Racial Inequality in Unemployment Insurance Receipt[*]

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December 7, 2023

Abstract

This paper studies differences in unemployment insurance (UI) benefit receipt among White and Black individuals. We combine data containing detailed information on individuals' work history and UI receipt with state-level UI regulations. Black individuals who separate from a job are 24% less likely to receive UI and receive 43% fewer benefits than White individuals. These gaps are similar in magnitude among individuals that are likely eligible for UI. Statistical decompositions indicate that about three-fourths of the gap in UI receipt is explained by Black workers' lower pre-unemployment earnings and higher tendency to live in the South.

JEL Classification Codes: J15, J65, H5, I38

Keywords: racial inequality, unemployment insurance, social insurance

1 Introduction

In the United States and many other countries, public unemployment insurance (UI) is the most important buffer against lost income for displaced workers (East and Simon, 2020). While UI mitigates the decline in consumption after job loss (Gruber, 1997; East and Kuka, 2015), insurance is incomplete, as job loss still leads to lasting decreases in income, consumption, and life expectancy (Jacobson, LaLonde and Sullivan, 1993; Stephens, 2001; Sullivan and von Wachter, 2009; Ganong and Noel, 2019). Moreover, these negative effects are not equal across racial groups, with the consumption of Black individuals falling by much more than that of White individuals (Ganong et al., 2020).

Motivated by these findings, this paper studies whether Black and White individuals benefit equally from UI. Black individuals have less income and wealth than White individuals, face higher unemployment rates, and live in different parts of the United States. These contemporaneous differences in socioeconomic status, combined with a long history of public and private discrimination, could lead to racial differences in UI benefit receipt and eligibility, and even benefit receipt among those who are eligible (i.e., take-up).

Individuals must submit an application and meet eligibility criteria to receive UI benefits. Eligibility and benefit levels depend on prior earnings, the number of dependents, and the state and year in which individuals lose their job. While there are no financial costs, applying for UI requires a non-negligible amount of time and energy. Such application costs could either serve as an ordeal mechanism, discouraging individuals with a higher opportunity cost of time from applying (e.g., Nichols and Zeckhauser, 1982), or screen out the most needy (e.g., Bertrand, Mullainathan and Shafir, 2004). Moreover, individuals might be more likely to apply for UI when they stand to receive higher benefits (e.g., Currie, 2006). A racial gap in UI receipt could thus stem from differences in the characteristics that determine eligibility and benefit levels or differences in the decision to apply for benefits, which itself might depend on a complex set of economic and social factors.

To conduct our analysis, we code state-level UI regulations from 1986 to 2015. Eligibility rules differ across states, but generally require that individuals work in a job covered by the UI system for a minimum amount (usually specified as an earnings threshold), before losing a job through no fault of their own. Individuals must also actively search for a job and be available to work to qualify for UI. Other program rules govern the amount of benefits per week and the number of benefit weeks available. We combine these UI rules with individual-level panel data from the Survey on Income and Program Participation (SIPP). The

SIPP provides detailed information on individuals' benefit receipt and work history, which helps us identify whether individuals are likely to be eligible for benefits.

We begin by documenting differences in UI receipt between Black and White individuals. In our sample, 37% of White individuals receive UI within the 12 months after separating from a job into unemployment. UI receipt is considerably lower among Black individuals, at 28%. The racial gap is even larger when considering the total amount of benefits received, with White individuals receiving $2,029 (in 2019 USD) within those first 12 months and Black individuals receiving only $1,158. These gaps imply that the likelihood of receipt and total benefits received are 24% and 43% lower, respectively, among Black than White individuals. When focusing on individuals who we identify as being likely eligible for UI according to their work history and their state's UI rules, we continue to find sizable gaps. Among the likely-eligible sample, we find that 55% of White individuals receive benefits, compared to 42% of Black individuals, and that White individuals receive on average $3,098 while Black individuals receive only $1,799. These gaps among likely-eligible individuals are very close to the overall gaps, implying that differences in eligibility are unlikely to account for the overall UI gaps.

To further understand the potential sources of the Black-White gaps, we estimate a series of regressions that describe how the likelihood of UI receipt and total UI benefits received vary with individual characteristics. We find that both receipt and total benefits are higher among individuals with greater pre-unemployment earnings and those for whom UI replaces a larger share of pre-unemployment earnings. UI benefits are also higher for individuals that previously worked in a union job, as well as individuals with more children. Patterns among likely-eligible individuals are similar.

Could racial differences in displaced workers' characteristics explain (in a statistical sense) our measured racial differences in UI receipt? While unconditional UI gaps are of central importance by themselves, we also use the approach of Gelbach (2016) to decompose these unconditional gaps into explained and unexplained components. To do so, we consider a wide range of individual-level and state-level variables that could affect the likelihood of UI receipt and total benefits received. Since these characteristics are not randomly assigned across Black and White individuals, we do not view this decomposition as identifying causal relationships.

Observed characteristics (and their correlates) can explain 81% of the Black-White gap in UI receipt and 77% of the gap in total benefits received. The single most important variable is Black workers' lower pre-unemployment earnings, which explains 47–66% of these gaps. Conditional on the other included

variables, very little of the racial gaps is explained by (non-race) demographics, education, and potential UI benefits, or the economic conditions and policies in place in the state and year when individuals lose their job. However, we find an important role for broad regional factors. Conditional on a battery of observed variables, UI receipt and benefit amounts are lower in the South, where unemployed Black individuals are much more likely to live. A fixed effect for the South accounts for about one-fifth of the racial gaps, while other regions do not have much explanatory power. Potential explanations for the 19–27% of racial gaps that are not correlated with observed variables include unequal treatment of individuals by case workers and employers (Lachowska and Woodbury, 2022), as well as different perceptions of UI eligibility and benefits (Gould-Werth and Shaefer, 2012).

While the SIPP allows us to observe many variables not available in administrative data, a potential concern is that our results are driven by race-specific measurement error. Although we are unable to quantify the extent of such measurement error directly, several factors suggest that it does not account for our results. Prior work identifies imputations as a major source of reporting errors (e.g., Meyer, Mittag and George, 2020; Celhay, Meyer and Mittag, 2021), and our sample excludes individuals for whom UI receipt and benefit amounts are imputed to reduce the scope for measurement error. Moreover, we find that multiple measures of racial gaps in UI receipt are stable over time. By comparison, Meyer, Mok and Sullivan (2015) document that measurement error of UI benefit dollars in the SIPP and other surveys has increased substantially over time. Finally, we use administrative data on weekly benefit amounts from the Department of Labor Benefit Accuracy Management (BAM) program, and we show that our estimated gap in the amount of UI benefits received is larger in magnitude when using these data (i.e., the racial gap in the weekly benefit amount is slightly understated in the SIPP).

The key contribution of this paper is evidence on the size and nature of racial differences in UI receipt. Previous influential research has analyzed patterns in UI receipt over time and studied its determinants (e.g., Blank and Card, 1991; Anderson and Meyer, 1997), but has not focused on race. Several papers document (sometimes imprecisely estimated) racial gaps in UI receipt using single years of survey data (Lee, 2004; Gould-Werth and Shaefer, 2012; Nichols and Simms, 2012; Carey et al., 2021), or BAM data (Michaelides and Mueser, 2012). We contribute to this work by showing that the racial UI gap has been stable over a nearly 30-year period, using detailed state UI laws and longitudinal survey data to demonstrate that the UI receipt gap is unlikely to be driven by differences in UI eligibility, and estimating a decomposition that sheds light on the sources of the gap. Contemporaneous work by Skandalis, Marinescu and Massenkoff (2022)

also provides valuable evidence on racial gaps in UI benefits using BAM data from 2002–2017. BAM data contain excellent information on claimants' work history but only cover individuals who apply for UI. Previous work suggests that only about 45% of monetarily-eligible unemployed individuals apply for UI (Lachowska, Sorkin and Woodbury, 2022), which raises the possibility that racial gaps among UI applicants could differ from racial gaps among all unemployed individuals. Our use of the SIPP allows us to estimate racial gaps without conditioning on UI application status, leading to racial gaps that are larger in magnitude than those estimated with BAM data. Moreover, we can study the role of many possible determinants of UI gaps, such as demographics, state level policies or economic conditions, and regional factors.

Our paper also contributes to the literature examining safety-net program receipt more broadly (e.g., Currie, 2006; Finkelstein and Notowidigdo, 2019; Deshpande and Li, 2019). This literature generally finds that program take-up is higher when the level of benefits is higher and when application costs are lower. While our results confirm that UI receipt is higher when potential benefits are higher, we also find that the *racial gap* in UI receipt is not explained by racial differences in potential benefits. We find that Black individuals' reduced receipt of UI is partially accounted for, in a statistical sense, by their lower level of earnings and the fact that they are more likely to live in the South. However, a meaningful portion of the gap is not explained by a battery of observed variables. These results underscore the empirical importance of other explanations for the racial gap in UI receipt.

We also contribute to the enormous literature on racial disparities in labor market outcomes (Altonji and Blank, 1999) by providing new evidence on the magnitude and nature of the Black-White gap in UI receipt. Since UI is the primary form of social assistance to job losers, racial disparities in UI receipt underscore further disadvantages faced by Black workers.

2 Estimating Racial Differences in UI Receipt

2.1 Background on Unemployment Insurance

Subject to some federal requirements, states can decide most parameters that determine whether an individual is eligible for UI, the weekly benefit entitlement, and its duration. Because this paper seeks to estimate both UI receipt and receipt among individuals who are likely to be eligible for UI ("likely eligibles") by race, we need to estimate which unemployed workers are eligible for the program. Our coding of state and federal laws builds on the UI calculator used in Kuka (2020). We rely on the Significant Provisions of State

Unemployment Insurance Laws produced semi-annually by the Department of Labor and cross-reference state legislation when necessary. This section provides a brief summary of these laws. Our sample ends in 2015, so we do not address the numerous changes to UI made in response to the 2020 pandemic and recession.

Individuals generally are eligible for UI only if they lose a job through no fault of their own. In addition, individuals must satisfy a minimum earnings criteria, which can depend on base period wages (usually defined as the first four quarters of the last five quarters before job loss), their distribution across quarters (e.g., the amount of earnings in the highest-earning quarters), and base period hours of work.[1,2] The weekly benefit level also depends on base period wages, their distribution across quarters, and statutory minimum and maximum amounts. Many states provide higher weekly benefits to unemployed individuals with dependent children.

Unemployed individuals can receive benefits for a certain number of weeks. Under the regular UI program, the potential benefit duration can depend on base period wages and their distribution, as well as the number of weeks worked in the base period. In most states, the maximum potential benefit duration is 26 weeks during normal times, but this rises during periods of economic distress. Individuals are eligible for 13 or 20 additional weeks of benefits, depending on the state unemployment rate, under the Extended Benefit program, and additional weeks under various other emergency programs.

Our UI calculator identifies likely UI eligibility, potential weekly benefit amount, and potential benefit duration for each individual. To generate accurate estimates of these variables, we require data containing information on why individuals separated from their job, the quarterly distribution of pre-unemployment earnings and employment, the state and year in which the job loss occurred, and the number of dependents.

2.2 Data

Our main data source is the 1986–2014 panels of the Survey of Income and Program Participation (SIPP). Each SIPP panel is a longitudinal, nationally representative survey that generally interviews households at

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[1]A few states have a minimum hours requirement for eligibility. For these states, we calculate individuals' hours worked in the quarters before the job separation and use those hours to calculate UI eligibility.

