

# Why are many jobless workers not applying for benefits?

*More than half of those meeting the official definition of unemployment do not file for unemployment insurance benefits—either because they think they are not eligible or because they are optimistic about finding a job*

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The proportion of unemployed individuals receiving unemployment insurance (UI) has dropped steadily over the past 40 years. Reciprocity rates—the number of persons receiving unemployment insurance benefits (from administrative data) divided by the total number of unemployed persons (from Current Population Survey data)—have provided a consistent measure of the UI program’s scope. Reciprocity rates averaged 49 percent in the 1950s, 42 percent in the 1960s, 40 percent in the 1970s, and 33 percent in the 1980s. The rate reached a low point of 28.5 percent in 1984, and since then it has stayed above 30 percent, reaching a recent high of 35.1 percent in 1996.<sup>1</sup> (See table 1.) This trend has raised concerns among policymakers that the UI program has become less responsive to U.S. workers. One explanation for the drop in reciprocity rates is that fewer unemployed workers are filing for UI benefits. Unemployed workers cannot receive benefits if they do not apply. However, very little is known about these “nonfilers,” because they do not enter into the UI system. This article reports on the results of two recent supplements to the Current Population Survey (CPS) that were designed to measure the magnitude of nonfiling and to determine the reasons that many unemployed persons do not seek benefits. The supplements were jointly sponsored by the Bureau of Labor Statistics (BLS) and the Employment and Training Administration (ETA) of the Department of Labor.

In its *Report and Recommendations*, the Advisory Council on Unemployment Compensation reported that declines in UI reciprocity

rates “have raised particular concern, in large part because they threaten the primary functions of the UI system.”<sup>2</sup> On the microeconomic level, the decline in reciprocity means that the UI system is serving fewer workers as a temporary wage replacement system. The decline in reciprocity also has an impact on the macroeconomic function of unemployment insurance. If the reciprocity rate does not increase substantially during a recession, the economy does not get a countercyclical infusion of consumer spending in response to an increase in total UI payments.

The structure of the Extended Benefits program highlights the impact of the decline in reciprocity on the macroeconomic function of UI benefits. The insured unemployment rate (IUR)—the total number of continued unemployment insurance claims divided by the total number of employed covered by unemployment insurance—is the statutory trigger used by the Extended Benefits program, which provides benefits beyond the normal 26-week maximum benefit duration period during times of economic downturn.<sup>3</sup> The long-term decline in UI reciprocity rates hampers the effectiveness of the Extended Benefits program because the trigger rate is less likely to cross the legal threshold during a recession. Understanding why individuals do not file for benefits may inform current policy discussions about reforming the Extended Benefits program of the UI system.

While a fair amount of research has been published about the decline in reciprocity rates, research on why individuals choose not to file

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**Table 1.** Unemployment insurance reciprocity rates, 1968–98

[Numbers in thousands]

Year	Unemployment rate	Total unemployment	Insured unemployment	Reciprocity rate
1968 ....	3.6	2,817	1,079	38.3
1969 ....	3.5	2,832	1,065	37.6
1970 ....	4.9	4,093	1,762	43.0
1971 ....	5.9	5,016	2,102	41.9
1972 ....	5.6	4,882	1,800	36.9
1973 ....	4.9	4,365	1,578	36.2
1974 ....	5.6	5,156	2,202	42.7
1975 ....	8.5	7,929	3,900	49.2
1976 ....	7.7	7,406	2,922	39.5
1977 ....	7.1	6,991	2,584	37.0
1978 ....	6.1	6,202	2,302	37.1
1979 ....	5.8	6,137	2,372	38.7
1980 ....	7.1	7,637	3,305	43.3
1981 ....	7.6	8,273	2,989	36.1
1982 ....	9.7	10,678	3,998	37.4
1983 ....	9.6	10,717	3,347	31.2
1984 ....	7.5	8,539	2,434	28.5
1985 ....	7.2	8,312	2,561	30.8
1986 ....	7.0	8,237	2,607	31.6
1987 ....	6.2	7,425	2,265	30.5
1988 ....	5.5	6,701	2,048	30.6
1989 ....	5.3	6,528	2,114	32.4
1990 ....	5.6	7,047	2,478	35.2
1991 ....	6.8	8,628	3,291	38.1
1992 ....	7.5	9,613	3,190	33.2
1993 ....	6.9	8,940	2,694	30.1
1994 ....	6.1	7,996	2,608	32.6
1995 ....	5.6	7,404	2,518	34.0
1996 ....	5.4	7,236	2,540	35.1
1997 ....	4.9	6,739	2,267	33.6
1998 ....	4.5	6,210	2,164	34.8
Average, 1968–98 .....	6.3	6,990	2,487	35.6

SOURCE: Data for insured unemployment from the Employment and Training Administration (ETA); all other data from the Bureau of Labor Statistics (BLS).

for benefits is quite limited. The two CPS supplements examined here were conducted in an effort to fill this gap in the research. This article is the first published report on the second supplement, conducted in 1993; the earlier survey was analyzed by Wayne Vroman in 1991.<sup>4</sup> This article summarizes the results of both supplements and indicates the extent and limitations of our knowledge on nonfiling. In short, the survey confirms that nonfiling is a major policy issue: millions of unemployed workers know about the UI program but still do not apply. The results of this study support the notion that tighter UI eligibility standards played a large part in the decline of UI reciprocity—most nonfilers do not apply for benefits because they think they are ineligible. In addition, optimistic job expectations were found to be the second most common reason for nonfiling. Finally, the results indicate that reason for unemployment, age of unemployed workers, and duration of unemployment all in-

fluence the decision whether to apply for benefits.

## Previous research

In a study published in 1995, Daniel P. McMurrer and Amy Chasinov survey the major reasons for the long-term decline in UI reciprocity.<sup>5</sup> They conclude that, over the long term, crucial characteristics of the U.S. labor force have changed. For example, many workers have migrated to the Southeast and Mountain regions of the country, where UI reciprocity rates are lower than the national average; UI reciprocity rates vary dramatically from State to State, ranging from a high of 59.3 percent in Rhode Island to a low of 19.2 percent in Virginia in 1997. Also, employment has declined in industries in which UI reciprocity rates are higher (such as in manufacturing, mining and construction), applying downward pressure on the overall rates. In addition, unions play a key role in providing information about UI benefits, and as unionization has dropped, so has UI reciprocity. Over the long term, the U.S. labor force has become younger, and it comprises more women and fewer heads of households—all factors contributing to lower reciprocity rates.

