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Unemployment Insurance Receipt among Unemployed U.S. Hispanics*

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Abstract:

In the United States, fewer than one-half of unemployed workers typically receive UI benefits because of eligibility restrictions and a time limit on benefits. Using data from the 2001-2017 March Current Population Survey, we examine UI receipt rates among unemployed workers, with a focus on Hispanics. Hispanics are likely to rely more on UI benefits than non-Hispanic whites do since they have lower savings levels and higher unemployment rates. However, many Hispanic immigrants are unauthorized and hence ineligible for UI. We find that non-naturalized Hispanic immigrants—a group largely composed of unauthorized immigrants—are particularly unlikely to receive UI benefits, but even U.S.-born Hispanic workers are less likely than non-Hispanic whites to receive UI benefits. Differences across origin areas suggest that lack of legal status cannot fully explain the low reciprocity rate among non-naturalized Hispanic immigrants.

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Introduction

The unemployment insurance (UI) system is designed to provide temporary financial support to workers who are unemployed through no fault of their own. Many workers assume that they will be able to receive UI benefits if they lose their jobs, yet in the United States fewer than one-half of unemployed workers typically receive UI benefits (Rothstein, 2011). Why so few unemployed workers receive UI benefits is an important question, particularly since many households have little savings to fall back on if a primary earner becomes unemployed. This study focuses on UI receipt among a group that is vulnerable to unemployment and often has little savings:

Hispanics.

Hispanics account for more than one in six workers in the United States. This share has been rising over the last fifty years, a trend that is expected to continue. Another ongoing trend is the rising share of Hispanic workers who are born in the United States. The share of Hispanic workers who are immigrants has been falling over the last decade as a result of smaller immigrant inflows, particularly from Mexico, combined with larger numbers of U.S.-born children of Hispanic immigrants reaching working age. The share of Hispanics who are unauthorized immigrants has been falling as well, again largely due to smaller inflows from Mexico. These trends may have implications for the UI system given differences in UI participation between unemployed Hispanics and non-Hispanic whites and among unemployed Hispanics by nativity, or foreign- versus U.S.-born, status.

Previous research indicates that racial and ethnic minorities, including Hispanics, are under-represented among UI recipients relative to their shares among the unemployed (Gould-Werth and Shaefer, 2012; Michaelides and Mueser, 2012, 2013). In other words, unemployed minority workers are less likely than whites to receive UI benefits. The gap appears to largely

reflect lower UI application rates among racial and ethnic minorities arising from less knowledge about the program, not lower eligibility for benefits (Gould-Werth and Shaefer, 2012). In a sample of displaced workers who were likely eligible for UI benefits, the UI receipt rate was slightly lower among immigrants—most of them Hispanic—than among U.S. natives (Chi and McCall, 2005). The difference was due to low UI receipt rates among recent immigrants and non-citizens; the UI receipt rate was actually higher among naturalized citizens than among U.S. natives. The gap between non-citizens and U.S. natives was mainly due to a lower application rate among non-citizens. Unauthorized immigrant status may play a role in the low application rate among non-citizens, a possibility not examined in previous research.

This study adds an in-depth look at UI receipt among Hispanics to the small literature on UI receipt among racial/ethnic minorities and immigrants. We focus on the role of nativity, origin area, and other observable characteristics in explaining differences in UI receipt between Hispanics and non-Hispanic whites and blacks in the United States. Using a sample of unemployed workers from the 2001-2017 March Current Population Surveys, we find that Hispanic immigrants who are not naturalized U.S. citizens are considerably less likely than non-Hispanic white U.S. natives to receive UI benefits, whereas Hispanic immigrants who are naturalized U.S. citizens are about as likely as whites to receive UI benefits. U.S.-born Hispanics are less likely than whites to receive UI benefits and have receipt rates on par with blacks. Consistent with patterns of UI receipt, the duration of unemployment is less responsive to UI program generosity among Hispanic and black workers than among whites, again except for naturalized Hispanic immigrants. Differences in observable characteristics contribute to the observed patterns of UI receipt but cannot fully account for them, particularly in the case of non-naturalized Hispanic immigrants. Differences among non-naturalized Hispanics by origin area

suggest that lack of legal status contributes to the low rate of UI receipt among that group but does not fully explain it.

Background on the UI Program

The design of the UI program in the United States results in many unemployed workers being ineligible for benefits. Individual states have considerable leeway to determine eligibility criteria, benefit levels, and benefit duration, among other features. To be eligible, participants must have worked enough “on the books” for an employer that paid UI premiums and lost their job through no fault of their own. The minimum earnings requirement means some workers who lost low-wage or part-time jobs did not earn enough to qualify for UI. Participants usually must be actively seeking a job in order to maintain their benefits. Until the 2007-2009 recession, most states required that UI participants be available to take a full-time job, which made many part-time workers ineligible. New labor market entrants and workers who quit their jobs are usually not eligible for UI, nor are the long-term unemployed. Benefits are typically available for only 26 weeks, although this was extended to up to 99 weeks in some states during the 2007-2009 Great Recession. Benefits typically replace about one-third to one-half of lost earnings.