[2]In some states, individuals who fail to qualify for benefits using base period wages can use wages from a more recent period—the Alternative Base Period—to meet the earnings requirement. We do not account for eligibility under these more complicated rules. However, previous work finds that less than 7% of UI claimants use the Alternative Base Period (Stettner, Boushey and Wenger, 2005), which suggests these rules are unlikely to have a major effect on our results.

four-month intervals (waves) for 2.5 to 4 consecutive years.[3] In each wave, respondents provide detailed information on employment, earnings, and program participation for each month in the period between interviews, facilitating the construction of a detailed *monthly* panel of individuals. Moreover, unlike most data sets containing administrative UI records, the SIPP contains demographic information for all respondents.

To gauge whether an unemployed worker is likely eligible for UI, we need two key pieces of information. First, since UI eligibility depends on base period wages, we need to observe individuals' work history for at least five quarters prior to a job separation. We thus restrict the sample to observations from interview month 16 onwards. Second, we use information on whether individuals separate from an employer and the reason for this separation to identify involuntary job losses (which generally are necessary for eligibility) versus other types of separations. Our main sample contains non-Hispanic individuals ages 25–64 that experience a job separation from month 16 onwards in their SIPP interview and are unemployed at some point during the 12 months after job separation. For each individual, we identify the first job separation and use information on earnings and hours worked in the first four quarters of the five quarters before job separation, industry and union status, reason for separation, state and year of separation, as well as other demographic characteristics. We collect information on unemployment status and UI receipt in the first 12 months after the job separation. We focus on a 12-month period after job separation to allow for the possibility of a delay in when individuals apply for and receive UI benefits, but in robustness checks we show that the results are not sensitive to the length of the follow-up period. We exclude all observations for which UI receipt or the level of UI benefits received is imputed, because imputations are an important source of error when measuring transfer receipt (Meyer, Mittag and George, 2020).[4]

Appendix Table A.1 compares our main sample to all individuals ages 25–64 in the SIPP.[5] Individuals that experience a job separation and become unemployed are more likely to be male, single, and younger. Moreover, they are more likely to be eligible for and to receive UI benefits, and are also eligible for higher benefit levels. The differences between our main sample and all individuals are broadly similar for both White and Black workers.

We use our database of state UI rules and the SIPP to estimate eligibility, potential benefit weeks, and potential benefit amount for each person in our sample. We also create summary measures of UI policies

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[3]Exceptions are the 1989 panel, which follows individuals only for 3 waves (1 year), and the 2014 panel, which interviews households every 12 months, for 4 years.

[4]The 1986–1989 panels only contain imputation flags for UI benefit levels.

[5]For all summary statistics, we keep only one observation per person, for either month 16 of the survey, if the individual never experiences a job separation, or the month of separation.

in each state and year. We first construct a nationwide sample of individuals that experience an involuntary job loss from month 16 onwards in their interview cycle. Then, we construct the share of this fixed sample that would be eligible for UI and the average weekly benefit amount among eligible individuals if they (hypothetically) lost their job in each state and year. This approach uses actual UI rules for each state and year. Because we use the same sample of individuals in each state and year, these simulated measures thus only depend on state policy variation, and not on who is unemployed in each state and period (Currie and Gruber, 1996).

We use a variety of additional data sources to measure state economic and policy conditions that could influence UI receipt. To proxy for the administrative hurdles that UI applicants face, we use state-level data from the Department of Labor on the share of initial UI claims that are denied and the share of claims that are filed via the Internet, telephone, or mail, in person, or through an employer. We measure state economic conditions using the logarithm of gross state product from the BEA and the unemployment rate from the BLS. As policy variables, we include the maximum AFDC benefit available to a family of four, the state EITC benefit as a percent of the federal EITC, and the state minimum wage. We also use data recording whether a state has a Republican governor (Kaplan, 2018) and the share of state legislature seats held by Republicans (National Conference of State Legislatures, 2021). We adjust all dollar amounts to represent 2019 dollars using the CPI-U.

2.3 Empirical Strategy

To analyze racial differences in UI receipt and benefit amount, we start by comparing simple averages among Black and White individuals. These unconditional gaps are of central importance because they reveal whether access to UI benefits is unequal. Formally, we estimate the *unconditional* Black-White gap in variable Y with the following regression:

$$Y = B\theta^u + \epsilon, \tag{1}$$

where B is a Black indicator, θ^u is the unconditional gap, and we assume without loss of generality that all variables have zero mean to simplify the subsequent exposition.

We are also interested in estimating UI gaps conditional on observed characteristics for two reasons. First, Black and White individuals differ along several demographic and economic dimensions, and conditional gaps quantify how much of the unconditional Black-White gap in UI outcomes is correlated with these dimensions. Second, observed variables that explain a large fraction of the Black-White UI gaps could

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be the underlying determinants of racial differences in UI. For example, if higher income individuals are more likely to receive UI, then the Black-White income gap could potentially explain racial differences in UI receipt.

To flexibly estimate conditional gaps in UI receipt, we follow the methodology from Gelbach (2016). Letting X be a K-dimensional vector of observed covariates, the *conditional* gap is given by θ^c in the following equation:

$$Y = B\theta^c + X\beta + \varepsilon. \tag{2}$$

The difference between the unconditional and conditional gaps can then be written as:

$$\theta^u - \theta^c = \sum_{k=1}^{K} \Gamma_k \beta_k, \tag{3}$$

where Γ_k is the coefficient from regressing X_k on B and β_k is the kth element of β in equation (2). The key insight from Gelbach (2016) is that the familiar omitted variable bias formula leads to the decomposition in equation (3), which depends on the product of the Black-White gap in variable X_k (Γ_k) and the strength of the relationship between variable X_k and the dependent variable (β_k).

This approach offers several benefits in our setting. First, it avoids the common problem of sequential decompositions, which depend on the order in which covariates are added.[6] Instead, this approach quantifies the importance of variables *conditional on the other variables in the decomposition*. Second, the additive structure in equation (3) makes it very easy to include a flexible set of control variables. However, this decomposition only provides a statistical accounting of the observed correlations, and does not describe causal relationships.

3   Results

We start by showing average UI receipt separately for White and Black individuals in Figure 1A. While 37% of White individuals receive UI at some point in the 12 months after a job separation, only 28% of Black individuals do so. This large gap in UI receipt could be driven by both differences in eligibility and differences in take-up among eligible individuals. Indeed columns 1 and 4 of Table 1, containing summary statistics by race for our unemployed sample, show that White individuals are more likely to be eligible for UI than Black individuals (56% vs. 51%), especially because White individuals are more likely to satisfy the monetary eligibility requirement (86% vs. 79%). To examine this issue further, Figure 1A also compares

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[6]For example, if two variables are strongly correlated, then a sequential decomposition could identify either one of those variables as having a key role, depending on which variable is added first.

White and Black individuals that are likely eligible for UI.[7] The racial gap in UI receipt remains large: the receipt rate is 55% for likely eligible White individuals and 42% for likely eligible Black individuals. Relative to White individuals, Black individuals are 24% (= 0.09/0.37) less likely to receive UI, both overall and among likely eligibles. These numbers underscore the size of UI gaps and show that the receipt gap is mostly driven by differences in receipt among likely-eligible individuals. Appendix A reports the results of a decomposition exercise which provides additional support for this conclusion.

Figure 1B summarizes the total amount of UI benefits received in the 12 months after a job separation. Black individuals receive $1,158 on average, which is 43% less than the $2,029 received by White individuals. Looking at likely-eligible individuals, the gap is similar in percent terms but even larger in terms of dollars. The $1,299 gap in benefit receipt among likely-eligible individuals is approximately half of the average amount of federal EITC benefits paid in 2020 (Internal Revenue Service, 2021). The magnitude of the Black-White gap in UI benefits received thus highlight its economic significance.

As an initial step towards understanding the sources of these UI gaps, Figures 1C and 1D plot the UI receipt rate and benefit amount for White and Black individuals over time. We calculate means for 5-year intervals to avoid spurious patterns that could arise because of the SIPP's panel design.[8] The Black-White gap in UI receipt and benefit amount were quite stable over the 30 years covered by our data.[9] This finding suggests that racial UI gaps are driven by economic and social factors that persisted during this period. The stability shown in Figures 1C and 1D also suggests that changes in survey methodology—such as the 1996 redesign of the SIPP or the decline in survey response rates (Meyer, Mok and Sullivan, 2015)—do not explain the estimated racial UI gaps.[10]

Why are Black individuals who are likely eligible for UI benefits less likely to receive them than White individuals? Prior work on the take-up of social benefits highlights several possible explanations (e.g., Currie, 2006). First, individuals might be less likely to take up UI if the benefits are lower. The value of UI benefits depends both on the benefit amount and its possible duration, as well as the marginal utility of consumption, which in turn may depend on factors like individuals' wealth and the likelihood of being recalled to their former employer. Second, individuals might be less likely to take up UI if the costs are higher.

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[7]We limit the sample to individuals that are likely eligible based on the reason for job separation and unemployment status (which are the non-monetary factors we consider) and pre-unemployment work history (which is the monetary factor).

[8]Because SIPP panels occur at 1–5 year intervals and we examine job separations from month 16 onwards within a panel, annual means can fluctuate due to changes in sample size and composition.

[9]Appendix Figure A.1 shows that gaps are also similar over time when restricting the sample to likely-eligible individuals.

[10]SIPP data from 1986–1989 contain flags for whether the *amount* of UI benefits is imputed, but not for whether UI *receipt* is imputed. As a result, the earliest estimates in Figures 1C and 1D are less reliable than the other estimates.

The costs of applying for UI involve both psychic and time costs of gathering background information and submitting the necessary paperwork, in addition to stigma. Third, take-up depends on information and perceptions about UI benefits and costs. These could vary significantly across regions, years, industries, and occupations. Evidence from the Current Population Survey UI Non-Filers Supplement in 2005 suggests that many unemployed individuals do not apply for UI benefits because they believe they are ineligible (Vroman, 2009). Black unemployed individuals are more likely to say they are ineligible, are unaware of UI benefits, and did not apply because of the hassle (Gould-Werth and Shaefer, 2012), though not all of these differences are statistically significant. Moreover, Black individuals were less likely to receive UI benefits, conditional on applying for them, during the COVID-19 recession in 2020 (Carey et al., 2021).

To gauge the potential importance of these explanations, columns 1 and 4 of Table 1 present summary statistics of the characteristics of White and Black individuals who are unemployed. Columns 2 and 5 limit the sample to individuals that are likely eligible for UI during this period, while columns 3 and 6 further restrict to UI recipients.

Among individuals likely eligible for UI, the potential weekly benefit amount of Black individuals is lower ($279 vs. $344), but this reflects their lower pre-unemployment earnings. The potential replacement rate, defined as potential weekly benefits divided by average weekly earnings in the base period, is 5 percentage points higher for Black individuals. Combined with their generally lower amounts of earnings and larger number of children, this initial evidence suggests that the take-up gap is unlikely to be driven by differences in the value of UI benefits. This point is underscored by the fact that Black individuals in our sample have fewer years of schooling and are less likely to be married. Black individuals that are likely eligible for UI are twice as likely to live in the South (59% vs. 31%).[11] Location could matter because states have considerable latitude in setting policies that affect UI benefits and costs.

Table 2 provides further evidence on the potential determinants of UI receipt and benefit amounts. Columns 1 and 2 report regression results where the dependent variable is an indicator for UI receipt in the 12 months after job separation among all individuals or likely-eligible individuals.[12] In columns 3 and 4, the dependent variable is the amount of UI benefits received in the 12-month period after job separation among all individuals and those likely eligible for UI.