In 1991, Rebecca M. Blank and David E. Card analyzed the UI eligibility and reciprocity behavior of unemployed individuals, using microdata from the Current Population Survey and the Panel Survey of Income Dynamics (PSID).<sup>6</sup> They matched the PSID data on UI receipts, annual earnings, weeks and hours worked in the previous year, and reason for unemployment (with State-specific eligibility requirements). For example, reported earnings and hours are used to estimate whether workers would qualify under their State's earnings and hours regulations. With this procedure, the authors developed rough estimates of the fraction of UI-eligible employment for 1977–87; the estimates are rough because the data fail to accurately measure all monetary and nonmonetary criteria.<sup>7</sup> Using this method, these analysts found that the fraction of unemployed workers eligible for UI benefits remained constant over the 1977–87 period—41.7 percent in 1977 and 41.5 percent in 1987. Over the same period, however, the fraction of unemployed individuals receiving benefits dropped from 31.2 percent in 1977 to 27.3 percent in 1987. Blank and Card conclude that the “take-up rate”—the proportion of eligible unemployed workers who file for and receive benefits—has declined. They estimate that the take-up rate declined from almost 75 percent in the 1977–82 period to 67 percent in the 1982–87 period. Furthermore, Blank and Card found that the take-up rate varies from 48 percent in the Mountain Region to 85 percent in the Mid-Atlantic Region, leading them to conclude that regional shifts in unemployment may account for as much as half of the national decline in the take-up rate and the reciprocity rate. Much of the variation in take-up rates, however, is left unexplained by the study.

To the extent that their algorithm is correct, Blank and Card's results highlight the nonfiling issue. Only nonfiling can decrease the take-up rate, because nonfiling is the only reason eligible workers do not receive benefits. Blank and Card test their eligibility algorithm by comparing their results with supplemental questions about unemployment insurance from the PSID. In 69 percent of cases, self-reported UI eligibility matched Blank and Card's imputed eligibility, indicating that the estimates are reasonably accurate. Of eligible nonrecipients of benefits, Blank and Card report that one-third do not file because they do not want the hassle of "government red tape," one-third did not need the money or expected to have another job soon, and one-tenth simply chose not to apply.

Gary Burtless and Daniel H. Saks performed an early analysis of the decline in UI reciprocity, using data from the UI administrative files and from the CPS.<sup>8</sup> They concluded that the long-term decline in UI benefits was due in large part to the increasing number of women and young people that entered the labor market in the 1970s, because young people and women historically are less likely than men to receive benefits. The authors assert that eligibility restrictions and deterred filing were responsible for the accelerated decline in reciprocity rates during the early 1980s. Important eligibility and related restrictions include the taxation of UI benefits, the implementation of a "waiting week," and stricter enforcement of work search and other nonmonetary eligibility requirements. Burtless and Saks predicted that UI reciprocity would remain below historical levels for the foreseeable future.

In another study (1988), Walter Corson and Walter Nicholson made quantitative estimates of the impact of different factors on the decline in UI reciprocity rates, using State- and national-level data.<sup>9</sup> Their analysis focused on the sharp drop in UI reciprocity rates in the early 1980s. They estimate that changes in State policy—specifically, tighter monetary eligibility requirements, decreased income cutoff (by counting pension and social security income), and tougher nonmonetary eligibility requirements—account for about 40 percent of this decline in UI reciprocity. Corson and Nicholson estimate that Federal policy changes—namely, the taxation of benefits—account for 11 to 16 percent of the decline. In addition, changes in the geographic distribution and industry experience of unemployed workers account for 5 to 20 percent of the decline.

## Background on the supplements

Previous research has come to the consensus that the decline in UI reciprocity can be attributed, at least in part, to eligibility restrictions and changes in the characteristics of the unemployed population, such as union status, place of residence, age, and gender. While these studies indicate the importance of nonfiling, they provide only crude explanations

of why unemployed individuals choose not to file for benefits. To further understand nonfiling, the Employment and Training Administration and the Bureau of Labor Statistics collaborated on two supplements to the Current Population Survey. The first supplement was conducted in late 1989 and early 1990, and the second was conducted in 1993. The CPS, a monthly survey of about 50,000 households, provides standard measures of unemployment for the Nation and its regions. To find out more information about particular labor market issues, special supplements periodically are added to the CPS.<sup>10</sup>

Both supplements asked questions about whether experienced unemployed persons filed for UI benefits and whether they received UI benefits; if they did not apply, they were asked their reasons for not filing. Adding these questions to the labor market queries in the basic CPS makes it possible to combine information about benefit application and reciprocity with a rich array of employment and demographic variables, including reason for unemployment, age, gender, and marital status.<sup>11</sup> The second CPS supplement represented an effort to extend the scope and accuracy of the earlier survey.

## The first supplement (1989–90)

The first CPS supplement on nonfiling, reported on by Wayne Vroman in 1991, consisted of seven questions posed to approximately 3,000 households, each of which included at least one unemployed individual.<sup>12</sup> The selected households were rotating out of the CPS in May, August, and November 1989, and February 1990. The first three questions were yes/no questions that asked whether the person had applied and/or received UI benefits. The next three questions asked appropriate respondents (1) why they had not received UI benefits, (2) why they did not apply for UI benefits, and (3) why they did not think they were eligible for UI benefits.

The answers from the supplement were cross-tabulated with other important factors that influence benefit application and receipt: reason for unemployment, duration of unemployment, gender, and age. In terms of reason for unemployment, one-half of the unemployed were job losers who either had been laid off or had lost their job for some other involuntary reason. The other half were classified either as job leavers (those who had left their last job voluntarily and thus were unlikely to be eligible for benefits) or as "reentrants" into the labor force (those who had not worked recently but who currently were actively seeking employment).

Only about one-third (34 percent) of the unemployed in the sample reported applying for benefits. As expected, job losers (who are the most likely to be eligible for unemployment benefits) were the most likely to apply for benefits; job losers were about 5 times more likely than job leavers to apply for UI benefits (53 percent versus 11 percent). Appli-

cation rates also rose with duration of unemployment. Those who had been unemployed for 27 weeks or more were 3 times more likely to have applied for benefits than those unemployed for only 1 or 2 weeks. Age also is related to the application rate for benefits: men aged 16 to 19 years seldom applied for benefits (3 percent), while nearly half (48 percent) of those aged 25 and older did. Also, men were more likely than women to apply for benefits (38 percent versus 28 percent). Vroman's analysis states that the difference probably relates to the greater incidence of job losing among unemployed men than among unemployed women.<sup>13</sup> (See table 2.)

Only about a quarter of the experienced unemployed reported receiving UI benefits. Even among job losers aged 25 years and older (the group most likely to be eligible for UI benefits), less than half received benefits.<sup>14</sup> As expected, reentrants and job leavers were among the least likely to have received benefits. Interestingly, only about three-quarters of all those who applied reported actually receiving benefits. Clearly, some of the unemployed who applied for benefits were found to be ineligible, or else they had found a job before they received any benefits.

