APPENDIXES—UNEMPLOYMENT INSURANCE

Appendix IV-A. Cost Estimates

This appendix explains the bases of the cost estimates used by the Council in arriving at its proposed Federal tax rate of 1.5 percent for unemployment insurance to be paid in equal shares by employers and employees. In this rate , 1.2 percent would be offset by contributions to States for benefit purposes, leaving the 0.3 percent Federal tax to be expended for administration and the other purposes outlined in recommendations 10 and 13. This appendix deals only with benefit costs.

The 1.2 percent rate is merely a minimum State-contribution rate; any State may set a higher rate, as several States will need to do in order to support an adequate system of benefits. Under the Council's proposals, the States will retain responsibility for setting rates high enough to finance benefits under their programs. This minimum tax is proposed by the Council as a means of eliminating, so far as possible, interstate competition for lower contribution rates and thereby reducing present barriers to the provision of adequate benefits.

The 1.2 percent minimum rate is proposed by the Council for the next 10-year period only. It may be too low or too high as a minimum rate for periods which follow. It will certainly be too low for some States. It has been possible to recommend a rate as low as 1.2 percent because of the assumption that a considerable portion of present reserves will be utilized to pay benefits during the next 10 years. Actual benefit costs for the Nation as a whole over the next 10 years will probably be in excess of 1.2 percent of covered pay rolls. The amount of this excess will depend, of course, partly upon the employment pattern and partly on the rate of benefits. The Council has made four estimates based on two economic assumptions and two levels of benefits. The average cost for the next 10 years as shown by these estimates ranges from 1.5 to 2.0 percent of pay rolls.

Cost estimates for unemployment insurance depend on the benefit provisions, and on the volume, duration, and concentration of unemployment. The Council believed it wise to base estimates on two sets of hypothetical economic conditions which might prevail during the next 10 years—(1) a favorable cycle with unemployment ranging from 2 to 5 million in the next decade and (2) a more pessimistic outlook with unemployment ranging from 2 to 10 million. Estimates have been made for two different levels of benefits. One group of benefit assumptions is roughly equivalent to the benefit provisions now in effect in the States with the most liberal provisions, and the other assumption postulates somewhat higher expenditures. Since the estimates form the basis for setting a minimum rate which might prevail over the next 10 years, it seemed desirable to assume some liberalization of benefits such as might be expected during that period.

The Council recommends the minimum rate of 1.2 percent for benefit purposes because this rate seems to be applicable to the majority of the States under both benefit assumptions and both the favorable and unfavorable economic assumptions. We might have suggested a higher rate that would have covered the costs of even the highest-cost State, but this approach was rejected because it would require many States to collect more than they needed for an adequate level of benefits. Similarly, the Council might have proposed a much lower rate that would have covered the costs only in the lowest-cost States; but this approach was rejected because it would not accomplish the Council's purpose of reducing interstate competition for lower contribution rates. With such a minimum rate, most States would still be in the position of having to decide whether they would provide more liberal benefits or reduce the contribution rate to the minimum. The Council believes that the rate of 1.2 percent will avoid interstate competition in contribution rates among most States, but again reiterates the fact that, under its cost assumptions, a few States will have to charge more than the minimum rate, and that all States, under the State-Federal system, must be responsible for providing adequate contribution rates and benefits in relation to their own experience.

These estimates do not undertake to indicate what unemployment insurance will cost in the individual States over the next 10 years or what rates particular States should charge. Much more detailed study on an individual State basis would be needed before conclusions of this type could be reached. The estimates for the individual States are rough calculations based on their past benefit experience (the war years, 1942–44, were not considered in these estimates), and future benefit experience in many States will probably differ from past experience. The estimates do, however, give a basis for establishing a national minimum rate; for this purpose it is not necessary that the costs in each State be accurately predicted as long as the general picture is reasonably correct.

I. Economic Assumptions

Benefit costs for a specific unemployment insurance program depend primarily upon the economic conditions prevailing during the period under consideration.

In order to determine costs over a complete business cycle, the duration of the cycle must be established. If estimates are projected for only 3 or 4 years ahead they cannot adequately take account of a relatively severe decline, with unemployment reaching 5, 8, or 10 million, and subsequent return to predepression levels of business activity. On the other hand, it would be impractical to plan the financial structure of an unemployment insurance program too many years ahead. In view of these considerations, therefore, variations in economic activity over a 10-year period were considered. Ten years was deemed long enough to encompass anticipated variations in economic activity but not too long for practical purposes of planning.

To estimate costs over a business cycle, three basic assumptions need be established: (a) a high level of employment at the beginning and end of the cycle; (b) employment declining in the early phase of the cycle and increasing in its later phase; and (c) the range in the volume of unemployment. The precise shape of the pattern does not significantly affect the size of the estimates. The slope may be irregular and the trough shifted to the left or right without affecting costs. It is important only that there be peak levels of employment at the beginning and end of the cycle and a specified range of variation in unemployment over the period. Detailed differences during the course of a business cycle tend to average out over the cycle.

A. FAVORABLE PATTERN OF EMPLOYMENT

One set of cost estimates was based on the assumption that unemployment during the next 10 years would vary from 2 to 5 million as follows:

Year of cycle	Unemployment (in millions)		Year of cycle	Unemployment (in millions)	
	At end of year	Average for year		At end of year	Average for year
1	2	2.0	7	5	5.0
2	2	2.0	8	2	3.5
3	5	3.5	9	2	2.0
4	5	5.0	10	2	2.0
5	5	5.0			
6	5	5.0	Average for the cycle	----------	3.5

B. UNFAVORABLE PATTERN OF EMPLOYMENT

It is possible that estimated unemployment of 5 million at the trough of the business cycle might prove to be over-optimistic. Another set of estimates was therefore prepared based on the assumption that unemployment would range from 2 to 10 million during the course of the business cycle. In the 2 to 10 million cycle, unemployment was assumed to vary in the following manner:

Year of cycle	Unemployment (in millions)		Year of cycle	Unemployment (in millions)	
	At end of year	Average for year		At end of year	Average for year
1	2.0	2.0	7	7.5	8.7
2	2.0	2.0	8	2.0	4.8
3	7.5	4.8	9	2.0	2.0
4	10.0	8.7	10	2.0	2.0
5	10.0	10.0	Average for the cycle	----------	5.5
6	10.0	10.0			

C. TURN-OVER

Unemployment insurance, as it operates in all States, compensates the highest proportion of unemployed workers during peak levels of employment and the initial stages of an economic set-back. As the depression deepens, a growing proportion of unemployed workers exhaust their benefit rights and find it difficult or impossible to get new jobs. During the later stages of a depression, although the absolute number of unemployed may be large, the percentage of the unemployed receiving benefits is much smaller than in the early stages. A fairly rigid demarcation develops among the unemployed between workers in the turn-over group who stand a good or reasonable chance of finding a job, and those in the hard-core group who have relatively little chance of reemployment during the depression.

The cost estimates under both economic patterns were based on the assumption that turn-over among covered workers during periods of peak employment would average 2 to 3 percent of covered employment per month. This turn-over pattern is indicated by data on initial claims and covered employment reported by the State employment security agencies.

The turn-over group consists in large part of workers out of a job because of frictional factors in the economy that are prevalent in both good times and bad. Even if the workers in the turn-over group had as good chances of finding employment during the depression as during peak business activity, however, the emergence of the hard-core in a depression with almost no chances of finding a job tends to reduce the hiring prospects of unemployed workers taken as a whole. As a result, turn-over tends to decline during a depression. This phenomenon was taken into account in the preparation of the cost estimates.

An even more unfavorable pattern than either of those assumed, with unemployment rising to as much as 13,000,000, would raise costs on the average by perhaps 5 to 10 percent. These higher costs would result mainly from the increased number of initial lay-offs averaged over the 10-year period, but also to a lesser extent from the longer duration of compensated unemployment. It is significant, however, that even extreme assumptions for the volume of unemployment do not increase costs substantially. Since unemployment benefits are paid for a limited duration and since eligibility depends upon recent earnings, the effect of large-scale unemployment on the costs of the system is limited.

Some consideration was given to the possibility that employers might rotate jobs by hiring workers as they exhaust benefit rights and laying off others as they gain eligibility for benefits. If this type of share-the-work were widespread, it would increase costs considerably. Because of seniority rules and employment practices, however, the extent of this type of job rotation is likely to be slight. On the other hand, the more normal share-the-work practice of reducing the number of hours worked per week would tend to reduce benefit costs. The cost estimates were based on the assumption that these contrary tendencies would about cancel out and that share-the-work practices would not affect benefit costs.

D. LABOR FORCE

Under both economic patterns, the labor force was assumed to increase at an average of 600,000 a year over the 10 years. At present, the labor force is growing at a rate of more than a million a year. Such growth, however, is unusual during peacetime and is probably attributable to the prevailing boom conditions. As conditions become more stable, the growth in size of labor force will probably tend toward the long-run average of 1 percent per year. About 1.2 million people will probably reach working age each year, while slightly more than half a million will leave the labor market because of age, infirmity, marriage, or death. During the past 12 months, the labor force has been averaging about 62 million.

II. Benefit Assumptions

WEEKLY BENEFIT AMOUNT

Several facts have led the Council to conclude that existing benefit levels are on the average too low for estimating future costs. The facts are:

1. The average weekly benefit amount is now only about 35 percent of the average weekly wage; in the second quarter of 1947 it was less than 30 percent in eight States.
2. Even the maximum weekly benefit amount now ranges among the States from 35 to 59 percent of the average weekly wage, with 31 States in the 35 to 45 percent interval.
3. In 1947 more than half the benefit payments (57 percent) were at the maximum weekly benefit amount payable under the State laws; in eight States the proportion limited by the maximum exceeded 70 percent.
4. Increases in the cost of living have so greatly reduced the purchasing power of benefits that the average weekly benefit of $19.28 in July 1948 was worth only $11.11 in terms of 1935-39 dollars.
5. Even the present maximum weekly benefit amount would meet only 56.2 to 69.4 percent of the nondeferrable costs of living (49 to 53 percent of a total budget for family requirements) for a family of 4 in the 22 cities surveyed in June 1947, and the range among all 34 cities studied was from 48.9 to 86.4 percent.[1]

In order to determine the proper minimum rate over the next 10 years, it seemed prudent, on the basis of these facts, to assume for estimating purposes a higher level of benefits than now prevails in most States. The Council therefore assumed two sets of benefit conditions. The first set of assumed conditions is about equivalent to the provisions in the States with the most liberal benefits. These conditions assume weekly benefits equal, on the average, to at least 50 percent of previous weekly earnings up to a maximum benefit of $25 a week and a uniform duration of 26 weeks.

The second set of benefit assumptions used by the Council provides for a somewhat higher level of benefits. The cost estimates are projected over a 10-year cycle and it is reasonable to assume that benefits will rise during this period as they have during the past 10 years. In this second set of conditions, the Council assumed weekly benefits equal, on the average, to 50 percent of previous weekly earnings calculated on wages up to $80 a week.

There are many sets of benefit conditions, of course, which would result in approximately the same costs and any one of them would do equally well for the purpose of these estimates. Instead of a flat-rate of 50 percent of weekly earnings up to $80 a week, a State might use a formula which would permit claimants with less than average wages to receive somewhat more than 50 percent, and those with greater than average incomes to receive somewhat less. One such formula resulting in approximately the same costs as the above formula is 60 percent of the first $25 of weekly wages plus 40 percent of the next $55. One formula with dependents' allowances resulting in approximately the same costs as the above formulas is 60 percent of

[1] See Unemployment Benefits, Wages, and Living Costs, Social Security Bulletin, April 1948, pp. 3–9.

the first $30 of weekly wages, plus 30 percent of the next $50 of weekly wages, plus $2 for each of the first 3 dependents, with a maximum benefit not exceeding 75 percent of earnings.

The following table shows the weekly benefit amount under these three formulas, all of which are examples of formulas with costs equal to the second set of benefit assumptions.

Illustrative schedule of unemployment benefits using alternative formulas entailing approximately the same costs

Weekly earnings	Benefits representing—					
	A	B	C			
	50 percent of earnings	60 percent first $25; 40 percent next $55	60 percent first $30; 30 percent next $50; plus $2 dependents' allowance; 75 percent of weekly earnings maximum			
			No dependents	1 dependent	2 dependents	3 or more dependents
$10	$5	$6	$6	$7.50	$7.50	$7.50
$20	10	12	12	14.00	15.00	15.00
$30	15	17	18	20.00	22.00	22.50
$40	20	21	21	23.00	25.00	27.00
$50	25	25	24	26.00	28.00	30.00
$60	30	29	27	29.00	31.00	33.00
$70	35	33	30	32.00	34.00	36.00
$80	40	37	33	35.00	37.00	39.00

Cost equivalents of the first set of benefit assumptions might also be substituted for the particular formula chosen.

DURATION

With the first set of benefit conditions containing the $25 maximum weekly benefit, the Council has assumed a uniform duration of 26 weeks of benefits. With the second set of benefit conditions, the Council has assumed a minimum duration of 13 weeks and a maximum duration of 26 weeks, with the further assumption that a week of employment or twice the benefit amount would be required for each additional week of benefits between 13 and 26 weeks. A person with 26 weeks of employment in the base year would be fully insured and entitled to the maximum duration of 26 weeks of benefits.

Since the beginning of the program, there has been a marked trend toward longer duration; the two patterns assumed therefore seem realistic in the light of recent developments. These are the facts:

1. The fraction of base-year earnings used in determining duration has been increased somewhat since the beginning of the program, but a more pronounced increase has occurred in the maximum weeks of benefits to which workers are entitled. In 1937, the maximum duration was 16 weeks or less in all but 6 States; 43 States now provide a maximum of more than 16 weeks, and 7 pay benefits for a maximum of 26 weeks. Now, 87 percent of the covered workers are in States with a maximum of 20 weeks or more, as compared with only 12 percent in 1937.

2. Minimum duration has been increased in nearly all States, though not so markedly as maximum duration. Changes in the minimum duration have resulted from adopting a uniform duration, or from setting

a statutory minimum duration, or, most frequently, from changing the relationships between qualifying earnings, weekly benefit amount, and fraction of base-period earnings used to compute duration. While there has never been any pronounced concentration of minimum-duration provisions at or near a specific figure, the average minimum duration has increased from about 7 weeks in 1940 to about 10 weeks at present.

3. Because of liberalization of State laws, as well as increases in annual earnings on which duration is based in most States, potential duration has risen from an average of 13 or 14 weeks in 1941 and 1942 to approximately 20 weeks in 1947.

ELIGIBILITY REQUIREMENTS

Under the set of conditions with the $25 maximum weekly benefit, the Council assumed that 13 weeks in the base period would make a worker eligible for 26 weeks of unemployment benefits. In the other set of conditions, the Council assumed that claimants who had been employed for 13 weeks in the base period would be eligible for the minimum duration of 13 weeks of benefits and that duration would increase for every week of employment in the base period up to a maximum of 26 weeks. It is not expected that these assumptions would significantly change the proportion of unemployed workers who would earn eligibility for benefits under present laws.

WAITING PERIOD

Both sets of benefit assumptions use a 1-week waiting period. In 1948, 43 States had a waiting period of this length or less. The trend toward reduction of the waiting period is indicated by the fact that in 1938 all States required a waiting period of 2 to 4 weeks; while, in 1948, only 8 States had a 2-week waiting period, and none required 3 or 4 weeks.

III. General Procedures Used in Estimating Costs

Mr. Woytinsky's monograph, entitled "Principles of Cost Estimates in Unemployment Insurance," [2] provided the ground work for estimating costs. The "favorable" and "medium patterns" described by Mr. Woytinsky are practically the same as the 2-to-5-million and 2-to-10-million unemployment cycles assumed in these estimates.

The estimated cost rates (benefits as a percent of taxable wages) shown in the Woytinsky monograph—for a uniform duration of 26 weeks and benefits of 50 percent of previous weekly earnings up to a maximum weekly benefit of $25—ranged from 1.4 to 1.7 percent for the favorable pattern and from 1.8 to 2.0 percent for the medium pattern. These benefit assumptions are the same as one set of benefit assumptions made by the Council. To arrive at the costs of the other set of benefit assumptions described in part II of this appendix, each of the differences between those assumptions and the Woytinsky benefit assumptions was analyzed.

1. *A weekly benefit of 50 percent of the weekly earnings up to a maximum benefit of $40 or its equivalent.*—Mr. Woytinsky assumed a

[2] Op. cit.

maximum benefit of $25 and 50 percent of weekly earnings up to this maximum. Raising the maximum from $25 to $40 would increase costs by about 20 percent, according to estimates based on the distribution of high-quarter earnings of workers covered by the old-age and survivors insurance program. This 20-percent increase, applied to Mr. Woytinsky's estimates, yielded cost rates for the higher-cost benefit assumptions of 1.7 to 1.9 percent for the favorable pattern and 2.2 to 2.4 percent for the medium pattern, assuming a uniform duration of 26 weeks.

2. *A week of benefits for each week of employment during the base period, not to exceed 26 weeks.*—It was estimated that, under these assumptions, potential duration would average 24 weeks during peak employment years. Costs over a 10-year cycle under a program providing uniform duration of 24 weeks were estimated by interpolating Mr. Woytinsky's estimates for uniform duration of 20 and 26 weeks. The combination of raising the maximum to $40 and a uniform duration of 24 weeks results in estimated costs of 1.7 to 1.9 percent for the favorable pattern of unemployment and 2.1 to 2.3 percent for the medium pattern. The Council assumes variable rather than uniform duration, however; and a slight additional downward adjustment is necessary, for, although potential duration would average 24 weeks during good years, it would probably drop below that figure during a depression.