The results indicate that UI receipt and benefit amounts are systematically correlated with several

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[11]Appendix Table A.1 shows that the share living in the South is similar among those that do not experience a job separation.
[12]Appendix Table A.2 shows that these estimates are similar when using a probit instead of a linear probability model.

individual-level factors. Most importantly for this paper, Black individuals are less likely to receive UI. UI receipt is higher among older individuals, union members, and individuals with more children. Moreover, higher base period wages are associated with higher UI receipt. These findings hold for both UI receipt and UI benefit amounts, and when analyzing both all unemployed individuals and likely-eligible individuals. This suggests that demographics and income (and their correlates) play a larger role than simply determining monetary (or non-monetary) eligibility.

UI receipt and benefit amounts are also higher when the potential individual replacement rate or benefit duration are higher, again for all and likely-eligible individuals.[13] This finding is consistent with individuals weighing the level of UI benefits in their take-up decision. Finally, receipt is lower in states where the denial rate on initial UI claims is higher, suggesting that administrative hurdles lower UI receipt, and in the South.

So far, we have shown that Black and White unemployed individuals differ on many dimensions, and that several of these dimensions are correlated with UI receipt and benefit amount. A natural question is how much of the racial gaps is explained by differences in individuals' characteristics. Because of the complex relationship between race, demographics, and economic variables, we do not aim to estimate the causal effect of underlying variables on racial gaps.[14] Instead, we estimate the decomposition in equation (3), which quantifies the degree to which individual characteristics, economic conditions, and policies statistically account for observed gaps.

Columns 1 and 3 of Table 3 report Black-White gaps in UI receipt and benefit amount for our main sample. The first row shows that the unconditional gaps in UI receipt and benefit amount are 9.9 p.p. (standard error: 1.3) and \$871 (s.e.: 79). The second row presents conditional gaps, estimated as θ^c in equation (2). We control for a battery of observed covariates, as detailed below. The conditional Black-White gap in UI receipt is reduced to 1.9 p.p. (s.e.: 1.3), indicating that differences in observed characteristics (and their correlates) between Black and White individuals explain 81% of the unconditional receipt gap. The conditional Black-White gap in UI benefits is reduced to \$202 (s.e.: 80), indicating that differences in observed characteristics explain 77% of the unconditional benefit amount gap. Columns 2 and 4 of the table report results when limiting the sample to individuals who are likely eligible for UI. Conditional gaps also are smaller than unconditional gaps for this group.

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[13]UI benefits in a state are usually equal to a share of pre-unemployment earnings up to a maximum benefit level. This maximum creates a non-linear relationship between earnings and benefits, making it possible to study the relationship between UI receipt and both earnings and the replacement rate.

[14]For the same reason, we do not interpret unconditional or conditional gaps as the effect of race on UI receipt.

In the remaining rows of Table 3 we report how much of the gap is explained by each set of characteristics, conditional on the other covariates. To explore the role of earnings history, we include a 10-part spline in base period wages and a 10-part spline in the highest quarter of wages during the base period.[15] We also include a 10-part spline in base period hours worked, a quadratic in realized unemployment duration during the 12 months after job separation, an indicator for being a union member before unemployment, and a set of 11 industry fixed effects to understand the role of work history. We use flexible parametrizations to explain as much variation as possible, but the linear structure in equation (3) allows us to aggregate the underlying terms into more easily interpretable summary measures.[16]

Earnings and work history account for a significant share of the UI receipt and benefit amount gaps. The single most important factor is base period and high quarter wages: Black workers have lower pre-unemployment earnings, which predicts lower receipt and benefit amount. Base period and high quarter wages thus account for 47% (= 0.047/0.099) of the UI receipt gap and 66% of the benefit amount gap. The important role of earnings is evident in Appendix Figure A.2, which plots UI receipt and benefit amount for White and Black individuals by decile of base period wages. The figure shows that individuals with higher base period wages are more likely to receive UI benefits and receive higher benefit amounts. This correlation remains when conditioning on other variables (Table 2) and, combined with Black individuals' lower amount of base period wages, leads to the estimates in Table 3.[17] Similarly, Appendix Table A.3 shows that the vast majority of the explained variation in UI receipt and benefit amount within racial groups comes from earnings and work history.

Table 3 also suggests that very little of the receipt gap is explained by demographic variables (gender, age, marital status, number of children, years of education), each person's potential UI benefits (the replacement rate and benefit weeks), state economic conditions (the unemployment rate and gross state product), state-level UI policies (the simulated eligibility rate, the simulated replacement rate, the maximum UI benefit amount, the share of initial UI claims that are denied, and indicators for whether individuals can file for UI through various means), state-level non-UI policies (AFDC and EITC benefits, plus the minimum wage), and the political party in power in the governor's office and state legislature.[18] Results are generally similar

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[15]We include separate splines for base period and highest quarter wages because the latter matters for eligibility and benefit levels.

[16]Because of these flexible parametrizations, the Table 3 estimates are not simply the product of the Table 2 coefficients and differences in characteristics in Table 1.

[17]Appendix Figure A.2 also shows that there is a gap between the UI receipt rates of Black and White individuals at virtually all income levels, which motivates our inclusion of many other covariates in the decomposition.

[18]One might worry that the limited explanatory power of demographic variables is due to the high correlation between earnings

in column 3 for the benefit amount.[19]

The last set of explanatory variables that we consider in Table 3 are indicators for the region where individuals separate from their job, which explain a sizable share of the unconditional racial gaps. Living in the South, where UI receipt and benefit amounts are lower and Black individuals are more likely to live, accounts for 22% of the racial gap in UI receipt and 21% of the benefit gap. Notably, these region indicators matter even when conditioning on each person's potential UI benefits and a large number of state-level variables. We view these region indicators as capturing broader differences in economic and social characteristics that are not reflected in our observed variables. For example, we cannot observe regional differences in perceptions of UI eligibility, the complexity of UI applications, interactions between unemployed individuals and UI case workers, the extent to which employers contest former workers' UI claims and how such challenges are adjudicated, or historical factors that affect Black individuals' trust in the government.[20] More broadly, the legacy of Jim Crow policies in the South could affect UI take-up today.[21]

Robustness Appendix B describes several robustness checks. We estimate versions of Table 3 that exclude base period and high quarter wages to show that the limited importance of demographic variables is not driven by correlations between earnings and demographic characteristics. We also estimate specifications that include net worth, which plays little role in explaining racial UI gaps conditional on the other variables in the model (most notably, earnings). Moreover, we show that our results are similar when replacing state and year fixed effects with fixed effects for region and year or state-by-year. Finally, while in our baseline specification we measure UI receipt and benefits in the 12 months after separation, we show that our results are not sensitive to the length of this window.

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and demographics. The small standard errors on demographic variables in Table 3 reduce concerns about multicollinearity. In a robustness check described below, we also find that omitting earnings from the decomposition does not increase the explanatory power of other variables by much.

[19]The key exception is that the amount explained by each person's potential replacement rate is sizable and positive in column 3. This is explained by Black individuals' higher potential replacement rate—which is also seen in the simple summary statistics in Table 1.

[20]To the extent that these factors do not vary across regions, they could contribute to unexplained racial gaps.

[21]When UI was introduced in 1935, 65% of Black workers were not covered by the UI system, compared to 27% of White workers (DeWitt, 2010). In a different domain, Alsan and Wanamaker (2018) find that government-sponsored discrimination against Black individuals in the South (through the Tuskegee Study) led to decreases in medical trust and reductions in take-up of medical services.

Measurement Error A potential concern is that our estimates are biased because of errors in measuring UI benefits in household surveys. For example, Meyer, Mittag and George (2020) use administrative data from Illinois and Maryland in the early 2000s to show that food stamp receipt is underreported in several household surveys. Among a sample of households with income below twice the poverty limit, they find that nonwhite-headed households are more likely to report food stamp receipt in both survey and administrative data, with survey data understating the size of the racial gap. Using administrative data from New York state for 2007 to 2012, Celhay, Meyer and Mittag (2021) find similar patterns.

Several factors suggest that our results are not driven by differential reporting biases between Black and White individuals. First, our overall UI receipt rates from the SIPP are similar to estimates from administrative data.[22] A close correspondence between survey and administrative measures might be surprising in light of previous work documenting substantial underreporting of aggregate UI benefits in survey data (Meyer, Mok and Sullivan, 2015). Potential explanations include the fact that we exclude individuals for whom UI receipt is imputed and use a sample of individuals that remain in the SIPP survey for at least 16 months (who might be more reliable survey respondents). Second, our focus on a 12-month period after job loss means that our results are less sensitive to misreporting of the specific month when individuals receive UI. Third, Figures 1C–1D show that multiple measures of racial gaps in UI receipt are stable over time. By comparison, Meyer, Mok and Sullivan (2015) document that measurement error of UI benefit dollars in the SIPP and other surveys has increased substantially over time. These two facts suggest that the racial UI gap is not an artifact of imperfect survey quality. Finally, Larrimore, Mortenson and Splinter (2023) find that the number of UI recipients and the amount of UI benefits in the Current Population Survey (CPS) are lower than measures from tax data, with the CPS underreporting being largest for lower-income tax units. The fact that we find a sizable racial gap in UI receipt for individuals across the income distribution suggests this type of income-based measurement error does not drive our results (see Appendix Figure A.2).

We examine this issue more closely in Appendix C by incorporating estimates from administrative BAM data, which contain the results of regular audits of UI claims by investigators. BAM data provide excellent

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[22]Using data from six states in the 1970s and 1980s, Anderson and Meyer (1997) find that 24% of job separators receive UI, and that this number increases to 39% for separators likely to be eligible for UI based on the reason for separation. By comparison, when looking at the earliest years in our data of 1986–1989, we find that 24% of our sample reports receiving UI, with this number rising to 48% when limiting to individuals who likely are eligible for UI. Lachowska, Sorkin and Woodbury (2022) use a sample of job separators from 2005–2013 in Washington and estimate that 45% of likely-eligible job separators received UI benefits. (In particular, column 3 of their Table 1 implies that 45.3% of likely-eligible job separators applied for UI benefits and 44.6% of eligible job separators received benefits.) By comparison, we find that 40% of likely-eligible job separators in our sample from 2005–2013 reports receiving UI.

measures of weekly benefit amounts for UI claimants. When using average weekly benefit amounts from BAM data, we find that the racial gap in total UI benefits is even larger than when using the SIPP. This occurs because the average weekly benefit amount among UI recipients in the SIPP is more understated among White individuals ($342 in the SIPP vs. $382 in the BAM) than Black individuals ($300 vs. $308). This suggests that race-specific measurement error in the amount of UI benefits received per week does not drive our results. We cannot use BAM data to measure the other determinants of the racial gap in UI benefits, such as the share of people who receive UI. However, we consider several extreme assumptions that point to the robustness of the finding that Black individuals who separate from their job receive fewer UI benefits than White individuals.

4 Conclusion

This paper shows that Black individuals are less likely to receive UI benefits and receive fewer dollars of benefits after job loss than White individuals. These gaps are quite stable over a 30-year period and similar when limiting the sample to individuals who are likely eligible for UI. Statistical decompositions indicate that Black individuals' lower average amount of pre-unemployment earnings can account for 48% of the racial gap in UI receipt and 66% of the gap in UI benefit amount. The other key factor is that Black individuals are more likely to live in the South, where UI receipt and benefits are lower.