The main purpose of the 1989–90 survey was to ascertain the major reasons that so many (66 percent) unemployed individuals do not file for benefits. First, more than half (53

percent) of nonfilers surveyed in the first supplement stated that they did not apply because they thought they were not eligible for benefits. Other than this reason, the results of the 1989–90 supplement demonstrate that several plausible “common-sense” reasons do not have a great impact on the decision to file for benefits. For example, only about 3 percent of the unemployed did not apply for benefits because they thought it was “too much of a hassle.” Contrary to the belief that their might be a “welfare stigma” associated with UI benefits, less than 3 percent of nonfilers responded that they did not apply because they felt UI was “too much like charity.” Also, the unemployed do not appear to be ignorant of UI benefits: less than 3 percent responded that they did not apply for UI benefits because they did not know about them. (See table 3.)

A substantial number of nonfilers (14 percent) surveyed in 1989 and 1990 stated that they did not apply because they expected to have a job soon. The fact that a substantial portion of nonfilers expect to have another job is particularly noteworthy. If the rate of job turnover among the unemployed changes over time, this may partly explain changes in the UI reciprocity rate. Vroman speculates that as the economy becomes more fluid and individuals change jobs more frequently, reciprocity rates will remain low.<sup>15</sup> However, from the first supplement it was not clear whether these nonfilers expected to be called back to their former jobs, whether they had new jobs lined up, or whether they were just optimistic about their job prospects.

Despite these important results, the 1989–90 survey provided a somewhat incomplete explanation of why individuals did not apply for UI benefits. For example, 20 percent of responses to the questions about reason for nonfiling were classified as “other” or “don’t know.”<sup>16</sup> Given that explaining nonfiling was the central purpose of the survey, this level of uncertainty was disappointing. The four main response categories provided by the survey did not account for the experiences of 1 out of 5 of the nonfilers surveyed in 1989–90.

Administrative data containing wage records would be the best data source for determining the monetary eligibility of nonfilers. Wage records and other information relating to nonmonetary eligibility criteria from State regulations would enable researchers to determine the true eligibility of nonfilers. In the absence of this hard data, both surveys collected self-reported reasons for UI ineligibility. The 1989–90 survey provided four possible responses to the question “Why are you ineligible for benefits?”: “didn’t work enough,” “no recent job,” “quit last job,” and “fired from last job.” All other responses were classified as “other.” Slightly more than half of nonfilers (50.5 percent) responded that they were ineligible because they did not work enough. (This does not mean that these workers are “truly” monetarily ineligible be-

**Table 2.** Unemployment insurance application and reciprocity rates by age, sex, and reasons for and duration of unemployment, 1989–90

[In percent]

Characteristic	Application Rate	Reciprocity Rate
Total unemployed .....	34.0	24.0
<b>Reason for unemployment:</b>		
Job losers .....	53.0	39.0
Job leavers .....	11.0	6.0
Reentrants .....	14.0	20.0
<b>Gender and age:</b>		
Men, 16 years and older .....	38.0	28.0
Men, 16 to 19 years .....	3.0	1.0
Men, 20 to 24 years .....	24.0	14.0
Men, 25 years and older .....	48.0	36.0
Women, 16 years and older .....	28.0	20.0
Women, 16 to 19 years .....	8.0	3.0
Women, 20 to 24 years .....	17.0	11.0
Women, 25 years and older .....	36.0	26.0
<b>Duration of unemployment:</b>		
1 to 2 weeks .....	18.0	5.0
3 to 4 weeks .....	29.0	16.0
5 to 10 weeks .....	38.0	32.0
11 to 26 weeks .....	43.0	37.0
27 weeks or more .....	53.0	42.0

SOURCE: Wayne Vroman, *The Decline in Unemployment Insurance Claims Activity in the 1980s*, Unemployment Insurance Occasional Papers 91–2 (U.S. Department of Labor, January 1991).

**Table 3.** Percent distributions of reasons for nonfiling by duration of and reason for unemployment, 1989–90

[Numbers in thousands]

Reason	Total nonfilers		Duration of unemployment (in weeks)					Reason for Unemployment		
	Number of persons	Percent distribution	1 to 2 weeks	3 to 4 weeks	5 to 10 weeks	11 to 26 weeks	27 weeks or more	Job losers	Job leavers	Reentrants
Total .....	3,670	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Didn't think eligible .....	1,938	52.8	47.5	51.5	53.0	62.2	58.4	45.0	53.1	59.9
Have another job .....	514	14.0	23.0	12.2	10.5	8.0	8.9	18.8	17.6	7.1
Plan to file .....	62	1.7	3.7	1.9	.2	.7	.0	4.0	.4	.4
Didn't know about UI .....	98	2.6	1.1	4.5	2.5	3.3	1.5	3.1	2.4	2.6
Too much hassle .....	103	2.8	2.2	3.7	2.3	2.8	3.7	4.7	1.5	1.9
Too much like charity .....	90	2.5	1.6	2.3	3.6	3.5	.7	2.4	3.5	1.9
Previously exhausted .....	64	1.7	1.5	1.0	1.9	1.7	4.8	3.2	.1	1.5
Other .....	397	10.8	10.0	12.1	12.8	6.3	11.9	9.0	10.0	13.1
Don't know .....	321	8.7	6.6	9.5	10.5	9.8	7.4	7.5	9.3	9.5
No answer .....	83	2.3	2.9	1.3	2.8	1.8	2.2	2.4	2.2	2.1

SOURCE: Wayne Vroman, *The Decline in Unemployment Insurance Claims Activity in the 1980s*, Unemployment Insurance Occasional Paper 91–2 (U.S. Department of Labor, January 1991).

cause not all unemployed workers know the earnings requirements of the States where they worked.) Among the different reasons for unemployment, job losers were the most likely (75 percent) to think that they did not work enough. Not surprisingly, more than 3 in 5 (62 percent) job leavers indicated that they thought they were ineligible because they had quit their last job. The “other” category accounted for 12 percent of the total responses. (See table 4.)

To recap, the two principal findings of the 1989–90 supplement were that perceived ineligibility and optimism about finding a job were the most common reasons respondents gave for nonfiling. In addition, the supplement provided data showing that ignorance of the UI system and the feeling that there was too much stigma or hassle involved in applying for benefits accounted for only a very small proportion of nonfilers. Still, from the list of possible responses, 20 percent of nonfilers answered either “don’t know” or “other” when asked why they had not filed, leaving room for improvement in the follow-up supplement, conducted in 1993.

### The second supplement (1993)

The first supplement did not include in its list of possible choices several important reasons that individuals failed to file for or to receive UI benefits, including several important nonmonetary criteria that are now being more vigorously enforced in many States.<sup>17</sup> The first supplement also did not determine whether nonfilers who expected to have a job actually had a job in hand, whether they expected to be called back to work, or whether they simply were confident that they would find a job. Thus, ETA sponsored a second supplement, which was conducted by BLS in 1993.