3. *Minimum eligibility requirement of 13 weeks of employment.*—Mr. Woytinsky assumed that the proportion of claimants ineligible for benefits because of insufficient wage credits would remain about the same as in past experience. With very few exceptions, eligibility provisions under State laws are such that claimants must have worked about 13 weeks on the average to be eligible for benefits. The assumed eligibility requirement, therefore, would not materially increase or decrease present costs.

4. *Increase in the tax base to $4,200.*—Mr. Woytinsky's estimates are based on the assumption that the first $3,600 of annual earnings would be taxable. If the tax base were raised to $4,200, as the Council recommends, costs under the formula providing a $25 weekly maximum for 26 weeks would probably not exceed 1.5 percent over the cycle with 2 to 5 million unemployed, or 1.8 percent over the cycle with 2 to 10 million unemployed. Comparable figures for the more liberal benefit assumptions would be 1.7 percent and 2.0 percent.

The above figures are cost figures for the country as a whole. To arrive at a minimum contribution rate which would be appropriate for the majority of States, it is necessary first to develop cost figures for the individual States and then, in setting the rate, to take into account a reasonable utilization of existing reserves State by State.

Actual experience during the past 10 years provided the basis for estimating benefit costs for the States, but the experience during the war years of 1942–44 was excluded as not typical of what is anticipated during the next 10 years. Costs were calculated for each State for all other years. The effect of differences in benefit provisions was then eliminated by estimating what the costs would have been under a uniform formula. In this way, a cost relationship among the States based on their past benefit experience was established. The same relationship was assumed in estimating costs under the two benefit assumptions and the two economic assumptions in this report. (See tables C and F of this appendix.)

IV. Setting the Minimum Contribution Rate

The problem in setting the minimum contribution rate was to arrive at a rate which would support the assumed level of benefits in most States over the next 10 years, taking into account the utilization of existing reserves. As has been indicated, the Council made estimates for the individual States for two sets of benefit assumptions under two hypothetical economic conditions. Under either set of economic assumptions, a contribution rate of 1.2 percent, required as a minimum by the Federal Government, seems reasonable for either of the assumed benefit levels.

According to our estimates, the minimum rate of 1.2 percent would be applicable to at least 30 States within a relatively narrow range of adjustment in benefits or contributions under all four sets of assumptions. Contributions in five States would undoubtedly have to be higher to support a benefit structure that could be considered adequate, and benefit costs in three others are so low that reserves would increase under even more pessimistic assumptions than 2 to 10 million unemployed. The 1.2 percent rate is reasonably applicable to various States among the remaining 13 depending on which set of assumptions is used and how large a reserve is assumed to be desirable at the end of the 10-year cycle. Below is an analysis of the effect of the 1.2 percent minimum rate under the two assumed levels of benefits, in each case discussed under the two sets of hypothetical economic conditions.

A. THE EQUIVALENT OF 50 PERCENT OF AVERAGE WAGES UP TO A MAXIMUM BENEFIT OF $40 A WEEK [3]

Under the more liberal benefit assumption and assuming that unemployment will range between 2 and 5 million, a 1.2 percent contribution rate (0.6 percent payable by employers and 0.6 percent by employees) over the next 10-year cycle would, on the basis of past benefit experience, result in there being 26 States with reserves at the end of the cycle of from 5.0 to 9.9 percent of taxable pay rolls (table C, p. 198). In 13 States, the reserves at the end of the 10-year cycle would be less than 5 percent of taxable wages, and in 12 States the reserves would be more than 10 percent.

Of the 13 States whose reserve ratios would be less than 5 percent, 5 (Alabama, Massachusetts, Michigan, New York, and Rhode Island) would have exhausted their reserves completely if they provided benefits as liberal as those assumed and charged no more than the 1.2 percent rate. Table D, p. 199, indicates the tax rates which these 13 States would have to charge on the basis of past benefit experience if they were to end the 10-year cycle with reserves representing either 3 percent or 5 percent of taxable wages.

[3] Pt. II of this appendix describes these benefit assumptions in detail.

TABLE C.—*Estimated average annual benefit costs and State unemployment reserves as a percent of taxable wages*[1] *at the end of a 10-year cycle with a uniform contribution rate of 1.2 percent and a $40 maximum benefit formula*[2]

State	Percent of taxable wages				
		A. Assuming 2 to 5 million unemployed		B. Assuming 2 to 10 million unemployed	
	Reserves as of June 30, 1948	Cost of average annual benefits	Reserves at end 10-year cycle with contribution rate of 1.2 percent	Cost of average annual benefits	Reserves at end 10-year cycle with contribution rate of 1.2 percent
	I	II	III	IV	V
Average, 51 States	8.3	1.7	4.4	2.0	1.1
Alabama	5.8	1.9	-.3	2.2	-3.9
Alaska	10.3	1.5	9.1	1.8	5.8
Arizona	9.3	1.6	6.8	1.9	3.4
Arkansas	9.2	1.6	6.6	1.9	3.3
California	10.6	2.3	.6	2.7	-3.8
Colorado	8.6	1.4	8.1	1.6	5.9
Connecticut	10.8	1.5	9.7	1.8	6.4
Delaware	6.6	1.3	6.8	1.5	4.6
District of Columbia	8.5	.8	14.6	.9	13.5
Florida	7.1	1.5	5.2	1.8	1.9
Georgia	8.5	1.1	10.3	1.3	9.1
Hawaii	9.6	.8	15.9	.9	14.8
Idaho	10.8	1.4	10.8	1.6	8.6
Illinois	6.9	1.6	3.9	1.9	.6
Indiana	7.2	1.5	5.3	1.8	2.0
Iowa	8.1	1.4	7.5	1.6	5.4
Kansas	8.5	1.7	4.7	2.0	1.4
Kentucky	12.3	1.5	11.4	1.8	8.1
Louisiana	9.4	1.7	5.8	2.0	2.5
Maine	9.1	2.1	.2	2.5	-3.4
Maryland	9.5	1.7	5.9	2.0	2.6
Massachusetts	5.2	1.9	-1.5	2.2	-4.8
Michigan	5.1	1.9	-1.6	2.2	-4.9
Minnesota	8.7	1.4	8.2	1.6	6.0
Mississippi	10.8	1.3	11.8	1.5	9.7
Missouri	8.4	1.9	2.4	2.2	-.9
Montana	12.0	1.5	11.1	1.8	7.7
Nebraska	7.3	1.1	9.9	1.3	7.5
Nevada	13.4	1.5	12.8	1.8	9.8
New Hampshire	9.0	1.6	6.4	1.9	3.1
New Jersey	13.3	2.1	6.0	2.5	1.9
New Mexico	8.9	1.1	10.8	1.3	9.6
New York	8.2	2.1	-.1	2.5	-4.8
North Carolina	10.3	1.1	13.5	1.3	11.2
North Dakota	5.6	1.3	5.6	1.5	3.4
Ohio	9.2	1.3	9.9	1.5	7.7
Oklahoma	5.9	1.5	3.8	1.8	.4
Oregon	8.7	1.6	6.0	1.9	2.7
Pennsylvania	7.9	1.6	5.1	1.9	1.8
Rhode Island	8.4	2.5	-4.8	2.9	-8.6
South Carolina	7.9	1.1	10.6	1.3	8.4
South Dakota	5.7	1.1	7.9	1.3	5.7
Tennessee	8.8	1.6	6.1	1.9	2.8
Texas	6.1	1.3	6.2	1.5	4.0
Utah	11.2	1.6	9.0	1.9	5.7
Vermont	9.7	1.4	9.4	1.6	7.2
Virginia	7.0	1.1	9.5	1.3	7.3
Washington	10.4	2.3	.4	2.7	-4.0
West Virginia	7.3	1.6	4.4	1.9	1.1
Wisconsin	10.3	.8	17.1	.9	15.6
Wyoming	8.5	1.3	9.1	1.5	6.9

[1] "Taxable wages" have been increased to take account of the Council's recommendations for extension of coverage and for an increase in the maximum tax base to $4,200 a year.
[2] Pt. II of this appendix describes these benefit assumptions in detail.

TABLE D.—*Estimated State unemployment contribution rates in high-cost States necessary to maintain reserves of 3 or 5 percent of taxable wages at the end of a 10-year cycle using a $40 maximum benefit formula and assuming 2 to 5 million unemployed* [1]

State	Contribution rates for— 3 percent reserve ratio	Contribution rates for— 5 percent reserve ratio	State	Contribution rates for— 3 percent reserve ratio	Contribution rates for— 5-percent-reserve ratio
	Percent	*Percent*		*Percent*	*Percent*
Alabama	1.5	1.7	Missouri	1.3	1.4
California	1.4	1.6	New York	1.5	1.7
Illinois	[2] 1.2	1.3	Oklahoma	[2] 1.2	1.4
Kansas	[2] 1.2	1.3	Rhode Island	1.8	2.0
Maine	1.4	1.6	Washington	1.4	1.6
Massachusetts	1.6	1.8	West Virginia	[2] 1.2	1.3
Michigan	1.6	1.8			

[1] Pt. II of this appendix describes these benefit assumptions in detail.
[2] Under Council recommendations 1.2 would be the minimum rate so that no rates below this figure have been included.

The reserves of 8 States would not only increase over the 10-year cycle but would be more than 10 percent of taxable wages at the end of the cycle. In 4 (Georgia, New Mexico, North Carolina, and South Carolina) of these 8 States, the benefit costs are estimated at 1.1 percent of taxable wages. In Mississippi, with costs of 1.3 percent, reserves would also increase because of the interest on the fund. According to their past benefit experience, these States would be able to charge the minimum rate and provide benefits somewhat more liberal than those assumed in our estimates. In 3 jurisdictions (District of Columbia, Hawaii, and Wisconsin), the increase in reserves would be substantial under our assumptions, since the estimated cost of benefits for each is only 0.8 percent.

For the country as a whole reserves under these assumptions would be reduced over the next 10-year cycle from the present average level of 8.3 percent of taxable wages to 4.4 percent.

Using the same benefit assumptions and applying the past benefit experience of the States, but assuming 2 to 10 million unemployed and a contribution rate of 1.2 percent, reserves in 21 States would be reduced below 3 percent of taxable wages at the end of the 10-year period. In 9 States (Alabama, California, Maine, Massachusetts, Michigan, Missouri, New York, Rhode Island, and Washington) reserves would be completely exhausted and the cycle would end with deficits. There would be 12 additional States (Florida, Illinois, Indiana, Kansas, Louisiana, Maryland, New Jersey, Oklahoma, Oregon, Pennsylvania, Tennessee, and West Virginia) that would either have to raise contribution rates or pay somewhat lower benefits than assumed in order to end the cycle with reserves of 3 percent or more of taxable wages under these assumptions (see table E, p. 200); but of this group of 12 States, only Illinois, Oklahoma, and West Virginia would have to increase their contribution rates by as much as 0.2 percentage point.

If, after weathering a depression of this magnitude, it still seemed desirable to start a new cycle, 10 years from now, with a reserve as high as 5 percent of taxable wages, all 27 States listed in table E would have to charge a contribution rate above the minimum or provide somewhat lower benefits. The increase would need to be only 0.1 percentage point in 2 of these States, however, only 0.2 in 7, and 0.3 in 6.

Of the 8 States whose reserves would increase over the 10-year cycle and represent more than 10 percent of taxable pay roll at the end of the cycle, assuming 2 to 5 million unemployed, 7 would also have increased reserves if 2 to 10 million were unemployed (table C, p. 198). Four (District of Columbia, Hawaii, North Carolina, and Wisconsin) would have reserves of over 10 percent of taxable pay roll under the 2 to 10 million assumption as well. In the eighth State, Mississippi, reserves would decrease slightly.

TABLE E.—*Estimated State unemployment contribution rates in high-cost States necessary to maintain reserves of 3 or 5 percent of taxable wages at the end of a 10-year cycle using a $40 maximum benefit formula and assuming 2 to 10 million unemployed* [1]

State	Contribution rate for— 3 percent reserve ratio	Contribution rate for— 5 percent reserve ratio	State	Contribution rate for— 3 percent reserve ratio	Contribution rate for— 5 percent reserve ratio
	Percent	*Percent*		*Percent*	*Percent*
Alabama	1.8	2.0	Missouri	1.5	1.7
Arizona	[2] 1.2	1.4	New Hampshire	[2] 1.2	1.4
Arkansas	[2] 1.2	1.4	New Jersey	1.3	1.5
California	1.8	2.0	New York	1.9	2.1
Delaware	[2] 1.2	1.3	North Dakota	[2] 1.2	1.4
Florida	1.3	1.5	Oklahoma	1.4	1.6
Illinois	1.4	1.6	Oregon	1.3	1.4
Indiana	1.3	1.5	Pennsylvania	1.3	1.5
Kansas	1.3	1.5	Rhode Island	2.3	2.5
Louisiana	1.3	1.4	Tennessee	1.3	1.5
Maine	1.8	2.0	Texas	[2] 1.2	1.3
Maryland	1.3	1.4	Washington	1.8	2.0
Massachusetts	1.9	2.1	West Virginia	1.4	1.6
Michigan	1.9	2.1			

[1] Pt. II of this appendix describes these benefit assumptions in detail.
[2] Under Council recommendations 1.2 would be the minimum rate so that no rates below this figure have been included.

B. THE EQUIVALENT OF 50 PERCENT OF AVERAGE WAGES UP TO A MAXIMUM BENEFIT OF $25 A WEEK [4]

Under the less liberal set of benefit assumptions and using past benefit experience, our estimates indicate that a 1.2 percent contribution rate over a 2 to 5 million unemployment cycle would result in there being nine States at the end of the cycle with reserve ratios of less than 5 percent. Reserve ratios in 21 States would be between 5 and 10 percent and in 21 States over 10 percent.

Of the nine States whose reserves would be less than 5 percent of taxable pay rolls by the end of the cycle, one—Rhode Island—would undoubtedly have exhausted its reserve and incurred a deficit; three others—Alabama, Massachusetts, and Michigan—would be dangerously close to the exhaustion mark (table F). Under these assumptions, table G indicates the contribution rates that, on the basis of past benefit experience, would have to be levied in these nine States to insure reserves of 3 and 5 percent of taxable wages by the end of the cycle.

[4] Pt. II of this appendix describes these benefit assumptions in detail.

TABLE F.—*Estimated average annual benefit costs and State unemployment reserves as a percent of taxable wages*[1] *at the end of a 10-year cycle with a uniform contribution rate of 1.2 percent and a $25 maximum benefit formula*[2]

State	Percent of taxable wages				
		A. Assuming 2 to 5 million unemployed		B. Assuming 2 to 10 million unemployed	
	Reserves as of June 30, 1948	Cost of average annual benefits	Reserves at end 10-year cycle with contribution rate of 1.2 percent	Cost of average annual benefits	Reserves at end 10-year cycle with contribution rate of 1.2 percent
	I	II	III	IV	V
Average, 51 States	8.3	1.5	6.7	1.8	3.4
Alabama	.8	1.7	1.5	2.0	−1.8
Alaska	10.3	1.3	11.3	1.6	8.0
Arizona	9.3	1.4	9.0	1.7	5.7
Arkansas	9.2	1.4	8.8	1.7	5.5
California	10.6	2.0	3.9	2.4	−.6
Colorado	8.6	1.2	10.3	1.4	8.1
Connecticut	10.8	1.3	11.9	1.6	8.6
Delaware	6.6	1.1	9.0	1.4	5.7
District of Columbia	8.5	.7	15.7	.8	14.6
Florida	7.1	1.3	7.4	1.6	4.1
Georgia	8.5	1.0	12.4	1.2	10.2
Hawaii	9.6	.7	17.0	.8	15.9
Idaho	10.8	1.2	13.0	1.4	10.8
Illinois	6.9	1.4	6.1	1.7	2.8
Indiana	7.2	1.3	7.5	1.6	4.2
Iowa	8.1	1.2	9.7	1.4	7.5
Kansas	8.5	1.5	6.9	1.8	3.6
Kentucky	12.3	1.3	13.7	1.6	10.4
Louisiana	9.4	1.5	8.0	1.8	4.8
Maine	9.1	1.8	4.3	2.2	−.1
Maryland	9.5	1.5	8.1	1.8	4.8
Massachusetts	5.2	1.7	.7	2.0	−2.6
Michigan	5.1	1.7	.7	2.0	−2.7
Minnesota	8.7	1.2	10.4	1.4	8.2
Mississippi	10.8	1.1	14.1	1.3	11.9
Missouri	8.4	1.7	4.6	2.0	1.3
Montana	12.0	1.3	13.3	1.6	10.0
Nebraska	7.3	1.0	11.0	1.2	8.8
Nevada	13.4	1.3	15.0	1.6	11.7
New Hampshire	9.0	1.4	8.6	1.7	5.3
New Jersey	13.3	1.8	9.4	2.2	5.0
New Mexico	8.9	1.0	12.9	1.2	10.7
New York	8.2	1.8	3.2	2.2	−1.2
North Carolina	10.3	1.0	14.6	1.2	12.3
North Dakota	5.6	1.1	7.8	1.4	4.5
Ohio	9.2	1.1	12.1	1.4	8.8
Oklahoma	5.9	1.3	6.0	1.6	2.7
Oregon	8.7	1.4	8.2	1.7	4.9
Pennsylvania	7.9	1.4	7.3	1.7	4.0
Rhode Island	8.4	2.2	−.8	2.6	−5.3
South Carolina	7.9	1.0	11.7	1.2	9.5
South Dakota	5.7	1.0	9.0	1.2	6.8
Tennessee	8.8	1.4	8.4	1.7	5.1
Texas	6.1	1.1	8.4	1.3	6.2
Utah	11.2	1.4	11.2	1.7	7.9
Vermont	9.7	1.2	11.6	1.4	9.4
Virginia	7.0	1.0	8.6	1.2	8.4
Washington	10.4	2.0	3.6	2.4	−2.9
West Virginia	7.3	1.4	6.6	1.7	3.3
Wisconsin	10.3	.7	17.9	.8	16.8
Wyoming	8.5	1.1	11.3	1.3	9.1

[1] "Taxable wages" have been increased to take account of the Council's recommendations for extension of coverage and for an increase in the maximum tax base to $4,200 a year.
[2] Pt. II of this appendix describes these benefit assumptions in detail.