Racial gaps in UI receipt are sizable. Among individuals that are likely eligible for UI, raising the Black recipiency rate to the White level would lead to a 14 percentage point increase in the share of individuals that receive UI and a $1,299 increase in mean UI benefits. To put the size of this gap in perspective, Black individuals that are likely eligible for UI earn an average of $28,055 per year, $12,657 less than White individuals. Thus the UI gap is equal to 5% of Black individuals' yearly earnings and 10% of the Black-White earnings gap.[23] Important directions for future work include examining whether the racial gap in UI receipt can be closed, as well as studying differences in receipt and take-up for other disadvantaged groups and social insurance programs.

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[23]When focusing on individuals that are unemployed but not necessarily eligible for UI, the UI gap is 8% of the earnings gap (=871/10,931).

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Figure 1: Unemployment Insurance among White and Black Individuals

(a) UI Receipt

(b) UI Benefit Amount

(c) UI Receipt Over Time

(d) UI Benefit Amount Over Time
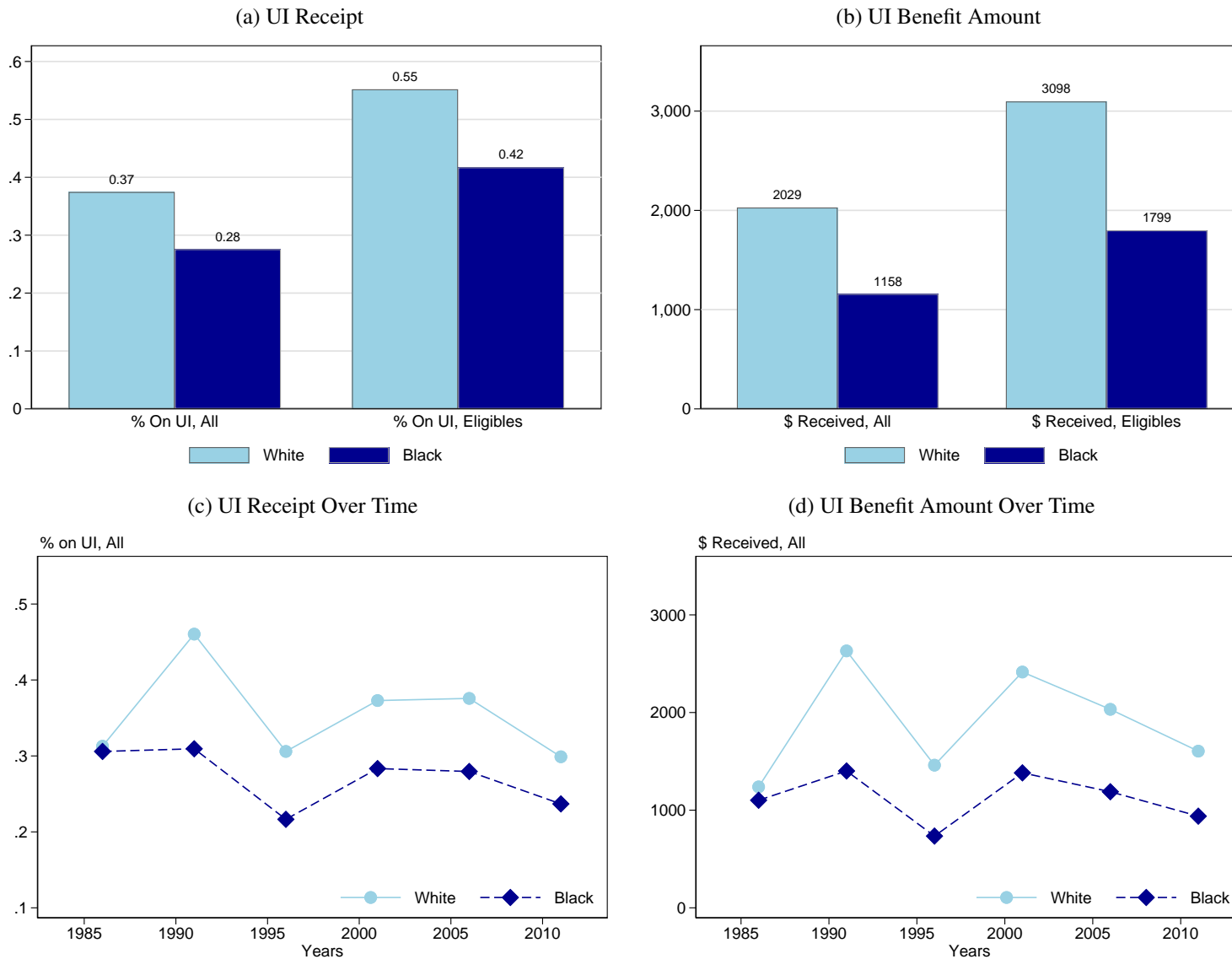
Notes: This figure shows UI receipt and benefit amount, separately by race. Panel (a) presents the share of unemployed workers that receive UI, while Panel (b) presents the total amount of benefits received, both in the first 12 months after a job separation. These averages are calculated using individual monthly weights. In panels (c) and (d), averages are calculated using 5-year intervals and individual monthly weights. The sample consists of individuals ages 25–64 who separate from an employer in their SIPP month of interview 16 or later, become unemployed at some point during the 12 months after job separation, and do not have imputed responses for UI receipt. Likely eligible individuals are defined as those that separate through no fault of their own and satisfy state requirements on pre-unemployment work history.

Source: Authors' analysis of the 1986–2014 SIPP panels.

Table 1: Demographics, Work History, and Unemployment Insurance Eligibility by Race

	White			Black		
	Ever unemployed (1)	Ever UI eligible (2)	Ever UI recipient (3)	Ever unemployed (4)	Ever UI eligible (5)	Ever UI recipient (6)
A: Demographics						
Female	0.45	0.39	0.39	0.51	0.48	0.54
Age	39.71	40.43	41.36	37.16	38.32	40.05
Married	0.55	0.57	0.61	0.33	0.37	0.40
Number of children	0.77	0.75	0.79	1.03	1.01	1.02
Years of education	13.15	13.18	13.09	12.55	12.63	12.75
North region	0.20	0.23	0.27	0.13	0.13	0.14
Midwest region	0.27	0.27	0.27	0.20	0.20	0.20
South region	0.31	0.29	0.24	0.59	0.60	0.56
West region	0.21	0.22	0.22	0.08	0.08	0.10
B: Work history						
Union member	0.08	0.11	0.14	0.06	0.07	0.09
Annual earnings	34,047	40,712	43,762	23,116	28,055	30,398
Annual weeks worked	42.53	46.66	47.39	38.48	45.79	47.63
Usual weekly hours	38.43	40.75	42.01	34.57	37.22	39.51
C: UI eligibility and potential benefits						
Ever eligible for UI	0.56	1.00	1.00	0.51	1.00	1.00
Ever eligible for UI, monetary factors	0.86	1.00	1.00	0.79	1.00	1.00
Ever eligible for UI, non-monetary factors	0.63	1.00	1.00	0.61	1.00	1.00
Ever receives UI	0.37	0.55	1.00	0.28	0.42	1.00
Total UI benefits received	2,029	3,098	5,503	1,158	1,799	4,202
Potential weekly benefit amount	286.90	344.39	368.81	221.96	278.67	299.75
Potential replacement rate	0.52	0.58	0.55	0.54	0.63	0.59
Potential benefit weeks	22.76	24.71	25.08	20.91	23.51	23.96
Individuals	10,833	6,087	3,289	1,951	1,038	434

Notes: Columns 1 and 4 contain individuals ages 25–64 who separate from an employer in their SIPP month of interview 16 or later, become unemployed at some point during the 12 months after job separation, and do not have imputed responses for UI receipt. Columns 2 and 5 restrict this sample to individuals that are estimated to be eligible for UI (by separating from their employer through no fault of their own and satisfying state requirements on pre-unemployment work history), and columns 3 and 6 contain individuals that also receive UI in the 12-month period after job separation. Demographic variables are measured at the time of job separation. Annual earnings, annual weeks worked, and usual weekly hours are measured during the first four quarters of the five quarters before job separation (the standard base period). Unemployment, UI eligibility, and UI receipt are measured for the 12-month period after job separation.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table 2: Correlates of Unemployment Insurance Receipt and Take-up

Dependent variable:	Receives UI in 12 months post job separation		UI benefit amount in 12 months post job separation	
	All	Eligibles	All	Eligibles
	(1)	(2)	(3)	(4)
Black	-0.029	-0.059	-359.9	-486.6
	(0.013)	(0.019)	(78.3)	(125.5)
Female	0.008	0.072	69.1	357.9
	(0.009)	(0.013)	(62.6)	(93.1)
Log age	0.177	0.162	943.9	966.5
	(0.017)	(0.025)	(118.1)	(178.1)
Number of children	0.025	0.023	103.7	36.8
	(0.004)	(0.006)	(26.2)	(39.6)
Log years of schooling	-0.032	-0.048	16.0	38.7
	(0.016)	(0.026)	(75.4)	(114.5)
Union member	0.082	0.060	753.2	744.3
	(0.016)	(0.018)	(140.6)	(168.4)
Log base period wages	0.110	0.166	1,206.6	2,189.4
	(0.008)	(0.014)	(60.4)	(107.4)
Log annual hours worked	0.019	0.048	-30.7	25.6
	(0.008)	(0.016)	(57.2)	(114.1)
Realized unemployment duration (weeks)	0.047	0.048	524.8	681.8
	(0.001)	(0.002)	(14.9)	(19.9)
Log potential replacement rate	0.074	0.144	617.7	1,848.2
	(0.015)	(0.022)	(112.0)	(176.5)
Log potential benefit weeks	0.033	0.074	43.3	478.6
	(0.020)	(0.037)	(135.7)	(260.6)
Unemployment rate	1.632	1.774	7,459.0	7,081.3
	(0.384)	(0.534)	(2,492.3)	(3,674.7)
Lagged denial rate on initial UI claims	-0.115	-0.164	-470.9	-1,231.7
	(0.036)	(0.056)	(260.6)	(385.8)
Share of initial claims filed via Internet	-0.090	-0.082	55.1	681.9
	(0.058)	(0.083)	(397.8)	(602.8)
Share of initial claims filed via telephone	-0.050	0.014	7.8	835.1
	(0.053)	(0.077)	(366.9)	(552.8)
Share of initial claims filed in person	-0.055	-0.023	138.0	824.5
	(0.053)	(0.077)	(351.1)	(542.4)
South	-0.112	-0.093	-1,181.2	-1,166.2
	(0.014)	(0.020)	(104.4)	(151.7)
Midwest	-0.044	-0.020	-752.9	-725.4
	(0.014)	(0.019)	(107.3)	(152.5)
West	-0.037	-0.033	-601.8	-775.1
	(0.016)	(0.021)	(125.7)	(171.1)
Individuals	12,784	7,125	12,784	7,125
R-squared	0.225	0.213	0.328	0.398

Notes: The sample in columns 1 and 3 contains individuals ages 25–64 who separate from an employer in their SIPP month of interview 16 or later, become unemployed at some point during the 12 months after job separation, and do not have imputed responses for UI receipt (as in columns 1 and 4 of Table 1). The sample in columns 2 and 4 is further restricted to individuals that are eligible for UI in the same 12-month period (as in columns 2 and 5 of Table 1). Besides the listed variables, we include indicators for non-positive base period wages, annual hours worked, replacement rate, and potential benefit weeks, as well as missing denial rates (6 state-year combinations) and claims shares (12 state-year combinations). Heteroskedasticity robust standard errors are in parentheses.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table 3: Decomposing Black-White Gaps in Unemployment Insurance Receipt and Take-up