*Design of the 1993 supplement.* On the basis of lessons learned from the first supplement, designers of the 1993 supplement reformulated and refined the questionnaire, hoping to get improved results the second time around. In particular, several of the questions included additional response categories designed to obtain more specific information about why respondents had not filed for UI benefits. The new structure also allowed for a more complete explanation of nonmonetary and monetary reasons for ineligibility and the job expectations of nonfilers.

Like its predecessor, the 1993 supplement was administered in 4 nonconsecutive months; in this case, the months chosen were February, June, August and November, with a total sample of about 4,500 respondents. The supplemental questions were administered to experienced unemployed individuals—persons who had previously worked for 2 weeks or more on either a full-time or a part-time job.<sup>18</sup> As in the earlier supplement, unemployed respondents were asked if they had applied for and/or received UI benefits; it also included follow-up questions to determine reasons for nonfiling and ineligibility.

In addition to the survey, the initial research plan called for matching administrative wage files to the CPS data. Such a match would enable researchers to determine the consonance between “perceived” (survey) and “true” (administrative) eligibility. The research attempted to match these sources by asking CPS respondents to volunteer their Social Security number, which could be used to access the State administrative UI wage files.

*Economic context of the 1993 supplement.* Table 5 gives some overall perspective on the unemployment situation in 1993. The group studied—the experienced unemployed—

were more likely to be male, more likely to be job losers, and also were older than the total unemployed population. Because the sample population was more experienced in the labor market than the total unemployed population, the reciprocity rate among the sample (35 percent) was higher than that among the total unemployed population (30 percent). The second supplement was conducted while the economy was just beginning to recover from the 1990–91 recession: monthly unemployment averaged close to 9 million, and the unemployment rate stayed close to 7 percent throughout the year. In contrast, when the earlier supplement was conducted, the number of unemployed persons totaled 7 million, and the unemployment rate hovered around 6 percent. Because recessions increase layoffs, a higher proportion of the unemployed in 1993 were job losers than in 1990—60 percent versus 52.3 percent.

### Results of the 1993 supplement

Tables 6 and 7 display application and reciprocity rates, respectively, by gender, reason for unemployment, and duration of unemployment in 1993. Less than half (46 percent) of the experienced unemployed applied for benefits, compared

with one-third in 1990. Two facts help explain the increase in UI application rates: a greater proportion of the unemployed were job losers in 1993, and the economic prospects facing unemployed individuals were less favorable in 1993 than in 1990. Accordingly, reciprocity rates also significantly increased from 1990 to 1993. For example, one-third of experienced unemployed persons received benefits in 1993, compared with one-fourth in 1990.

Like in 1990, job losers (63 percent) in 1993 were more likely to apply for benefits than were either job leavers (25 percent) or reentrants into the labor market (18 percent).<sup>19</sup> Job leavers and reentrants were the least likely to receive benefits (13 percent and 11 percent, respectively). The duration of unemployment had the same expected impact on application rates as in the earlier supplement: The longer individuals are unemployed, the more likely they are to need benefits and to apply for them. More than half of those unemployed for 27 weeks or more received benefits in 1993, compared with 17 percent of those who were unemployed for 3 or 4 weeks.

Age was also strongly correlated with nonfiling. For example, only 6 percent of unemployed individuals aged 16 to 19 applied for benefits, compared with 56 percent of those

**Table 4.** Self-reported reasons given for perceived ineligibility by reason for unemployment, 1989–90

[Numbers in thousands]

Reason	Total		Job losers		Job leavers		Reentrants	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total .....	1,938	100.0	589	100.0	506	100.0	844	100.0
Didn't work enough .....	980	50.5	442	75.0	158	31.2	380	45.0
Quit last job .....	627	32.3	34	1.9	313	61.8	281	33.2
No recent job .....	66	3.4	11	2.3	0	.0	54	6.3
Fired from last job .....	20	1.0	14	2.4	0	.0	6	.1
Other .....	231	11.9	85	14.4	29	5.7	117	13.8
No answer .....	15	.1	2	3.4	6	1.2	7	0.8

NOTE: Percent totals may not sum to exactly 100 percent due to rounding.  
SOURCE: Wayne Vroman, *The Decline in Unemployment Insurance Claims*

*Activity in the 1980s*, Unemployment Insurance Occasional Papers 91–2 (U.S. Department of Labor, January 1991).

**Table 5.** Experienced unemployed persons by age, sex, and reasons for and duration of unemployment, 1993

[Numbers in thousands]

Age and sex	Total	Duration of unemployment (in weeks)					Reason for Unemployment		
		0 to 2 weeks	3 to 4 weeks	5 to 10 weeks	11 to 26 weeks	27 weeks or more	Job losers	Job leavers	Reentrants
Total, 16 years and older .....	7,843	1,219	1,444	1,587	1,790	1,803	4,713	947	2,183
Men, 16 years and older .....	4,446	630	773	857	1,033	1,154	3,006	526	915
16 to 19 years .....	380	98	119	85	52	26	119	72	189
20 to 24 years .....	709	132	175	148	141	112	385	103	220
25 years and older .....	3,358	400	478	624	839	1,016	2,502	351	505
Women, 16 years and older .....	3,396	589	671	730	757	649	1,707	421	1,268
16 to 19 years .....	326	74	91	87	45	28	80	59	187
20 to 24 years .....	544	104	110	162	108	60	201	81	262
25 years and older .....	2,528	412	470	481	603	561	1,425	281	820

**Table 6.** Percent of unemployed persons filing for benefits (application rate) by age, sex, and reasons for and duration of unemployment, 1993