TABLE G.—*Estimated State unemployment contribution rates in high-cost States necessary to maintain reserves of 3 or 5 percent of taxable wages at the end of a 10-year cycle using a $25 maximum benefit formula and assuming 2 to 5 million unemployed* [1]

State	Contribution rate for— 3 percent reserve ratio	Contribution rate for— 5 percent reserve ratio	State	Contribution rate for— 3 percent reserve ratio	Contribution rate for— 5 percent reserve ratio
	Percent	*Percent*		*Percent*	*Percent*
Alabama	1.4	1.6	Missouri	[2] 1.2	1.3
California	[2] 1.2	1.4	New York	[2] 1.2	1.4
Maine	[2] 1.2	1.3	Rhode Island	1.6	1.8
Massachusetts	1.4	1.6	Washington	[2] 1.2	1.3
Michigan	1.4	1.6			

[1] Pt. II of this appendix describes these benefit assumptions in detail.
[2] Under Council recommendations 1.2 would be the minimum rate so that no rates below this figure have been included.

Of the 21 States whose reserves are shown as exceeding 10 percent of taxable wages (table F, p. 201), by the end of the cycle, 1 would have benefit costs of 1.4 percent of taxable wages and 11 would have costs of 1.1 to 1.3 percent. These States would be able to charge the minimum rate of 1.2 percent and provide benefits more liberal than those on which these estimates were based. In the other 9, costs would be so low judging by past benefit experience that, with a 1.2 percent tax rate and benefits limited to those in the assumptions, reserves would continue to grow considerably even if unemployment rose above 10 million.

Applying these benefit assumptions to a business cycle with unemployment of 2 to 10 million, it was estimated that, by the end of the 10-year period, reserves in 11 States would be less than 3 percent of taxable wages. In 8 States (Alabama, California, Maine, Massachusetts, Michigan, New York, Rhode Island, and Washington) reserves would be completely exhausted and the respective State programs would have incurred a deficit by the end of the cycle. The other 3 States (Illinois, Missouri, and Oklahoma) would have to increase their contribution rates if they paid such benefits and ended the cycle with a 3 percent reserve. Of these 3 States, only Missouri might have to increase its rate by as much as 0.2 percentage point.

If, at the end of such a cycle, it seemed desirable to have a reserve as high as 5 percent of taxable wages, the 20 States shown in table H would have to levy contribution rates higher than the 1.2 percent minimum if they were to provide such benefits. Eight of these States would have to increase their rates by only 0.1 percentage point, and 3 by only 0.2. Of the 21 States whose reserve would be more than 10 percent of taxable wages at the end of a cycle with 2 to 5 million unemployment, 11 would also have reserves representing more than 10 percent of taxable wages at the end of a cycle with unemployment of 2 to 10 million.

Assuming the continuation of past benefit experience, costs in the District of Columbia, Hawaii, and Wisconsin under these assumptions would be so low as to increase their reserves substantially.

TABLE H.—*Estimated State unemployment contribution rates in high-cost States necessary to maintain reserves of 3 or 5 percent of taxable wages at the end of a 10-year cycle using a $25 maximum benefit formula and assuming 2 to 10 million unemployed* [1]

State	Contribution rate for—3 percent reserve ratio	Contribution rate for—5 percent reserve ratio	State	Contribution rate for—3 percent reserve ratio	Contribution rate for—5 percent reserve ratio
	Percent	*Percent*		*Percent*	*Percent*
Alabama	1.6	1.8	Michigan	1.7	1.9
California	1.5	1.7	Missouri	1.4	1.6
Florida	[2] 1.2	1.3	New York	1.6	1.8
Illinois	1.3	1.4	North Dakota	[2] 1.2	1.3
Indiana	[2] 1.2	1.3	Oklahoma	1.3	1.4
Kansas	[2] 1.2	1.3	Oregon	[2] 1.2	1.3
Louisiana	[2] 1.2	1.3	Pennsylvania	[2] 1.2	1.3
Maine	1.5	1.7	Rhode Island	2.0	2.2
Maryland	[2] 1.2	1.3	Washington	1.5	1.7
Massachusetts	1.7	1.9	West Virginia	[2] 1.2	1.4

[1] Pt. II of this appendix describes these benefit assumptions in detail.
[2] Under Council recommendations 1.2 would be the minimum rate so that no rates below this figure have been included.

APPENDIX IV–B. PAYMENTS ON ERRONEOUS AND FRAUDULENT CLAIMS

The Social Security Administration and the States have for some time been concerned with the problem of payments on erroneous and fraudulent claims. The Interstate Conference of Employment Security Agencies has for several years made special studies and recommendations in this field. The first committee on fraud, organized in 1941, later issued the 1942 Report of Interstate Conference Committee on Fraudulent and Other Illegal Benefit Payments. A second report was made in September 1943. The third report of the Subcommittee on Fraud Prevention and Detection was submitted to the interstate conference on July 30, 1948. It summarized present State practices and made several recommendations. This subcommittee reported:

> Fragmentary evidence, which has come to our attention as a byproduct of our study of the devices for the prevention and detection of fraud, leads us to believe that erroneous payments as a whole do not exceed 1 percent of all benefit payments, and that payments caused by deliberate fraud with criminal intent do not exceed one-half of 1 percent of the total amount of disbursements. However, disbursements of the State unemployment insurance program run into hundreds of million of dollars each year and, small as it is percentagewise, the loss traceable to fraud is great.

The subcommittee believed that strict controls over claims were the first essential and that they would reduce fraud to that "clear-cut type of criminal activity which never can be entirely eradicated." Among the methods of claims control now being used, the committee listed the following as the most effective in preventing improper claims:

1. Weekly reporting of claims in person.
2. Contacts with the claimants' previous employers to obtain information on the causes of their unemployment.
3. Testing each claimant's availability for work and ability to work through offers of jobs by the Employment Service.
4. Current checks on the claimants' own job-seeking endeavors.
5. Periodic analysis of comprehensive questionnaires, prepared by claimants to substantiate their eligibility for benefits.
6. Frequent interviews of claimants by thoroughly qualified claims examiners.

The subcommittee favored constructive publicity showing that the State agency utilizes reasonable control over claims, prosecutes violations, and obtains convictions with real penalties. Such publicity might serve as an active deterrent to fraud. There was fear, however, that some types of publicity limited to a few sensational cases actually encouraged people to file fraudulent or improper claims.

The subcommittee also favored the establishment of a fraud investigation unit as a device which saves money. Many States would need only a small unit, but, as a desirable minimum, each State should have at least one specialist in fraud investigation and fraud control devoting full time to investigation, devising control measures, training claims takers, etc.

The Federal authorities also believe that each State should have a positive program to keep fraud at an inconsequential minimum, and that the first step in fraud prevention is to use proper claims procedures. These procedures include requirements for claimant reporting; adequate explanation to claimants of eligibility conditions; the use of separation information and information concerning failures to respond to call-ins or to accept referrals or jobs through the employment services; adequate fact-finding when claims issues arise; the use of claimant questionnaires and special claimant interviews. Sound basic procedures, adequate supervision, and intensive training are important in these operations, and the more effective the results, the less will be the need for the extensive use of special methods to prevent and detect fraud.

Several specific methods to improve procedures have been used in some States, and the Bureau of Employment Security recommends their use in other States:

1. Refusal to take continued claims during the noon hours when employed claimants could most easily visit the local office.
2. Rotation of the time for claimants' reporting.
3. Rotation of claims takers' stations.
4. Particular attention to claimants who delay filing initial claims for a considerable period after they lose their employment, to claimants who often fail to report at their scheduled appointments, and to claimants who leave the office without waiting a reasonable time for adjustment or other special interviews. Substitutes for the social security account number card should never be accepted when claims are filed, and the verification of the signature on continued claims should be a required practice.

Three other techniques have been used effectively by some States, but their results must be constantly checked since considerable costs are involved:

1. Accession notices have been used in Connecticut and Maryland with considerable success. Workers know that, when they are hired, their employer must send an accession notice to the employment office. This requirement tends to prevent fraud; it also permits the State agency to catch some fraudulent claims before payments actually begin. The system would be much more effective if all employers were required to file such notices and not just covered employers.
2. In a larger number of States a check of employee wage reports is made to find persons who might have drawn wages at the same time they were receiving benefits. This check can be done rather simply by mechanical means, and cases of apparent discrepancies can be individually investigated. The check can be made against old-age and survivors insurance records if a State keeps no wage reports.
3. Special industrial surveys can be made by field workers or merely by telephone. Fraud seems to concentrate in certain spots in certain occupations. Interstate claims may become especially troublesome. Particular attention to these troubled areas may yield greater results than would any system of over-all investigation.

Appendix IV–C. Memorandum by Five Members Dissenting From the Majority Report With Respect To Continuation of Unemployment Insurance and the Employment Service on a State Basis

There are important advantages in a national system of unemployment insurance. These advantages lead some members of the Council to prefer a national plan to the present State-Federal system. Indeed, these members of the Council believe that experience under a State-Federal plan will ultimately compel a shift to a national plan. Four of the members of the Council who prefer a national plan of unemployment compensation believe, however, that the existing State-Federal plan should be immediately improved. They have therefore signed the recommendations of the Council, believing that these recommendations, if adopted, would not impose any obstacles to a later shift to a national plan. Mr. Rieve concurs in this minority dissent but is not signing the recommendations of the Council since he disagrees with some of the most important ones. His views are explained in a concurring dissent at the end of this appendix.

The members of the Council who prefer a national plan but who have signed the report believe that the report should contain a statement of the reasons for their preference for a national plan. They believe the following are the principal reasons for preferring a national plan.

A NATIONAL ECONOMY REQUIRES A TRULY NATIONAL SYSTEM

The fundamental fallacy in the present structure of unemployment insurance and the employment service in this country is that it is premised upon the theoretical considerations of State-by-State political organization rather than upon the realities of our national economic organization. Employment, unemployment, prices, profits, and taxes are largely determined by Nation-wide influences. Employment or unemployment in the automobile industry in Michigan or in the steel industry in Pennsylvania or the coal industry in West Virginia is not the result of conditions or policies arising within the particular State. Why then should the contribution rate, benefit amounts, and other essential factors be varied on a State basis?

The argument is made by those advocating a State system that the determination of the existence of unemployment is an individual and local matter. This statement is true, but such a determination can and should be made on the basis of standards applicable throughout the country. The experience gained through the operation of the Federal old-age and survivors insurance program indicates that local and personalized administration can be achieved under a Federal law and uniform Federal standards.

The most apparent inconsistency in the administration of the present program is the fact that while there are numerous local labor markets which cross State lines, the local offices for unemployment insurance and employment service are organized and operated in accordance with the fortuitous State boundaries. Although various techniques have been tried to assure a more effective operation in labor-market areas crossing State lines, the effort has been largely ineffective because of the natural insistence of governors, State legislatures, and State and local directors to think in terms of State sovereignty and responsibility.

There are nearly 50 natural labor-market areas in the United States which cut across State lines. In these areas the number of individuals in the labor force represent a substantial proportion of the total labor force of the entire country. Among the outstanding examples of markets which cross State lines are the following: St. Louis, Mo., and East St. Louis, Ill.; Kansas City, Mo., and Kansas City, Kans.; Philadelphia, Pa., and Camden, N. J.; Duluth, Minn., and Superior, Wis.; Washington, D. C., and adjacent Maryland and Virginia; New York City and adjacent Connecticut and New Jersey. Only a service organized and administered day-by-day on the principle of a Nation-wide service can break down the psychological and political separatism which now permeates the system.

DISCRIMINATION AMONG EMPLOYERS

Under the existing State-by-State systems, employers are required to submit different forms, comply with different procedures, and pay different contribution rates in accordance with varying State laws. An employer operating on a Nation-wide basis is required to submit quarterly wage reports on individual employees in some States but must submit separation reports on individual employees in others. The forms for many reports differ among the States.

Some progress has been made in the States, under the pressure of action for a Federal system, to simplify the forms and eliminate the haphazard variations which still exist. However, in view of the fact that the Federal Government already collects wage reports from employers for the Federal old-age and survivors insurance program, the cost of administration could be greatly reduced and employers relieved of part of the present bookkeeping burden and inequities by utilizing one report to the Federal Government for all social-insurance contributions.

There is no uniform definition of the terms "employment" or "employee" under the State laws nor even a uniform interpretation among those States which have identical provisions. The result is that employers are sometimes required, without sound justification, to comply with several different State laws. Nation-wide employers who have isolated representatives in many different States have a legitimate complaint about the unnecessary burden which is placed upon them by the necessity of complying with a multiplicity of varying State laws and varying reporting requirements.

DISCRIMINATION AMONG EMPLOYEES

Under the existing State-by-State system, the amount and duration of benefits as well as most other conditions relating to eligibility and disqualification for benefits are determined exclusively by State law and State interpretation. Although in Nation-wide industries—such as automobiles, steel, coal, shipping, and textiles—wages, hours, and working conditions, as well as prices, are determined on a Nation-wide basis, unemployment insurance benefits are determined on a State-by-State basis. Thus, though two individuals receive the same wages and work the same period in the aircraft industry, for example, one, if he had worked in the State of Washington upon becoming unemployed could be eligible to receive $25 per week for 26 weeks or a total of $650; while the other, if he had worked in the State of Arizona could receive $20 per week for 12 weeks or $240.

The discrimination which also exists in such matters as eligibility conditions, waiting period, disqualification provisions, determination of suitable work, minimum amounts, appeals procedures, methods of computing the average wage of the unemployed individual, and other factors is very marked.

The case for a Federal system of unemployment insurance and employment service offices does not rest entirely on the inadequacies, discriminations, and inequities of the present State-by-State system. There is no doubt that much could be done to improve the present State-by-State system if greater authority were given to the Federal Government to set minimum standards. But even with such authority the present system would be inappropriate to deal with the employment and unemployment problem on a national basis in accordance with the economic and social requirements of our economy.

ECONOMIC FACTORS

The variations in benefits and contributions mentioned previously are discriminatory as between individuals. No principle of equity or justice can be advanced for such variations. In addition, such variations are a hindrance to developing a Nation-wide policy designed to assure maximum employment and productivity. States with low benefits and high reserves and restrictive disqualifying requirements may be adhering to policies which thwart national policy. In brief, there is no assurance that the State programs based on State laws and State regulations will reinforce national policy aimed at meeting the needs of a national economy. Since most State legislatures meet biennially, they are often unable to make the necessary changes promptly to adjust to a national emergency involving millions of our citizens. In fact, during the war and the reconversion period policies of particular States were frequently out of accord with rapidly changing national needs.

Under a State-by-State system, the total amount of reserves must necessarily be greater than under a single Federal system. In order to safeguard each State program separately, there must be accumulated reserves which for all the States together must aggregate a far larger amount than that equally safe for a single Federal system. There is, therefore, under a State system need to levy higher contributions and build up reserves larger than would be necessary under a Federal plan.

Instead of the present $7,000,000,000 of reserves isolated in water-tight compartments under the State-by-State system, not more than $2,000,000,000 to $3,000,000,000 of reserves would be necessary under a Federal system. The comparable advantages of centralized reserves in our banking system have been recognized for 35 years.

LACK OF UNIFORM TREATMENT

One of the major defects of the State-by-State system is that, even when uniform terms and provisions are included in State laws, there is lack of uniformity in the interpretation and application of such uniform decisions. Thus, the various State agencies and the courts have rendered dissimilar decisions on such important matters affecting the benefit rights of employees as who is an "employee," what is "suitable work," "voluntary leaving," "stoppage" of work, "available for work," and "good cause" for refusing suitable work. No basic improvement can be made in this situation without materially increasing the authority of the Federal Government. Only a Federal system can provide for a uniform and equitable interpretation of uniform statutory provisions.

LACK OF ENCOURAGEMENT FOR MOBILITY OF LABOR

A valuable element in the American economic system is the incentive given to the maximum utilization of individual skills in the changing need for labor. As new plants are built in new communities, new labor is required which must be drawn from other communities. This situation permits individuals to climb the economic ladder to utilize their greater skills, earn higher cash rewards, and thereby to increase national production and consumption. The various eligibility conditions of the State laws and the restrictive interpretations given of "voluntarily leaving" work, and the heavy penalties placed on "voluntary leaving" when not "attributable to the employer," all act as bars to the effective geographic and economic mobility of labor. A typical case illustrates the way in which this barrier works. An individual "voluntarily leaves" his employer to take a better paying job at a higher skill. After he works for a short period of time for his new employer, the plant burns down, the employer goes bankrupt or, for some other reason, the employee becomes unemployed *due to no fault of his own.* Under nearly half of the State laws this involuntarily unemployed individual will be denied benefits during all or part of this period of unemployment.

Another facet of this same problem is the unwillingness of a State legislature to increase the benefits under its law because of the competitive disadvantage which the employers in the State will face as against employers in other States with lower benefits and lower employer contributions. The recommendations in the body of the report will result in considerable improvement in this situation but will not entirely eliminate it. The only way in which unemployment insurance benefits can come to have a neutral effect on labor mobility is by providing a uniform national system with eligibility, amount and duration of benefits, disqualifications, and related matters on a common basis throughout the Nation.

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RECIPROCAL ARRANGEMENTS AMONG STATES

One of the serious shortcomings of the State-by-State system has been the failure, after nearly 15 years of effort, to work out a simple and effective system of reciprocal arrangements among all States as to both coverage and benefits. The present situation is costly for employers, employees, and the State agencies alike. The failure, after so many years, to achieve satisfactory administrative arrangements is an indication of the great obstacles faced by a State-by-State system in dealing with this important problem. It appears that the major reason why interstate claims are paid after a longer delay than intrastate claims is the fact that the provisions of the State laws are so complicated and diverse that speedy settlement is difficult.

