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## Use of UI and ES by Recent TANF Leavers

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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

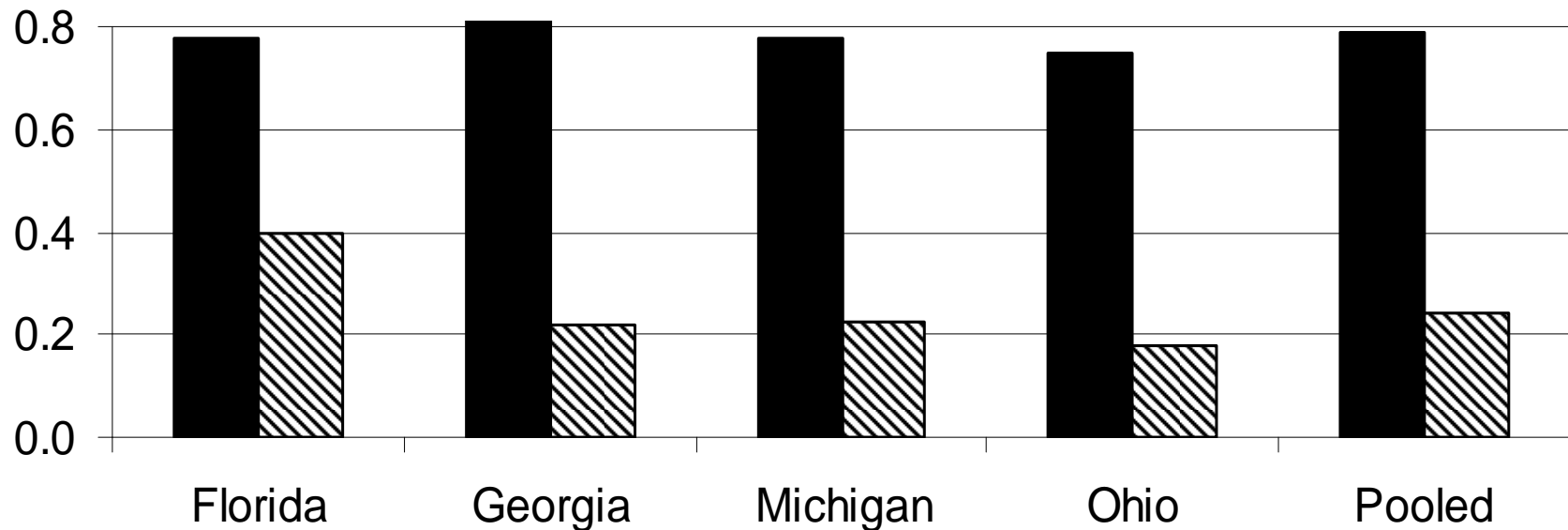
TANF exit for employment:

- 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



■ Newly Unemployed Rate    ▨ UI Application Rate



## 2. UI Application

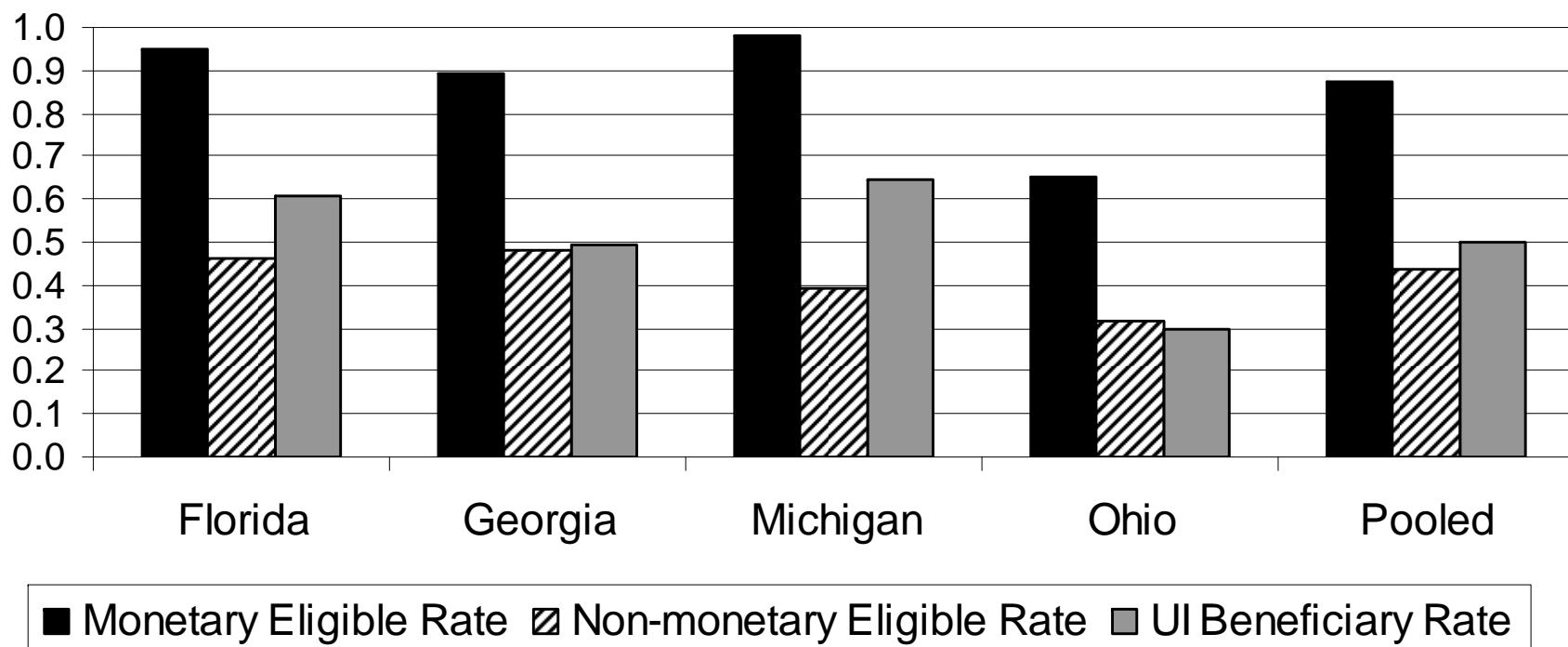
UI claims 1Q before to 3Q after new unemployment