Duration of unemployment	Total, 16 years and older	Men				Women			
		16 years and older	16 to 19 years	20 to 24 years	25 years and older	16 years and older	16 to 19 years	20 to 24 years	25 years and older
Total .....	45.6	50.6	6.6	35.2	58.8	39.0	6.1	25.9	46.1
0 to 2 weeks .....	23.5	25.3	7.3	26.8	29.3	21.6	( <sup>2</sup> )	13.3	27.0
3 to 4 weeks .....	29.2	34.1	9.4	19.1	45.7	23.6	0.0	15.8	30.0
5 to 10 weeks .....	45.4	50.3	4.3	34.3	60.4	39.6	8.6	31.8	47.8
11 to 26 weeks .....	57.8	64.1	( <sup>2</sup> )	46.7	71.0	49.1	( <sup>2</sup> )	35.4	54.4
27 weeks and over .....	61.7	63.5	( <sup>2</sup> )	56.9	65.6	58.3	( <sup>2</sup> )	( <sup>2</sup> )	63.2
Job losers .....	62.7	64.0	16.4	53.4	67.9	60.4	15.3	52.4	64.1
0 to 2 weeks .....	39.5	39.8	( <sup>2</sup> )	46.8	39.1	39.1	( <sup>2</sup> )	( <sup>2</sup> )	43.0
3 to 4 weeks .....	47.7	50.5	( <sup>2</sup> )	38.1	58.0	42.8	( <sup>2</sup> )	( <sup>2</sup> )	47.5
5 to 10 weeks .....	65.7	67.7	( <sup>2</sup> )	( <sup>2</sup> )	73.7	62.6	( <sup>2</sup> )	( <sup>2</sup> )	65.3
11 to 26 weeks .....	69.0	71.1	( <sup>2</sup> )	56.3	74.8	65.3	( <sup>2</sup> )	( <sup>2</sup> )	68.1
27 weeks and over .....	73.1	72.2	( <sup>2</sup> )	( <sup>2</sup> )	72.4	74.8	( <sup>2</sup> )	( <sup>2</sup> )	77.5
Job leavers .....	24.9	27.5	( <sup>2</sup> )	10.1	37.4	21.7	( <sup>2</sup> )	6.8	30.5
0 to 2 weeks .....	6.6	7.6	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	5.5	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
3 to 4 weeks .....	20.4	22.7	( <sup>2</sup> )	( <sup>2</sup> )	32.9	17.4	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
5 to 10 weeks .....	12.4	10.6	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	15.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
11 to 26 weeks .....	44.3	47.2	( <sup>2</sup> )	( <sup>2</sup> )	60.2	41.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
27 weeks and over .....	45.2	55.3	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Reentrants <sup>1</sup> .....	17.5	19.7	1.2	15.1	28.6	16.0	4.0	11.4	20.2
0 to 2 weeks .....	9.1	2.6	( <sup>2</sup> )	( <sup>2</sup> )	5.1	12.9	( <sup>2</sup> )	( <sup>2</sup> )	15.2
3 to 4 weeks .....	9.8	8.1	( <sup>2</sup> )	( <sup>2</sup> )	14.7	10.9	( <sup>2</sup> )	( <sup>2</sup> )	15.0
5 to 10 weeks .....	21.4	25.7	( <sup>2</sup> )	( <sup>2</sup> )	35.5	18.4	( <sup>2</sup> )	11.2	25.6
11 to 26 weeks .....	25.5	37.6	( <sup>2</sup> )	( <sup>2</sup> )	51.6	16.9	( <sup>2</sup> )	( <sup>2</sup> )	20.5
27 weeks and over .....	26.7	27.1	( <sup>2</sup> )	( <sup>2</sup> )	30.5	26.3	( <sup>2</sup> )	( <sup>2</sup> )	28.9

<sup>1</sup> A small number of reentrants actually were experienced part-time workers classified as new entrants in the 1993 CPS.

<sup>2</sup> Data not shown where base is less than 75,000.

**Table 7.** Percent of unemployed persons receiving benefits (reciprocity rate) by age, sex, and reasons for and duration of unemployment, 1993

Duration of unemployment	Total, 16 years and older	Men				Women			
		16 years and older	16 to 19 years	20 to 24 years	25 years and older	16 years and older	16 to 19 years	20 to 24 years	25 years and older
Total .....	35.1	38.8	0.8	22.3	46.6	30.3	2.9	18.0	36.5
0 to 2 weeks .....	6.5	5.3	.0	10.4	4.9	7.8	( <sup>2</sup> )	3.2	10.4
3 to 4 weeks .....	16.6	19.1	.0	7.9	27.9	13.7	0.0	5.0	18.4
5 to 10 weeks .....	35.7	42.3	3.7	22.3	52.4	27.9	1.8	22.0	34.5
11 to 26 weeks .....	49.4	53.2	( <sup>2</sup> )	33.9	59.7	44.3	( <sup>2</sup> )	31.4	49.1
27 weeks and over .....	54.7	55.0	( <sup>2</sup> )	44.0	54.2	58.3	( <sup>2</sup> )	( <sup>2</sup> )	58.8
Job Losers .....	50.6	51.1	2.6	36.4	55.6	49.8	9.7	37.3	53.9
0 to 2 weeks .....	9.9	7.5	( <sup>2</sup> )	18.1	5.2	13.9	( <sup>2</sup> )	( <sup>2</sup> )	16.9
3 to 4 weeks .....	27.7	27.3	( <sup>2</sup> )	18.3	33.6	28.3	( <sup>2</sup> )	( <sup>2</sup> )	33.0
5 to 10 weeks .....	54.9	60.0	( <sup>2</sup> )	( <sup>2</sup> )	66.7	47.2	( <sup>2</sup> )	( <sup>2</sup> )	51.0
11 to 26 weeks .....	61.8	62.2	( <sup>2</sup> )	45.2	66.1	61.0	( <sup>2</sup> )	( <sup>2</sup> )	63.9
27 weeks and over .....	67.5	65.6	( <sup>2</sup> )	( <sup>2</sup> )	66.1	71.3	( <sup>2</sup> )	( <sup>2</sup> )	73.7
Job Leavers .....	13.4	15.3	( <sup>2</sup> )	3.6	21.9	11.0	( <sup>2</sup> )	5.4	14.9
0 to 2 weeks .....	1.9	3.2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0.6	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
3 to 4 weeks .....	9.2	14.4	( <sup>2</sup> )	( <sup>2</sup> )	22.4	2.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
5 to 10 weeks .....	1.3	1.8	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	0.7	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
11 to 26 weeks .....	26.5	23.5	( <sup>2</sup> )	( <sup>2</sup> )	30.0	29.8	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
27 weeks and over .....	32.2	37.4	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Reentrants <sup>1</sup> .....	11.2	12.2	.0	6.3	19.4	10.4	.8	7.1	13.6
0 to 2 weeks .....	3.9	1.5	( <sup>2</sup> )	( <sup>2</sup> )	3.0	5.3	( <sup>2</sup> )	( <sup>2</sup> )	6.4
3 to 4 weeks .....	5.8	5.4	( <sup>2</sup> )	( <sup>2</sup> )	13.3	6.1	( <sup>2</sup> )	( <sup>2</sup> )	9.6
5 to 10 weeks .....	14.1	17.7	( <sup>2</sup> )	( <sup>2</sup> )	25.3	11.7	( <sup>2</sup> )	5.9	17.1
11 to 26 weeks .....	18.0	24.3	( <sup>2</sup> )	( <sup>2</sup> )	37.5	13.5	( <sup>2</sup> )	( <sup>2</sup> )	16.0
27 weeks and over .....	17.4	13.9	( <sup>2</sup> )	( <sup>2</sup> )	16.1	21.5	( <sup>2</sup> )	( <sup>2</sup> )	24.0

<sup>1</sup> A small number of reentrants actually were experienced part-time workers classified as new entrants in the 1993 CPS.

<sup>2</sup> Data not shown where base is less than 75,000.

aged 25 years or older. Among unemployed persons aged 20 to 24, 30 percent applied for benefits. Younger unemployed individuals are less likely to be eligible for benefits because they work and earn less than older adults, and they may be more likely to leave their jobs for reasons that disqualify them from receiving UI benefits.