Dependent variable:	Receives UI in 12 months post job separation				UI benefit amount in 12 months post job separation			
	All		Eligibles		All		Eligibles	
	(1)		(2)		(3)		(4)	
Unconditional Black-White gap	-0.099	(0.013)	-0.140	(0.019)	-870.66	(78.78)	-1298.65	(127.77)
Conditional Black-White gap	-0.019	(0.013)	-0.047	(0.019)	-202.44	(79.55)	-330.56	(127.89)
Explained gap	-0.080	(0.008)	-0.093	(0.012)	-668.22	(68.73)	-968.09	(118.97)
Demographics	-0.002	(0.003)	0.004	(0.005)	-52.42	(21.20)	-42.48	(31.94)
Gender	0.002	(0.001)	0.007	(0.002)	11.79	(5.04)	30.48	(11.12)
Age	-0.010	(0.002)	-0.008	(0.002)	-51.41	(9.67)	-47.99	(12.58)
Marital status	-0.003	(0.002)	-0.004	(0.003)	-30.61	(14.89)	-24.68	(20.12)
Children	0.004	(0.002)	0.004	(0.002)	11.70	(8.65)	-0.88	(13.13)
Education	0.004	(0.001)	0.005	(0.002)	6.11	(9.18)	0.60	(13.52)
Earnings and work history	-0.048	(0.008)	-0.049	(0.011)	-472.49	(71.19)	-652.43	(118.59)
Base period & high quarter wages	-0.047	(0.006)	-0.042	(0.008)	-573.76	(53.17)	-705.93	(74.19)
Base period hours	-0.005	(0.003)	-0.002	(0.003)	-19.02	(21.05)	-13.62	(21.10)
Realized unemployment duration	0.016	(0.004)	0.006	(0.007)	181.25	(46.07)	131.72	(84.56)
Union	-0.002	(0.001)	-0.002	(0.001)	-16.56	(5.54)	-26.46	(9.61)
Industry	-0.010	(0.002)	-0.010	(0.003)	-44.41	(10.20)	-38.13	(17.07)
Potential UI benefits	0.006	(0.004)	0.004	(0.004)	154.21	(29.86)	139.64	(38.28)
Potential replacement rate	0.006	(0.004)	0.005	(0.004)	167.01	(29.23)	178.21	(39.10)
Potential benefit weeks	0.000	(0.002)	-0.001	(0.003)	-12.80	(11.28)	-38.56	(19.96)
State economic conditions	-0.000	(0.001)	0.000	(0.001)	-0.75	(4.46)	2.47	(7.27)
Unemployment rate	-0.000	(0.001)	0.000	(0.001)	-0.65	(4.30)	1.55	(6.32)
Log gross state product	-0.000	(0.000)	0.000	(0.000)	-0.10	(1.42)	0.92	(3.99)
State UI rules	-0.008	(0.004)	-0.012	(0.006)	-98.71	(24.19)	-159.07	(41.55)
Simulated eligibility	0.001	(0.001)	0.005	(0.003)	0.13	(8.87)	14.05	(20.03)
Simulated replacement rate	-0.004	(0.002)	-0.008	(0.004)	-3.46	(13.44)	-8.68	(27.89)
Maximum UI benefit	-0.001	(0.002)	-0.002	(0.003)	-74.99	(15.31)	-132.59	(28.30)
Denial rate of UI claims	-0.001	(0.001)	-0.002	(0.001)	-1.49	(5.54)	-14.90	(8.85)
UI filing methods	-0.003	(0.003)	-0.005	(0.005)	-18.91	(20.79)	-16.94	(32.29)
State non-UI policy rules	-0.010	(0.005)	-0.010	(0.007)	5.68	(31.81)	50.72	(52.23)
Maximum AFDC benefit	-0.009	(0.005)	-0.011	(0.007)	15.42	(31.28)	58.80	(51.57)
State EITC benefit	-0.001	(0.000)	-0.000	(0.000)	-3.96	(3.36)	-1.07	(3.13)
State minimum wage	-0.000	(0.000)	0.000	(0.001)	-5.79	(4.30)	-7.01	(6.47)
State political parties	0.000	(0.002)	-0.001	(0.003)	-16.82	(9.39)	-24.06	(16.09)
Governor political party	0.001	(0.002)	0.000	(0.003)	-10.74	(9.99)	-18.97	(17.52)
Legislature political party	-0.001	(0.001)	-0.001	(0.001)	-6.09	(5.43)	-5.09	(9.33)
Region	-0.013	(0.005)	-0.018	(0.007)	-106.61	(30.68)	-153.43	(51.60)
South	-0.022	(0.006)	-0.023	(0.009)	-186.85	(42.16)	-226.91	(67.57)
Midwest	0.002	(0.001)	0.001	(0.002)	28.47	(9.90)	27.51	(14.05)
West	0.007	(0.003)	0.003	(0.004)	51.77	(20.09)	45.97	(30.43)
Year	-0.006	(0.004)	-0.011	(0.005)	-80.29	(26.34)	-129.46	(42.37)

Notes: The first row reports the unconditional Black-White gap as in equation (1). The second row reports the conditional gap from equation (2). The remaining rows report results of the decomposition in equation (3). See text for details. Numbers may not add up exactly because of rounding. Heteroskedasticity-robust standard errors are in parentheses.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Online Appendix

A Assessing the Relative Importance of Eligibility versus Take-Up

We estimate a simple decomposition to further assess the relative importance of eligibility and take-up in explaining the UI receipt gap. Let R indicate UI receipt, E indicate eligibility, and T indicate take-up. We index Black workers by B and White workers by W. The racial gap in the probability of UI receipt can be written:

$$
\Pr[R|B] - \Pr[R|W]
$$

$$
= \Pr[E|B]\Pr[T|E,B] - \Pr[E|W]\Pr[T|E,W] \tag{A.1}
$$

$$
= \underbrace{\Pr[E|B](\Pr[T|E,B] - \Pr[T|E,W])}_{\text{Due to take-up}} + \underbrace{(\Pr[E|B] - \Pr[E|W])\Pr[T|E,W]}_{\text{Due to eligibility}} \tag{A.2}
$$

Equation (A.1) uses the fact that the receipt rate equals the eligiblity rate times the take-up rate. Equation (A.2) decomposes the receipt gap into components explained by differences in take-up and eligibility. Plugging the relevant means from Table 1 into equation (A.2) implies that take-up (i.e., UI receipt among individuals who are likely eligible) explains 80% of the receipt gap, with the remainder explained by likely differences in eligibility.[24]

B Details on Robustness Checks

To explore whether the limited importance of demographic variables in Table 3 is driven by strong correlations with earnings, we estimate decompositions that exclude base period wages. The size of the gap explained by demographic variables in these regressions is higher but still relatively small (Appendix Table A.4). These are not our preferred specifications because the explained gap for demographic variables in these regressions could simply reflect the portion explained by earnings.

In Appendix Table A.5, we explore the additional explanatory power of household net worth. Net worth is only recorded in certain SIPP waves, which reduces the available sample size by 20%.[25] Nonetheless, the unconditional gaps among the sample of individuals with observed net worth are similar to those in Table 3. Net worth explains little of the Black-White gap in UI receipt, conditional on the other explanatory variables in our model.[26] While Ganong et al. (2020) find that wealth can account for differences between White and Black individuals in the *consumption* response to job loss, wealth apparently plays little role in explaining differences in *UI receipt and take-up*. A natural explanation for this difference is that UI receipt and take-up depends on interactions with government agencies, where stigma and imperfect information can play a larger role.

Several other results underscore the robustness of our findings. Appendix Table A.6 shows that estimates in Table 3 are similar when dropping the region fixed effects,[27] while Appendix Table A.7 shows that results for the individual-level variables are similar when we use state-by-year fixed effects.

Finally, in our baseline specification we measure UI benefits over a 12-month period to ensure that our results are not driven by racial differences in the timing of UI claiming or receipt or the recall of benefits

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[24]Equation (A.2) evaluates the take-up gap at the Black eligibility rate. The alternative approach of evaluating the take-up gap at the White eligibility rate yields the same result.

[25]We use net worth if it is recorded at any point during the 12 months before job separation.

[26]When excluding all other explanatory variables, controlling for net worth as in Appendix Table A.5 leads to an explained gap of -0.013, which is 65% as large as the gap explained by only log base period wages (-0.020). Thus, we emphasize that net worth has little explanatory power net of the variables already in the model.

[27]When excluding region fixed effects, state UI rules and non-UI policy rules explain a greater share of the observed gaps.

in the SIPP. For example, if Black workers take longer to apply or to get approved for benefits, a shorter window might overstate the racial gap in benefit receipt. Our results, however, do not rely on this restriction. Appendix Table A.8 shows UI receipt and total UI benefits by race, when these are measured within 12 months (our baseline) or within 9, 6, or 3 months from job separation. The top panel shows that the share of individuals who receive UI is similar over each of these horizons. The bottom panel shows that the amount of UI benefits grows as the horizon is extended, as expected. Most importantly, racial gaps are similar across different horizons, which highlights the robustness of our results to this choice.

C   Details on Measurement Error

Appendix Table A.9 examines the robustness of our results to race-specific measurement error using BAM data. This analysis relies on the approximation that the average UI benefit amount, A, received by individuals of race r can be written as:

$$E[A|r] \approx Pr(A > 0|r)E[\text{Weeks}|r, A > 0]E[WBA|r, A > 0], \qquad (A.3)$$

where $A > 0$ indicates that someone received benefits, Weeks is the number of weeks of UI benefits received, and WBA is the weekly benefit amount. This approximation is quite accurate in our setting: the racial gap in average UI benefits is \$816 when measured directly from SIPP data and \$732 when using this approximation (see Panel B).

We can use average weekly benefit amounts from BAM data in equation (A.3) in place of the analogous measure from SIPP data. When doing so, the racial gap is even larger, at \$924. This occurs because the average weekly benefit amount among UI recipients in the SIPP is more understated among White individuals (\$342 in the SIPP vs. \$382 in the BAM) than Black individuals (\$300 vs. \$308). This suggests that race-specific measurement error in the amount of UI benefits received per week is not driving our results.

We cannot use BAM data to measure the other terms in equation (A.3) because BAM data only contain UI claimants and do not follow claimants over time. However, we can make extreme assumptions about these other variables to gauge the potential influence of measurement error. We do this by calculating the average amount of UI benefits for Black individuals while replacing some of the terms of equation (A.3) with the values estimated for White individuals. We continue to use BAM data to measure average weekly benefit amounts for this exercise. In row 2 of Panel C, we assume that there are no racial differences in the probability of UI receipt. In row 3, we assume there are no racial differences in the duration of UI benefit receipt, and row 4 imposes both of these assumptions. The implied racial gap in UI benefit amount when shutting down these channels is attenuated, falling to \$413 when the only difference comes from the racial gap in the weekly benefit amount from BAM data. We interpret this attenuation as highlighting the value of using the SIPP, which allows for racial gaps to emerge through other channels. While the results based on extreme assumptions are not our preferred estimates, they point to the robustness of the finding that Black individuals who separate from their job receive fewer UI benefits than White individuals.