- 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
<b>Pooled</b>	<b>87</b>	<b>44</b>	<b>50</b>

## 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

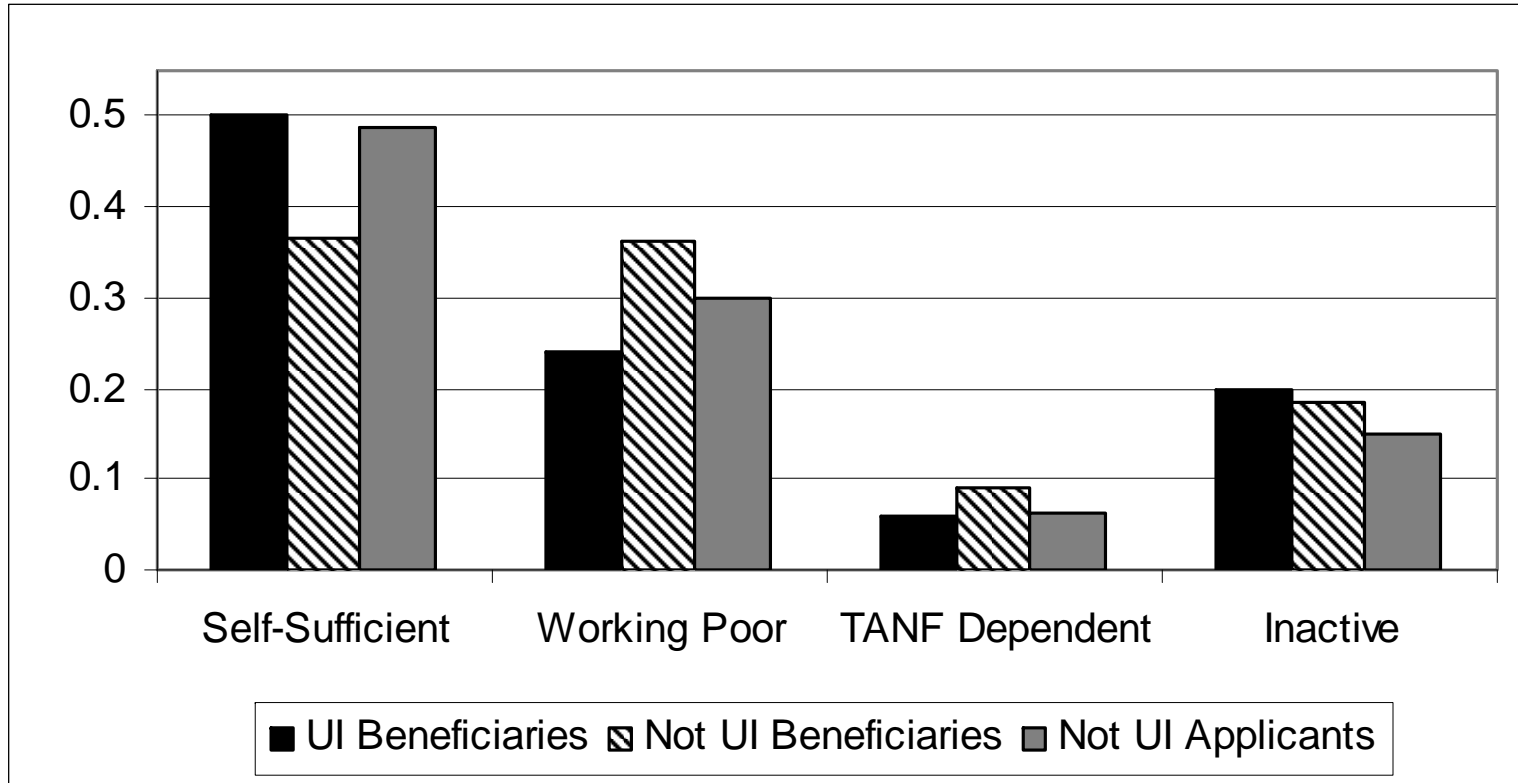
## 4. UI use Compared to Non-TANF Leavers