*Reasons for unemployment.* As in 1990, not all individuals who filed for benefits in 1993 received them; the number of applicants exceeded beneficiaries by more than 800,000 individuals. These results are very similar to the 1989–90 supplement: about 3 in 4 UI applicants reported receiving benefits in 1993. The discrepancy between filing for and receiving benefits is greatest among job leavers. A little more than half (54 percent) of job-leaving applicants received benefits in 1993, compared with 84 percent of job losers.<sup>20</sup> Many job leavers apply for benefits and then are ruled ineligible, probably because they do not realize that their reason for unemployment disqualifies them.

*Reasons for nonfiling.* The 1993 supplement was designed primarily to improve our knowledge of the reasons for nonfiling. Table 8 shows the population estimates and percentages for answers to the question “Why didn’t you file for benefits?” As in 1990, the most common reason for nonfiling in 1993 was perceived ineligibility—either because the respondents thought they had not worked enough hours or because they had voluntarily left their previous jobs. Optimistic job expectations were the second most common reason for nonfiling.

In an effort to reduce some of the uncertainty in the earlier supplement, six additional possible response categories were added in 1993 to answer the question “Why didn’t you file for benefits?” The additional responses related mostly to nonmonetary reasons for nonfiling and included the following: “didn’t need the money,” “wasn’t able to work,” “wasn’t actively seeking work,” “wasn’t available for work,” “unable to report to unemployment office,” and “refused to accept suitable work.” With the additional possible answers, only 13 percent of responses in 1993 were classified as “other” or “don’t know”—a reduction in uncertainty from the 1989–90 survey of more than 30 percent. The number of respondents who indicated “don’t know” as the reason they did not file was reduced by half—from 321,000 (8.7 percent) in 1990 to 155,000 (3.8 percent) in 1993. No single response was responsible for the reduction in uncertainty; of the new options, “was not able to work” was the most common response, but it only accounted for about 2 percent of the total responses.

*Ineligibility.* It was hoped that a more complete picture of

ineligibility among nonfilers could be constructed from the data gathered in the 1993 supplement. The first effort to accomplish this goal attempted to match the survey data with State administrative wage data, but several obstacles arose. First, the matching was attempted in just six States, and only about one-third of the sample respondents lived in one of these States. Further, about half of those surveyed refused or gave no response to the Social Security number request. With such limited data, the match was determined to be ineffective and too costly to complete. Thus, the 1993 survey did not determine whether those individuals who believed they were ineligible were, in fact, ineligible. Like the earlier survey, the 1993 supplement relies on self-reported data for information on eligibility.

Based on their experience in 1989–90, the designers of the 1993 CPS supplement expected a large response rate of “didn’t think eligible” to the question “Why didn’t you file for benefits?” As a result, they included an additional question about the reasons for ineligibility in the 1993 survey to allow those answering “didn’t think eligible” to refine their responses. Some of the possible responses to the follow-up question—for example, that they had voluntarily left their previous jobs, or that they were not actively seeking work—repeated the responses to the earlier question. For this reason, table 10 consolidates tables 8 and 9 and divides the responses into three categories: reasons for ineligibility, job expectations, and “other.”

The consolidated reasons given for ineligibility were little different in 1993 than those given in the earlier supplement. In both surveys, about half (51 percent in 1989–90 and 50 percent in 1993) thought they were ineligible because they had not worked or earned enough. Also, both surveys showed that nearly 30 percent of respondents said they were ineligible because they had voluntarily left their last job (28 percent in 1993 and 29 percent in 1989–90). Thus, monetary ineligibility appears to have had a greater impact on nonfiling than nonmonetary ineligibility, with many workers reporting that they had not worked or earned enough to meet the UI eligibility requirements.

The 1993 survey provided additional response categories to the probe question asking why individuals did not think they were eligible. Several of the new response options—“was not able to work,” “was not actively seeking work,” “was not available for work,” and “refused to accept suitable work”—relate to stricter nonmonetary continuing eligibility requirements imposed by State UI programs in the 1970s and 1980s. Overall, more than 6 percent of nonfilers gave these nonmonetary reasons for their ineligibility. At least from this analysis, then, these nonmonetary reasons had a small but measurable impact on discouraging workers from filing for benefits.

Regarding other aspects of ineligibility, both surveys yielded



**Table 8. Main reasons given for nonfiling by reason for unemployment, 1993**

[Numbers in thousands]

Reason	Total		Job losers		Job leavers		Reentrants <sup>1</sup>	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total nonfilers .....	4,064	100.0	1,639	40.3	690	17.0	1,736	42.7
Didn't think eligible .....	1,368	33.7	562	34.3	212	30.7	594	34.2
Didn't work or earn enough .....	680	16.7	252	15.4	65	9.4	362	20.9
Voluntarily left last job .....	481	11.8	39	2.4	213	30.9	228	13.1
Expects to have a job soon .....	306	7.5	167	10.2	68	9.9	71	4.1
Expects to be recalled from the last employer .....	123	3.0	105	6.4	( <sup>2</sup> )	.0	18	1.0
Didn't need the money .....	77	1.9	17	1.0	18	2.6	41	2.4
Too much work or hassle .....	73	1.8	49	3.0	13	1.9	11	.6
Didn't know about UI or how to apply .....	73	1.8	21	1.3	4	.6	47	2.7
Was not able to work .....	62	1.5	2	.1	11	1.6	21	1.2
Too much like charity or welfare .....	45	1.1	29	1.8	8	1.2	8	.5
Plans to file for unemployment compensation soon .....	40	1.0	38	2.3	0	.0	2	.1
Used up or exhausted all benefits .....	39	1.0	31	1.9	1	.1	7	.4
Discharged for misconduct .....	34	.8	26	1.6	( <sup>2</sup> )	.0	8	.5
Was not available to work .....	34	.8	2	.1	( <sup>2</sup> )	.0	32	1.8
Was not actively seeking work .....	32	.8	8	.5	5	.7	19	1.1
Unable or failed to report to unemployment office .....	28	.7	9	.5	( <sup>2</sup> )	.0	20	1.2
Refused to accept suitable work .....	2	.0	( <sup>2</sup> )	.0	( <sup>2</sup> )	.0	( <sup>2</sup> )	.0
Other .....	353	8.7	137	8.4	36	5.2	179	10.3
Don't know .....	155	3.8	82	5.0	22	3.2	50	2.9
No answer .....	59	1.5	30	1.8	12	1.7	17	1.0

<sup>1</sup> A small number of reentrants actually were experienced part-time workers classified as new entrants in the 1993 cps.<sup>2</sup> Data not shown where base is less than 75,000.**Table 9. Self-reported reasons for UI ineligibility by reasons for unemployment, 1993**

[Numbers in thousands]

Reason	Total		Job Losers		Job Leavers		Reentrants <sup>1</sup>	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total ineligible .....	2,673	100.0	896	100.0	506	100.0	1,258	100.0
Didn't work or earn enough .....	1,325	49.6	571	63.7	123	24.3	631	50.2
Voluntarily left last job .....	754	28.2	76	8.5	328	64.8	351	27.9
Was not able to work .....	89	3.3	23	2.6	11	2.2	41	3.3
Was not available to work .....	55	2.1	6	.7	na	( <sup>2</sup> )	49	3.9
Was not actively seeking work .....	48	1.8	15	1.7	5	1.0	28	2.2
Discharged for misconduct .....	44	1.6	36	4.0	( <sup>2</sup> )	( <sup>2</sup> )	8	.6
Labor dispute .....	8	.3	5	.6	3	.6	( <sup>2</sup> )	( <sup>2</sup> )
Refused to accept suitable work .....	2	.1	2	.2	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Didn't think eligible for benefits, but no other information available .....	348	13.0	162	18.1	36	7.1	150	11.9

<sup>1</sup> A small number of reentrants actually were experienced part-time workers classified as new entrants in the 1993 cps.<sup>2</sup> Data not shown where base is less than 75,000.

