

Use of UI and ES by Recent TANF Leavers

Christopher J. O'Leary
W.E. Upjohn Institute

oleary@upjohn.org

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Use of UI and ES by Recent TANF Leavers

1. Background
2. Unemployment and UI Application
3. UI Eligibility and Receipt
4. UI use Compared to Non-TANF Leavers
5. UI use and Self-Sufficiency
6. ES use and Self-Sufficiency
7. Summary and Uses of Results

1. Background: UI Principles

- UI Monetary Eligibility
 - Recent earnings and employment
- UI Non-monetary Eligibility
 - Circumstances of job separation
 - No voluntary job quits or employer discharges
- Receipt of UI Benefits
 - Potential for delayed eligibility in benefit year

1. Background: Prior Research

| UI Eligibility | Prior Estimates | New Estimates |
|-----------------|-----------------|---------------|
| Monetary | 75 to 90% | 87% |
| Non-Monetary | 25 to 40% | 44% |
| Benefit Receipt | 10 to 33% | 50% |

2. Unemployment

Administrative data: 1996-2002

- Florida, Georgia, Michigan, Ohio
- TANF, UI payments, UI earnings

Outcomes measured with UI quarterly earnings data:

- Employment: Quarterly earnings of at least \$100

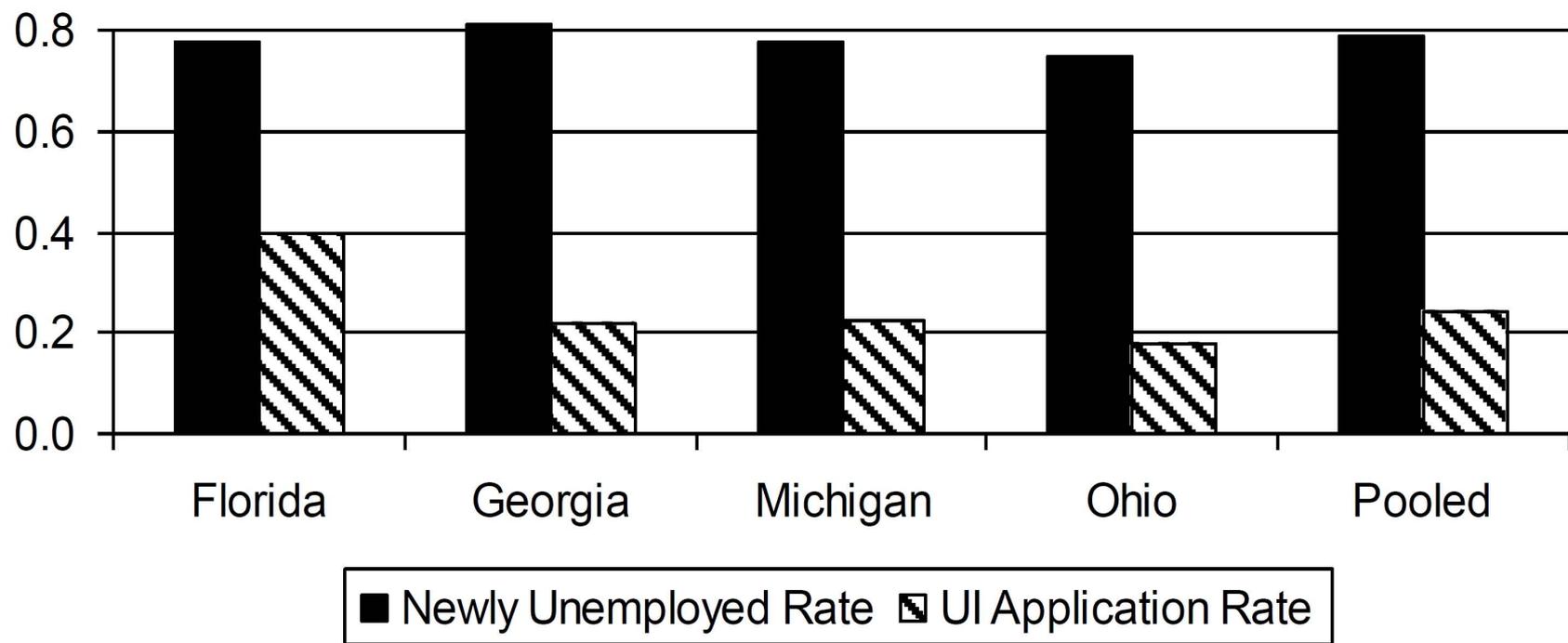
TANF exit for employment:

