TRAINING AND EMPLOYMENT
NOTICE

NO. 29-08

DATE February 20, 2009

TO:ALL STATE WORKFORCE LIAISONSALL STATE AND LOCAL WORKFORCE AGENCIESALL STATE ONE-STOP CAREER CENTER SYSTEM LEADSALL STATE AND LOCAL WORKFORCE INVESTMENT BOARDS

FROM: THOMAS M. DOWD /s/ Administrator Office of Policy Development and Research

SUBJECT: Release and Availability of the Report entitled: An Analysis of Unemployment Insurance Non-Filers: 2005 CPS Supplement Results

1. <u>**Purpose</u>**. To announce the release and availability of the Employment and Training Administration's (ETA) Occasional Paper 2009-7: *An Analysis of Unemployment Insurance Non-Filers:* **2005** *CPS Supplement Results*.</u>

2. <u>Background</u>. Virtually all employees, with few exceptions, such as self-employed workers, are covered by the unemployment insurance program. Despite this broad coverage, individuals do not always apply for unemployment insurance benefits when they become unemployed. During the past 30 years, four Current Population Survey (CPS) supplements (1976, 1989, 1993, and 2005) have been undertaken to learn more about how often and why individuals do not apply for unemployment benefits. In 2005, ETA collaborated with the Bureau of Labor Statistics and the Census Bureau to undertake the latest CPS supplement.

3. <u>Publication Description</u>. This report represents a first analysis of data from the CPS supplement of 2005, and provides updated information on how often and why individuals choose not to apply for unemployment benefits. The findings are presented both in tabular format and as a series of multiple regression results. Policy implications of the findings, which confirm past survey findings, are that, despite nearly universal coverage of the U.S. workforce, a substantial number of people do not file a claim for UI when they lose their job.

Several major findings in this current report are consistent with past supplements. First, the supplements showed that a number of individuals who were potentially eligible for unemployment benefits, in fact, did not apply for them. This contrasts with the widely held belief that most eligible individuals applied for unemployment benefits when they became unemployed. Second, UI program participation is highest among job losers, rather than job leavers or reentrants and greatly affected by region of the U.S. in which they worked. The supplements consistently show that the major reasons why individuals chose not to apply for

EMPLOYMENT AND TRAINING ADMINISTRATION U.S. DEPARTMENT OF LABOR WASHINGTON, D.C. 20210 benefits were because they thought that they were ineligible to receive benefits, or they expected to have a job soon. Additionally, it was commonly assumed that those who did not apply for benefits were those who thought it was "too much hassle" or "too much like charity." The latest supplement continued to show that these responses tended to be a smaller response compared to other reasons for not applying for benefits.

4. <u>Availability</u>. To download a PDF, or view or print an abstract or full report, visit the ETA Occasional Paper Series Web site at <u>http://wdr.doleta.gov/research/keyword.cfm</u>.

5. <u>Inquiries</u>. Questions on the content of the report may be directed to Wayne Gordon, Division of Research and Evaluation, Office of Policy Development and Research, Employment and Training Administration, U. S. Department of Labor, 200 Constitution Avenue, NW, Room N-5641, Washington, DC 20210. Telephone: (202)693-3179.

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