**Table 10.** Consolidated responses: reasons for nonfiling by reason for unemployment

[Numbers in thousands]

Reason	Total		Job losers		Job leavers		Reentrants <sup>1</sup>	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Nonfilers .....	4,064	100.0	1,637	100.0	690	100.0	1,736	100.0
All ineligible reasons consolidated .....	2,673	65.8	911	55.6	506	17.0	1,258	72.5
Didn't work or earn enough .....	1,325	32.6	571	34.8	123	36.3	631	36.3
Voluntarily left last job .....	754	18.6	76	4.6	328	20.2	351	20.2
Didn't think eligible or qualified, but no further information available .....	348	8.6	162	9.9	36	8.6	150	8.6
Was not able to work .....	89	2.2	38	1.4	11	2.4	41	2.4
Was not available to work .....	55	1.4	6	.4	( <sup>2</sup> )	( <sup>2</sup> )	49	2.8
Was not actively seeking work .....	48	1.2	15	.9	5	1.6	28	1.6
Discharged for misconduct .....	44	1.1	36	2.2	( <sup>2</sup> )	( <sup>2</sup> )	8	.5
Labor dispute other than a lockout .....	8	.2	5	.3	3	.0	( <sup>2</sup> )	( <sup>2</sup> )
Refused to accept suitable work .....	2	.0	2	.1	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
All job expectations reasons consolidated .....	429	10.6	272	16.6	68	9.9	90	5.1
Expects to have a job soon .....	306	7.5	167	10.2	68	9.9	71	4.1
Expects to be recalled from the last employer .....	123	3.0	105	6.4	( <sup>2</sup> )	( <sup>2</sup> )	18	1.0
All other reasons consolidated .....	961	23.6	454	27.7	114	16.5	390	22.4
Didn't need the money .....	77	1.9	17	1.0	18	2.6	41	2.4
Didn't know about UI or how to apply ...	73	1.8	21	1.3	4	0.6	47	2.7
Too much work or hassle .....	73	1.8	49	3.0	13	1.9	11	.6
Unable or failed to report to unemployment office .....	47	1.2	20	1.2	( <sup>2</sup> )	( <sup>2</sup> )	27	1.6
Too much like charity or welfare .....	45	1.1	29	1.8	8	1.2	8	.5
Plans to file for unemployment compensation soon .....	40	1.0	38	2.3	( <sup>2</sup> )	( <sup>2</sup> )	2	.1
Used up or exhausted all benefits .....	39	1.0	31	1.9	1	.1	7	.4
Other .....	353	8.7	137	8.4	36	5.2	179	10.3
Don't know .....	155	3.8	82	5.0	22	3.2	50	2.9
No answer .....	59	1.5	30	1.8	12	1.7	17	1.0

<sup>1</sup> A small number of reentrants actually were experienced part-time workers classified as new entrants in the 1993 CPS.

<sup>2</sup> Data not shown where base is less than 75,000.

roughly similar results: In terms of self-reported information, the main reasons given for ineligibility are nearly identical, although the surveys were conducted at two very different points in the business cycle. In both surveys, some individuals believe they are ineligible but do not indicate why. In 1993, 13 percent of ineligible nonfilers were not able to give a reason why they thought they were ineligible for benefits.

As expected, the reasons for ineligibility varied by reason for unemployment. Job losers were the most likely to believe they were ineligible because they had not worked enough. Nearly two-thirds of ineligible job losers indicated this reason, and very few job losers indicated they were ineligible because they had voluntarily left their last jobs. On the other hand, job leavers were the most likely to believe that they were ineligible because they had voluntarily left their last jobs. About two-thirds gave this response, and only a quarter said they were ineligible because they had not worked enough.

*Job expectations.* In both surveys, the second most common reason for nonfiling was job expectations. In the earlier

survey, about 14 percent of those surveyed indicated that they had not applied for UI benefits because they “have another job.” It is important to understand the source of these job expectations. The 1993 survey aimed to achieve a more nuanced understanding of the job expectations of nonfilers. (Due to the size limitation of the CPS supplement, ETA could not add an additional question to probe job expectations of nonfilers. Such a question could have addressed the strength of these job expectations.) The key issue examined is whether individuals expect to be called back to work and therefore are not bothering to apply for UI benefits, or whether they simply are confident that they are going to find a job with a new employer soon. The 1993 survey found that of the total estimated 429,000 individuals who did not apply for UI benefits because they expected to have another job in 1993 (10.6 percent of all nonfilers), most of them (71 percent) expected to find a new job rather than to be called back to their former employer (29 percent). As Vroman argued in his 1991 study, job turnover—moving from one employer to another—seems to be an important reason for nonfiling.

Job losers are the most likely to expect to be recalled by their old employer—6.4 percent of nonfiling unemployed job losers in 1993 did not apply for UI benefits because they expected to be recalled by their last employer. Intuitively, one might expect this percentage to be higher because job losers have been laid off. However, recall that expectations are not a major explanatory factor for nonfiling among job losers.

Only 10 percent of nonfiling job leavers do not file because they expect to have a job soon, compared with 17 percent of nonfiling job losers. For job leavers, nearly all of their job expectations relate to new opportunities. Finally, reentrants were the least likely to be influenced by future job expectations, with only 5 percent of nonfiling reentrants identifying job expectations as their reason for nonfiling.

NONFILING WEAKENS BOTH the macroeconomic and microeconomic functions of the UI benefits system. If unemployed persons do not file for benefits, the UI system cannot help stabilize the economy or act as a wage replacement system for workers looking for jobs that suit their skills and experience. The two CPS supplements discussed in this article greatly expanded our knowledge of the crucial issue of nonfiling. The magnitude of nonfiling remains large and varies with economic conditions. Between 55 and 65 percent (depending on the business cycle) of experienced unemployed workers do not file for benefits. Most of these nonfilers either left their jobs voluntarily or are reentering the labor market and thus are likely to be ineligible for benefits. However, a

substantial proportion of workers who were laid off from their jobs—the most likely group of unemployed workers to be eligible for benefits—also chose not to file for UI benefits.