PUBLIC UNDERSTANDING

The Council, in an earlier report on old-age and survivors insurance, unanimously recommended the development of a broad informational program. The Council said then:

> No social-security program can be effective unless those who are entitled to participate know their rights and obligations.

This principle is equally applicable to other areas of social insurance. In some respects it is even more applicable to unemployment insurance since unemployment is a current and recurring risk. There is ample evidence that the many complicated and technical provisions of State unemployment insurance laws have made it extremely difficult for individuals to know their benefit rights. A Federal program could greatly reduce the baffling complexities of the many State laws and thereby make it possible for both employers and employees to know their rights and duties under the law, irrespective of State-by-State variations.

NATIONAL DEFENSE

An additional justification for the operation of a Federal employment service is the necessity for having an effective manpower program in case of a national emergency. Federalization of the employment service in time of a national emergency and subsequent return of the service to the States is not a satisfactory procedure. Such a procedure does not assure an effective Federal system during an emergency. It is disruptive of staff morale when the service is returned to the States. It is disruptive of the tenure of office, compensation, and retirement rights of the employees involved. Only a permanent Federal employment service can give assurance that there will be the most effective service available in an emergency.

ADMINISTRATION

Although the Federal Government now pays all the costs of State administration, each State pays its employees in the employment security program on a State salary scale under State provisions with respect to tenure of office, retirement, leave, and other conditions of work. One of the chief advantages of a Federal system over a State-by-State system is that under the Federal civil service and the Federal civil-service retirement system, better qualified staff could be recruited and could improve services to everyone.

While each form of social insurance has its characteristic administrative problems, all involve the process of determining the eligibility of claimants for benefits and all in this connection draw upon a basic skill in human relations and in the application of law and policy to individual circumstances. A unified program with one local office for all types of benefits would facilitate the kind of training of personnel that would increase the possibility of an interchange of personnel in relation to fluctuations in the staff requirements of the different parts of the system. The result would be a more efficiently administered program with greater service to employers, employees, and the public.

The Federal old-age and survivors insurance program already offers the administrative and financial basis for simplifying and improving our unemployment insurance program. One wage report from each employer can be received for all social insurance purposes. One wage record can be maintained for all benefits. One local office with suitable specialists for each of the different programs could be established. There could be one Federal agency with a single set of regional, area, and local offices. Such an organization would assure simplified administration for employees, employers, and the public, lower administrative costs, more efficient administration, and greater consistency in the application of the law to all persons in similar circumstances.

Concurring Dissent by Mr. Rieve in Support of a National System of Unemployment Insurance and in Opposition to the Recommendations of the Majority of the Council With Respect To Continuation of Unemployment Insurance on a State Basis

I heartily agree with the four other Council members who believe in a national system of unemployment insurance. As our joint dissent explains, such a national system would make possible adequate benefits, would promote necessary mobility of labor during full employment or national defense emergencies, would meet the realities of our national economic organization, would overcome the present widespread differences in treatment of workers and of employers, and would make possible the development of a unified, comprehensive, adequate program of social insurance against the hazards of sickness, costs of medical care, old-age and survivorship, as well as unemployment.

It is already more than clear that only a national system can achieve these results. The State-Federal set-up has shortcomings even greater than those described in the majority report.

The four other members who support a national system seem to doubt that it can be obtained now. This doubt was valid during the life of the Eightieth Congress which appointed our Advisory Council, but the election has basically changed the situation. This is not the time for patchwork poultices that do not meet basic needs.

Even if a national system is not voted by this Congress, the recommendations of the majority do not contain sufficiently far-going improvements in the present State-Federal system. Employees are being asked to share half the costs of unemployment insurance with no assured gain in return. No Federal benefit standards are established, although the recommendation on disqualifications would mean improvement. Extension of coverage is certainly desirable, though not to Federal employees on a State basis. Certain minor advances in administration are more than offset by the proposal that funds be given the States for administrative purposes over and above congressional appropriations, thus confusing budgetary problems and weakening the Federal agency in its efforts to improve State programs.

It seems important to explain in more detail my opposition to this suggestion for administrative financing and the recommendation for an employee contribution.

At present employers are paying an average tax of 1.5 percent on pay rolls. The majority proposes that this be cut in half and that employees should accept a tax burden of 0.75 percent of their wages to make up the difference. This contribution amounts to a wage cut averaging 1 cent an hour. I believe that the evidence is insufficient to bolster the majority's argument that the combined flat rate will assure improvements in benefits by putting a floor under experience rating and taxes and thus theoretically weakening employer opposition to improve benefits. The Council's own estimates show that the flat amount would not be enough for even meager increases in benefits in an important group of States, including Alabama, Massachusetts, Michigan, New York, and Rhode Island. This statement would be true even if unemployment does not rise above 5,000,000. If unemployment rises to 10,000,000, these States as well as others, such as California and Missouri, would exhaust all their reserves. These are the Council's own estimates based on what, to me, are too low benefit provisions.

I have never accepted the idea that the unemployment-insurance contribution should be split equally between employers and employees. I certainly cannot agree to the idea that workers will show sufficient interest in unemployment insurance only if they pay for it. In New Jersey, in spite of the employee contribution for this program, the CIO State industrial union council has been unable to secure representation on the State advisory council and labor has lost representation on appeals boards. A national system would make it far easier for workers to understand unemployment compensation and would permit unions to acquaint their members with their rights and to participate more actively in the various administrative processes. When one system takes the place of 51 State and Territorial systems, the number of complexities, ambiguities, and uncertainties will be reduced by approximately 50 fifty-firsts; hence, it will for the first time be possible for any one person to understand unemployment insurance in the United States.

As for administrative financing, State employment security agencies should have enough money to operate properly, just as Federal agencies should. Congress should appropriate sufficient funds for all important Government functions. I am now supporting additional Federal grants for unemployment insurance and the employment offices. But this Council would give millions of dollars back to State agencies to be used for the same purpose as the money voted by Congress. I agree with the Bureau of Employment Security in opposing this suggestion, which in the current fiscal year would have given Illinois 2.8 million dollars over and above its budgetary administrative grant, or an addition of 44 percent. Pennsylvania, Indiana, Missouri, Ohio, and Wisconsin would have received 36 to 42 percent in addition. These proportions would be increased if Congress should lower rather than increase its appropriations. Supporters of this type of financing have frankly indicated that one objective is to escape from Federal controls, whereas I believe that the Federal agency should have increasing power to promote proper performance.

Appendix IV–D. Provisions of Temporary Disability Insurance Laws and Data Concerning Their Operation

Table I.—*Comparison of temporary-disability-insurance laws administered in connection with unemployment-insurance laws*

Provision	Rhode Island	California	New Jersey		Railroad
Name of program	Cash sickness compensation	Unemployment compensation disability benefits.	Temporary disability benefits—disability during unemployment.	Temporary disability benefits—State plan—disability during employment.	Railroad Unemployment Insurance Act, sickness and maternity benefits.
Type of fund	State fund	State fund and approved private plans (insured or self-insured).	State fund for State plan and disability during unemployment, and approved private plans (insured or self-insured).		Federal fund; benefits paid out of railroad unemployment account, no separate account or fund for those benefits.
Effective dates:					
Contributions	June 1, 1942	May 21, 1946	June 1, 1948. (See also Financing, below)		No additional or separate contribution.
Benefits	April 1943	Dec. 1, 1946	Jan. 1, 1949		July 1, 1947.
Coverage	Same as for unemployment insurance (firms with 4 or more workers in 20 weeks) except that individual workers can elect out on religious grounds.	Same as for unemployment insurance (firms with 1 worker and $100 in a quarterly pay roll).	Same as for unemployment insurance (firms with 4 or more workers in 20 weeks) except that individual workers can elect out on religious grounds.		Railroad workers covered by railroad unemployment insurance.
Financing	1 percent employee contribution, formerly paid for unemployment-insurance purposes.	1 percent employee contribution, formerly paid for unemployment-insurance purposes.	June 1, 1948, to Jan. 1, 1949, 0.75 percent employee contribution, out of 1 percent employee contribution formerly paid for unemployment insurance purposes. Remaining 0.25 percent employee contribution still allotted for unemployment insurance Jan. 1, 1949, and after. Workers covered by State plan pay 0.75 percent for temporary disability insurance and 0.25 percent for unemployment insurance; workers covered by private plan pay only 0.25 percent for unemployment insurance. Employers whose workers are not covered by private plan pay 0.25 percent for temporary disability insurance; after July 1, 1951, employer rate to be modified by experience rating.		Employer contribution—no additional contribution for temporary disability insurance.
Administrative financing	6 percent of contributions	5 percent of contributions	6 percent of contributions		Out of railroad unemployment insurance administration funds; 10 percent of contributions allowed for administration of both programs.
Definition of disability	Inability because of physical or mental condition to perform regular or customary work.	Inability because of physical or mental condition to perform regular or customary work.	Total inability to perform any work for remuneration resulting from any accident or sickness not compensable under workmen's compensation law.	Total inability to perform duties of the employment resulting from any accident or sickness not arising out of and in course of employment or if so, not compensable under workmen's compensation law.	Inability to work because of physical, mental, psychological, or nervous injury, illness, sickness, or disease.

Maternity	Except for unusual complications as a result of childbirth, limitation of 15 weeks' benefits for a pregnancy, even if new benefit year supervenes.	No payments for any illness or injury caused by or arising out of pregnancy for first 4 weeks after termination of the pregnancy.	No payments for any period of disability due to pregnancy, childbirth, miscarriage, or abortion.		Special maternity benefits for a period beginning 57 days before expected date of childbirth, and ending 115 days later, or 31 days after child is born, whichever is later, but not more than 84 days' benefits before childbirth. Benefits for first 14 days in maternity period, and first 14 days after childbirth at 1½ times regular rate. Maternity benefits not deductible from regular duration. Disabilities due to pregnancy not excluded from regular benefits.
Other exclusions			No payments for any period of disability due to willfully and intentionally self-inflicted injury, or to injuries sustained in the perpetration of a high misdemeanor.		
Benefit provisions	Differ in weekly amount and duration from unemployment insurance, otherwise the same.	Same as unemployment insurance.	Same as unemployment insurance.	Similar to unemployment insurance.	Same as unemployment insurance.
Benefit year	Uniform, beginning first Sunday in April.	Individual, beginning with valid claim. Valid claim for either temporary disability or unemployment insurance establishes benefit year for both.	Individual, beginning with valid claim for unemployment insurance.	No benefit year, but State plan provides for minimum and maximum benefits in any 12-month period on same basis as in unemployment insurance.	Uniform, beginning July 1.
Base period	Calendar year preceding benefit year.	First 4 of last 5 calendar quarters preceding benefit year beginning in second or third month of quarter; first 4 of last 5 calendar quarters preceding benefit year beginning in first month of quarter.	First 4 of last 5 calendar quarters preceding benefit year.	First 4 of last 5 calendar quarters preceding commencement of any period of disability.	Calendar year preceding benefit year.
Qualifying earnings	$100 in base period	30 × weekly benefit amount or $1\frac{1}{3}$ × high-quarter wages, whichever is less, but not less than $300.	30 × weekly benefit amount.	Same except for different base period.	$150 in base period.
Weekly benefit amount.	$6.75 to $18, based on schedule of high-quarter wages. Unemployment insurance, $10 to $25, based on schedule of high-quarter wages.	$10 to $25 based on schedule of high-quarter wages.	$9 to $22 ($\frac{1}{22}$ of high-quarter wages rounded to next higher dollar.)	do	Daily benefit amount of $1.75 to $5, based on schedule of annual wages. $17.50 to $50 for 2-week registration period after the waiting period.

TABLE I.—*Comparison of temporary-disability-insurance laws administered in connection with unemployment-insurance laws*—Continued

Provision	Rhode Island	California	New Jersey		Railroad
Benefit provisions—Con. Duration	3+ to 20+ weeks, \$34 to \$364.50, based on schedule of annual wages. Unemployment insurance, 5 to 26 weeks, \$52 to \$650, based on schedule of annual wages.	9+ to 26 weeks, \$150 to \$650 computed as lesser of 26× weekly benefit amount or ½ base-period wages.	10 to 26 weeks, \$90 to \$572 computed as lesser of 26 × weekly benefit amount or ⅓ base-period wages. 150 percent of duration for either program separately.	Same except that limit applies to benefits in any consecutive 12-month period.	Uniform 130 days—26 weeks, \$227.50 to \$650.
Limit on joint duration.	None	150 percent of duration for either program separately.	None	None	None.
Waiting period	1 calendar week of disability in benefit year.	7 consecutive days of disability at beginning of each uninterrupted period of disability.	1 week of unemployment in benefit year.	7 consecutive days of disability at beginning of each uninterrupted period of disability.	7 days in first 14-day registration period in a benefit year; benefits not paid for first 4 days of sickness in subsequent 14-day registration periods.
Part weeks of disability.	No provision. Benefits paid only for complete calendar weeks of disability.	Benefits paid for any days of disability in excess of 7 in a spell, at rate of ⅐ of weekly amount.	Payment for part weeks of disability if combined with employment according to unemployment-insurance formula for partial benefits—weekly amount minus earnings with an allowance of \$3 rounded to next higher dollar.	Benefits paid for any days of disability in excess of 7 in a spell at rate of ⅐ of weekly amount, payment for part week rounded to next higher dollar.	Benefits paid for each day of disability in excess of 4 in a 14-day registration period after the waiting period.
Benefit provisions for private plans.	No provision for private plans.	Benefit rights greater than under State plan—rights at least equal in all respects, and greater in at least one.		Weekly benefits and weeks of benefits at least equal to State plan and eligibility requirements no more restrictive, except that private plans already in existence may continue throughout the period of their present contract.	No provision for private plans.
Disqualification		Claimant disqualified for unemployment insurance because of a labor dispute disqualified for disability benefits. Claimant disqualified for unemployment insurance for voluntary leaving, discharge for misconduct, refusal of suitable work, willfully misrepresenting facts, is presumed disqualified for	No benefits for disability beginning more than 26 weeks after claimant unemployed and ineligible or disqualified.	Claimant disqualified for unemployment insurance because of a labor dispute is disqualified for disability benefits.	

		disability benefits unless there is a finding of disability and good cause for disability-benefit payments. Claimant neither employed nor registered at a public employment office for more than 3 months preceding beginning of period of disability must prove that unemployment is due to disability and not to a withdrawal from the labor market.			
Disqualifying income: Workmen's compensation.	If claimant receives workmen's compensation, total of workmen's compensation and disability benefits cannot exceed 90 percent of average weekly wage on last job prior to sickness. No deduction for lump-sum payments.	If claimant receives or is entitled to receive an equal or greater amount as workmen's compensation for same disability and week, not eligible for disability benefits; except that if workmen's compensation less than disability benefit, claimant is entitled to the difference.	Compensable disability excludes accident or sickness compensable under workmen's compensation law.		Not eligible if claimant receives workmen's compensation. If he receives it or damages for a disability for which disability benefits have been paid, agency is entitled to recover benefits from such payments.
Wages	Eligible even though claimant receives regular wages or part thereof while not working.	Not eligible if claimant receives wages or part thereof, except that if wages are less than weekly benefit amount, claimant draws the difference.	If remuneration minus $3 is less than weekly benefit, claimant receives the difference rounded to the next higher dollar.	No payment for period during which claimant performs work for remuneration; if he continues to receive wages, benefits plus wages may not exceed regular weekly wages prior to disability.	Not eligible if claimant receives wages.
Administrative procedures: Claims	Initial and continued claims to central office by mail.	Initial claims to central office by mail; continued claims to 16 area offices by mail.	Law provides for claims in accordance with statutory provisions for filing unemployment insurance claims.	Law provides for written notice of claim for benefits by or on behalf of the claimant.	Initial and continued claims to appropriate one of 9 regional offices by mail. All maternity benefit claims to Chicago central office by mail.
Medical certification of disability.	Medical certification required on all initial claims and on continued claims when State agency considers necessary.	First claims must be signed by a California physician, surgeon, dentist, chiropodist, osteopath, chiropractor, by a medical officer of the U. S. Government, or by authorized California religious practitioner. Continued claims must have similar certification when State agency considers necessary, except that, on continued claims, certification from out of State may be accepted.	No benefits for any period when claimant is not under care of a legally licensed physician. Claimant must furnish notice and proof of claim in accordance with rules and regulations to be issued.	When State agency considers necessary, proof of disability must include certification of total disability by attending physician or a record of hospital confinement.	Applications must be signed by a doctor of medicine, an osteopath, or a dentist. Continued claims must have similar certification on agency request.

TABLE I.—*Comparison of temporary-disability-insurance laws administered in connection with unemployment-insurance laws*—Continued

Provision	Rhode Island	California	New Jersey		Railroad
Required medical examination.	Agency employs part-time salaried physicians who give examinations to claimants directed by the agency to report for such examination.	Agency uses panel of physicians to give examinations to claimants directed by the agency to report for such examinations, and pays the physicians a scheduled fee for each case.	Not specified	When directed by Commission, claimant must submit himself at intervals not more often than once a week, for examination by a legally licensed physician or public health nurse designated by Commission.	Agency has designated physicians to give examinations to claimants directed by the agency to report for such examinations, and pays the physicians a scheduled fee for each case.