- Zero TANF payment with earnings of at least \$100
- Total leaving TANF for employment: 322,036

2. Unemployment

- Unemployment within 3 years after TANF exit:
 - Quarterly earnings less than \$100
 - Total Newly Unemployed: 253,189
- Mean unemployment rate across cohorts: 79%
 - Florida: 77%
 - Georgia: 81%
 - Michigan: 77%
 - Ohio: 75%

Rates of New Unemployment and UI Application Among TANF Leavers



2. UI Application

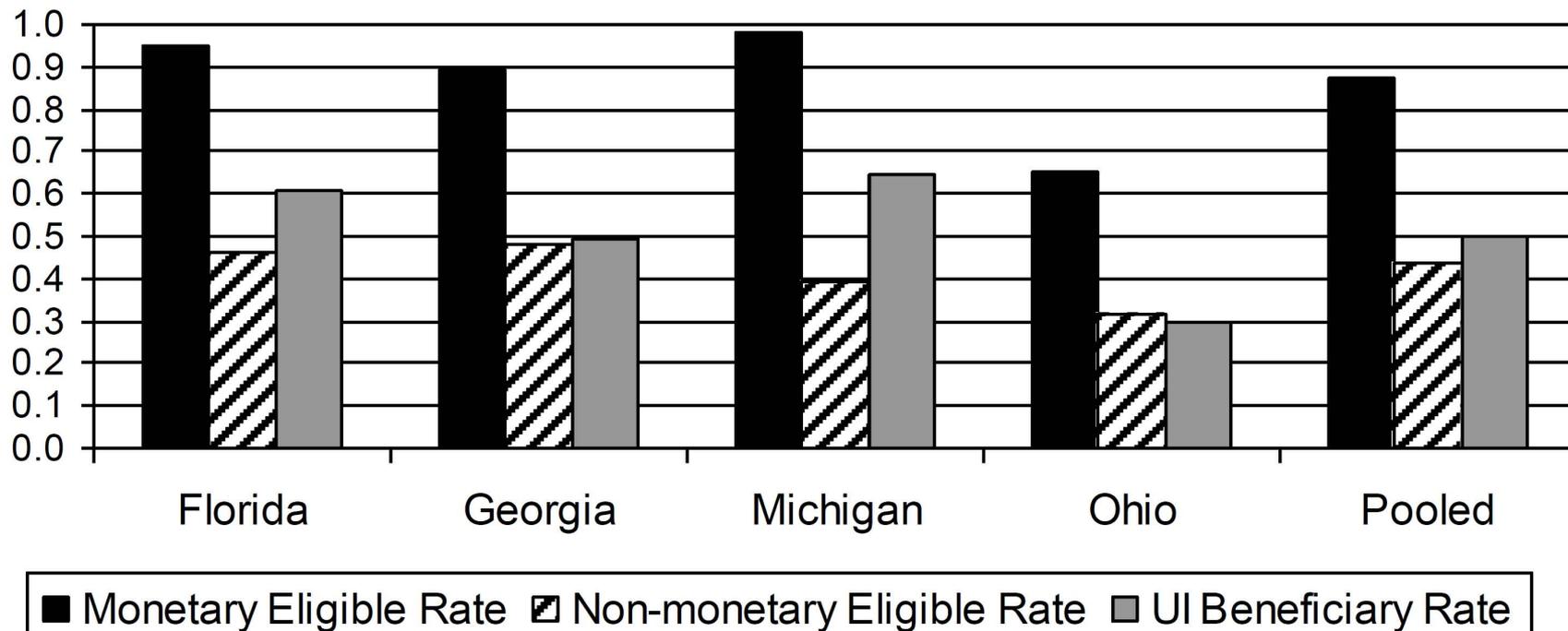
UI claims 1Q before to 3Q after new unemployment

- Cumulative UI application rate: 24%
- Linear probability model of UI application:
 - Increased application probability: prime age, African American, higher base period earnings, and more prior employment
- Non-applicants: 76%
 - Youths, whites, less prior work, lower recent earnings
 - Prior industries: retail trade, health care, hospitality

3. UI Eligibility and Receipt

| | Monetary % | Non-Monetary % | Beneficiary % |
|---------------|---------------|-------------------|------------------|
| Florida | 95 | 46 | 61 |
| Georgia | 89 | 48 | 49 |
| Michigan | 98 | 39 | 65 |
| Ohio | 65 | 32 | 30 |
| Pooled | 87 | 44 | 50 |