There are several reasons to expect that Hispanics, particularly those who are foreign born, are less likely than other unemployed workers to receive UI benefits. Hispanics tend to have characteristics associated with lower UI receipt rates, such as relatively low education levels, and are more likely to work in jobs that are often not covered by UI, such as part-time and agricultural jobs. They have low average earnings and therefore are more likely to not have earned enough to qualify for UI. These reasons are particularly applicable to Hispanic immigrants. However, Hispanics are more likely to work in jobs that are heavily seasonal and

where unemployment spells are common, such as construction, and therefore may rely more heavily on the UI program than other groups of workers do.

There are likely to be differences in UI receipt among Hispanics by U.S. citizenship and origin that reflect differences in average education levels, legal status, and other characteristics. Legal status may be particularly important since unauthorized immigrants are ineligible for UI benefits. However, even legal immigrants and U.S. natives may be unfamiliar with the UI program or scared to take up government benefits, especially if they live with unauthorized immigrants.

A large literature concludes that offering more generous UI benefits leads to higher rates of UI receipt and a longer duration of unemployment among unemployed workers, although the effects tend to be small (see Krueger and Meyer 2002). The higher UI benefit levels are, the more unemployed workers find it worthwhile to apply for benefits instead of relying only on savings (Gruber 2001). The longer UI benefits are available, the more likely it is that any given unemployed worker receives benefits. Concerns about moral hazard—that more generous UI benefits will reduce job finding rates among the unemployed and perhaps even increase quit rates among the employed—partially underlie the design of the UI system. However, recent research that uses the unprecedented increase in benefit duration during the Great Recession and the concomitant program variation across states to examine effects on job finding rates generally finds that increased generosity increased unemployment duration mainly by reducing labor force withdrawals, not job finding rates (Rothstein 2011; Valletta 2014; Farber, Rothstein and Valletta 2015; Farber and Valletta 2015).

Data and Methods

We use data from the 2001-2017 March Current Population Survey (CPS) to examine UI benefit receipt during the previous calendar year among adults who were unemployed at some point during that year. Our sample is adults ages 21-60 who were unemployed or on layoff.¹ We divide Hispanics into three mutually exclusive groups: non-naturalized Hispanic immigrants, naturalized Hispanic immigrants, and U.S.-born Hispanics. We focus on comparing those groups of Hispanics with U.S.-born non-Hispanic whites. We also include U.S.-born non-Hispanic blacks as a comparison group of relatively disadvantaged U.S. natives.

There are considerable differences in UI receipt rates across those groups. In the CPS data, only 17 percent of non-naturalized Hispanic immigrants who were unemployed at some point during the last year received any UI benefits that year, as the top row of Table 1 reports. This is about one-half the share among U.S.-born non-Hispanic whites (33 percent) and naturalized Hispanic immigrants (32 percent). About one-quarter of unemployed U.S.-born Hispanics received UI benefits, which is similar to the share of U.S.-born non-Hispanic blacks. As the sample means indicate, there are also considerable differences in average characteristics across the groups, most notably in educational attainment. We therefore turn to linear probability regressions to estimate differences in UI receipt across groups controlling for observable characteristics.

Our basic regression is

$$\begin{aligned} \text{UI Receipt}_{ist} = & \alpha + \beta \text{Group}_i + \gamma \text{Individual Characteristics}_{ist} + \delta \text{Job Characteristics}_{ist} \\ & + \text{State}_s + \text{Time}_t + \text{Trend}_{st} + \epsilon_{ist}, \end{aligned} \tag{1}$$

¹ We drop people who were not in the United States last year or who are in the Armed Forces.

where the dependent variable, *UI Receipt*, indicates whether unemployed individual i who lives in state s and is observed in year t received unemployment benefits.² *Group* is a set of indicator variables for non-naturalized Hispanic immigrants, naturalized Hispanic immigrants, U.S.-born Hispanics, and U.S.-born non-Hispanic blacks, with U.S.-born non-Hispanic whites as the omitted group. The estimated coefficients on those indicator variables give the percentage point difference in the UI receipt rate between each group and whites and are our focus here.

After first estimating those coefficients without any control variables, we cumulatively add sets of control variables to the regression model to see whether the difference in UI receipt between the other groups and whites is mediated by other variables. We begin with adding state fixed effects, year fixed effects, and state-specific linear time trends.³ The state fixed effects control for different geographic distributions across groups and the impact of time-invariant state UI policies and other state-level factors that affect UI receipt, while the trends capture any smoothly evolving changes at the state level. The time fixed effects control for the impact of the national business cycle and other country-wide factors on UI receipt that are shared across groups.

We then add controls for observable individual characteristics. This includes age (as a cubic function) and indicator variables for sex, three of four education categories (no high school diploma, high school diploma, some college, and bachelor's degree and higher), and four of five marital status categories (married, divorced, widowed, separated, and never married).

Lastly, we add controls for job-related characteristics. This includes indicator variables for industry last year (ten categories, including none reported), being a union member, being

² In all specifications, observations are weighted using the March supplement weights and robust standard errors are clustered on the state.

³ The state fixed effects and state trends are for the state an individual lived in last year. All state-level variables are merged in using that state and are for the last year as well.

covered by a union but not a member, working part-time at some point last year, working full-time at some point last year, and being unemployed at least 26 weeks last year, plus a linear variable for weeks unemployed last year. These variables are related to whether an unemployed worker was eligible for UI. Robustness checks discussed below included adding controls for state economic conditions and UI program generosity.