This research effort was able to explain most of the reasons for nonfiling. Due to refinements in the questionnaire, the 1993 survey was able to explain 87 percent of all nonfiling behavior, compared with 80 percent in the earlier survey. The inability to complete a planned data match between administrative wage data and the survey respondents left some questions unanswered. Further research is needed to examine administrative monetary eligibility for nonfilers to check the accuracy of the perceptions of unemployed workers. In addition, such research could gauge the effect that the level of benefits and the benefit-replacement ratio have on nonfiling. The 1993 survey points out how difficult it is to test the accuracy of perceptions of monetary eligibility because of the difficulty of matching data sets with the surprisingly small samples of matches.

Despite this limitation, it would be useful to conduct further nonfiler surveys to account for changes that have occurred since 1993, particularly with the introduction of new reasons for unemployment included in the revised CPS, and with the likelihood of reduced motivation for nonfiling resulting from the introduction of telephone filing for UI benefits. Still, these two surveys provide a base of knowledge for policy discussion about UI reciprocity rates and point toward ineligibility and job expectations as the major determinants of nonfiling. □

## Notes

<sup>1</sup> For consistency, reciprocity rates are defined in this article in the same way that they are in Wayne Vroman, *The Decline in Unemployment Insurance Claims Activity in the 1980s*, Unemployment Insurance Occasional Paper 91-2 (U.S. Department of Labor, January 1991). Thus, the reciprocity rate is aggregate insured unemployment divided by total unemployment. This is a different measure than the insured unemployment rate (IUR), which equals continued claims (for regular program unemployment benefits) divided by total covered employment. (See note 3.)

<sup>2</sup> Advisory Council on Unemployment Compensation, *Report and Recommendations* (U.S. Department of Labor, February 1994).

<sup>3</sup> The Insured Unemployment Rate (IUR) is different from the “reciprocity rate” referred to in this paper. IUR is the percentage of covered workers that are claiming UI insurance benefits. Over the years, the number of covered workers has increased (the denominator of the IUR), which has depressed the IUR. The reciprocity rate is a “purer” measure of the coverage of the unemployed: it refers to the ratio of unemployed insured individuals to the total number of unemployed individuals.

<sup>4</sup> The Bureau of Labor Statistics produced a report on the 1993 survey, “Unemployment Insurance Recipients” on July 16, 1997. Wayne Vroman analyzed the 1989–90 survey in *The Decline in Unemployment Insur-*

*ance Claims Activity in the 1980s*, Unemployment Insurance Occasional Paper 91-21, (U.S. Department of Labor, 1991).

<sup>5</sup> Daniel P. McMurrer and Amy Chasanov, “Trends in unemployment insurance benefits,” *Monthly Labor Review*, September 1995, pp. 30–39.

<sup>6</sup> Rebecca M. Blank and David E. Card, “Recent Trends in Insured and Uninsured Unemployment: Is There an Explanation?,” *Quarterly Journal of Economics*, November 1991, pp. 1157–89.

<sup>7</sup> Blank and Card remark on two major limitations of their estimates. First, the March Supplement to the CPS measures earnings in the previous calendar year, while UI eligibility is determined by the 4 quarters preceding the initial claim. Thus, Blank and Card do not have accurate data for those individuals who began their unemployment spell in the same calendar year as the survey. Second, the imputation misses several important elements of eligibility, including job search requirements or workers fired for cause.

<sup>8</sup> Gary Burtless and Daniel H. Saks, “The Decline in Insured Unemployment during the 1980s” (Brookings Institution, March 1984).

<sup>9</sup> Walter Corson and Walter Nicholson, *An Examination of the Declining UI Claims During the 1980s*, Unemployment Insurance Occasional Paper 88-3, September 1988.

<sup>10</sup> In the CPS, part of the sample is changed each month. Each monthly sample is divided into eight representative subsamples or “rotation groups.” A given rotation group is interviewed for a total of 8 months, divided into two equal periods. Households are in the sample for 4 consecutive months, out of the sample for the following 8 consecutive months, and finally back in the sample for 4 consecutive months. In each monthly sample, one of the eight rotation groups is in the first month of enumeration, another rotation group is in the second month, and so on. Households in their fourth and eighth consecutive months are part of the “outgoing rotation groups.” When supplements are administered, households in the outgoing rotation groups are eligible for the supplemental questions. For more information on the CPS, see *BLS Handbook of Methods*, Bulletin 2490 (Bureau of Labor Statistics, April 1997), pp. 4–14.

<sup>11</sup> The decision to conduct the first of the nonfiler studies flowed from Secretary Ann McLaughlin’s seminar on unemployment insurance on June 27, 1988, which dealt with the issue of why so few unemployed individuals were then collecting UI benefits. The seminar presented the study by Corson and Nicholson (see note 9); during discussion, the issue of the extent of nonfiling was raised by business and labor representatives, who ultimately recommended a survey of nonfilers. Then-Commissioner of Labor Statistics Janet Norwood, who was attending the seminar as a member of the public, agreed to conduct the survey. See U.S. Department of Labor, *The Secretary’s Seminar on Unemployment Insurance*, Unemployment Insurance Occasional Paper 89–1 (U.S. Department of Labor, 1989), pp. 54–55.

<sup>12</sup> Wayne Vroman, *The Decline in Unemployment Insurance Claims Activity in the 1980s*, Unemployment Insurance Occasional Paper 91–21, (U.S. Department of Labor, January 1991).

<sup>13</sup> Ibid.

<sup>14</sup> Ibid. Table 2 summarizes tables 3 and 3A from the study by Vroman; complete cross-tabulations from the 1989–90 supplement can be found there.

<sup>15</sup> Ibid.

<sup>16</sup> “I don’t know” response rate may be higher because of a weakness in the research design. The Bureau of the Census surveys households (not individuals) for the CPS, and thus the person answering the supplemental questions may not be the actual unemployed individual residing in the house.

<sup>17</sup> See Christopher J. O’Leary and Stephen A. Wandner, *Unemployment Insurance in the United States: Analysis of Policy Issues* (W. E. Upjohn Institute for Employment Research, Kalamazoo MI, 1997), p. 676.

<sup>18</sup> There was a minor problem with the definition of “experienced unemployed.” Unemployed individuals who responded “never worked full time 2 weeks or more” (as opposed to never worked) were included in the universe for supplemental questions. Thus, some of the cases are classified as new entrants based on their reason for unemployment.

<sup>19</sup> Most of the persons classified as reentrants are new entrants into the labor market. A small number were experienced part-time workers who could be classified as “new entrants” in the CPS in 1993.

<sup>20</sup> This is the ratio of column 1 in table 7 to column 1 in table 6.