Figure A.1: Unemployment Insurance among Likely Eligible White and Black Individuals

(a) UI Receipt Over Time

(b) UI Benefit Amount Over Time
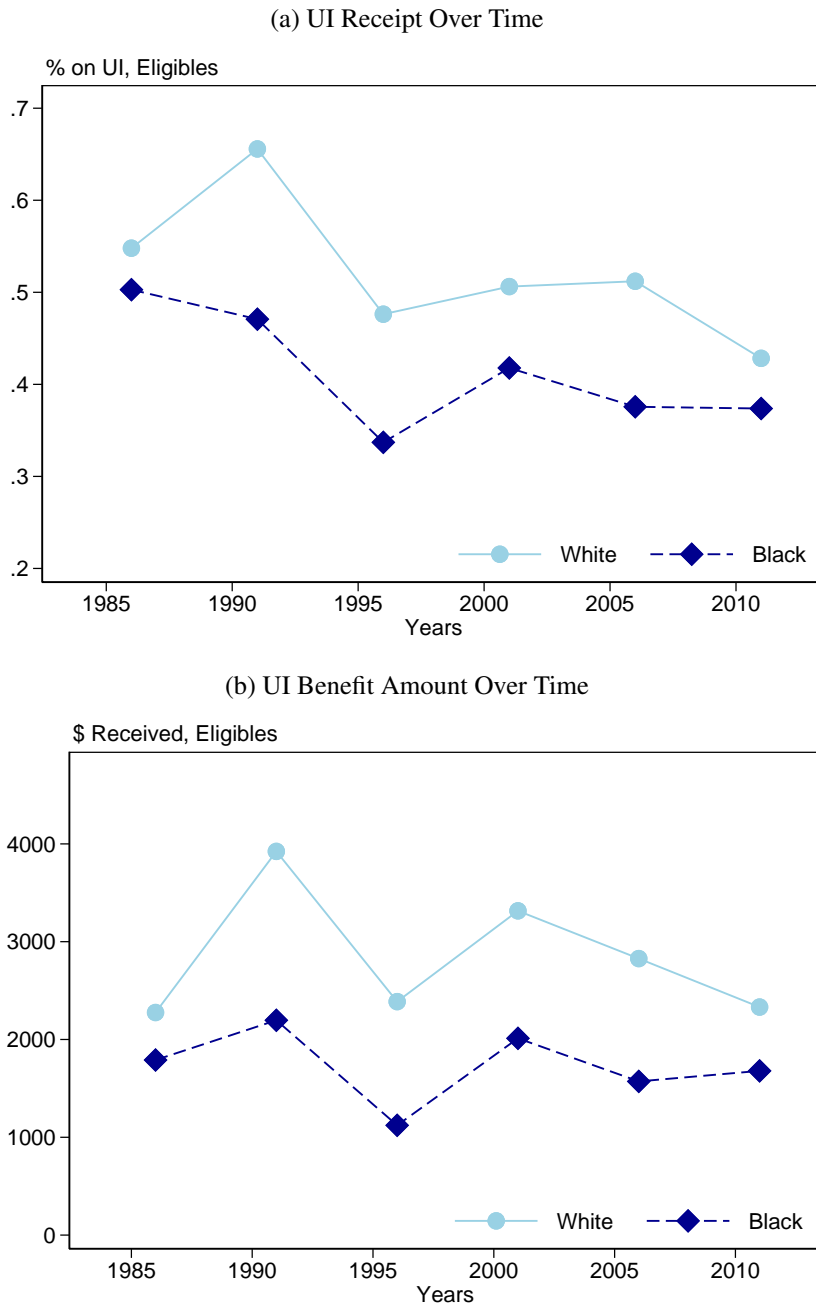
Notes: This figure shows UI receipt and benefit amount over time, separately by race. Panel (a) presents the share of unemployed workers that receive UI, while Panel (b) presents the total amount of benefits received, both in the first 12 months after a job separation. These averages are calculated using 5-year intervals and individual monthly weights. The sample consists of individuals ages 25–64 who separate from an employer in their SIPP month of interview 16 or later, become unemployed at some point during the 12 months after job separation, do not have imputed responses for UI receipt, and who separate through no fault of their own and satisfy state requirements on pre-unemployment work history.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Figure A.2: Unemployment Insurance among White and Black Individuals –
By Base Period Wages

(a) UI Receipt

(b) UI Benefit Amount

(c) UI Receipt Among Likely Eligibles

(d) UI Benefit Amount Among Likely Eligibles
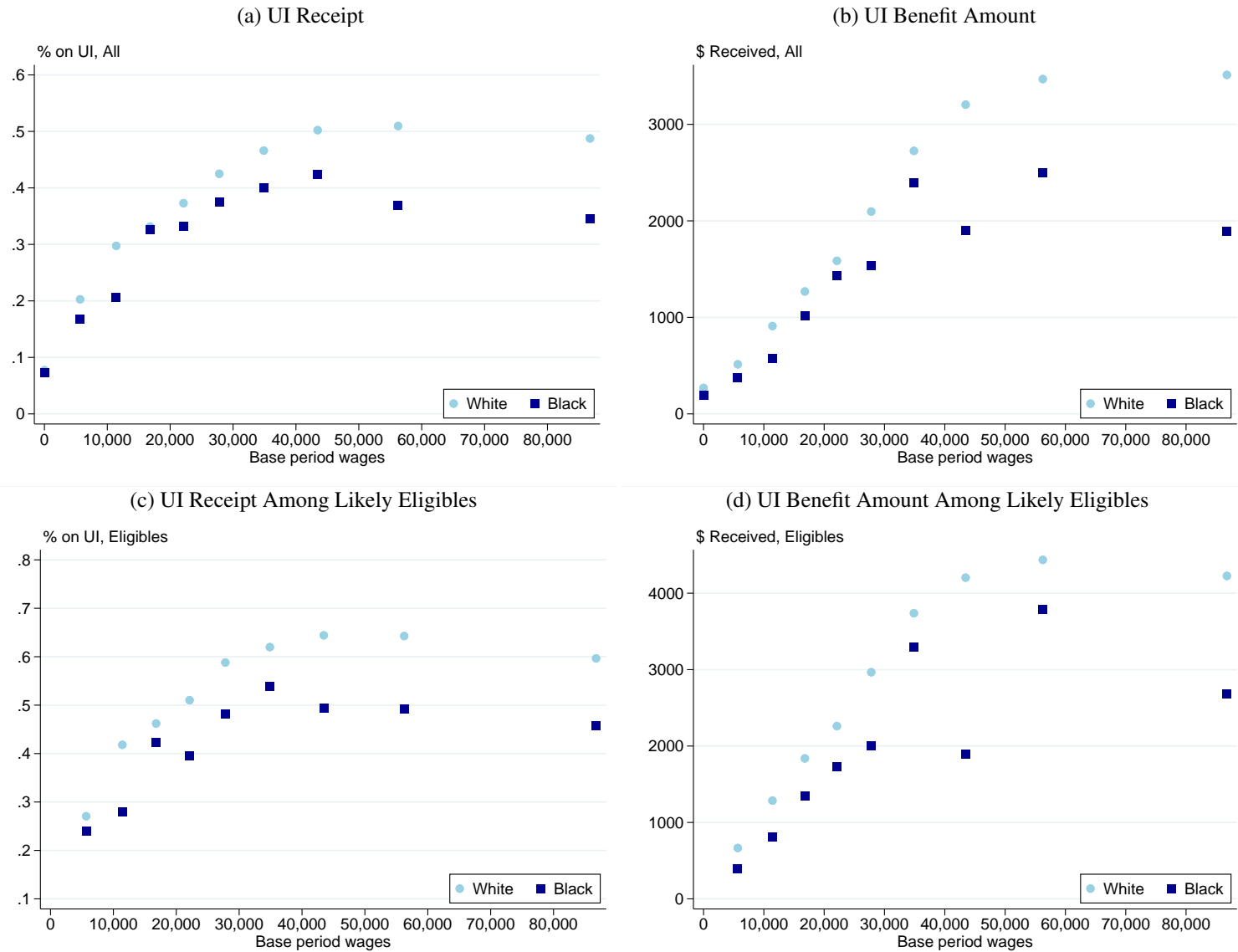
Notes: This figure shows UI receipt and benefit amounts, separately by race and decile of base period wages. We calculate deciles of base period wages among White and Black individuals and plot variables at the median value within each decile. We display statistics with at least 20 underlying observations. See notes to Figure 1 for details on sample.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.1: Comparison of All Individuals to Main Analysis Sample

	White		Black	
	All	Main sample	All	Main sample
	(1)	(2)	(3)	(4)
A: Demographics				
Female	0.51	0.45	0.55	0.51
Age	42.93	39.71	41.44	37.16
Married	0.69	0.55	0.43	0.33
Number of children	0.78	0.77	0.95	1.03
Years of education	13.46	13.15	12.55	12.55
North region	0.21	0.20	0.17	0.13
Midwest region	0.28	0.27	0.19	0.20
South region	0.33	0.31	0.56	0.59
West region	0.18	0.21	0.08	0.08
B: Work history				
Union member	0.08	0.08	0.10	0.06
Annual earnings	35,395	34,047	25,833	23,116
Annual weeks worked	37.93	42.53	33.78	38.48
Usual weekly hours	36.16	38.43	37.60	34.57
Ever unemployed	0.08	1.00	0.12	1.00
C: Unemployment insurance eligibility and potential benefits				
Ever eligible for UI	0.03	0.56	0.03	0.51
Ever eligible for UI, monetary factors	0.70	0.86	0.68	0.79
Ever eligible for UI, non-monetary factors	0.03	0.63	0.04	0.61
Ever receives UI	0.03	0.37	0.03	0.28
Total UI benefits received	111.07	2028.69	85.52	1158.03
Potential weekly benefit amount	254.48	286.90	220.79	221.96
Potential replacement rate	0.43	0.52	0.48	0.54
Potential benefit weeks	20.07	22.76	19.17	20.91
Individuals	233,076	10,833	32,899	1,951

Notes: Columns 1 and 3 contain all individuals ages 25–64 in the SIPP. Columns 2 and 4 contain the subset of individuals who separate from an employer in their SIPP month of interview 16 or later and become unemployed at some point during the 12 months after job separation. We use one observation per person, for either month 16 of the survey, if the individual never experiences a job separation, or the month of separation. Annual earnings, annual weeks worked, and usual weekly hours are measured during the first four quarters of the five quarters before job separation (the standard base period). Unemployment, UI eligibility, and UI receipt are measured for the 12 months after observation. All columns exclude individuals for whom UI receipt is imputed.

Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.2: Correlates of Unemployment Insurance Receipt and Take-up –
Average Marginal Effects from Probit Model

Dependent variable:	Receives UI in 12 months post job separation	
	All (1)	Eligibles (2)
Black	-0.037	-0.074
	(0.016)	(0.023)
Female	-0.002	0.088
	(0.010)	(0.015)
Log age	0.232	0.197
	(0.021)	(0.030)
Number of children	0.031	0.027
	(0.005)	(0.007)
Log years of schooling	-0.024	-0.055
	(0.017)	(0.030)
Union member	0.105	0.079
	(0.019)	(0.023)
Log base period wages	0.044	0.202
	(0.007)	(0.018)
Log annual hours worked	0.082	0.062
	(0.012)	(0.020)
Maximum unemployment duration (weeks)	0.053	0.059
	(0.002)	(0.003)
Log potential replacement rate	0.018	0.177
	(0.016)	(0.027)
Log potential benefit weeks	0.067	0.082
	(0.028)	(0.045)
Unemployment rate	1.773	2.151
	(0.453)	(0.647)
Lagged denial rate on initial UI claims	-0.138	-0.194
	(0.046)	(0.069)
Share of initial claims filed via Internet	-0.152	-0.108
	(0.070)	(0.099)
Share of initial claims filed via telephone	-0.098	0.008
	(0.063)	(0.091)
Share of initial claims filed in person	-0.109	-0.038
	(0.063)	(0.092)
South	-0.129	-0.114
	(0.015)	(0.024)
Midwest	-0.055	-0.030
	(0.015)	(0.023)
West	-0.038	-0.043
	(0.018)	(0.026)
Individuals	12,784	7,124

Notes: Table reports average marginal effects from probit regressions. See notes to Table 2 for details on samples and variables. Heteroskedasticity-robust standard errors are in parentheses.

Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.3: Coefficient of Determination for Unemployment Insurance Receipt and Take-Up by Race

	Receives UI in 12 months post job separation				UI benefit amount in 12 months post job separation			
	All		Eligibles		All		Eligibles	
	White	Black	White	Black	White	Black	White	Black
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
R^2								
M1: Demographics	0.029	0.032	0.022	0.049	0.030	0.042	0.024	0.057
M2: Earnings and work history	0.230	0.212	0.215	0.219	0.328	0.233	0.381	0.275
M3: M1 + M2	0.241	0.235	0.228	0.256	0.333	0.250	0.385	0.301
M4: M3 + Potential UI benefits	0.245	0.235	0.232	0.257	0.344	0.253	0.399	0.307
M5: M4 + State economic conditions	0.250	0.244	0.235	0.266	0.345	0.258	0.400	0.309
M6: M5 + State UI rules	0.264	0.253	0.259	0.289	0.364	0.273	0.427	0.341
M7: M6 + State non-UI policy rules	0.266	0.254	0.263	0.294	0.364	0.274	0.428	0.343
M8: M7 + State political parties	0.268	0.255	0.266	0.296	0.367	0.279	0.431	0.351
M9: M8 + Region	0.271	0.255	0.268	0.302	0.370	0.279	0.432	0.352
M10: M9 + Year	0.276	0.264	0.272	0.318	0.378	0.290	0.441	0.374
Adjusted R^2								
M1: Demographics	0.028	0.026	0.020	0.038	0.029	0.037	0.022	0.046
M2: Earnings and work history	0.226	0.189	0.208	0.177	0.325	0.210	0.375	0.236
M3: M1 + M2	0.236	0.207	0.220	0.206	0.329	0.223	0.378	0.255
M4: M3 + Potential UI benefits	0.240	0.206	0.223	0.205	0.339	0.225	0.392	0.259
M5: M4 + State economic conditions	0.245	0.214	0.226	0.213	0.341	0.229	0.393	0.259
M6: M5 + State UI rules	0.258	0.217	0.249	0.223	0.358	0.238	0.418	0.280
M7: M6 + State non-UI policy rules	0.260	0.217	0.252	0.227	0.359	0.238	0.419	0.281
M8: M7 + State political parties	0.262	0.215	0.254	0.224	0.362	0.241	0.422	0.285
M9: M8 + Region	0.264	0.214	0.256	0.228	0.364	0.239	0.423	0.284
M10: M9 + Year	0.267	0.214	0.258	0.228	0.370	0.241	0.430	0.290

Notes: Table reports the R^2 and adjusted R^2 from OLS regressions with the indicated covariates. We use the same functional forms for these covariates as in Table 3.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.4: Decomposing Black-White Gaps in Unemployment Insurance Receipt and Take-up –
Excluding Base Period Wages

Dependent variable:	Receives UI in 12 months post job separation				UI benefit amount in 12 months post job separation			
	All		Eligibles		All		Eligibles	
	(1)		(2)		(3)		(4)	
Unconditional Black-White gap	-0.099	(0.013)	-0.140	(0.019)	-870.66	(78.78)	-1298.65	(127.77)
Conditional Black-White gap	-0.024	(0.013)	-0.056	(0.019)	-276.43	(81.33)	-481.53	(130.75)
Explained gap	-0.075	(0.008)	-0.084	(0.012)	-594.23	(68.67)	-817.12	(117.25)
Demographics	-0.008	(0.003)	-0.002	(0.005)	-127.43	(22.07)	-136.20	(32.88)
Gender	0.001	(0.001)	0.006	(0.002)	2.06	(4.20)	10.60	(9.14)
Age	-0.010	(0.002)	-0.008	(0.002)	-61.42	(10.66)	-53.17	(13.93)
Marital status	-0.005	(0.002)	-0.006	(0.003)	-51.85	(15.32)	-53.12	(20.96)
Children	0.004	(0.002)	0.004	(0.002)	14.15	(9.12)	0.06	(13.66)
Education	0.002	(0.001)	0.003	(0.002)	-30.36	(9.86)	-40.58	(15.34)
Work history	-0.017	(0.006)	-0.019	(0.009)	-28.58	(53.19)	-79.44	(94.74)
Base period hours	-0.019	(0.003)	-0.011	(0.004)	-129.91	(24.01)	-111.65	(30.86)
Unemployment duration	0.016	(0.004)	0.006	(0.007)	181.29	(46.11)	131.00	(84.73)
Union	-0.002	(0.001)	-0.002	(0.001)	-21.45	(6.53)	-34.61	(11.51)
Industry	-0.011	(0.002)	-0.012	(0.003)	-58.50	(11.72)	-64.18	(19.39)
Potential UI benefits	-0.016	(0.003)	-0.011	(0.003)	-120.39	(18.56)	-114.71	(22.95)
Potential replacement rate	-0.013	(0.003)	-0.006	(0.003)	-100.89	(18.02)	-75.24	(20.72)
Potential benefit weeks	-0.003	(0.002)	-0.005	(0.003)	-19.50	(11.18)	-39.47	(18.95)
State economic conditions	-0.000	(0.001)	0.000	(0.001)	-0.64	(4.09)	1.91	(6.05)
Unemployment rate	-0.000	(0.001)	0.000	(0.001)	-0.62	(4.09)	1.40	(5.72)
Log gross state product	0.000	(0.000)	0.000	(0.000)	-0.02	(0.26)	0.52	(2.28)
State UI rules	-0.008	(0.004)	-0.012	(0.006)	-119.16	(26.40)	-201.61	(45.45)
Simulated eligibility	0.003	(0.001)	0.009	(0.003)	26.76	(10.62)	67.64	(23.89)
Simulated replacement rate	-0.008	(0.002)	-0.013	(0.004)	-60.94	(16.11)	-109.24	(30.90)
Maximum UI benefit	-0.002	(0.002)	-0.004	(0.003)	-87.16	(16.22)	-155.18	(30.27)
Denial rate of UI claims	-0.001	(0.001)	-0.002	(0.001)	1.99	(5.59)	-10.28	(8.82)
UI filing methods	-0.001	(0.003)	-0.003	(0.005)	0.19	(21.19)	5.45	(33.30)
State non-UI policy rules	-0.009	(0.005)	-0.012	(0.007)	7.46	(32.64)	30.76	(53.26)
Maximum AFDC benefit	-0.008	(0.005)	-0.012	(0.007)	17.35	(32.08)	38.31	(52.55)
State EITC benefit	-0.001	(0.000)	-0.000	(0.000)	-3.39	(3.15)	-0.23	(2.93)
State minimum wage	-0.000	(0.000)	0.000	(0.001)	-6.50	(4.56)	-7.32	(6.69)
State political parties	0.001	(0.002)	-0.001	(0.003)	-16.31	(9.75)	-23.05	(16.94)
Governor political party	0.002	(0.002)	-0.001	(0.001)	-6.62	(10.36)	30.30	(20.29)
Legislature political party	-0.001	(0.001)	0.000	(0.003)	-9.69	(5.55)	-53.35	(26.63)
Region	-0.014	(0.005)	-0.018	(0.007)	-117.43	(31.51)	-160.51	(52.99)
South	-0.023	(0.006)	-0.022	(0.009)	-200.00	(43.14)	-242.95	(69.54)
Midwest	0.003	(0.001)	0.001	(0.002)	33.86	(10.51)	34.86	(15.04)
West	0.006	(0.003)	0.002	(0.004)	48.72	(20.55)	47.58	(31.65)
Year	-0.004	(0.004)	-0.010	(0.005)	-71.76	(26.62)	-134.26	(43.17)

Notes: The first row reports the unconditional Black-White gap as in equation (1). The second row reports the conditional gap from equation (2). The remaining rows report results of the decomposition in equation (3). This table differs from Table 3 by excluding variables for base period wages and highest quarter wages. See text for details. Heteroskedasticity-robust standard errors are in parentheses.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.5: Decomposing Black-White Gaps in Unemployment Insurance Receipt and Take-up –
Including Measures of Net Worth

Dependent variable:	Receives UI in 12 months post job separation				UI benefit amount in 12 months post job separation			
	All		Eligibles		All		Eligibles	
	(1)		(2)		(3)		(4)	
Unconditional Black-White gap	-0.104	(0.014)	-0.143	(0.021)	-869.55	(90.03)	-1274.12	(146.26)
Conditional Black-White gap	-0.030	(0.014)	-0.059	(0.020)	-181.14	(89.87)	-303.55	(143.62)
Explained gap	-0.074	(0.009)	-0.084	(0.013)	-688.41	(76.85)	-970.56	(132.74)
Demographics	-0.003	(0.004)	0.003	(0.005)	-51.17	(24.93)	-29.32	(38.39)
Gender	0.002	(0.001)	0.005	(0.002)	13.96	(5.97)	30.40	(12.18)
Age	-0.010	(0.002)	-0.008	(0.002)	-49.97	(11.13)	-40.26	(14.19)
Marital status	-0.003	(0.002)	-0.003	(0.003)	-30.22	(17.37)	-17.77	(24.82)
Children	0.003	(0.002)	0.003	(0.002)	6.66	(9.28)	-6.74	(15.46)
Education	0.004	(0.002)	0.005	(0.002)	8.41	(10.96)	5.06	(16.10)
Earnings and work history	-0.045	(0.009)	-0.046	(0.012)	-465.57	(79.41)	-633.53	(131.21)
Base period & high quarter wages	-0.044	(0.006)	-0.039	(0.008)	-568.25	(58.81)	-696.09	(82.29)
Base period hours	-0.008	(0.003)	-0.004	(0.003)	-44.08	(23.68)	-38.56	(25.29)
Unemployment duration	0.017	(0.005)	0.006	(0.007)	206.76	(50.14)	167.45	(92.87)
Union	-0.001	(0.001)	-0.001	(0.001)	-11.17	(4.92)	-17.25	(8.38)
Industry	-0.010	(0.002)	-0.008	(0.003)	-48.83	(11.27)	-49.07	(17.94)
Potential UI benefits	0.005	(0.004)	0.003	(0.004)	152.87	(32.79)	145.09	(42.01)
Potential replacement rate	0.004	(0.004)	0.004	(0.004)	166.77	(32.14)	175.68	(42.55)
Potential benefit weeks	0.001	(0.002)	-0.001	(0.003)	-13.90	(11.93)	-30.59	(20.42)
State economic conditions	0.000	(0.001)	0.001	(0.002)	2.07	(6.42)	4.69	(11.37)
Unemployment rate	0.000	(0.001)	0.001	(0.002)	1.83	(6.32)	4.44	(10.66)
Log gross state product	-0.000	(0.000)	-0.000	(0.000)	0.24	(1.60)	0.25	(4.93)
State UI rules	-0.008	(0.004)	-0.014	(0.006)	-104.36	(27.17)	-172.16	(45.06)
Simulated eligibility	0.002	(0.001)	0.005	(0.003)	-3.14	(10.30)	4.00	(23.74)
Simulated replacement rate	-0.004	(0.002)	-0.006	(0.004)	5.80	(16.91)	13.76	(34.99)
Maximum UI benefit	-0.003	(0.002)	-0.005	(0.004)	-89.72	(18.72)	-161.76	(34.16)
Denial rate of UI claims	-0.001	(0.001)	-0.002	(0.001)	-0.95	(7.05)	-13.11	(8.91)
UI filing methods	-0.003	(0.003)	-0.006	(0.005)	-16.34	(21.77)	-15.05	(30.38)
State non-UI policy rules	-0.011	(0.005)	-0.012	(0.008)	3.69	(35.39)	26.49	(56.52)
Maximum AFDC benefit	-0.010	(0.005)	-0.013	(0.008)	13.49	(34.82)	32.57	(56.29)
State EITC benefit	-0.000	(0.000)	0.000	(0.000)	-2.57	(3.04)	0.00	(0.18)
State minimum wage	-0.000	(0.001)	0.001	(0.001)	-7.23	(6.22)	-6.08	(8.81)
State political parties	-0.001	(0.002)	-0.005	(0.003)	-23.25	(10.94)	-28.45	(17.93)
Governor political party	0.000	(0.002)	-0.001	(0.001)	-14.31	(11.32)	13.49	(16.92)
Legislature political party	-0.002	(0.001)	-0.004	(0.003)	-8.94	(6.53)	-41.94	(24.04)
Region	-0.010	(0.005)	-0.011	(0.008)	-109.77	(34.29)	-136.12	(56.46)
South	-0.020	(0.006)	-0.017	(0.009)	-194.39	(47.58)	-179.65	(73.37)
Midwest	0.002	(0.001)	0.001	(0.001)	28.39	(10.91)	15.54	(11.93)
West	0.008	(0.003)	0.005	(0.004)	56.23	(23.29)	27.99	(36.15)
Year	-0.005	(0.004)	-0.008	(0.005)	-74.29	(28.36)	-105.57	(42.20)
Net worth	0.004	(0.003)	0.004	(0.004)	-18.62	(20.66)	-41.69	(32.07)