We also investigate whether the relationship between UI program generosity and benefit receipt differs across groups. Benefit receipt rates are likely to be higher when the UI program is more generous in terms of benefit levels or benefit duration, but this effect may be smaller among groups with lower benefit receipt rates. We examine three measures of program generosity: the maximum number of weeks that UI benefits were available, the real maximum weekly benefit, and the real minimum weekly benefit.

After examining the determinants of benefit receipt, we turn to the role of UI program generosity in unemployment duration. The March CPS asks respondents how many weeks they were unemployed last year; the variable is capped at 52 weeks even though unemployment spells may have been longer than that. We estimate regressions similar to equation (1) with weeks of unemployment, conditional on being unemployed, as the dependent variable. The right-hand-side variables include the group indicator variables, the measures of individual and job characteristics, state and year fixed effects, state time trends, and measures of state economic conditions.⁴ We focus on whether the relationship between program generosity and unemployment duration differs across groups. These regressions are, in effect, the reduced form of the relationship between UI benefit receipt and unemployment duration, where program

⁴ The regressions do not include the indicator variable for being unemployed at least 26 weeks or the linear variable measuring weeks of unemployment.

generosity is the instrumental variable for UI benefit receipt.⁵ We expect program generosity to have less effect on unemployment duration among groups that have lower UI receipt rates.

Results

Hispanics and blacks are less likely than whites to receive UI, but the magnitude of the gaps differs across groups and specifications. Table 2 presents the main regression results. Column 1 gives results from the baseline specification with no control variables, equivalent to the raw difference in UI receipt rates between each other group and whites. The gap in UI receipt relative to whites is largest for non-naturalized Hispanic immigrants, followed by black U.S. natives, and then by Hispanic U.S. natives. The gap between naturalized Hispanic immigrants and whites is small and statistically insignificant. As column 2 shows, adding the state and year fixed effects and state time trends to the regression has no effect on the estimated gap between either group of Hispanic immigrants and whites. However, doing so slightly reduces the estimated gaps in UI receipt between U.S.-born Hispanics and blacks and whites. This suggests that U.S.-born Hispanics and blacks are more likely than whites to live in states with lower UI receipt rates.

Differences in individual characteristics play a role in the gaps in UI receipt, as column 3 shows. The estimated gap between non-naturalized Hispanic immigrants and whites is slightly smaller when controlling for individual characteristics, while the estimated gap between naturalized Hispanic immigrants and whites is slightly larger and becomes significantly different from zero. The former result is mainly due to the fact that non-naturalized Hispanic immigrants have much less education than white U.S. natives, on average, and education is strongly positively related to UI receipt. The latter result is driven by the fact that the share of

⁵ The structure of the UI program makes UI benefit receipt endogenous in a regression model of unemployment duration, necessitating an instrumental variables approach; for simplicity, we present only the reduced form.

unemployed workers who are female is higher among naturalized Hispanic immigrants than among whites, and women are less likely than men to receive UI benefits conditional on being unemployed. U.S.-born Hispanics are as likely as whites to receive UI benefits when the controls for individual characteristics are added, and the black-white gap shrinks. These changes are largely due to differences in those groups' education distributions. Adding controls for job-related characteristics slightly increases the gaps for foreign-born Hispanics while further reducing the black-white gap, as shown in column 4; however, for each group, the difference in the estimated coefficients across columns 3 and 4 is not statistically significant.

Thus, even after accounting for differences in individual and job characteristics, unemployed non-naturalized Hispanic immigrants are about one-half as likely as non-Hispanic white U.S. natives to receive UI benefits. Naturalized Hispanic immigrants and U.S.-born Hispanics and blacks are also less likely than whites to receive UI, but their receipt rates are much higher than those of non-naturalized Hispanic immigrants. In results not shown here, this pattern is robust to including state-level measures of economic conditions (the unemployment rate and the employment growth rate) and UI program generosity (the maximum number of weeks UI benefits were available that year and real minimum and maximum weekly benefits).⁶ Marginal effects from a probit model evaluated at sample means are similar as well. The results also are robust to limiting the sample to people in their first rotation through the CPS, which ensures that each person appears in the sample only once; to people who were unemployed for at least four weeks last year and therefore were perhaps more likely to take up UI; and to people who reported a previous job and therefore were not new labor market entrants.

⁶ The UI maximum and minimum weekly benefits data are for July of each year and are from <https://oui.doleta.gov/unemploy/statelaws.asp#Statelaw>. They are deflated using the CPI-U.

Table 3 shows results by sex, which reveal several notable similarities and differences. For both sexes, non-naturalized Hispanic immigrants have the lowest rate of UI receipt among the demographic groups examined here. However, the gap in UI receipt between non-naturalized Hispanic immigrants and whites is consistently larger for men than for women. A similar pattern holds among U.S.-born Hispanics and blacks—the gaps relative to whites are bigger for men than for women. Indeed, U.S.-born Hispanic and black women are not less likely than white women to receive UI benefits once the controls for observable characteristics are added to the regression. The same is not true for men. Since the result that non-naturalized immigrants are the least likely to receive UI benefits holds for both sexes, we pool the sexes for the remainder of the paper.