Rates of UI Monetary Eligibility, Non-Monetary Eligibility, and Benefit Receipt



3. UI Eligibility and Receipt

Lower monetary eligibility rates in Ohio:

- Ohio requires 20 weeks of work at 27.5% of AWW
- That's more than 33 hours per week at \$5.15 in 2000

Large share of TANF leavers are non-monetary ineligible:

- Voluntary quits
- Employer discharge for cause

UI Beneficiary rates above non-monetary eligibility rates

- Re-qualify through additional employment
- Ohio requires 6 weeks at 27.5% of AWW

4. UI use Compared to Non-TANF Leavers

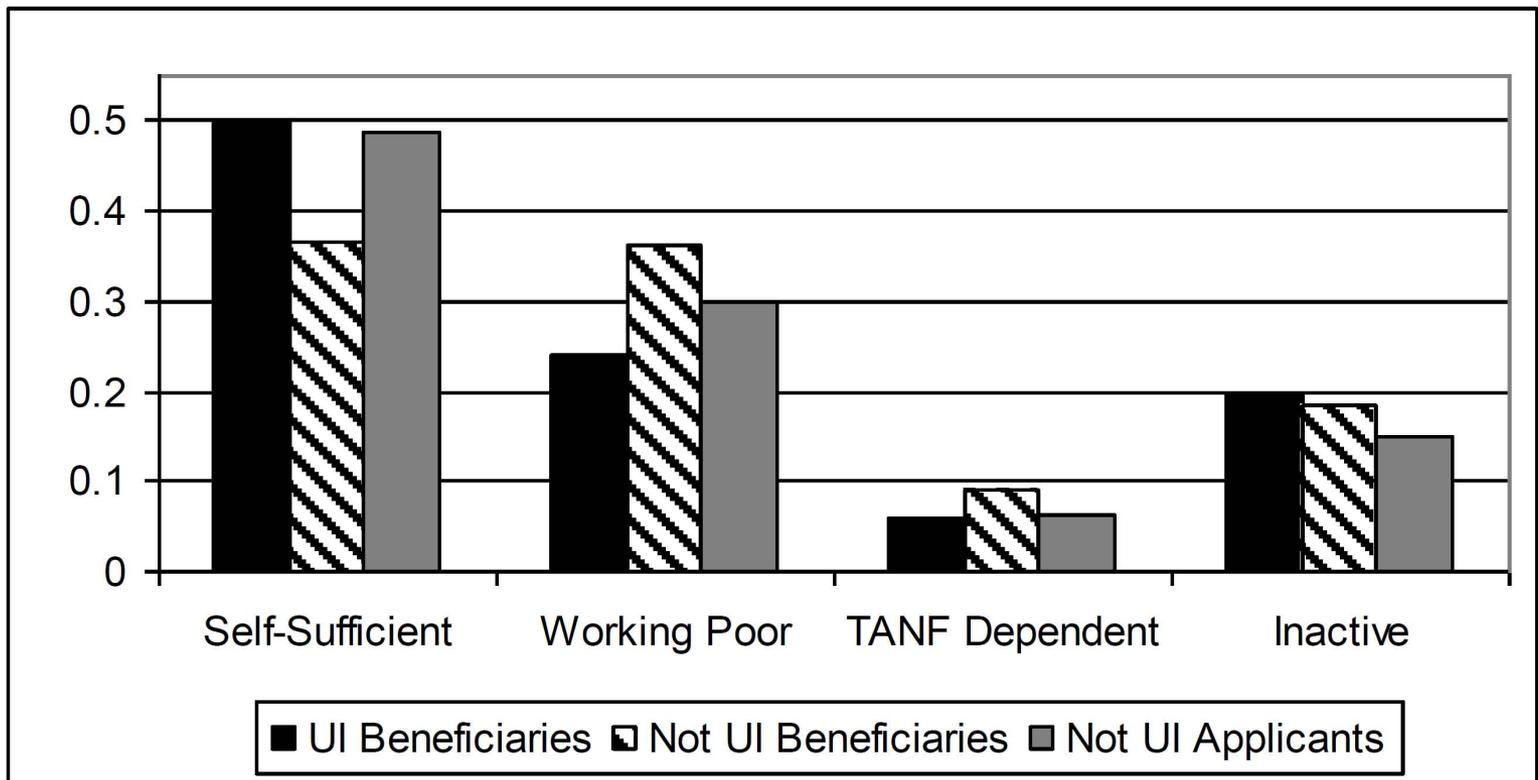
| Percentage Points | Beneficiary Diff From non-TANF | Quit Diff From non-TANF | Discharge Diff From non-TANF |
|-------------------|--------------------------------|-------------------------|------------------------------|
| Florida | -11 | 9 | 8 |
| Georgia | -20 | 4 | 10 |
| Michigan | -22 | 11 | 29 |
| Ohio | -37 | 6 | 13 |
| Pooled | -23 | 9 | 15 |

