



Highlights of [GAO-06-484T](#), a report to the Subcommittee on Human Resources, Committee on Ways and Means, House of Representatives

# UNEMPLOYMENT INSURANCE

## Factors Associated with Benefit Receipt and Linkages with Reemployment Services for Claimants

### Why GAO Did This Study

Unemployment Insurance (UI) has been a key component in ensuring the financial security of America's workforce for over 70 years. In fiscal year 2004, UI covered about 129 million wage and salary workers and paid about \$41 billion in benefits to nearly 9 million workers. With unemployed workers at a greater risk of long-term unemployment than in the past, it is increasingly important to understand how individual workers are being served by UI. This testimony draws upon the results of three GAO reports providing new information about (1) the extent to which individual workers ever receive UI benefits or receive benefits multiple times, (2) the types of workers who are more likely to receive UI, and (3) what is known about the extent to which UI beneficiaries receive reemployment services and their reemployment outcomes.

GAO is not making new recommendations at this time. The Department of Labor (Labor) generally agreed with the findings from each of the three reports on UI, but took issue with GAO's recommendation that the Secretary work with states to consider collecting more comprehensive information on UI claimants' services and outcomes. Labor commented that, in its view, current and planned efforts would provide sufficient information for policy makers. However, we believe that Labor's efforts would not provide a complete picture of UI claimants' services and outcomes.

[www.gao.gov/cgi-bin/getrpt?GAO-06-484T](http://www.gao.gov/cgi-bin/getrpt?GAO-06-484T).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Sigurd Nilsen at (202) 512-7215 or [nilsens@gao.gov](mailto:nilsens@gao.gov).

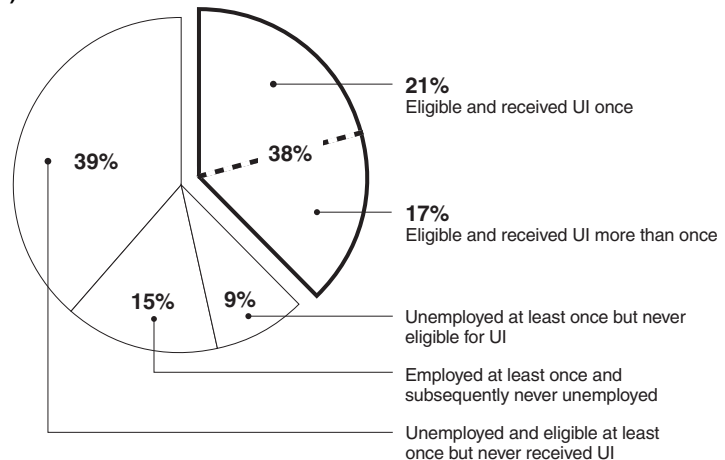
### What GAO Found

On the basis of our analysis of a nationally representative sample of workers born between 1957 and 1964, we estimate that, while 76 percent of these workers experienced at least one period of unemployment during the first half of their working lives in which they would likely have been eligible for UI benefits, about 38 percent actually received UI. Of those who received UI benefits, 44 percent received them more than once.

Among workers who are eligible to receive UI benefits, those who are more likely to actually receive these benefits are younger, have higher earnings before becoming unemployed, have completed more years of education, or have already received UI benefits in the past than otherwise similar workers. Past experience with the UI program has a particularly strong effect on the likelihood of receiving UI benefits. In addition, unemployed workers tend to have longer periods of unemployment if they receive UI benefits, have completed fewer years of education, have lower earnings before they become unemployed, or if they do not belong to unions. UI-eligible workers from certain industries, such as mining and manufacturing, are more likely than other workers to receive UI benefits.

Across states, UI claimants have access to a variety of reemployment services, and states make use of UI program requirements to connect claimants with available services at various points in their claim. However, federal reporting requirements for states' UI programs and for federally funded employment and training programs do not provide a full picture of the services received or the outcomes obtained by all UI claimants, and few states monitor the extent to which claimants are receiving these services or outcomes for these claimants, in part because states' information systems have limited capabilities.

**UI Benefit Receipt and Estimated UI Eligibility among Workers Born between 1957 and 1964 (1979-2002)**



Source: GAO analysis of NLSY79 data.