UI Program Generosity and UI Receipt

Unemployed workers should be more likely to take up UI benefits if the program is more generous. In the regressions examining UI receipt discussed above, controlling for the maximum number of weeks that UI benefits were available in a state and the real maximum and minimum level of weekly benefits had no effect on the differences in UI receipt across racial/ethnic and nativity groups. However, there may be differences in how responsive UI receipt is to program generosity across the groups examined here. To further examine this, we estimate linear probability models of UI receipt among unemployed workers that include interaction terms between a measure of UI program generosity and the racial/ethnic and nativity group indicator variables, or

$$\text{UI Receipt}_{ist} = \alpha + \beta \text{Group}_i + \eta \text{UI Generosity}_{st} + \theta \text{Group}_i * \text{UI Generosity}_{st} + \gamma \text{Individual Characteristics}_{ist} + \delta \text{Job Characteristics}_{ist} + \text{States}_s + \text{Time}_t + \text{Trend}_{st} + \varepsilon_{ist}, \quad (2)$$

where *UI Generosity* is the average of the maximum number of weeks that UI benefits were available in the state an unemployed worker lived in that year, the real maximum weekly benefit in that state and year, or the real minimum weekly benefit in that state and year. The regressions also control for the full set of individual characteristics, job characteristics, state economic controls (unemployment rate and employment growth rate), state and year fixed effects, and state linear time trends. Our focus is on θ , the estimated coefficients on interaction terms, which give the estimated difference in the relationship between UI generosity and UI receipt for a given racial/ethnic and nativity group relative to U.S.-born whites.

Table 4 reports the regression results, which show several interesting differences across groups. For whites, the likelihood of UI receipt is higher when UI benefits are available for more weeks and when maximum weekly benefits are higher, as shown by the main effects reported in the top row. The effects are small, with a ten-week increase in maximum UI benefit duration raising the likelihood of benefit receipt by only 0.8 percentage points, and another \$100 in maximum weekly benefits raising it by 3 percentage points. For other groups, the estimated effect of program generosity on UI receipt is calculated by adding the main effect to the interaction term for that group. Doing so indicates that UI benefit receipt among non-naturalized Hispanic immigrants is not significantly related to how long UI benefits are available, and it is negatively related to the maximum benefit level. Other groups of Hispanics do not differ significantly from whites, in contrast. For blacks, the likelihood of UI receipt is less positively related to maximum or minimum weekly benefits than it is for whites, as indicated by the negative interaction terms for blacks in columns 2 and 3; the sum of the main effect and the interaction term for blacks is not significantly different from zero for maximum or minimum benefits.

Results by Origin

The relatively low UI receipt rate among unemployed non-naturalized Hispanic immigrants may arise from several factors. First, fewer unemployed non-naturalized Hispanic immigrants may have held jobs that made them eligible for UI, leading to a lower receipt rate. However, the insignificant change in the estimated coefficient for that group when controls for previous job characteristics are added to the regression suggests that working part-time and working in uncovered industries do not contribute to their low UI receipt rate.

A more likely contributor is the large share of non-naturalized Hispanic immigrants who are unauthorized immigrants, making them ineligible for UI. The CPS does not ask about visa status, but it does ask where immigrants are from. A large share of non-naturalized immigrants from Mexico and Central America are unauthorized, whereas almost all immigrants from Cuba have legal status. Comparing non-naturalized immigrants from those areas can therefore give insight into the role of unauthorized status in non-naturalized immigrants' low UI receipt rate. However, UI receipt rates may differ across immigrants from different areas for other reasons besides legal status, such as the direction and degree of selection in migration. Comparisons of naturalized immigrants—and even Hispanic U.S. natives—across origin areas can help shed further light on whether differences in legal status or other origin-area factors underlie any differences in UI receipt rates among non-naturalized immigrants from different origin areas.

Table 5 shows the results when we allow the relationship between nativity and UI receipt to vary across origin groups. We examine four origin groups: Mexicans, Cubans, other Hispanics (who are almost all from the rest of the Caribbean and Latin America), and Puerto Ricans.⁷ We

⁷ Mexicans account for over two-thirds of non-naturalized Hispanic immigrants, one-half of naturalized Hispanic immigrants, and two-thirds of Hispanic U.S. natives. Cubans account for 3 percent of non-naturalized Hispanic

separate Puerto Ricans into two groups: those born in Puerto Rico, who are U.S. citizens at birth but may have much in common with naturalized Hispanic immigrants, and U.S.-born Hispanics who identify as Puerto Rican. Mexicans, Cubans, and “other” Hispanics are separated into the same three groups as above: non-naturalized immigrants, naturalized immigrants, and U.S. natives.

Lack of legal status appears to contribute to the low UI receipt rate among non-naturalized Hispanic immigrants but cannot fully explain it. As Table 5 indicates, the gap in the UI receipt rate relative to whites is larger among non-naturalized Mexican and “other” Hispanic immigrants than among Cuban immigrants, but non-naturalized Cuban immigrants are still less likely than whites to receive UI benefits. In other words, non-naturalized Mexicans and other Hispanic immigrants have lower UI receipt rates than Cubans. This pattern holds even when controlling for individual and job-related characteristics. Differences in origin-area factors are unlikely to explain the differences among non-naturalized immigrants since naturalized Mexican and Cuban immigrants have similar UI receipt rates—their gaps relative to whites are not significantly different from each other. Further, non-naturalized Cuban immigrants are significantly less likely than naturalized Cuban immigrants, U.S.-born Cuban Americans, and non-Hispanic whites to receive UI, even when controlling for other factors. In sum, lack of legal status cannot fully explain why non-naturalized Hispanic immigrants are less likely to receive UI than other unemployed workers.

