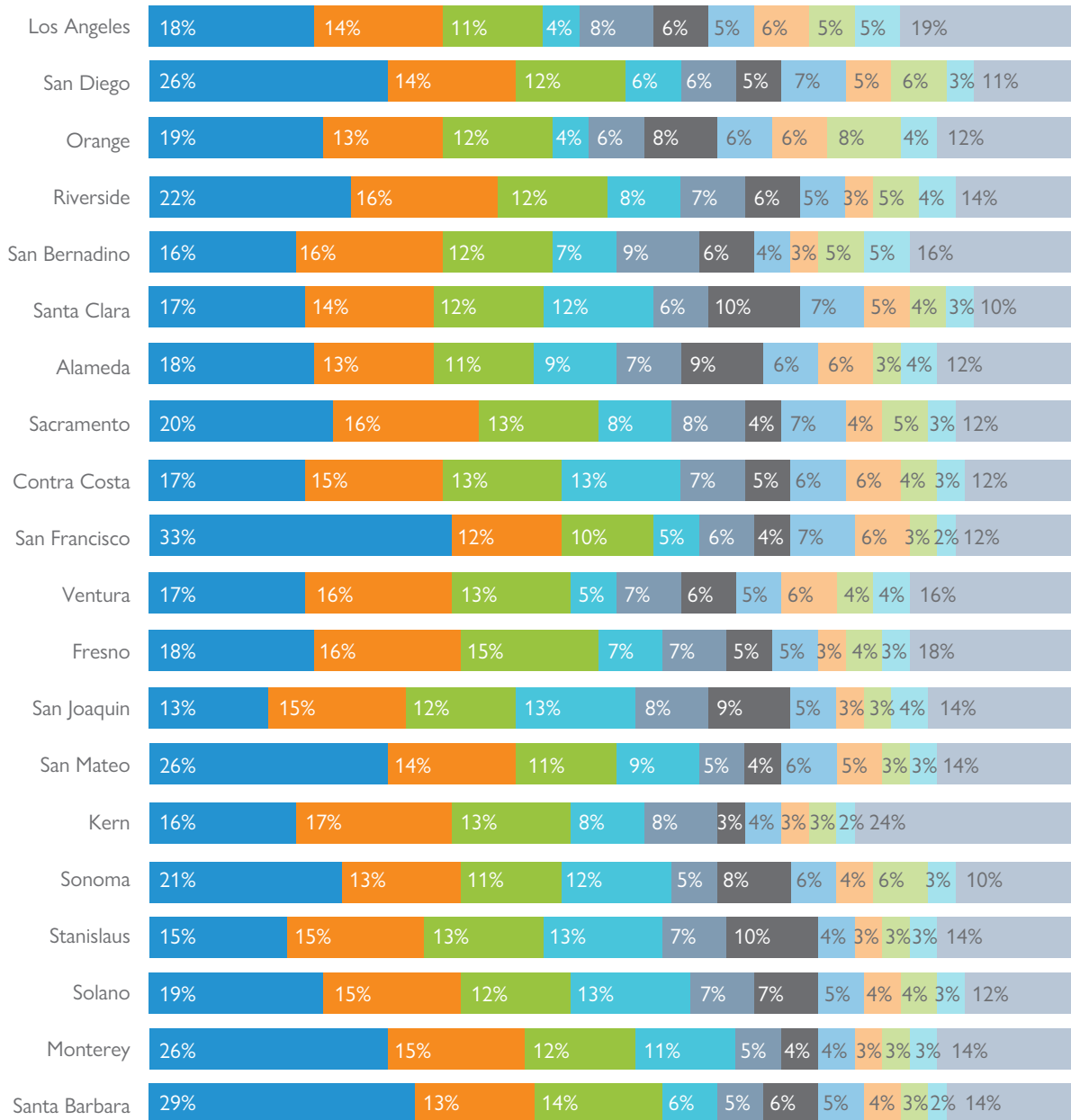
COUNTY	WEEK ENDING APRIL 11TH	WEEK ENDING APRIL 18TH	WEEK ENDING APRIL 25TH	TOTAL SINCE MARCH 15TH	WORKERS IN LABOR FORCE IN FEBRUARY	TOTAL CLAIMS AS % OF LABOR FORCE
Los Angeles	190,112	154,521	91,962	1,048,613	5,194,800	20.2
San Diego	55,805	44,686	28,974	328,700	1,614,200	20.4
Orange	61,197	49,282	33,465	327,910	1,633,200	20.1
Riverside	42,541	32,282	21,272	229,880	1,111,200	20.7
San Bernardino	32,436	26,923	17,387	175,986	979,000	18.0
Santa Clara	27,906	22,921	12,764	161,054	1,073,900	15.0
Alameda	27,573	22,842	12,868	156,646	858,600	18.2
Sacramento	23,132	18,998	11,770	136,425	717,100	19.0
Contra Costa	19,102	14,461	8,321	106,961	570,700	18.7
San Francisco	16,355	12,503	6,834	92,663	591,700	15.7
Ventura	13,657	10,492	6,483	77,205	424,000	18.2
Fresno	12,108	10,633	6,622	69,677	453,100	15.4
San Joaquin	11,989	10,375	6,055	67,386	325,100	20.7
San Mateo	11,746	9,292	5,204	67,069	467,100	14.4
Kern	11,539	9,051	5,859	59,760	385,600	15.5
Sonoma	8,404	6,675	3,739	50,337	262,600	19.2
Stanislaus	8,102	7,154	4,230	46,205	241,900	19.1
Solano	6,881	5,499	3,346	39,860	207,700	19.2
Monterey	6,142	4,993	3,007	36,177	214,500	16.9
Santa Barbara	6,283	4,676	2,852	36,164	215,800	16.8
Column Total	593,012	478,259	293,014	3,314,677	17,541,800	18.9