TABLE J.—*Operations of 3 temporary-disability-insurance programs during fiscal year July 1, 1947–June 30, 1948*

Item	California		Rhode Island		Railroad	
	Temporary disability (State insurance plan)	Unemployment insurance	Temporary disability insurance	Unemployment insurance	Temporary disability insurance	Unemployment insurance
Covered employment	[1] 1, 637, 500	[2] 2, 402, 500	[2] 238, 200	[2] 238, 200	[3] 2, 300, 000	[3] 2, 300, 000
Weekly average number of beneficiaries	18, 500	125, 450	4, 800	11, 705	[4] 150, 400	[4] 210, 000
Average number of beneficiaries as percent of covered workers	1. 1	5. 2	2. 0	4. 9	[5] 1. 2	[5] 1. 9
Benefits paid	$19, 410, 000	$123, 394, 500	$4, 257, 400	$12, 348, 400	$26, 604, 300	$32, 426, 200
Estimated taxable wages	[1] $4,776,036, 000	$6, 227, 058, 000	$547, 982, 000	$547, 982, 000	$4,742,000,000	$4,742,000,000
Benefits as percent of taxable wages	0. 41	2. 1	0. 78	2. 3	0. 56	0. 73
Funds available for benefit payments as of June 30, 1948	[6] $70, 716, 400	[6] $719, 513, 000	$34, 079, 800	$50, 584, 000	[7] $956, 282, 500	[7] $956, 282, 000

[1] Represents estimate of the number covered by the State plan and their wages. The difference between this figure and the employment and wages covered under unemployment insurance is the number of workers covered by private plans, and consequently not required to contribute to the State fund and not eligible for benefits under it.

[2] Estimated average covered employment in 1947.

[3] Number of workers with sufficient base period wage credits to be qualified for benefits during the fiscal year.

[4] Total number of different beneficiaries in the period.

[5] Computed as a ratio of average number of payments for a 2-week period to covered employment.

[6] In addition, $106,373,500 now in the unemployment insurance account is available for transfer to the temporary disability insurance account.

[7] One single fund from which both benefits are paid.

Appendix IV–E. Statistics Related to Unemployment Insurance

Table 1.—*National summary of data on unemployment insurance operations, by years, 1938–47*

[Corrected to Dec. 10, 1948]

Item	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947
Covered employment and wages: [1]										
Estimated workers with wage credits (in thousands)	27,500	30,100	31,900	37,600	43,000	44,000	43,000	43,000	45,500	45,600
Average monthly employment (in thousands)	19,929	21,378	23,096	26,814	29,349	30,828	30,044	28,407	30,235	[2] 32,216
Total wages in covered employment (in millions)	$26,200	$29,069	$32,450	$42,146	$54,796	$66,117	$69,139	$66,642	$73,403	[2] $86,467
Taxable wages in covered employment (in millions)	$25,665	$28,411	$30,107	$38,677	$49,721	$59,034	$60,655	$58,545	$63,691	[2] $72,831
Subject employers as of December 31 (in thousands)	(3)	[4] 807	843	[4] 896	877	876	885	943	1,223	1,338
Claim and benefit activities: [5]										
Total number of initial claims (in thousands) [6]	9,565	9,765	11,140	8,527	6,324	1,884	1,503	[7] 6,049	9,828	9,724
New claims (in thousands) [8]	(3)	(3)	[6] 7,328	[6] 5,435	[6] 4,250	1,296	1,067	4,862	6,988	6,159
Additional claims (in thousands) [8]	(3)	(3)	(3)	(3)	(3)	589	436	1,169	2,838	3,565
Estimated number of different beneficiaries (in thousands) [9]	(3)	4,336	5,043	3,311	2,680	633	523	2,861	4,461	3,984
Average weekly number of beneficiaries (in thousands)	732	799	982	621	541	115	79	462	1,150	852
Weeks compensated, all unemployment (in thousands)	[10] 38,076	[10] 41,554	51,084	32,295	28,158	6,004	4,124	24,261	59,915	44,325
Average weekly benefit amount for total unemployment	$10.94	$10.66	$10.56	$11.06	$12.66	$13.84	$15.90	$18.77	$18.50	$17.83
Average actual duration of benefits (in weeks) [11]	(3)	(3)	9.9	9.4	10.0	9.0	7.7	8.5	13.4	11.1
Ratio of persons exhausting benefits to first payments (percent) [12]	(3)	59.6	50.6	45.6	34.9	25.5	20.2	19.2	38.3	30.7
Total benefits paid (in millions)	$393.8	$429.3	$518.7	$344.3	$344.1	$79.6	$62.4	$445.9	$1,094.9	$776.2
Interstate benefits paid (in millions)	(3)	(3)	$24.2	$21.1	$20.8	$6.8	$4.6	$19.1	$89.9	$39.0
Ratio of benefits to collections (percent)	[13] 74.3	[14] 54.6	60.7	34.2	30.2	6.0	4.7	38.4	120.1	70.8
Ratio of benefits to taxable wages (percent [15]	2.2	1.5	1.7	.9	.7	.1	.1	.8	1.7	1.1

See footnotes at end of table.

TABLE 1.—*National summary of data on unemployment insurance operations, by years, 1938–47*—Continued

[Corrected to Dec. 10, 1948]

Item	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947
Financial data:										
Average rate of employer contributions (percent):[16]										
For the United States	2.75	2.72	2.69	2.58	2.17	[17] 2.09	[17] 1.92	[17] 1.72	[17] 1.43	[17] 1.41
For States operating under experience rating	2.74	2.09	2.29	2.17	1.81	[17] 1.85	[17] 1.73	[17] 1.68	[17] 1.38	[17] 1.40
Number of States with experience rating in effect	1	1	4	17	34	40	42	45	45	50
Estimated reduction in revenue as result of experience rating (in millions)	0	$4	$7	$54	$269	[17] $369	[17] $485	[17] $586	[17] $821	[17] $984
Collections (in millions)[18]	$819	$825	$854	$1,006	$1,139	$1,325	$1,317	$1,162	$912	$1,096
Interest (in millions)	$21	$32	$42	$53	$68	$82	$102	$127	$130	$139
Funds available for benefits, as of December 31 (in billions)	$1.1	$1.5	$1.8	$2.5	$3.4	$4.7	$6.1	$6.9	$6.9	$7.3

[1] Excludes data for railroads and allied groups, subject, as of July 1, 1939, to Federal Unemployment Insurance Act.
[2] Includes estimates for 2 States.
[3] Data not available.
[4] 1939, includes estimate for District of Columbia and West Virginia; 1941, includes estimate for Pennsylvania.
[5] Benefits first became payable as follows: 1936, 1 State (Wisconsin); 1938, 30 States; 1939, 20 States.
[6] Central office data for 1938; local office data for other years. Figures shown for new claims, 1940–42, actually new claims disposed of (central office).
[7] Includes some initial claims filed in Michigan not identified as new or additional.
[8] New claims 1943-45 includes all initial claims for Texas and Wisconsin; new claims 1946 include all initial claims for Texas. Additional claims for the corresponding years exclude such claims for these States.
[9] Represents number of new claims authorized for 1939 and number of first payments for subsequent years; 1938 through 1942 excludes Indiana and Wisconsin; data not comparable. Wisconsin excluded 1943 through June 1945; Indiana excluded January to June 1943.
[10] Represents number of checks issued.
[11] Duration based on all beneficiaries; computed by dividing weeks compensated for all types of unemployment by the number of first payments during the year.
[12] Based on data for 40 States in 1939; 49 States in 1940; 48 States in 1941; 48 States in 1942; 48 States in 1943; 49 States in 1944; and 50 States in 1945. Ratio for 1939 computed by dividing exhaustions by first payments for the respective calendar year. Ratios for 1940–47 computed by dividing exhaustions for the calendar year by first payments for 12-month period ending September 30 of same year.
[13] Based on data for 23 States paying benefits for entire year.
[14] Based on data for 49 States paying benefits for entire year.
[15] "Taxable wages" used here are wages under $3,000. For some States in same years taxable wages were not in fact identical with wages under $3,000.
[16] Represents employer contributions including voluntary contributions, as percent of taxable wages.
[17] Includes voluntary contributions and effect of war-risk contributions in 1943, 1944, 1945, and 1946.
[18] Includes collections subsequently transferred to Railroad Unemployment Insurance Account.

TABLE 2.—*Size of firms covered by State laws, Dec. 31, 1948*

State	Minimum number of workers	Period of time	Added conditions (pay roll)	Alternative conditions
Alabama	8	20 weeks		
Alaska	1	At any time		
Arizona	3	20 weeks		
Arkansas	1	10 days		
California	1	At any time	$100 in any quarter	
Colorado	8	20 weeks		
Connecticut	4	13 weeks		
Delaware	1	20 weeks		
District of Columbia	1	At any time		
Florida	8	20 weeks		
Georgia	8	20 weeks		
Hawaii	1	At any time		
Idaho	1	At any time	$75 in any quarter	
Illinois	6	20 weeks		
Indiana	[1] 8	20 weeks		
Iowa	8	15 weeks		
Kansas	8	20 weeks		25 in 1 week.
Kentucky	4	3 quarters of preceding year.	$50 per quarter for each worker.	8 in 20 weeks.
Louisiana	4	20 weeks		
Maine	8	20 weeks		
Maryland	1	At any time		
Massachusetts	1	20 weeks		
Michigan	8	20 weeks		
Minnesota	[2] 1	20 weeks		([2]).
Mississippi	8	20 weeks		
Missouri	8	20 weeks		
Montana	1	20 weeks		$500 in a calendar year.
Nebraska	8	20 weeks		$10,000 in any quarter.
Nevada	1	At any time	$225 in any quarter	
New Hampshire	4	20 weeks		
New Jersey	4	20 weeks		
New Mexico	1	At any time	$450 in any quarter	2 or more in 13 weeks.[1]
New York	4	15 days		
North Carolina	[1] 8	20 weeks		
North Dakota	8	20 weeks		
Ohio	3	At any time		
Oklahoma	8	20 weeks		
Oregon	4	At any time	$500 in any quarter	
Pennsylvania	1	At any time		
Rhode Island	4	20 weeks		
South Carolina	8	20 weeks		
South Dakota	8	20 weeks		
Tennessee	8	20 weeks		
Texas	8	20 weeks		
Utah	1	At any time	$140 in any quarter	
Vermont	8	20 weeks		
Virginia	8	20 weeks		
Washington	1	At any time		
West Virginia	8	20 weeks		
Wisconsin	6	18 weeks		$6,000 in any year or $10,000 in any quarter.[3]
Wyoming	1	At any time	$500 in any year	

[1] Workers whose services are covered by another State through election under a reciprocal coverage agreement are included for purposes of determining employer liability.
[2] Employers of less than 8 (not subject to the Federal Unemployment Tax Act) outside the corporate limits of a city, village, or borough of 10,000 population or more are not liable for contributions.
[3] Not counting more than $1,000 in wages per employee in applying the test of $10,000 per quarter.

TABLE 3.—*Wage and employment qualifications for benefits under State laws, Dec. 31, 1948* [1]

State	Qualifying formula [2]		Minimum amount in		Wages in at least
	Employment	Wages	Base period	High quarter	
Alabama		30 x wba	$120.00	$75.01	(3).
Alaska		Flat	150.00		
Arizona		30 x wba [4]	150.00		2 quarters.
Arkansas		30 x wba	150.00		
California		30 x wba [5]	300.00		2 quarters.[5]
Colorado		30 x wba	180.00		
Connecticut		Flat	240.00		2 quarters.
Delaware		30 x wba	210.00		
Dist. of Col		25 x wba to $250	150.00		
Florida		30 x wba	150.00		2 quarters.
Georgia		25, 30, 40, x wba [4]	100.00	48.00	2 quarters.
Hawaii		30 x wba	150.00		
Idaho		25–37 x wba	250.00	150.00	2 quarters.
Illinois		Flat	225.00		
Indiana		Flat	250.00		$150 in last 2 quarters.
Iowa		20 x wba	100.00		
Kansas		Flat	100.00		2 quarters or $200 in 1 quarter.
Kentucky		Flat	300.00		
Louisiana		30 x wba	150.00		
Maine		Flat	300.00		
Maryland		40 x wba	240.00	156.00	
Massachusetts		Flat	150.00		
Michigan	14 weeks	(6)	112.14		
Minnesota		Flat	200.00		
Mississippi		30 x wba [2]	90.00		
Missouri		40 x wba	20.00		3 quarters.[2]
Montana		30 x wba	210 00		
Nebraska		Flat	200.00		
Nevada		30 x wba [4]	240.00		
New Hampshire		Flat	200.00		
New Jersey		30 x wba	270.00		
New Mexico		30 x wba	150.00	78.00	
New York		30 x wba	300.00	100.00	
North Carolina		Flat	130.00		
North Dakota		28 x wba	140.00		
Ohio	20 weeks	Flat	160.00		
Oklahoma		20 x wba	120.00		
Oregon		Flat	300.00		
Pennsylvania		30 x wba	240.00		
Rhode Island		Flat	100.00		
South Carolina		30 x wba [4]	120.00		
South Dakota		Flat	125.00	60.00	
Tennessee		25, 30 x wba [7]	125.00	50.00	
Texas		18 x wba [8]	90.00		
Utah		14 percent of average State wages and 150 percent of high-quarter wages.	[9] 294.00		2 quarters.
Vermont		30 x wba	180.00	50.00	
Virginia		20, 25 x wba [7]	100.00		
Washington		Flat	300.00		
West Virginia		Flat	300.00		
Wisconsin	14 weeks	(10)	140.00		
Wyoming		25 x wba	175.00	70.00	

[1] See table 5, p. 225, for minimum qualifying wages for maximum weekly benefit and table 7, p. 229, for minimum qualifying wages for maximum annual benefits.
[2] Based on wages or employment in a specified prior period, a 2-year period in Missouri, and a 1-year qualifying period in all other States. Weekly benefit amount abbreviated as wba.
[3] Claimant must have worked less than 160 hours and earned less than $120 in 3 weeks preceding unemployment.
[4] If claimant failed to receive qualifying wage for weekly benefit amount computed on high-quarter wages but received qualifying wages in next lower bracket, he is considered eligible for lower weekly benefit.
[5] Base-period wages equal to 1⅓ times high-quarter wages or 30 times weekly benefit amount, whichever is less, but not less than $300.
[6] Fourteen weeks of employment at $8.01 or more.
[7] Minimum number of weeks applies to minimum weekly benefit only. Same step-down provision as described in footnote 4.
[8] Converted from 2-week period.
[9] Effective for uniform benefit year beginning July 4, 1948, based on average 1947 wages.
[10] Fourteen weeks of employment at an average wage of $10 or more.

TABLE 4.—*Waiting-period requirements under State laws, Dec. 31, 1948*

State	Initial waiting period		In new benefit year	
	Weeks of total unemployment	Weeks of partial unemployment	Not to interrupt consecutive weeks of benefits	May be served in last week of old year
Alabama	1	2	X	-----------
Alaska	1	1	X	-----------
Arizona	1	1	X	X
Arkansas	1	1	X	-----------
California	1	1	X	X
Colorado	2	2	X	-----------
Connecticut	1	1	X	-----------
Delaware	1	1	X	-----------
District of Columbia	1	1	-----------	-----------
Florida	1	1	-----------	-----------
Georgia	2	2	X	X
Hawaii	1	1	X	-----------
Idaho	1	1	X	-----------
Illinois	1	1	X	X
Indiana	1	1	-----------	-----------
Iowa	1	2	-----------	-----------
Kansas	1	1	-----------	-----------
Kentucky	1	1	-----------	-----------
Louisiana	1	1	X	-----------
Maine	1	1	-----------	-----------
Maryland	0	0	-----------	-----------
Massachusetts	1	2	X	-----------
Michigan	1	1	X	-----------
Minnesota	2	2	-----------	-----------
Mississippi	1	1	X	X
Missouri	1	2	X	-----------
Montana	2	(1)	-----------	-----------
Nebraska	2	2	X	X
Nevada	1	1	-----------	-----------
New Hampshire	1	2	X	X
New Jersey	1	1	-----------	-----------
New Mexico	1	1	X	-----------
New York	[2] 1	[2] 2–4	-----------	-----------
North Carolina	1	2	-----------	-----------
North Dakota	1	1	X	-----------
Ohio	2	2	-----------	-----------
Oklahoma	1	1	X	-----------
Oregon	1	1	X	X
Pennsylvania	1	1	-----------	-----------
Rhode Island	1	2	X	[3] X
South Carolina	1	1	-----------	-----------
South Dakota	1	1	-----------	-----------
Tennessee	1	2	X	-----------
Texas	[4] 1	1	-----------	-----------
Utah	1	1	-----------	(5)
Vermont	1	1	X	X
Virginia	1	1	X	-----------
Washington	1	1	-----------	-----------
West Virginia	1	(6)	-----------	-----------
Wisconsin	2	(6)	(7)	(7)
Wyoming	2	2	-----------	-----------

1 No payment of partial benefits as such.
2 Waiting period of 4 effective days may be accumulated in 1 to 4 weeks.
3 May be served in last 4 weeks of old benefit year.
4 A new announcement of intention to file a claim followed by an additional waiting period is required if a previous announcement is not followed within 13 days by an initial claim or if the claim series beginning with an initial claim is interrupted by a period of more than 35 days during which the worker does not report to the office to show completion of 14 days of unemployment.
5 No waiting period required for claims filed in last 4 weeks of a benefit year.
6 No waiting period required for benefits for partial unemployment; waiting-period requirement is in terms of weeks of total unemployment.
7 Only one waiting period of 2 weeks is required within the last 5 weeks of one calendar year and the first weeks of the next calendar year.