Another possible explanation is that fewer non-naturalized Hispanics know about the UI program. Previous research that uses supplements to the 2005 CPS that ask about reasons for

immigrants, 6 percent of naturalized Hispanic immigrants, and 2 percent of U.S.-born Hispanics. Areas other than Mexico and Cuba (and Puerto Rico) account for 29 percent, 40 percent, and 20 percent, respectively. Puerto Ricans are classified here as Hispanic U.S. natives if they were born in Puerto Rico or the United States. Hispanics born in Puerto Rico account for 6 percent of Hispanic U.S. natives, and those born in the U.S. for 14 percent of U.S. natives.

non-receipt of UI among unemployed workers finds that Hispanics as a whole are less likely than non-Hispanic whites to have applied for UI, in part because they are less likely to know that the program exists (Gould-Werth and Shaefer, 2012). Whether there are differences in knowledge about the UI program between Hispanic immigrants and other workers and by naturalization status is an open question.

The pattern among Puerto Ricans is worth noting. Those born in Puerto Rico are more likely than whites to receive UI benefits before controlling for observable characteristics, whereas those born in the U.S. are less likely to receive UI benefits. Differences in educational attainment play a major role in explaining that pattern. Among the origin groups of unemployed U.S.-born Hispanics examined here, Puerto Ricans have the highest UI receipt rate. Potential causes of this pattern include greater familiarity with U.S. labor market institutions, including the UI system, and being less likely to live with family members who are unauthorized immigrants.

The effect of UI program generosity on benefit receipt varies across groups in ways that are generally consistent with the above patterns in benefit receipt. Table 6 reports the estimated relationships between the three measures of UI program generosity and benefit receipt for each group. The top row shows the estimated main effect, which is the same as the estimates reported in Table 4. The effects of maximum benefit duration and maximum weekly benefits are significantly smaller among Mexican and other non-naturalized Hispanic immigrants than among whites. This pattern does not hold for Cuban non-naturalized immigrants, in contrast. Groups with large shares of unauthorized immigrants therefore appear to be less affected by UI program generosity. In other results, maximum benefit levels have a larger positive impact on benefit receipt among naturalized Cuban immigrants than among whites, while minimum benefit levels

have a more positive impact among Cuban-American U.S. natives. The relationship between benefit levels and benefit receipt is less positive for black U.S. natives than for whites.

Unemployment Duration and UI Program Generosity

Lastly, we turn to the relationship between UI program generosity and unemployment duration among unemployed workers. These reduced-form regressions give further insight into the effects of UI program generosity while also serving as a consistency check on the above results since unemployment duration should be less affected by UI program generosity among groups with lower UI receipt rates. As the main effects reported in the top row of Table 7 show, none of the three measures of program generosity are significantly related to unemployment duration among whites. However, the maximum number of weeks that UI benefits are available is negatively related to unemployment duration among non-naturalized Hispanic immigrants, Hispanic U.S. natives, and black U.S. natives.

Although it is not surprising to find a smaller effect among minorities than among whites, it is surprising that a longer eligibility period appears to reduce unemployment duration for those groups. The maximum weeks duration interaction term may be capturing some other factor that affects unemployment duration for those groups. For example, those groups may leave the labor force entirely when economic conditions are so bad that their state of residence increases the maximum length of UI benefits; the regressions control for the unemployment rate and employment growth rate but restrict the coefficients on those variables to be the same across groups, so differential effects of economic conditions across groups may load onto the interaction term. Alternatively, the results are consistent with increases in UI generosity having positive spillovers onto job finding rates among unemployed workers who are not eligible for UI.

When UI programs become more generous, recipients tend to search for jobs less intensively, and non-recipients find jobs faster (Levine 1993; Farber and Valletta 2015).

Turning to results by origin area, unemployment duration is negatively related to the maximum number of weeks that benefits are available among non-naturalized Hispanic immigrants from Mexico and from the rest of Latin America and the Caribbean (except Cuba), Mexican-American U.S. natives, and black U.S. natives. For naturalized Cuban immigrants, in contrast, unemployment duration increases when UI benefits are available longer. For naturalized Mexican immigrants, unemployment duration is longer when maximum weekly benefits are higher, while the opposite holds among Cuban-American U.S. natives.

Conclusion

When the UI program was created in the 1930s, eligibility was high among the unemployed. Today, less than one-half of unemployed workers typically receive benefits. Our results indicate that, among unemployed workers, non-naturalized Hispanic immigrants are particularly unlikely to receive UI benefits. Lack of legal status undoubtedly plays a role but does not appear to fully explain the low receipt rate among this group. In addition, U.S.-born Hispanics and blacks are less likely than whites to receive UI, and the gaps cannot be fully explained by differences in observable individual and job-related characteristics. These results suggest the need for changes in the program, such as greater outreach to unemployed workers who are racial or ethnic minorities, to reduce gaps in coverage and provide more equitable access to UI benefits.