Notes: Counties listed in descending order of total claims. Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file. Column Total excludes counties outside the top 20.

FIGURE 10: Industry Distribution of Total Initial UI Claims In Large Counties Since Start of Crisis in Mid-March until April 25th

For Initial claims Filed Between March 15–April 25

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



Interpretation Example: Since March 15, 14% of initial UI claims in LA County came from the Retail Trade industry. Counties listed in descending order of total claims. Claims refer to initial claims for regular unemployment insurance (UI) benefits among California residents. Tabulations based on initial UI claims file.

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

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

Endnotes

- 1 This includes new claims, additional claims, and transitional claims. It excludes claims filed in CA by workers residing in a border state (but working in CA), and short-time compensation claims. When a claimant first files for UI benefits following a job loss they start a 52 week benefit year, a period during which their benefits (typically available for 26 weeks) are payable. A "new claim" is the first claim for a given benefit year. An "additional claim" is a second (or higher) claim filed during the same benefit year after a temporary return to work. A "transitional claim" is filed when a claimant is still collecting benefits at the end of their benefit year period and is eligible to begin a new one. As per the California Employment Development Department, see: https://www.edd.ca.gov/about_edd/Quick_Statistics_Information_by_County.htm (Accessed April 24th, 2020).
- 2 Since from April 27th onwards workers not qualifying for regular UI benefits were able to apply for Pandemic Unemployment Assistance, it is possible that these additional applications will reverse this downward trend.
- 3 As per the U.S. Department of Labor Employment and Training Administration's report No. 539. Available at <https://oui.doleta.gov/unemploy/DataDownloads.asp> (accessed on April 24th 2020).
- 4 Unless otherwise stated, all labor force numbers were downloaded from https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf.
- 5 The application rate to UI among the unemployed can be measured in surveys or inferred from data. In 2018, a survey found that only 26% among the unemployed in the U.S. applied for UI (<https://www.bls.gov/news.release/pdf/uisup.pdf>), largely because the unemployed thought they were not eligible. UI application rates may be higher in recessions, when fewer unemployed may expect to get jobs. At the peak of the Great Recession, the fraction of unemployed ultimately receiving UI benefits (the so-called "reciency rate") in the U.S. was 40%. The reciency rate is equal to the product of the application rate times the fraction of claims that are paid. Since past experience suggests 70% of UI claims ultimately receive benefits (either because they are not found to be eligible, get a job, or do not take up benefits for other reasons), a reciency rate of 40% implies an application rate of 57%. Since the reciency rate in CA is typically somewhat higher than the national rate, the application rate could be somewhat higher as well. If the unemployed applied for UI benefits at the same rate as the Great Recession during the COVID-19 crisis, the implied rise in the unemployment rate would be approximately 1.43 times the fraction of total initial claims among the labor force.
- 6 We obtained the labor force numbers for education groups by multiplying labor force education shares in California calculated from the Current Population Surveys with the total California labor force reported at https://www.labormarketinfo.edd.ca.gov/specialreports/CA_Employment_Summary_Table.pdf.
- 7 The main categories at our disposal in the data were "White, Non-Hispanic", "Black, Non-Hispanic", "Hispanic," and "Asian". Because of small sample sizes, we do not show information of "Native American and Alaskan Native." Some claims have race "Other" or "Unknown"; these are kept in the total when calculating race shares, but not shown separately.
- 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 The base period includes the first four of the last five completed calendar quarters as of the claim. The WBA is approximately equal to 50% of average weekly earnings during the highest earning quarter of that base period, up to the maximum of \$450. The exact cut off to earn the maximum WBA is \$898/week.
- 10 The data by county represents the mailing address given by the claimant at the time of filing for UI. It is possible that an individual can reside in a different county than their mailing address. Also, this information does not represent the county where the individual worked. It is also possible that a claimant could have moved or changed their mailing address after filing for UI which would not be reflected here. Data for claimants residing outside of California but collecting benefits are not included in these figures nor are invalid addresses in California where a county cannot be determined.
- 11 These economic regions are groups of county data. The county groupings are available upon request.