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
<b>Pooled</b>	<b>-23</b>	<b>9</b>	<b>15</b>

## 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

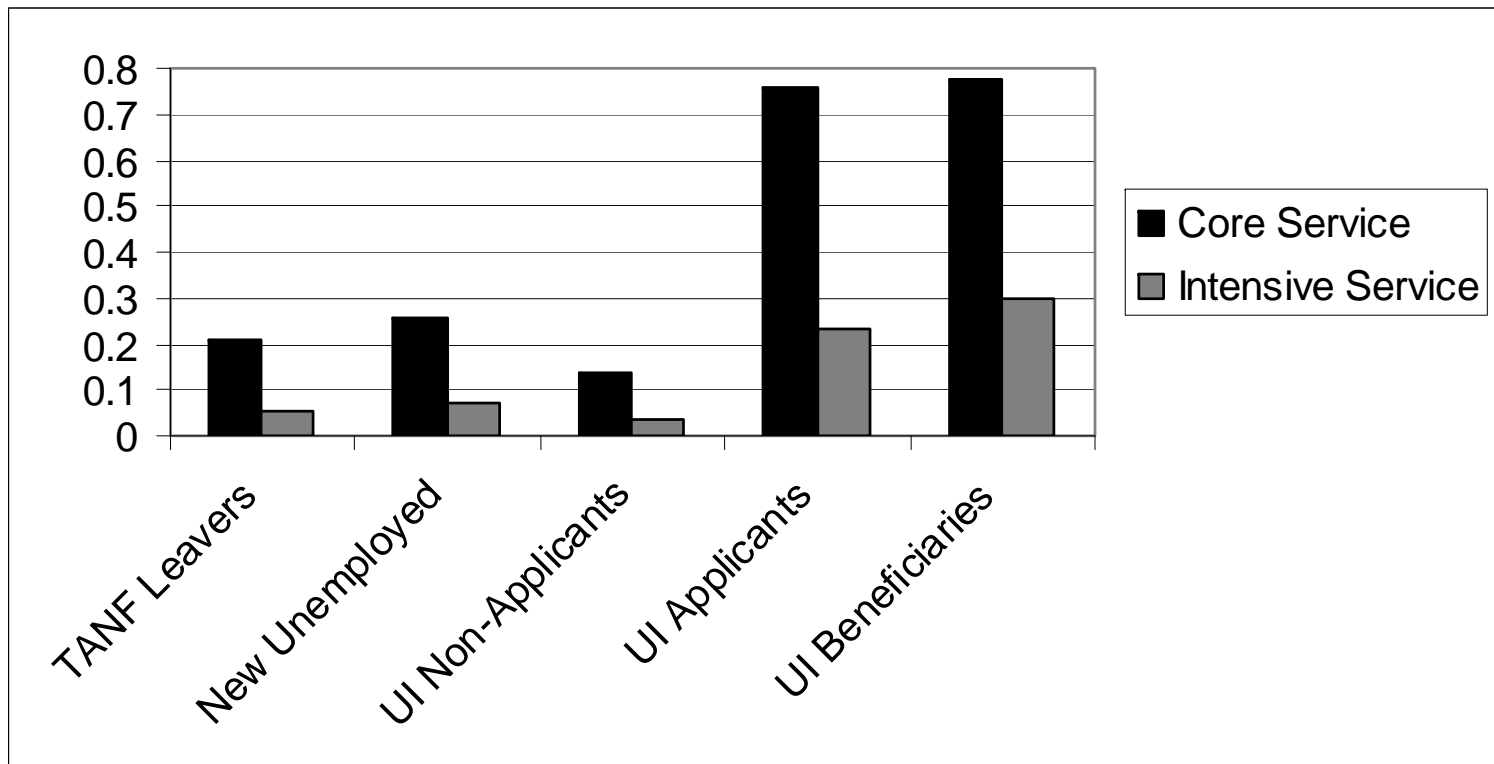


## 6. ES use by Georgia TANF Leavers

	Sample	Core Service	Intensive Service
TANF Leavers	152,278	0.211	0.054
<b>New Unemployed</b>	<b>123,424</b>	<b>0.256</b>	<b>0.073</b>
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
<b>UI Ineligibles</b>	<b>15,295</b>	<b>0.771</b>	<b>0.224</b>



## 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**
<b>Job Referral</b>	<b>0.065**</b>	<b>0.049**</b>	<b>0.107**</b>
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**
<b>Job Referral</b>	<b>0.061**</b>	<b>0.035**</b>	<b>0.032**</b>
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**
<b>Job Referral</b>	<b>-0.048**</b>	<b>-0.044**</b>	<b>-0.078**</b>
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**
<b>Job Referral</b>	<b>0.077**</b>	<b>0.040**</b>	<b>0.061**</b>
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**
<b>Job Referral</b>	<b>-0.017**</b>	<b>-0.005</b>	<b>-0.029**</b>
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