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Table 1
Descriptive Statistics

	Hispanic immigrants		U.S. natives		
	Non-naturalized	Naturalized	Hispanic	Black	White
Share receiving UI benefits (%)	16.9	32.3	25.5	24.6	33.3
Age	36.5	41.6	33.3	35.7	38.3
Female (%)	34.6	46.7	43.7	49.7	43.3
No high school diploma (%)	59.3	31.8	20.2	15.8	8.8
High school diploma only (%)	25.6	31.0	36.2	40.3	35.1
Some college (%)	9.9	24.3	31.8	32.3	32.2
College graduate (%)	5.2	12.8	11.8	11.6	23.9
Married (%)	54.6	62.9	32.6	22.6	43.3
Divorced (%)	5.3	10.8	10.4	10.4	15.5
Widowed (%)	0.9	1.8	0.9	1.4	1.3
Separated (%)	5.0	4.8	4.8	5.1	3.0
Never married (%)	34.2	19.6	51.2	60.5	36.8
Union member (%)	0.4	0.7	0.6	0.6	1.3
Covered by union (%)	0.0	0.0	0.1	0.1	0.1
Worked part-time last year (%)	43.1	34.1	35.8	33.7	37.9
Worked full-time last year (%)	64.9	63.2	57.1	51.0	62.3
Weeks unemployed last year	20.8	22.8	22.9	26.4	21.1
Unemployed \geq 26 weeks last year (%)	36.0	41.7	42.1	50.8	36.7
Number of observations	12,598	3,799	14,031	20,928	85,145

Note: Shown are sample means for unemployed workers using data from the 2001-2017 March CPS. Observations are weighted using the CPS ASEC supplement weights.

Table 2
Probability of Receiving UI Benefits, Relative to Non-Hispanic Whites

	(1)	(2)	(3)	(4)
Non-naturalized Hispanic immigrant	-0.165*** (0.019)	-0.165*** (0.011)	-0.141*** (0.010)	-0.151*** (0.011)
Naturalized Hispanic immigrant	-0.010 (0.023)	-0.009 (0.016)	-0.031** (0.015)	-0.044*** (0.014)
Hispanic U.S. native	-0.078*** (0.014)	-0.064*** (0.007)	-0.016* (0.008)	-0.017** (0.008)
Non-Hispanic black U.S. native	-0.087*** (0.011)	-0.064*** (0.012)	-0.030*** (0.010)	-0.019** (0.008)
State and year fixed effects, state trends	N	Y	Y	Y
Individual characteristics	N	N	Y	Y
Characteristics of last job	N	N	N	Y

Note: Shown are estimated coefficients from linear probability regressions for UI receipt among unemployed workers using data from the 2001-2017 March CPS. Each column is from a separate regression. Individual characteristics include age (as a cubic) and indicator variables for sex, education, and marital status. Characteristics of last job include indicator variables for industry, full-time or part-time status, union membership, and union coverage; number of weeks unemployed; and an indicator variable for being unemployed at least 26 weeks. Standard errors (in parentheses) are clustered on the state. Observations are weighted using the CPS ASEC supplement weights.

* p < 0.1.

** p < 0.05.

*** p < 0.01.

Table 3
Probability of Receiving UI Benefits, Relative to Non-Hispanic Whites, by Sex

	(1)	(2)	(3)	(4)
<u>A. Men</u>				
Non-naturalized Hispanic immigrant	-0.197*** (0.019)	-0.189*** (0.012)	-0.170*** (0.011)	-0.176*** (0.014)
Naturalized Hispanic immigrant	-0.001 (0.030)	0.007 (0.022)	-0.028 (0.018)	-0.038** (0.018)
Hispanic U.S. native	-0.105*** (0.014)	-0.081*** (0.007)	-0.032*** (0.008)	-0.028*** (0.006)
Non-Hispanic black U.S. native	-0.129*** (0.012)	-0.100*** (0.013)	-0.068*** (0.012)	-0.045*** (0.009)
<u>B. Women</u>				
Non-naturalized Hispanic immigrant	-0.125*** (0.021)	-0.135*** (0.012)	-0.096*** (0.011)	-0.112*** (0.010)
Naturalized Hispanic immigrant	-0.015 (0.022)	-0.024** (0.011)	-0.036** (0.014)	-0.050*** (0.013)
Hispanic U.S. native	-0.043*** (0.015)	-0.042*** (0.009)	0.005 (0.011)	-0.003 (0.013)
Non-Hispanic black U.S. native	-0.033*** (0.010)	-0.019* (0.011)	0.003 (0.011)	0.002 (0.009)
State and year fixed effects, state trends	N	Y	Y	Y
Individual characteristics	N	N	Y	Y
Characteristics of last job	N	N	N	Y

Note: Shown are estimated coefficients from linear probability regressions for UI receipt among unemployed workers using data from the 2001-2017 March CPS. Separate regressions are estimated for men and women. Individual characteristics include age (as a cubic) and indicator variables for sex, education, and marital status. Characteristics of last job include indicator variables for industry, full-time or part-time status, union membership, and union coverage; number of weeks unemployed; and an indicator variable for being unemployed at least 26 weeks. Standard errors (in parentheses) are clustered on the state. Observations are weighted using the CPS ASEC supplement weights.