TABLE 5.—*Weekly benefits for total unemployment under State laws, Dec. 31, 1948*

State	Method of computing [1]	Rounding to—	Minimum weekly benefit [2]	Maximum weekly benefit [2]	Wage credits required [3]			
					For minimum		For maximum	
					High quarter	Base period	High quarter	Base period
	High-quarter formula							
Alabama	1/26	Nearest dollar	$4.00	$20.00	$75.01	$120.00	$507.01	$600.00
Alaska	1/20	Higher dollar	8.00	25.00	37.50	150.00	480.01	480.01
Arizona	1/20	do	5.00	20.00	37.50	150.00	380.01	600.00
Arkansas	1/24	Nearest dollar	5.00	20.00	37.50	150.00	468.01	600.00
California	1/20-1/23	Dollar schedule	10.00	25.00	75.00	300.00	580.00	750.00
Colorado	1/25	Higher 50 cents	6.00	17.50	45.00	180.00	425.01	525.00
Connecticut	1/26+d.a.	Nearest dollar	8.00-12.00	24.00-36.00	60.00	240.00	611.00	611.00
Delaware	1/25	Higher 50 cents	7.00	18.00	52.50	210.00	437.51	540.00
District of Columbia.	1/23+d.a.	Higher dollar	6.00-9.00	[2] 20.00	37.50	150.00	437.01	437.01
Florida	1/18-1/24	Dollar schedule	5.00	15.00	37.50	150.00	345.01	450.00
Georgia	1/23-1/26	do	4.00	18.00	48.00	100.00	455.01	720.00
Hawaii	1/25	Higher dollar	5.00	25.00	37.50	150.00	600.01	750.00
Idaho	1/19-1/24	Dollar schedule	10.00	20.00	150.00	250.00	475.01	745.00
Illinois	1/20	Higher 50 cents	10.00	20.00	56.25	225.00	390.01	390.01
Indiana	1/25	Higher dollar	5.00	20.00	75.00	250.00	475.01	475.01
Iowa	1/23	No provision	5.00	20.00	25.00	100.00	460.00	460.00
Kansas	1/25	Higher dollar	5.00	18.00	25.00	100.00	425.01	425.01
Louisiana	1/20	do	5.00	25.00	37.50	150.00	480.01	750.00
Maryland	1/26	Nearest dollar	6.00	25.00	156.01	240.00	637.01	1,000.00
Massachusetts	1/20+d.a.	Higher dollar	6.00-10.00	[2] 25.00	37.50	150.00	480.00	480.00
Mississippi	1/26	do	3.00	20.00	22.50	90.00	494.01	600.00
Missouri	1/25	Higher 50 cents	[4] .50	20.00	2.50	20.00	487.51	800.00
Montana	1/22	Higher dollar	7.00	18.00	52.50	210.00	378.00	540.00
Nebraska	1/25	do	5.00	18.00	50.00	200.00	425.01	425.01
Nevada	1/20+d.a.	do	8.00-14.00	20.00-26.00	60.00	240.00	380.01	600.00
New Jersey	1/22	do	9.00	22.00	67.50	270.00	462.01	462.01
New Mexico	1/26	do	5.00	20.00	78.00	150.00	494.01	600.00
New York	1/23	Nearest dollar	10.00	26.00	100.00	300.00	586.00	780.00
North Dakota	1/23	Higher dollar	5.00	20.00	35.00	140.00	347.01	560.00
Ohio	1/20-1/28	Dollar schedule	5.00	21.00	40.00	160.00	581.00	[6] 581.00
Oklahoma	1/20	Higher dollar	6.00	18.00	30.00	120.00	340.01	360.00
Pennsylvania	1/25	Nearest dollar	8.00	20.00	60.00	240.00	488.00	600.00
Rhode Island	1/20	do	10.00	25.00	25.00	100.00	490.00	490.00
South Carolina	1/20-1/24	Higher dollar	5.00	20.00	100.00	150.00	400.00	600.00
South Dakota	1/20-1/23	Dollar schedule	6.00	20.00	60.00	125.00	450.00	450.00
Tennessee	1/20-1/26	do	5.00	18.00	50.00	125.00	442.01	540.00
Texas	1/26 [6]	Higher dollar	[5] 5.00	[5] 18.00	22.50	90.00	455.01	455.01
Utah [6]	1/20+cost-of-living allowances.	do	5.00-7.00	17.00-25.00	73.50	294.00	380.00	600.00
Vermont	1/18-1/26	Dollar schedule	6.00	20.00	50.00	180.00	500.00	600.00
Virginia	1/25	Higher dollar	5.00	20.00	25.00	100.00	475.01	500.00
Wyoming	1/20	do	7.00	20.00	70.00	175.00	380.01	500.00
	Annual-wage formula							
	Percent							
Kentucky	2.3-1	Dollar schedule	7.00	20.00		300.00		1,755.00
Maine	2.3-1.1		6.75	22.50		300.00		2,000.00
Minnesota	3.6-1.1	Dollar schedule	7.00	20.00		200.00		1,750.00
New Hampshire	3.0-0.9	do	6.00	22.00		200.00		2,000.00
North Carolina	3.1-0.9	Dollar to 50-cent schedule.	4.00	20.00		130.00		2,080.00
Oregon	3.3-1.3	Dollar schedule	10.00	20.00		300.00		1,600.00
Washington	3.3-1.1	do	10.00	25.00		300.00		2,200.00
West Virginia	2.7-1.1	do	8.00	20.00		300.00		1,800.00

See footnotes at end of table.

TABLE 5.—*Weekly benefits for total unemployment under State laws, Dec. 31, 1948*—Continued

State	Method of computing [1]	Rounding to—	Minimum weekly benefit [2]	Maximum weekly benefit [2]	Wage credits required [3]			
					For minimum		For maximum	
					High quarter	Base period	High quarter	Base period
	Average weekly wage							
Michigan	67–64+ d. a.	Dollar schedule	$6.00–7.00	$20.00–28.00		[7] $112.14		[7] $420.14
Wisconsin	70–51	do	8.00	24.00		[7] 140.00		[7] 644.14

1 The fraction of high-quarter wages applies between the minimum and maximum amounts. When State uses a weighted table, approximate fractions are figured at midpoint of brackets between minimum and maximum. When dependents' allowances are provided the fraction applies to the basic benefit amount. With annual wage formula, fraction is minimum and maximum percentage used in any wage bracket. Dependents' allowances abbreviated as d. a.

2 When 2 amounts are given, higher includes maximum dependents' allowance except in Utah. See footnote 6. In the District of Columbia same maximum with or without dependents. Maximum augmented payment to individual with dependents not shown for Massachusetts since highest taxable average weekly wage may be $231 and any figure presented would be based on an assumed maximum number of dependents.

3 See table 3, p. 223, for additional requirements concerning distribution of earnings. See also table 7, p. 229, for wage credits required for maximum duration as well as maximum weekly benefit.

4 If benefit is less than $3, benefits are paid at the rate of $3 a week.

5 Actually, benefits are paid for a 2-week period, based on 1/13 of wages in high quarter, minimum $10, maximum $36.

6 The normal rates are minimum $5, maximum $20. When the cost-of-living index of the Bureau of Labor Statistics stands at or below 98.5, rates are 80 percent of the normal rates, computed to the next higher $1. When the index stands at or above 125, rates are 120 percent of the normal rate, computed to the next higher $1. Minimum earnings for maximum and minimum benefits shown are those now applicable for the State average annual wage effective for the benefit year beginning July 4, 1948.

7 Figured as 14 times minimum and maximum average weekly wage brackets.

TABLE 6.—*Selected data relating to the weekly benefit amount, by State, 1938–41, 1944–47*

[Data corrected to Dec. 10, 1948]

State	Average weekly payment for total unemployment in—								Percent of weeks of total unemployment compensated during 1947 at [2]—							
	1938 [1]	1939 [1]	1940	1941	1944	1945	1946	1947	Less than $5	$5–$9.99	$10–$14.99	$15–$17.99	$18–$19.99	$20 or more	Minimum weekly benefit	Maximum weekly benefit
United States	$10.94	$10.66	$10.56	$11.06	$15.90	$18.77	$18.50	$17.83	0.1	4.4	16.6	13.7	10.3	54.8	3.2	56.7
Alabama	7.63	7.15	6.52	7.16	11.64	16.72	16.57	14.65	1.4	14.2	28.0	17.1	9.5	29.9	1.4	29.9
Alaska	-------	15.06	14.67	14.24	14.21	15.57	16.03	21.79	-------	2.5	6.7	12.2	3.0	75.5	.9	70.7
Arizona	11.79	11.19	10.96	11.02	14.43	14.70	14.39	16.08	-------	2.7	12.7	46.2	4.1	34.3	.3	75.6
Arkansas	-------	6.66	6.36	6.84	11.15	13.24	12.61	13.75	2.4	17.8	30.0	36.8	3.4	9.6	2.6	39.8
California	9.72	10.99	13.98	14.57	18.22	19.40	19.03	18.75	-------	-------	7.8	7.5	6.8	78.0	2.0	78.0
Colorado	-------	10.79	10.51	10.21	13.36	13.58	13.89	14.53	-------	7.7	22.9	69.4	-------	-------	1.0	60.5
Connecticut	10.62	10.04	9.98	10.65	18.87	20.84	21.08	19.56	-------	3.4	15.3	14.6	10.3	56.4	2.2	46.8
Delaware	-------	8.41	8.96	9.08	14.76	16.69	16.25	14.95	-------	11.0	23.6	13.7	51.7	-------	3.9	51.7
District of Columbia	8.81	8.58	9.71	12.20	17.78	17.78	17.14	16.46	-------	6.1	23.3	20.3	9.6	40.8	1.5	40.8
Florida	-------	8.68	9.72	10.24	12.96	13.99	14.02	13.53	-------	6.6	28.9	64.5	-------	-------	.5	64.5
Georgia	-------	6.38	6.56	7.47	10.54	15.94	15.20	13.32	1.6	17.0	34.1	25.0	22.3	-------	1.6	22.3
Hawaii	-------	8.96	8.24	7.36	19.57	21.25	21.86	19.87	-------	5.1	15.1	12.6	7.1	60.2	.5	39.8
Idaho	10.73	11.21	11.24	11.19	12.40	13.70	15.45	15.99	-------	2.5	24.0	30.5	30.1	13.0	.8	39.7
Illinois	-------	12.90	12.92	13.17	17.55	18.95	18.67	18.23	-------	-------	13.6	10.9	8.0	67.5	3.3	67.5
Indiana	12.42	11.06	10.97	11.51	16.10	16.38	18.66	17.00	-------	4.2	19.3	15.4	10.1	51.0	.1	51.0
Iowa	9.30	9.08	9.50	9.37	11.59	16.25	15.80	14.55	-------	14.8	23.3	14.7	40.0	7.2	1.9	45.6
Kansas	-------	10.25	9.30	9.57	13.42	15.37	15.09	14.56	-------	8.2	19.0	53.9	18.9	-------	1.3	65.7
Kentucky	-------	8.45	7.88	7.56	10.50	12.43	12.09	10.98	-------	39.6	33.6	26.8	-------	-------	10.8	19.9
Louisiana	8.41	8.33	8.02	9.65	14.46	16.48	15.76	13.93	2.8	17.1	27.0	15.9	37.2	-------	1.1	37.2
Maine	8.94	7.64	6.65	7.06	10.49	15.83	15.86	13.48	-------	27.5	26.6	15.3	13.7	16.9	5.7	16.9
Maryland	10.21	9.31	8.96	11.04	17.43	19.24	18.97	18.07	-------	5.5	19.5	13.0	8.1	54.0	.6	39.8
Massachusetts	10.62	9.93	10.09	10.44	16.21	19.19	20.86	21.85	-------	2.3	7.8	9.3	7.7	72.8	.4	52.9
Michigan	13.49	13.30	12.56	12.76	19.03	20.70	20.37	19.77	.1	.8	8.0	6.5	5.2	79.4	1.5	79.4
Minnesota	10.41	11.14	10.24	10.61	14.28	17.18	16.70	14.98	-------	7.5	39.0	14.4	15.1	24.0	1.1	24.0
Mississippi	5.89	5.64	6.03	7.58	11.16	12.90	12.85	12.15	1.6	18.8	40.5	39.1	-------	-------	.6	39.1
Missouri	-------	8.68	9.09	9.60	15.27	16.75	16.40	16.40	.7	6.7	21.0	13.5	8.9	49.3	0	49.3
Montana	-------	11.20	10.89	11.00	12.34	13.05	13.35	14.24	-------	13.5	23.2	35.1	28.2	-------	3.9	53.7
Nebraska	-------	8.67	9.28	9.21	12.65	16.31	16.17	14.92	-------	9.3	25.0	16.8	48.9	-------	.6	48.9
Nevada	-------	12.94	13.22	13.30	14.75	17.17	18.09	18.85	-------	1.2	4.5	5.3	68.9	20.1	.6	87.6
New Hampshire	9.28	8.80	8.82	8.65	11.14	13.38	13.61	15.42	-------	17.5	24.8	18.4	10.9	28.4	4.9	16.0
New Jersey	-------	9.68	9.46	11.26	16.41	20.27	20.39	19.51	-------	3.5	10.3	9.5	7.4	69.3	3.5	61.3
New Mexico	9.22	10.14	9.16	8.89	11.66	12.67	13.41	13.85	-------	12.2	25.8	50.7	2.4	8.9	1.6	55.2
New York	12.04	12.88	11.58	11.69	16.17	19.48	19.36	18.77	-------	-------	14.9	12.0	8.1	65.0	4.4	60.6
North Carolina	(3)	5.81	4.68	5.90	7.91	12.66	11.94	11.35	2.4	33.4	49.2	6.9	2.0	6.0	1.2	6.0
North Dakota	-------	9.45	9.54	9.69	12.10	14.56	16.87	17.39	-------	6.3	16.2	12.2	7.7	57.6	.4	57.6

See footnotes at end of table.

TABLE 6.—*Selected data relating to the weekly benefit amount, by State*—Continued

[Data corrected to Dec. 10, 1948]

State	Average weekly payment for total unemployment in—								Percent of weeks of total unemployment compensated during 1947 at [2]—							
	1938 [1]	1939 [1]	1940	1941	1944	1945	1946	1947	Less than $5	$5–$9.99	$10–$14.99	$15–$17.99	$18–$19.99	$20 or more	Minimum weekly benefit	Maximum weekly benefit
Ohio	-------	$10.25	$10.28	$10.14	$14.44	$18.84	$18.72	$17.27	-------	2.2	19.7	22.1	14.9	41.1	.1	34.3
Oklahoma	$10.57	10.15	9.84	10.07	14.69	17.43	16.69	16.09	-------	5.7	13.0	10.8	70.5	-------	1.7	70.5
Oregon	11.95	11.90	12.43	12.52	14.32	16.82	16.88	15.94	-------	-------	31.1	22.1	30.6	16.2	2.7	44.4
Pennsylvania	11.18	11.67	10.90	11.02	15.18	17.87	18.15	17.13	-------	6.4	18.6	13.2	8.5	53.3	4.0	53.3
Rhode Island	9.63	9.99	10.54	10.69	16.44	17.35	17.36	18.90	-------	1.9	8.8	6.3	46.8	36.2	1.9	65.7
South Carolina	6.71	6.28	6.71	7.30	11.15	11.89	14.10	13.92	2.3	14.2	38.3	18.9	8.1	18.2	2.3	18.2
South Dakota	-------	9.11	7.24	7.45	9.50	11.21	13.59	13.59	-------	11.2	26.7	55.4	1.0	5.8	2.2	58.6
Tennessee	7.27	7.21	7.48	8.12	11.45	13.15	13.38	12.85	-------	22.1	31.0	34.0	12.9	-------	4.4	40.3
Texas	9.23	8.43	8.07	8.11	11.55	15.44	15.64	13.74	-------	17.3	24.9	13.9	43.9	-------	3.0	43.9
Utah	11.37	10.32	11.11	12.26	18.88	22.76	23.35	22.82	-------	1.0	4.1	6.5	2.7	85.7	.2	72.5
Vermont	9.39	9.23	9.08	9.52	12.29	16.55	16.85	16.84	-------	3.2	23.0	20.1	12.4	41.4	.2	41.4
Virginia	8.08	7.88	7.68	8.03	11.13	12.81	12.97	12.35	(4)	20.1	37.4	42.4	-------	-------	2.6	42.4
Washington	-------	11.82	12.62	12.65	13.91	21.07	20.94	19.14	-------	-------	27.2	10.9	8.1	53.9	14.4	34.7
West Virginia	10.83	8.44	8.00	9.60	14.42	16.00	16.03	15.27	-------	12.7	28.9	19.4	14.1	24.9	6.5	24.9
Wisconsin	10.57	10.05	11.02	11.19	14.25	17.81	17.67	16.44	-------	2.4	30.0	21.7	9.8	36.1	.8	36.1
Wyoming	-------	13.84	13.16	13.21	15.13	18.02	18.89	18.52	-------	2.1	8.0	8.8	6.8	74.4	.7	74.4

[1] Average computed from date benefits were first payable.
[2] Based on payments for full weekly benefit rate only; excludes residual payments and payments reduced because of receipt of benefits under other programs.
[3] Data not available.
[4] Less than 0.05 percent.