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5. Self-Sufficiency of TANF Leavers

| After TANF Exit | No TANF | TANF |
|-----------------|------------------------|----------------------|
| Employment | Self-Sufficient 48% | Working Poor 30% |
| No Employment | Inactive 15% | TANF Dependent 7% |

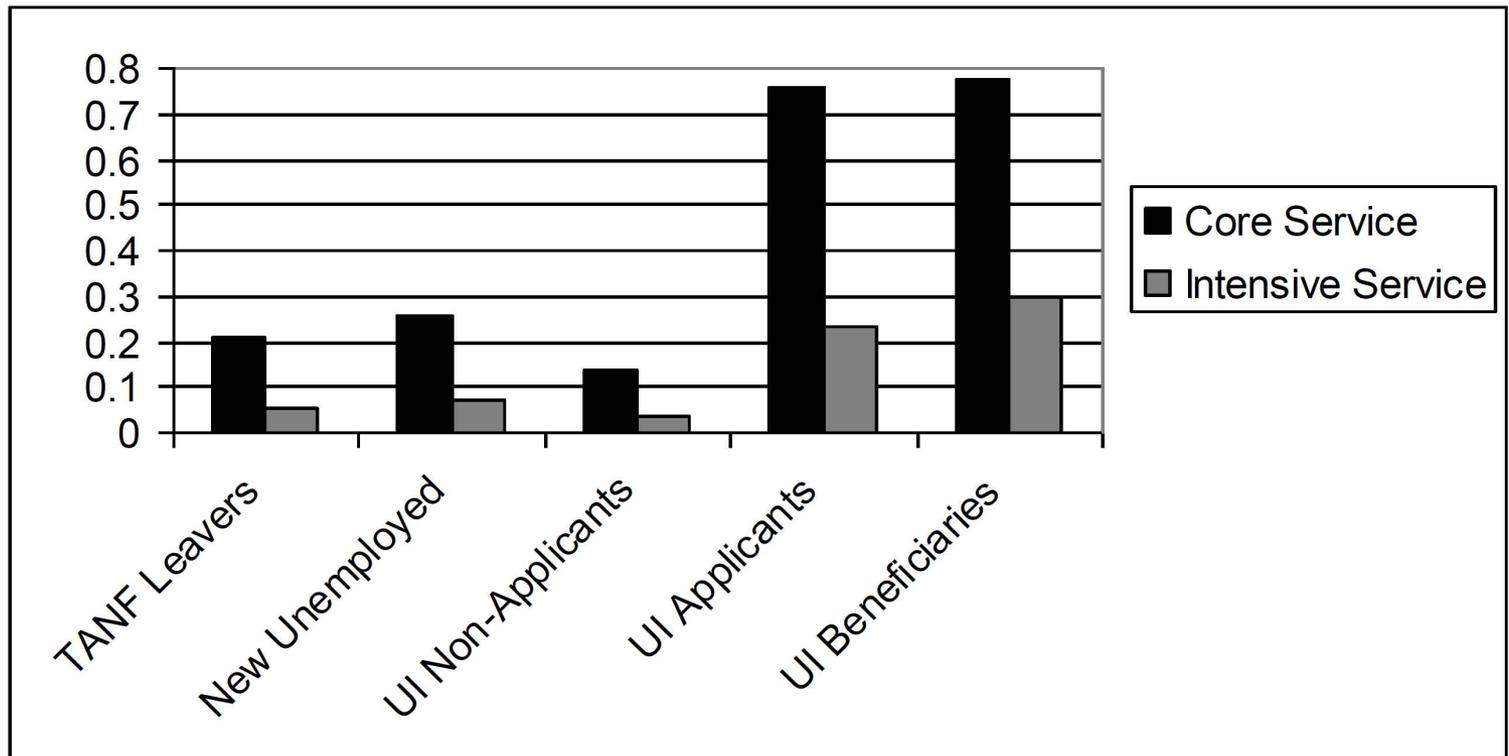
5. UI use and Self-Sufficiency



6. ES use by Georgia TANF Leavers

| | Sample | Core Service | Intensive Service |
|-----------------------|----------------|--------------|-------------------|
| TANF Leavers | 152,278 | 0.211 | 0.054 |
| New Unemployed | 123,424 | 0.256 | 0.073 |
| UI Non-Applicants | 96,254 | 0.139 | 0.038 |
| UI Applicants | 27,166 | 0.761 | 0.234 |
| UI Beneficiaries | 13,335 | 0.778 | 0.301 |
| UI Ineligibles | 15,295 | 0.771 | 0.224 |