* p < 0.1.

** p < 0.05.

*** p < 0.01.

Table 4
UI Program Generosity and the Probability of Receiving UI Benefits, Relative to Non-Hispanic Whites

	Max. weeks	Max. benefits	Min. benefits
UI program generosity	0.0008** (0.0004)	0.0003* (0.0002)	0.0010 (0.0007)
Generosity * non-naturalized Hispanic immigrant	-0.0014*** (0.0003)	-0.0009*** (0.0002)	-0.0008 (0.0009)
Generosity * naturalized Hispanic immigrant	-0.0001 (0.0004)	-0.0001 (0.0002)	-0.0005 (0.0008)
Generosity * Hispanic U.S. native	-0.0001 (0.0001)	-0.0001 (0.0002)	-0.0005 (0.0005)
Generosity * non-Hispanic black U.S. native	0.0001 (0.0002)	-0.0004** (0.0002)	-0.0015** (0.0006)

Note: Shown are estimated coefficients from linear probability regressions for UI receipt among unemployed workers using data from the 2001-2017 March CPS. The estimated coefficients are for interactions of the measure of UI program generosity with indicator variables for the racial/ethnic/nativity groups, plus the main effect, which is not interacted. Each column is from a separate regression. The regressions also include individual characteristics, characteristics of the last job include indicator variables for industry, state-level economic conditions, state and year fixed effects, and state linear trends. Observations are weighted using the CPS ASEC supplement weights.

* p < 0.1.

** p < 0.05.

*** p < 0.01.

Table 5: Probability of Receiving UI Benefits, Relative to Non-Hispanic Whites, by Origin Group

	(1)	(2)	(3)	(4)
Non-naturalized Mexican immigrant	-0.160*** (0.025)	-0.163*** (0.015)	-0.136*** (0.014)	-0.151*** (0.012)
Non-naturalized Cuban immigrant	-0.115*** (0.016)	-0.066*** (0.012)	-0.087*** (0.010)	-0.084*** (0.010)
Non-naturalized other Hispanic immigrant	-0.181*** (0.013)	-0.178*** (0.012)	-0.154*** (0.013)	-0.158*** (0.013)
Naturalized Mexican immigrant	0.016 (0.026)	0.016 (0.017)	-0.005 (0.016)	-0.027* (0.015)
Naturalized Cuban immigrant	0.003 (0.059)	0.037 (0.045)	-0.002 (0.037)	-0.017 (0.032)
Naturalized other Hispanic immigrant	-0.048** (0.024)	-0.049** (0.021)	-0.069*** (0.021)	-0.070*** (0.019)
Mexican-American U.S. native	-0.080*** (0.022)	-0.061*** (0.009)	-0.011 (0.012)	-0.017 (0.011)
Cuban-American U.S. native	-0.087*** (0.026)	-0.071*** (0.021)	-0.012 (0.023)	-0.018 (0.021)
Other Hispanic U.S. native	-0.111*** (0.014)	-0.090*** (0.011)	-0.034*** (0.012)	-0.026** (0.012)
Puerto Rican (born in PR)	0.095*** (0.035)	0.060** (0.027)	0.014 (0.027)	0.011 (0.025)
Puerto Rican (born in US)	-0.054** (0.016)	-0.060*** (0.016)	-0.013 (0.016)	-0.007 (0.014)
Non-Hispanic black U.S. native	-0.087*** (0.011)	-0.064*** (0.012)	-0.031*** (0.010)	-0.020** (0.008)
State and year fixed effects, state trends	N	Y	Y	Y
Individual characteristics	N	N	Y	Y
Characteristics of last job	N	N	N	Y

Note: Shown are estimated coefficients from linear probability regressions for UI receipt among unemployed workers using data from the 2001-2017 March CPS. Individual characteristics include age (as a cubic) and indicator variables for sex, education, and marital status. Characteristics of last job include indicator variables for industry, full-time or part-time status, union membership, and union coverage; number of weeks unemployed; and an indicator variable for being unemployed at least 26 weeks. Standard errors (in parentheses) are clustered on the state. Observations are weighted using the CPS ASEC supplement weights.

* p < 0.1.

** p < 0.05.

*** p < 0.01.

Table 6
UI Program Generosity and the Probability of Receiving UI Benefits, Relative to Non-Hispanic Whites, by Origin Group