TABLE 7.—*Duration of benefits in a benefit year under State laws, Dec. 31, 1948*

State	Proportion of wages in 4-quarter base period	Minimum potential benefits [1]		Maximum potential benefits			
		Amount	Weeks	Amount [2]	Weeks	Wage credits required	
						High quarter	Base period
	Uniform potential duration for all eligible claimants						
Arizona		$60.00	12	$240	12	$380.01	$600.00
Georgia		64.00	16	288	16	455.01	720.00
Hawaii		100.00	20	500	20	600.01	750.00
Kentucky		154.00	22	440	22	[3] 438.75	1,755.00
Maine		135.00	20	450	20	[3] 500.00	2,000.00
Mississippi		48.00	16	320	16	494.01	600.00
Montana		112.00	16	288	16	377.78	540.00
New Hampshire		138.00	23	506	23	[3] 500.00	2,000.00
New York		260.00	[4] 26	676	[3] 26	586.00	780.00
North Carolina		64.00	16	320	16	[3] 520.00	2,080.00
North Dakota		100.00	20	400	20	437.01	560.00
South Carolina		90.00	18	360	18	400.00	600.00
Tennessee		100.00	20	360	20	442.01	540.00
Vermont		120.00	20	400	20	500.00	600.00
West Virginia		168.00	21	420	21	[3] 450.00	1,800.00
	Maximum potential duration varying with wage credits						
Alabama	1/3	$40.00	10	$400	20	$507.01	$1,200.00
Alaska	1/3	64.00	[5] 8	625	25	480.01	1,875.00
Arkansas	1/3 [6]	20.00	4	320	[6] 16	468.01	[6] 960.00
California	1/2	150.00	[1] 12+	650	26	580.00	1,300.00
Colorado	1/3	60.00	10	350	20	425.01	1,050.00
Connecticut	1/4	70.00	[1] 6+	528–792	22	611.00	2,080.00
Delaware	1/4	77.00	[5] 11	396	22	437.51	1,584.00
Dist. of Col	1/2	75.00	[1] 10+	400	20	437.01	800.00
Florida	1/4	38.00	7+	240	16	345.01	960.00
Idaho	40-22 percent	100.00	10	400	20	475.01	1,820.00
Illinois	56–33 percent	125.00	[1] [5] 10	520	26	390.01	1,575.00
Indiana	1/4	62.00	[1] 6+	400	20	475.01	1,600.00
Iowa	1/3	33.33	6+	400	20	460.00	1,200.00
Kansas	1/3	34.00	6+	360	20	425.01	1,080.00
Louisiana	1/3	50.00	10	500	20	480.01	1,500.00
Maryland	1/4	60.00	10	650	26	[7] 650.00	2,600.00
Massachusetts	3/10	45.00	[1] 5+	575	23	480.00	1,916.66
Michigan	2/3 of weeks of employment	56.00	9+	400–560	20	[8] 390.13	[8] 900.30
Minnesota	47–22 percent	84.00	[5] 12	400	20	[3] 437.50	1,750.00
Missouri	1/4 in 8 quarters	5.00	[9] 1+	400	20	487.51	1,600.00
Nebraska	1/3	67.00	[1] 7+	324	18	425.01	972.00
Nevada	1/3	80.00	10	400–520	20	380.01	1,200.00
New Jersey	1/3	90.00	[5] 10	572	26	462.01	1,716.00
New Mexico	2/5	60.00	12	400	20	494.01	1,000.00
Ohio	Schedule of weeks of employment.[10]	90.00	18	462	22	581.00	[10] 1,117.25
Oklahoma	1/3	40.00	6+	360	20	340.01	1,080.00
Oregon	1/4	75.00	7+	400	20	[3] 400.00	1,600.00
Pennsylvania	3/10	72.00	9	480	24	488.00	1,646.00
Rhode Island	52–27 percent	52.00	5+	650	26	[7] 600.00	2,400.00
South Dakota	48–22 percent	60.00	[1] 6+	400	20	450.00	1,800.00
Texas	1/5	18.00	[3] 3+	324	[3] 18	455.01	1,620.00
Utah	Schedule in percent of average State wages.[11]	125.00	[11] 12+	500	[11] 20	[7] 525.00	[11] 2,100.00
Virginia	1/4	30.00	6	320	16	475.01	1,240.01
Washington	40–29 percent	120.00	[5] 12	650	26	[3] 550.00	2,200.00
Wisconsin	3/5 of weeks of employment	68.00	8+	576	24	([5])	[5] 1,840.40
Wyoming	1/4	40.00	5+	400	20	390.01	1,560.01

[1] Minimum potential benefits for claimants with minimum qualifying wages. (See table 3, p. 223 for these qualifying wages.) In States noted, weeks for claimants with minimum weekly benefit will be greater than figure here for claimants whose weekly benefit is higher than the minimum because qualifying wages are concentrated largely or wholly in high quarter. (See table 5, p. 225, for minimum weekly benefit and divide into minimum potential benefits.) In Connecticut, District of Columbia, Michigan, and Nevada, dependents' allowances being outside the duration formula, add to potential benefits for claimants with minimum qualifying wages.

[2] When 2 amounts are given, higher includes maximum dependents' allowances; same maximum with or without dependents' allowances in District of Columbia and Massachusetts.

[3] Annual wage formula: amount shown for high quarter is 1/4 of required base-period wages.

[4] Converted from days of unemployment in New York and 2-week periods in Texas.

[5] Statutory minimum.

[6] Or 4 times weekly benefit times quarters with wages at least 1/3 of high quarters, if less; maximum duration given assumes such wages in 4 quarters.

Footnotes continued on p. 230.

7 Amount shown is ¼ of base-period wages. To obtain maximum potential annual benefits, claiman must have more than 4 times high-quarter wages necessary for maximum weekly benefit.

8 Figures given are based on highest average weekly wage in schedule ($30.01). High-quarter figure assumes 13 weeks' employment; base-period figure the minimum 30 weeks required.

9 A claimant eligible for the minimum benefit amount may draw all benefits due in 1 and a fraction weeks because benefits of 50 cents to $3 a week are paid at rate of $3.

10 18 weeks' duration for 20 weeks of employment; 19 weeks, for 21-24 weeks of employment; 22 weeks, for more than 24 weeks of employment. Base-period wages are 25 weeks' wages if high quarter represents 13 weeks of employment.

11 Maximum potential benefits of $125 for 14 percent of average State wages to $500 for 100 percent are not increased by cost-of-living allowance which raises weekly benefits; hence, weeks of duration are reduced. Qualifying wages shown are for benefit year beginning July 4, 1948, based on 1947 average wages.

TABLE 8.—*Selected data relating to the duration of unemployment benefits, by State*

[Data corrected to Dec. 10, 1948]

State	Exhaustions of benefits as percent of first payments in [1]—					Average actual duration (weeks) for claimants exhausting benefit rights, in benefit years ended in—					Average actual duration (weeks) for claimants *not* exhausting benefit rights, in benefit years ended in—	
	1940	1942	1944	1946	1947	1941	1942	1944	1946	1947	1946	1947
United States [2]	50.6	34.9	20.2	38.3	30.7	12.1	12.6	13.8	18.5	17.8	9.0	8.2
Alabama	48.4	30.0	25.5	63.4	55.3	17.3	17.0	17.2	18.2	17.0	9.4	8.4
Alaska	45.9	12.7	25.7	29.1	31.2	(3)	(3)	(3)	15.0	14.6	7.7	7.9
Arizona	72.2	45.2	30.2	51.5	48.4	10.1	9.8	8.8	12.6	11.8	6.7	7.1
Arkansas	55.3	42.0	38.9	62.3	52.0	(3)	9.5	8.3	10.5	9.9	6.3	6.4
California	50.8	32.9	27.7	46.0	44.1	16.8	16.7	15.3	19.2	18.0	11.2	10.4
Colorado	53.2	30.9	19.4	29.4	25.4	14.7	(3)	12.8	13.3	14.4	5.3	6.7
Connecticut	52.6	19.2	10.1	36.7	21.9	8.5	10.4	11.0	17.3	16.9	7.7	7.6
Delaware	64.8	37.8	23.3	49.6	33.4	8.3	9.0	11.7	18.1	16.3	8.6	7.8
District of Columbia	40.0	34.9	23.9	31.5	46.2	(3)	(3)	18.6	18.5	18.7	8.7	8.8
Florida	64.5	43.9	18.9	43.5	49.8	12.7	11.4	11.0	14.8	13.9	6.5	7.5
Georgia	75.6	43.2	35.5	69.3	46.1	10.6	14.0	15.5	15.8	15.5	8.7	8.0
Hawaii	51.5	21.1	9.1	12.1	16.2	14.4	15.7	20.0	20.0	20.0	5.2	5.9
Idaho	68.8	34.8	41.2	31.2	26.4	13.9	12.2	(3)	14.9	14.4	9.3	7.5
Illinois	38.0	23.4	13.2	23.7	20.6	11.8	12.1	14.2	20.4	18.8	8.6	8.5
Indiana	(3)	(3)	24.7	40.5	29.9	11.0	11.8	(3)	16.6	16.0	6.9	5.1
Iowa	59.9	43.4	40.8	53.9	33.9	8.5	8.5	7.8	15.6	13.8	7.6	6.6
Kansas	67.7	32.7	27.0	55.3	36.1	7.7	10.4	13.9	18.5	16.8	9.1	7.9
Kentucky	55.2	35.0	19.9	49.9	42.5	15.5	16.0	16.7	19.8	19.6	8.7	8.2
Louisiana	73.1	52.2	38.7	73.8	62.4	10.9	10.3	10.6	17.0	15.0	11.0	7.9
Maine	24.7	21.4	23.2	22.6	19.0	15.9	14.0	14.2	19.9	19.9	8.1	8.2
Maryland	44.9	29.9	16.3	30.3	18.2	13.4	10.9	12.2	16.8	19.5	8.6	7.8
Massachusetts	46.5	28.2	16.1	43.9	34.0	(3)	15.4	(3)	17.6	15.9	8.0	7.7
Michigan	26.5	38.7	20.2	50.0	21.4	14.0	15.2	14.4	17.9	14.6	8.5	4.8
Minnesota	59.9	40.9	25.0	46.2	30.9	14.3	13.8	9.7	18.7	18.4	8.7	8.5
Mississippi	57.7	35.5	28.8	48.2	43.5	11.3	14.0	14.0	14.0	14.0	6.4	7.1
Missouri	55.3	44.8	22.0	49.6	39.0	9.0	11.0	11.9	14.8	17.0	6.7	7.4
Montana	55.3	29.0	28.7	38.4	34.9	16.0	16.0	16.0	16.0	16.0	7.0	7.9
Nebraska	56.4	33.3	24.9	47.6	32.4	14.5	13.9	13.0	16.7	15.5	7.7	7.2
Nevada	62.1	30.1	29.8	36.7	31.3	13.2	13.1	17.1	18.1	17.4	9.8	9.4
New Hampshire	36.0	18.6	9.6	16.5	11.8	10.3	14.9	18.0	20.0	19.9	8.0	6.5
New Jersey	60.2	37.5	21.5	42.9	35.7	9.1	10.5	10.8	20.0	19.4	10.8	10.0
New Mexico	56.9	28.0	23.0	37.5	28.3	14.8	14.7	13.4	15.0	14.6	7.5	7.6
New York	49.8	39.2	11.0	19.1	14.5	13.0	13.0	20.0	26.0	26.0	10.3	10.0
North Carolina	30.2	32.4	22.9	34.0	32.2	16.0	16.0	15.6	15.7	15.7	6.7	7.2
North Dakota	59.9	28.0	14.8	14.9	13.0	14.8	13.5	16.0	19.0	20.0	10.0	9.3
Ohio	48.1	31.4	11.9	42.9	29.7	15.4	15.4	16.5	20.4	20.9	8.7	7.8
Oklahoma	71.3	38.0	22.1	65.6	55.1	7.7	8.8	13.5	17.8	15.8	9.4	8.4
Oregon	50.1	28.2	18.4	29.1	22.7	7.5	6.5	7.6	17.5	13.2	8.7	7.0
Pennsylvania	63.8	37.4	28.9	32.7	28.9	9.0	9.2	12.1	18.3	17.6	7.5	6.6
Rhode Island	65.9	46.9	30.1	42.5	38.8	9.2	9.1	11.1	13.5	14.8	7.3	7.6
South Carolina	41.4	32.9	28.0	45.5	41.8	15.6	15.5	15.7	16.0	16.0	6.7	6.8
South Dakota	48.4	42.0	31.5	26.0	21.1	14.0	12.2	12.0	13.0	12.3	7.6	5.4
Tennessee	50.3	37.8	35.0	59.8	46.5	16.0	16.0	16.0	16.0	16.0	7.8	7.7
Texas	63.3	45.6	51.2	70.4	65.6	9.8	9.4	(3)	14.3	12.4	8.2	7.8
Utah	55.6	22.8	7.0	27.0	26.6	12.1	20.0	20.0	18.5	18.5	9.2	8.7
Vermont	50.5	36.3	28.4	30.5	17.9	13.0	13.2	18.0	20.0	20.0	8.5	7.0
Virginia	39.1	40.5	28.2	42.1	43.2	12.7	13.4	12.3	12.1	12.6	8.1	6.7
Washington	50.2	22.6	9.7	21.6	41.1	12.6	11.6	11.5	20.9	22.0	10.8	9.6
West Virginia	45.5	19.3	17.3	36.7	25.7	14.0	16.0	(3)	20.6	20.2	6.8	7.0
Wisconsin	(3)	(3)	(3)	41.6	29.4	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Wyoming	58.7	(3)	(3)	27.7	40.8	10.7	10.3	6.7	12.6	12.1	7.4	6.9

1 Ratios computed by dividing exhaustions for the calendar year by first payments for 12-month period ending Sept. 30 of same year.

2 For each column the United States total is based on data from the States for which figures are shown. See footnote 3.

3 Comparable data not available.

TABLE 9.—*Summary of disqualification provisions for three major causes, State laws, Dec. 31, 1948* [1]

State	Voluntary leaving		Discharge for misconduct		Refusal of suitable work	
	Number of weeks disqualified	Benefits reduced or canceled	Number of weeks disqualified	Benefits reduced or canceled	Number of weeks disqualified	Benefits reduced or canceled
Alabama	Duration	Partial cancellation.	W+3-6	Mandatory	Duration+	Mandatory.
Alaska	W+1-5		W+1-5		W+1-5	
Arizona	W+4	Mandatory	W+4	Mandatory	W+1-5	
Arkansas	W+1-5		W+1-5		W+1-5	
California	1-5		1-5		1-5	
Colorado	W+3-15	Mandatory	W+3-15	Mandatory	W+3-15	Mandatory.
Connecticut	W+4		W+4		W+4	
Delaware	Duration		Duration		Duration	
Dist. of Col	W+3		W+1-4		W+3	
Florida	W+1-12 and duration+.		W+1-12 and duration+.		W+1-5 and duration+.	Optional.
Georgia	W+2-8	Mandatory	W+3-10	Mandatory	W+2-8	Mandatory.
Hawaii	W+2-7		W+2-7		W+2-7	
Idaho	6 [2]		6 [2]		6 [2]	
Illinois	W+3-7		W+3-7		W+3-7	
Indiana	W+5	Mandatory	W+5	Mandatory	W+5	Mandatory.
Iowa	Duration+	Cancellation	2-9	Mandatory	Duration	
Kansas	W+1-9		W+1-9		W+1-9	
Kentucky	1-16		1-16		1-16	
Louisiana	W+1-6		W+1-6		W+1-6	
Maine	W+1-5	Mandatory	W+1-9	Mandatory	W+1-5	Mandatory.
Maryland	Duration+		W+1-9		Duration+	
Massachusetts	Duration		Duration		W+1-4	Optional.
Michigan	Duration	Partial cancellation.	Duration	Partial cancellation.	Duration	Partial cancellation.
Minnesota	3-7		3-7		W+3	
Mississippi	W+1-12		W+1-12		W+1-12	
Missouri	Duration+		Duration+		Duration+	
Montana	1-5		1-9		W+1-5	
Nebraska	W+1-5		W+1-5		Duration+	Cancellation.
Nevada	W+1-15		W+1-15		W+1-15	
New Hampshire	Duration+		W+3	Mandatory	W+3	
New Jersey	W+3		W+3		W+3	
New Mexico	W+1-13	Mandatory	W+1-13	Mandatory	W+1-13	Mandatory.
New York	6		7		Duration	
North Carolina	4-12	Mandatory	5-12	Mandatory	4-12	Mandatory.
North Dakota	W+1-7		W+1-10		W+1-7	
Ohio	Duration+		3	Mandatory	Duration	
Oklahoma	W+2		W+3		W+2	
Oregon	W+4		W+4-8		W+4	
Pennsylvania	Duration		Duration		Duration	
Rhode Island	W+3		W+1-10		W+1-3	Optional.
South Carolina	W+1-5	Optional	W+1-16		W+1-5	Optional.
South Dakota	1-5		5-10		5-10	
Tennessee	W+1-5		W+1-9		W+1-5	
Texas	2-16	Mandatory	2-16	Mandatory	2-8	Mandatory.
Utah	W+1-5		W+1-9		W+1-5	
Vermont	W+1-9		W+1 or more.		W+6	
Virginia	5	Mandatory	5-9	Mandatory	6-9	Mandatory.
Washington	5-10		5-10		W+1-4	
West Virginia	W+6	Mandatory	W+6	Mandatory	W+4 or more. [3]	Mandatory.
Wisconsin	W+4	Partial cancellation.	W+3	Partial cancellation.	Duration+	
Wyoming	W+1-5	Mandatory	W+1-5		W+1-5	Mandatory.

[1] "W+" means the week in which the disqualifying act occurred plus the indicated number of weeks following. "Duration" means that the disqualification is for the duration of the unemployment due to or following the act and "duration+" indicates that the disqualification lasts until the individual earns a specified amount or works a given time as shown in the detailed tables. "Mandatory" indicates a mandatory reduction of benefits in every case; "optional" that the reduction is optional with the State agency.

[2] Law includes postponement until claimant works 30 days (i. e., duration of unemployment plus) or for 6 weeks if he is diligently seeking suitable employment. Agency reports latter provision currently effective.

[3] Such additional weeks as any offer of suitable work continues open. Benefits reduced are recredited if claimant returns to suitable employment during benefit year.