6. ES use by Georgia TANF Leavers



ES effects on Return to Employment

| | Non-Applicant | Beneficiary | Non-Beneficiary |
|--------------------------|----------------|----------------|-----------------|
| Service Needs Assessment | 0.026** | -0.011 | 0.028** |
| Job Search Assistance | 0.023** | -0.001 | 0.031** |
| Job Referral | 0.065** | 0.049** | 0.107** |
| Individual Counseling | 0.017 | 0.03 | 0.023 |
| Customer Service Plan | -0.02 | -0.033 | -0.036* |
| Expanded Workshop | 0.038** | 0.017 | 0.035** |

ES effects on Self-Sufficiency

| | Non-Applicant | Beneficiary | Non-Beneficiary |
|--------------------------|----------------|----------------|-----------------|
| Service Needs Assessment | 0.138** | 0.018 | 0.082** |
| Job Search Assistance | 0.049** | 0.009 | 0.059** |
| Job Referral | 0.061** | 0.035** | 0.032** |
| Individual Counseling | 0.062** | -0.002 | 0.02 |
| Customer Service Plan | -0.01 | 0.041 | 0.014 |
| Expanded Workshop | 0.311** | 0.321** | 0.289** |

ES impacts on Inactivity

| Employment Service | Non-Applicant | Beneficiary | Non-Beneficiary |
|--------------------------|-----------------|-----------------|-----------------|
| Service Needs Assessment | -0.042** | -0.004 | -0.056** |
| Job Search Assistance | -0.030** | 0.008 | -0.051** |
| Job Referral | -0.048** | -0.044** | -0.078** |
| Individual Counseling | -0.017 | -0.004 | 0.006 |
| Customer Service Plan | 0.027** | 0.005 | 0.023 |
| Expanded Workshop | -0.065** | -0.085** | -0.090** |

ES impacts on Working Poor

| | Non-Applicant | Beneficiary | UI Applicant |
|--------------------------|----------------|----------------|----------------|
| Service Needs Assessment | 0.122** | 0.003 | 0.054** |
| Job Search Assistance | 0.043** | 0.016* | 0.039** |
| Job Referral | 0.077** | 0.040** | 0.061** |
| Individual Counseling | 0.061 | 0.024 | 0.050** |
| Customer Service Plan | -0.003 | 0.014 | 0 |
| Expanded Workshop | 0.284** | 0.253** | 0.234** |

ES impacts on TANF Dependency

| Employment Service | Non-Applicant | Beneficiary | UI Applicant |
|--------------------------|-----------------|---------------|-----------------|
| Service Needs Assessment | 0.016** | 0.015** | 0.028** |
| Job Search Assistance | 0.007 | -0.007 | 0.020** |
| Job Referral | -0.017** | -0.005 | -0.029** |
| Individual Counseling | 0 | -0.026** | -0.029** |
| Customer Service Plan | -0.007 | 0.027** | 0.013 |
| Expanded Workshop | 0.027** | 0.068** | 0.055** |

Core and Intensive Effects in Georgia

- Increased return to Employment
- Increased rates of Self-Sufficiency
- Reduced rates of Inactivity
- Increased Employment for TANF Returnees

- Georgia ES results similar to Ohio

7. Summary of Results

- Over half of TANF leaver UI applicants receive UI, while previous estimates were only one-third.
- TANF leavers qualify for UI at lower rates than other UI applicants primarily due to higher rates of job quits and employer discharge.
- Among TANF leaver UI applicants, UI beneficiaries have a 34% lower rate of returning to TANF.
- Employment Services widely used and effective.

7. Uses of Results

- Only a quarter of unemployed TANF leavers apply for UI
 - Stronger link of UI application to TANF re-qualification
- Target UI application efforts to the least likely to apply:
 - Young, white, had less prior employment and earnings and worked in retail trade, health care and hospitality industries
- Target Job retention and advancement to those at high risk of:
 - Voluntary quits are higher for females; whites; industries: retail, hospitality, health care; occupations: services
 - Employer discharge: industries: retail; finance, insurance, and real estate; hospitality