	Max. weeks	Max. benefits	Min. benefits
UI program generosity	0.0008** (0.0004)	0.0003* (0.0002)	0.0010 (0.0007)
Generosity * non-naturalized Mexican immigrant	-0.0015*** (0.0003)	-0.0012*** (0.0002)	-0.0008 (0.0011)
Generosity * non-naturalized Cuban immigrant	-0.0009 (0.0006)	0.0006 (0.0006)	0.0021 (0.0022)
Generosity * non-naturalized other Hispanic immigrant	-0.0010** (0.0004)	-0.0005** (0.0003)	-0.0007 (0.0008)
Generosity * naturalized Mexican immigrant	0.0002 (0.0004)	0.0003 (0.0003)	-0.0015** (0.0007)
Generosity * naturalized Cuban immigrant	0.0003 (0.0006)	0.0012*** (0.0004)	0.0036 (0.0054)
Generosity * naturalized other Hispanic immigrant	-0.0004 (0.0006)	-0.0002 (0.0005)	0.0009 (0.0015)
Generosity * Mexican-American U.S. native	-0.0001 (0.0002)	0.0001 (0.0005)	-0.0007 (0.0006)
Generosity * Cuban-American U.S. native	-0.0015 (0.0012)	-0.0003 (0.0005)	0.0067*** (0.0020)
Generosity * Other Hispanic U.S. native	-0.0003 (0.0004)	-0.0002 (0.0003)	-0.0002 (0.0010)
Generosity * Puerto Rican (born in PR)	0.0011* (0.0006)	0.0007 (0.0006)	0.0023 (0.0023)
Generosity * Puerto Rican (born in US)	-0.0001 (0.0003)	-0.0002 (0.0004)	-0.0009 (0.0013)
Generosity * non-Hispanic black U.S. native	0.0001 (0.0002)	-0.0004** (0.0002)	-0.0014** (0.0006)

Note: Shown are estimated coefficients from linear probability regressions for UI receipt among unemployed workers using data from the 2001-2017 March CPS. The estimated coefficients are for interactions of the measure of UI program generosity with indicator variables for the racial/ethnic/nativity groups, plus the main effect, which is not interacted. Each column is from a separate regression. The regressions also include individual characteristics, characteristics of the last job include indicator variables for industry, state-level economic conditions, state and year fixed effects, and state linear trends. Observations are weighted using the CPS ASEC supplement weights.

* p < 0.1.

** p < 0.05.

*** p < 0.01.

Table 7
UI Program Generosity and Unemployment Duration, Relative to Non-Hispanic Whites

	Max. weeks	Max. benefits	Min. benefits
UI program generosity	-0.004 (0.001)	-0.001 (0.005)	-0.008 (0.016)
Generosity * non-naturalized Hispanic immigrant	-0.025*** (0.005)	-0.005 (0.005)	-0.009 (0.016)
Generosity * naturalized Hispanic immigrant	0.002 (0.009)	0.006 (0.009)	0.001 (0.024)
Generosity * Hispanic U.S. native	-0.014** (0.005)	0.005 (0.005)	-0.015 (0.015)
Generosity * non-Hispanic black U.S. native	-0.019*** (0.006)	0.001 (0.004)	-0.008 (0.014)

Note: Shown are estimated coefficients from OLS regressions where the dependent variable is the number of weeks unemployed last year, conditional on being unemployed, using data from the 2001-2017 March CPS. Each column is from a separate regression. Individual characteristics include age (as a cubic) and indicator variables for sex, education, and marital status. Characteristics of last job include indicator variables for industry, full-time or part-time status, union membership, and union coverage. Standard errors (in parentheses) are clustered on the state. Observations are weighted using the CPS ASEC supplement weights.

* p < 0.1.

** p < 0.05.

*** p < 0.01.

Table 8
UI Program Generosity and Unemployment Duration, Relative to Non-Hispanic Whites, by Origin Group

	Max. weeks	Max. benefits	Min. benefits
UI program generosity	-0.005 (0.012)	-0.001 (0.004)	-0.008 (0.015)
Generosity * non-naturalized Mexican immigrant	-0.021*** (0.006)	-0.006 (0.005)	-0.004 (0.018)
Generosity * non-naturalized Cuban immigrant	0.012 (0.013)	-0.006 (0.024)	0.050 (0.108)
Generosity * non-naturalized other Hispanic immigrant	-0.037*** (0.008)	0.003 (0.007)	-0.003 (0.028)
Generosity * naturalized Mexican immigrant	-0.013 (0.009)	0.022*** (0.006)	0.003 (0.028)
Generosity * naturalized Cuban immigrant	0.033* (0.018)	0.005 (0.019)	0.104 (0.112)
Generosity * naturalized other Hispanic immigrant	0.018 (0.012)	0.001 (0.014)	-0.002 (0.052)
Generosity * Mexican-American U.S. native	-0.017*** (0.006)	0.004 (0.007)	0.001 (0.016)
Generosity * Cuban-American U.S. native	-0.007 (0.031)	-0.028*** (0.009)	-0.151** (0.063)
Generosity * Other Hispanic U.S. native	-0.011 (0.012)	0.012 (0.009)	-0.001 (0.022)
Generosity * Puerto Rican (born in PR)	0.028 (0.019)	-0.015 (0.011)	-0.079* (0.045)
Generosity * Puerto Rican (born in US)	-0.004 (0.011)	0.011 (0.009)	-0.045 (0.038)
Generosity * non-Hispanic black U.S. native	-0.019*** (0.006)	0.001 (0.004)	-0.008 (0.014)

Note: Shown are estimated coefficients from OLS regressions where the dependent variable is the number of weeks unemployed last year, conditional on being unemployed, using data from the 2001-2017 March CPS. Each column is from a separate regression. Individual characteristics include age (as a cubic) and indicator variables for sex, education, and marital status. Characteristics of last job include indicator variables for industry, full-time or part-time status, union membership, and union coverage. Standard errors (in parentheses) are clustered on the state. Observations are weighted using the CPS ASEC supplement weights

* p < 0.1.

** p < 0.05.

*** p < 0.01.