TABLE 10.—*Average employer contribution rate, by State, 1941–48*

[Data corrected to Dec. 10, 1948]

State	Average employer contribution rate [1]							
	1941	1942	1943	1944	1945	1946	1947	1948
United States	2.58	2.17	2.09	1.92	1.72	1.43	1.41	1.2
Alabama	2.08	1.59	1.42	1.31	1.17	.80	1.04	1.2
Alaska	[2]	[2]	[2]	[2]	[2]	[2]	2.09	1.7
Arizona	[2]	2.51	2.33	2.12	1.94	1.69	1.69	1.4
Arkansas	[2]	2.47	2.16	2.06	2.00	1.71	1.51	1.6
California	2.48	2.45	2.28	2.17	2.02	2.00	2.04	1.7
Colorado	[2]	1.98	1.92	1.70	1.69	1.53	1.47	1.4
Connecticut	2.29	2.09	2.09	2.12	2.12	2.05	.95	.3
Delaware	[2]	.98	.79	.68	.66	.73	.60	.6
District of Columbia	[2]	[2]	1.71	.50	.51	.52	.39	.4
Florida	[2]	2.27	2.33	2.25	2.18	1.77	1.24	.9
Georgia	[2]	2.07	2.11	1.98	1.83	1.55	1.25	1.0
Hawaii	1.65	1.54	1.38	1.21	1.24	.82	1.01	1.1
Idaho	[2]	[2]	2.53	2.43	2.22	2.09	2.02	2.0
Illinois	[2]	[2]	1.53	1.66	1.47	.79	.85	1.0
Indiana	2.29	1.91	1.97	1.85	1.62	.81	.54	.5
Iowa	[2]	1.85	2.20	2.40	1.96	1.30	1.42	1.2
Kansas	2.07	2.20	2.09	2.10	2.01	1.51	1.27	1.4
Kentucky	2.68	2.32	2.18	2.08	1.89	1.51	1.53	1.6
Louisiana	[2]	[2]	[2]	[2]	2.35	1.42	1.55	1.8
Maine	[2]	[2]	2.50	2.28	2.09	1.93	1.74	1.6
Maryland	[2]	[2]	2.49	2.28	2.07	1.21	1.21	1.2
Massachusetts	[2]	1.52	1.28	.94	.88	.88	1.13	1.3
Michigan	[2]	1.69	1.57	1.17	1.66	1.28	1.65	1.9
Minnesota	2.05	1.95	2.29	2.33	2.22	1.64	1.09	1.0
Mississippi	[2]	[2]	[2]	[2]	[2]	[2]	[2]	2.1
Missouri	[2]	1.52	1.68	2.02	1.93	1.17	1.36	1.4
Montana	[2]	[2]	[2]	[2]	[2]	[2]	1.73	1.7
Nebraska	1.38	1.56	2.02	1.74	1.30	.99	1.40	.6
Nevada	[2]	[2]	[2]	[2]	2.40	1.93	1.68	1.7
New Hampshire	2.54	2.38	2.21	1.81	1.65	1.48	1.30	1.4
New Jersey	[2]	1.64	1.87	1.85	1.62	1.65	1.83	1.9
New Mexico	[2]	2.17	2.17	1.97	2.02	1.83	1.90	1.8
New York	[2]	[2]	[2]	[2]	1.99	1.81	2.17	1.3
North Carolina	[2]	[2]	2.65	2.44	2.07	1.63	1.52	1.7
North Dakota	[2]	1.95	1.86	1.64	1.54	1.40	1.54	1.6
Ohio	[2]	1.25	1.48	1.71	1.50	1.26	.82	.7
Oklahoma	[2]	1.69	1.80	1.45	1.28	1.01	1.06	1.2
Oregon	2.65	2.41	2.31	2.23	1.98	1.73	1.81	1.7
Pennsylvania	[2]	[2]	[2]	1.21	1.29	1.22	.99	.9
Rhode Island	[2]	[2]	[2]	[2]	[2]	[2]	2.11	1.5
South Carolina	[2]	1.98	1.74	1.86	1.44	1.29	1.29	1.3
South Dakota	1.65	1.57	1.16	1.01	1.13	.93	1.18	.9
Tennessee	[2]	[2]	[2]	2.60	2.29	1.85	1.61	1.4
Texas	1.60	1.56	1.42	1.24	.92	.89	.95	.9
Utah	[2]	[2]	[2]	[2]	[2]	[2]	1.91	1.1
Vermont	2.46	2.10	2.38	2.01	1.80	1.76	1.59	1.5
Virginia	1.75	1.59	1.50	1.21	1.16	1.18	1.18	.7
Washington	[2]	[2]	[2]	[2]	[2]	[2]	1.92	1.8
West Virginia	2.42	2.14	1.76	1.62	1.40	1.24	1.32	1.3
Wisconsin	1.49	1.55	2.44	3.08	2.04	.54	.99	.5
Wyoming	[2]	2.66	1.93	1.67	1.44	1.42	1.09	1.2

[1] Computed on calendar-year basis. Preliminary estimates for 1948; 1948 data do not include effect of voluntary contributions from employers collected during the year. Effect of war-risk contributions included in rates for 1943, 1944, 1945, and 1946. These average rates include only what is paid to the States. Employers, in addition, pay 0.3 percent to the Federal Government.

[2] No experience rating, contribution rate 2.7 percent.

TABLE 11.—*Cumulative receipts, benefits paid, and funds available for benefits, by State, as of Sept. 30, 1948*

[In thousands, data corrected to Dec. 10, 1948]

State	Cumulative contributions and interest [1]	Cumulative benefits paid [2]	Funds available for benefits [3]
United States	[4] $12,563,087	$5,087,983	[4] $7,475,104
Alabama	122,178	60,883	61,295
Alaska	14,754	3,518	11,236
Arizona	37,687	10,523	27,165
Arkansas	56,652	19,540	37,113
California	[4] 1,401,090	683,957	[4] 717,133
Colorado	65,765	14,413	51,351
Connecticut	276,446	85,480	190,965
Delaware	21,948	7,066	14,883
District of Columbia	61,946	16,668	45,278
Florida	113,966	40,983	72,984
Georgia	137,680	37,489	100,191
Hawaii	26,027	2,452	23,576
Idaho	33,189	10,044	23,145
Illinois	853,522	345,030	508,492
Indiana	297,787	105,735	192,052
Iowa	111,195	28,111	83,084
Kansas	87,805	27,707	60,098
Kentucky	145,469	32,990	112,479
Louisiana	153,488	57,222	96,265
Maine	72,619	30,326	42,293
Maryland	211,240	84,511	126,730
Massachusetts	437,069	260,708	176,362
Michigan	665,529	387,702	277,827
Minnesota	181,277	61,471	119,807
Mississippi	58,864	15,208	43,656
Missouri	$265,519	$88,776	$176,742
Montana	39,158	11,152	28,006
Nebraska	43,423	10,287	33,137
Nevada	18,868	5,601	13,267
New Hampshire	43,058	15,279	27,779
New Jersey	[4] 740,329	281,751	[4] 458,578
New Mexico	23,034	5,003	18,031
New York	2,020,915	984,943	1,035,972
North Carolina	190,104	41,616	148,488
North Dakota	10,883	2,949	7,933
Ohio	734,918	185,982	548,936
Oklahoma	82,375	36,948	45,427
Oregon	134,221	51,462	82,759
Pennsylvania	1,059,916	430,083	629,834
Rhode Island	[4] 118,971	69,901	[4] 49,070
South Carolina	70,010	17,187	52,823
South Dakota	10,816	2,006	8,810
Tennessee	169,666	65,663	104,003
Texas	263,769	70,469	193,300
Utah	50,731	17,420	33,311
Vermont	22,827	6,479	16,348
Virginia	120,818	37,592	83,226
Washington	267,933	117,782	150,151
West Virginia	135,769	49,689	86,080
Wisconsin	264,088	47,889	216,199
Wyoming	15,777	4,339	11,438

[1] Represents contributions, penalties, and interest from employers; interest earned by State accounts in unemployment trust fund and reported by Treasury; and contributions from employees. Also includes the excess of contributions on wages earned by railroad workers through June 30, 1939, over the amounts transferred to the railroad unemployment insurance account, and refund of $41 million by Federal Government to 13 States, Alaska, and Hawaii, collected on pay rolls for 1936 under title IX of the Social Security Act.

[2] Adjusted for voided benefit checks. Includes benefits paid to railroad workers through June 30, 1939; excludes benefits paid under reconversion unemployment benefits for seamen program.

[3] Represents sum of balances at end of month in State clearing account and benefit-payment account, and in State unemployment trust fund account in Treasury.

[4] Excludes $200,000 in California, $50,000,000 in New Jersey, and $28,968,681 in Rhode Island withdrawn for payment of disability benefits.

TABLE 12.—*Ratio of benefits [1] to taxable wages,[2] by State, 1938–41, 1945–47*

[Data corrected to Dec. 10, 1948]

State	Calendar year							12-month period ended Sept. 30, 1948
	1938	1939	1940	1941	1945	1946	1947	
United States	[3] 2.2	[4] 1.5	1.7	0.9	0.8	1.7	1.1	0.9
Alabama	3.9	1.8	1.8	.8	.9	2.2	1.0	.8
Alaska	--------	1.9	2.3	.8	.2	.9	.7	1.2
Arizona	2.8	2.1	1.7	.9	.4	.7	.5	.5
Arkansas	--------	1.6	2.5	1.4	.4	1.3	.9	.8
California	1.2	1.9	3.2	1.9	1.1	2.8	2.1	2.1
Colorado	--------	2.1	2.5	1.1	.1	.4	.2	.2
Connecticut	2.2	.8	.7	.3	1.2	1.5	.7	.7
Delaware	--------	.8	1.0	.5	.6	1.0	.5	.4
District of Columbia	.8	.7	.9	.8	.1	.4	.6	.6
Florida	--------	1.6	2.6	1.8	.4	.8	.9	.8
Georgia	--------	1.1	1.4	.7	.6	.8	.7	.5
Hawaii	--------	.4	.4	.1	([5])	.1	.2	.5
Idaho	--------	3.3	2.8	1.7	.1	.5	.5	.7
Illinois	--------	--------	1.7	.9	.8	1.6	.8	.8
Indiana	--------	1.4	1.2	.5	.7	1.3	.3	.4
Iowa	--------	1.9	1.4	.7	.4	.7	.3	.3
Kansas	--------	1.4	1.2	.8	.8	2.2	.7	.5
Kentucky	--------	1.8	1.7	.7	.4	1.0	.6	.5
Louisiana	1.5	2.1	2.2	1.9	.6	1.8	.8	.7
Maine	3.4	2.1	2.3	.8	.6	1.7	1.2	1.2
Maryland	2.7	1.3	1.4	.7	1.0	2.3	.9	.8
Massachusetts	2.2	1.4	2.2	1.0	.6	1.5	1.7	1.4
Michigan	--------	2.5	1.5	.6	2.3	2.3	.8	.8
Minnesota	1.8	1.5	2.1	1.3	.3	1.0	.4	.4
Mississippi	--------	1.7	2.2	1.2	.3	.7	.7	.7
Missouri	--------	.8	1.0	.6	.7	1.5	1.1	.8
Montana	--------	--------	3.1	2.4	.1	.7	.5	.6
Nebraska	--------	1.1	1.5	1.0	.2	.8	.4	.3
Nevada	--------	2.6	3.2	1.9	.1	.7	.9	1.2
New Hampshire	2.7	1.4	2.1	.7	.2	.3	1.0	1.1
New Jersey	--------	1.2	1.2	.8	1.4	2.8	1.8	1.4
New Mexico	--------	2.6	2.4	1.3	([5])	.2	.2	.3
New York	2.1	1.8	2.1	1.2	.7	2.1	1.7	1.5
North Carolina	2.4	1.1	1.1	.6	.2	.5	.5	.5
North Dakota	--------	1.8	2.0	1.5	([5])	.4	.4	.4
Ohio	--------	1.2	1.2	.4	.5	1.2	.4	.4
Oklahoma	--------	1.8	1.7	1.0	.7	2.1	1.1	.6
Oregon	2.9	1.8	1.7	.7	.4	2.6	1.0	.9
Pennsylvania	2.7	1.9	1.5	.6	.5	1.6	.9	.6
Rhode Island	4.5	2.5	3.3	1.1	1.2	2.3	1.9	2.3
South Carolina	--------	1.4	1.4	.7	.1	.4	.5	.6
South Dakota	--------	1.0	1.0	.8	.1	.2	.2	.2
Tennessee	2.3	1.5	1.9	1.1	.4	1.5	1.2	1.0
Texas	1.2	1.4	1.2	.6	.2	.7	.3	.2
Utah	3.0	1.9	1.6	1.2	.2	2.0	1.0	.9
Vermont	1.7	1.1	1.6	.6	.3	.7	.8	.9
Virginia	1.9	1.3	1.6	.5	.2	.7	.4	.4
Washington	--------	1.7	2.4	.9	.7	4.4	2.1	1.4
West Virginia	3.9	1.2	1.0	.6	.4	1.3	.7	.5
Wisconsin	1.6	.6	.7	.4	.3	.6	.2	.2
Wyoming	--------	2.8	2.9	1.3	([5])	.3	.3	.3

[1] Excludes benefits paid under reconversion unemployment benefits for seamen program.
[2] Taxable wages as used here means wages of $3,000 or less. For some States for years in which taxable wages were not identical with wages of $3,000 or less, an estimate was used.
[3] Based on 23 States paying benefits Jan 1, 1938.
[4] Based on 49 States paying benefits Jan 1, 1939.
[5] Less than 0.05 percent.

TABLE 13.—*Funds available for benefits at end of year as percent of taxable wages, by State,*[1] *1939–41, 1945–47*

[Data corrected to Dec. 10, 1948]

State	1939	1940	1941	1945	1946	1947	12-month period ended Sept. 30, 1948
United States	5.4	6.0	6.5	11.8	10.8	10.1	9.5
Alabama	5.0	6.3	6.2	9.2	8.5	7.0	6.9
Alaska	5.9	5.1	4.9	17.8	18.5	12.0	11.2
Arizona	3.6	4.1	4.9	11.6	11.5	10.9	10.5
Arkansas	6.1	5.5	5.3	10.3	10.7	10.0	9.6
California	7.5	7.7	7.5	15.0	12.9	12.0	11.2
Colorado	6.4	6.0	6.5	11.9	11.6	11.2	11.2
Connecticut	4.4	5.7	6.4	13.4	13.5	12.9	11.9
Delaware	6.8	8.1	8.7	9.5	8.2	7.5	7.0
District of Columbia	7.6	8.7	9.5	13.2	11.0	10.1	9.3
Florida	5.9	4.9	4.8	10.1	9.8	9.6	9.0
Georgia	6.8	7.9	7.1	11.1	10.8	10.4	10.0
Hawaii	7.0	9.5	7.9	11.8	11.3	10.1	10.3
Idaho	4.6	3.7	4.2	13.0	12.3	11.5	11.5
Illinois	7.1	7.6	7.9	11.3	9.7	8.8	8.2
Indiana	4.5	5.4	5.7	10.5	10.3	9.1	8.4
Iowa	5.4	6.0	6.7	12.2	11.6	10.9	10.7
Kansas	8.1	8.1	7.5	11.5	12.4	11.5	11.2
Kentucky	9.5	11.2	11.4	15.8	15.2	13.8	13.7
Louisiana	5.9	5.8	5.4	12.6	11.9	10.6	10.6
Maine	2.5	2.7	3.7	12.3	11.7	11.1	10.7
Maryland	3.7	4.5	5.0	12.7	11.3	10.6	10.1
Massachusetts	5.1	5.6	6.1	8.5	7.0	5.9	5.4
Michigan	3.2	3.9	5.3	7.5	6.2	6.1	6.4
Minnesota	4.7	5.2	5.3	10.7	10.4	10.2	9.8
Mississippi	4.8	4.0	4.3	12.0	12.4	13.3	14.0
Missouri	7.2	7.9	8.6	12.0	11.3	10.4	10.1
Montana	7.6	5.4	5.7	14.7	14.2	13.5	13.2
Nebraska	8.1	7.8	7.6	10.3	10.3	9.9	9.6
Nevada	5.5	3.4	3.5	16.4	13.5	13.8	13.7
New Hampshire	5.3	5.4	5.7	12.2	10.9	10.3	9.7
New Jersey	7.9	9.6	10.1	16.9	15.6	15.5	13.7
New Mexico	5.8	4.8	5.4	10.2	9.4	9.4	9.5
New York	4.0	4.3	5.2	12.0	10.6	10.4	9.3
North Carolina	4.6	5.9	6.2	13.8	12.5	11.9	11.8
North Dakota	8.0	6.8	7.0	10.9	9.5	9.0	8.9
Ohio	6.5	7.6	8.0	11.4	11.1	10.4	10.0
Oklahoma	6.4	7.5	8.1	9.7	8.7	7.9	7.5
Oregon	3.4	4.1	4.9	11.5	10.9	10.3	10.2
Pennsylvania	3.4	4.4	5.5	11.6	10.3	9.0	8.6
Rhode Island	4.1	4.9	6.4	17.0	16.5	12.9	8.7
South Carolina	6.2	6.4	6.5	11.3	9.9	9.2	8.9
South Dakota	7.3	8.1	8.6	10.9	9.3	8.5	8.1
Tennessee	4.4	4.9	4.7	10.4	11.3	10.6	10.1
Texas	5.8	6.6	6.5	8.5	8.1	7.8	7.6
Utah	3.6	3.9	4.8	14.9	13.9	12.9	12.0
Vermont	5.7	5.6	6.3	12.7	12.0	11.7	11.5
Virginia	5.0	5.2	4.8	9.2	8.6	8.3	8.0
Washington	6.0	5.6	5.4	13.4	12.7	11.9	11.3
West Virginia	3.8	5.2	5.8	10.2	9.3	8.7	8.6
Wisconsin	8.0	8.8	8.4	13.7	13.6	12.6	12.0
Wyoming	6.5	4.9	5.7	10.5	10.1	9.5	9.0

[1] Taxable wages as used here mean wages of $3,000 or less. For some States for years in which taxable wages were not identical with wages of $3,000 or less, an estimate was used.

Appendix IV–F. Staff for Unemployment Insurance

Robert M. Ball, staff director.
Everett D. Hawkins, research director.
Fedele F. Fauri, professional assistant.
Leona V. MacKinnon, executive assistant.
Helen K. Gross, secretary.
Clarence A. Kulp, professor of insurance at the Wharton School of Finance and Commerce, the University of Pennsylvania, served as a consultant to the Council.