Notes: The first row reports the unconditional Black-White gap as in equation (1). The second row reports the conditional gap from equation (2). The remaining rows report results of the decomposition in equation (3). This table differs from Table 3 by limiting the sample to individuals in a household for which net worth is available in the month of job separation or the prior 12 months, and including indicators for whether household net worth (in 2019 dollars) is below −10,000, [−10,000, 0), [0, 10,000), [10,000, 20,000), ... [90,000, 100,000), [100,000, 200,000), or greater than or equal to 200,000. See text for details. Heteroskedasticity-robust standard errors are in parentheses.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.6: Decomposing Black-White Gaps in Unemployment Insurance Receipt and Take-up –
Excluding Region Fixed Effects

Dependent variable:	Receives UI in 12 months post job separation				UI benefit amount in 12 months post job separation			
	All		Eligibles		All		Eligibles	
	(1)		(2)		(3)		(4)	
Unconditional Black-White gap	-0.099	(0.013)	-0.140	(0.019)	-870.66	(78.78)	-1298.65	(127.77)
Conditional Black-White gap	-0.019	(0.013)	-0.049	(0.019)	-203.46	(79.22)	-340.88	(127.46)
Explained gap	-0.079	(0.008)	-0.091	(0.012)	-667.20	(68.60)	-957.77	(118.75)
Demographics	-0.002	(0.003)	0.004	(0.005)	-52.96	(21.23)	-43.48	(31.95)
Gender	0.002	(0.001)	0.007	(0.002)	11.86	(5.05)	30.50	(11.13)
Age	-0.010	(0.002)	-0.008	(0.002)	-51.95	(9.69)	-48.00	(12.58)
Marital status	-0.003	(0.002)	-0.004	(0.003)	-30.33	(14.89)	-24.97	(20.12)
Children	0.004	(0.002)	0.004	(0.002)	11.35	(8.68)	-1.37	(13.16)
Education	0.004	(0.001)	0.005	(0.002)	6.11	(9.19)	0.36	(13.52)
Earnings and work history	-0.048	(0.008)	-0.049	(0.011)	-471.75	(71.22)	-656.66	(119.04)
Base period & high quarter wages	-0.047	(0.006)	-0.042	(0.008)	-575.16	(53.23)	-710.80	(74.57)
Base period hours	-0.005	(0.003)	-0.002	(0.003)	-16.62	(20.86)	-12.62	(21.01)
Unemployment duration	0.016	(0.004)	0.006	(0.007)	181.62	(46.17)	131.94	(84.74)
Union	-0.002	(0.001)	-0.002	(0.001)	-17.26	(5.66)	-27.57	(9.84)
Industry	-0.010	(0.002)	-0.010	(0.003)	-44.33	(10.22)	-37.60	(17.06)
Potential UI benefits	0.006	(0.004)	0.003	(0.004)	149.06	(29.75)	136.47	(38.44)
Potential replacement rate	0.007	(0.004)	0.005	(0.004)	170.25	(29.50)	184.38	(39.69)
Potential benefit weeks	-0.001	(0.002)	-0.002	(0.003)	-21.19	(11.35)	-47.91	(20.28)
State economic conditions	-0.000	(0.001)	0.000	(0.001)	-0.76	(4.48)	2.62	(7.58)
Unemployment rate	-0.000	(0.001)	0.000	(0.001)	-0.64	(4.22)	1.54	(6.27)
Log gross state product	-0.000	(0.000)	0.000	(0.000)	-0.12	(1.73)	1.08	(4.64)
State UI rules	-0.012	(0.004)	-0.016	(0.005)	-129.72	(24.19)	-200.30	(40.97)
Simulated eligibility	0.001	(0.001)	0.005	(0.003)	1.86	(8.89)	16.13	(20.19)
Simulated replacement rate	-0.005	(0.002)	-0.009	(0.004)	-10.00	(13.25)	-16.87	(27.54)
Maximum UI benefit	-0.004	(0.002)	-0.004	(0.003)	-93.68	(15.98)	-157.54	(28.68)
Denial rate of UI claims	-0.001	(0.001)	-0.002	(0.001)	-3.09	(5.81)	-17.12	(9.40)
UI filing methods	-0.004	(0.003)	-0.006	(0.005)	-24.81	(20.67)	-24.90	(32.06)
State non-UI policy rules	-0.016	(0.004)	-0.020	(0.005)	-55.08	(24.20)	-35.05	(39.29)
Maximum AFDC benefit	-0.016	(0.004)	-0.020	(0.006)	-45.67	(24.27)	-26.82	(39.43)
State EITC benefit	-0.000	(0.000)	-0.000	(0.000)	-3.65	(3.19)	-1.32	(3.11)
State minimum wage	-0.000	(0.000)	0.000	(0.001)	-5.75	(4.23)	-6.92	(6.35)
State political parties	-0.001	(0.002)	-0.002	(0.003)	-24.43	(9.52)	-32.87	(16.47)
Governor political party	0.000	(0.002)	-0.001	(0.003)	-20.46	(10.32)	-31.31	(18.44)
Legislature political party	-0.001	(0.001)	-0.001	(0.001)	-3.96	(6.07)	-1.56	(10.38)
Year	-0.006	(0.004)	-0.011	(0.005)	-81.56	(26.37)	-128.48	(41.97)

Notes: The first row reports the unconditional Black-White gap as in equation (1). The second row reports the conditional gap from equation (2). The remaining rows report results of the decomposition in equation (3). This table differs from Table 3 by excluding region fixed effects. See text for details. Heteroskedasticity-robust standard errors are in parentheses.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.7: Decomposing Black-White Gaps in Unemployment Insurance Receipt and Take-up –
Including State-Year Fixed Effects

Dependent variable:	Receives UI in 12 months post job separation				UI benefit amount in 12 months post job separation			
	All		Eligibles		All		Eligibles	
	(1)		(2)		(3)		(4)	
Unconditional Black-White gap	-0.099	(0.013)	-0.140	(0.019)	-870.66	(78.78)	-1298.65	(127.77)
Conditional Black-White gap	-0.018	(0.013)	-0.044	(0.020)	-225.88	(84.61)	-356.07	(139.00)
Explained gap	-0.081	(0.010)	-0.095	(0.016)	-644.77	(75.16)	-942.57	(129.45)
Demographics	-0.002	(0.003)	0.003	(0.005)	-56.107	(21.794)	-55.778	(34.794)
Gender	0.002	(0.001)	0.007	(0.002)	10.52	(4.96)	26.74	(11.07)
Age	-0.009	(0.002)	-0.008	(0.002)	-49.34	(9.93)	-46.83	(13.46)
Marital status	-0.002	(0.002)	-0.003	(0.003)	-28.54	(15.51)	-27.58	(21.66)
Children	0.004	(0.002)	0.004	(0.002)	7.75	(9.02)	-1.23	(14.70)
Education	0.004	(0.001)	0.004	(0.002)	3.50	(9.50)	-6.88	(14.68)
Earnings and work history	-0.047	(0.008)	-0.046	(0.011)	-508.592	(73.558)	-685.271	(123.271)
Base period & high quarter wages	-0.045	(0.006)	-0.040	(0.008)	-601.48	(56.30)	-734.68	(82.04)
Base period hours	-0.006	(0.003)	-0.002	(0.003)	-28.87	(21.02)	-24.63	(21.46)
Unemployment duration	0.016	(0.004)	0.006	(0.007)	181.76	(46.23)	131.36	(85.64)
Union	-0.001	(0.001)	-0.002	(0.001)	-15.96	(5.38)	-27.50	(9.85)
Industry	-0.010	(0.002)	-0.009	(0.003)	-44.05	(10.66)	-29.82	(18.24)
Potential UI benefits	0.005	(0.004)	0.000	(0.005)	176.214	(33.289)	178.757	(45.162)
Potential replacement rate	0.005	(0.004)	0.003	(0.005)	187.12	(31.97)	203.35	(46.06)
Potential benefit weeks	-0.000	(0.002)	-0.003	(0.004)	-10.91	(13.50)	-24.59	(25.96)
State-year fixed effects	-0.036	(0.007)	-0.052	(0.012)	-256.29	(46.41)	-380.28	(86.61)

Notes: The first row reports the unconditional Black-White gap as in equation (1). The second row reports the conditional gap from equation (2). The remaining rows report results of the decomposition in equation (3). This table differs from Table 3 by including state-by-year fixed effects. See text for details. Heteroskedasticity-robust standard errors are in parentheses.
Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.8: UI Receipt and Benefits – Sensitivity to Months Considered in Analysis

	White		Black	
	Ever unemployed (1)	Ever UI eligible (2)	Ever unemployed (3)	Ever UI eligible (4)
Share of individuals receiving UI over indicated horizon after job separation				
12 months	0.37	0.55	0.28	0.42
9 months	0.37	0.55	0.27	0.41
6 months	0.36	0.54	0.26	0.40
3 months	0.35	0.52	0.25	0.38
Average amount of UI benefits received over indicated horizon after job separation				
12 months	2029	3098	1158	1799
9 months	1907	2919	1090	1706
6 months	1669	2559	976	1521
3 months	1116	1723	653	1016

Notes: Columns 1 and 3 contain individuals who separate from an employer in their SIPP month of interview 16 or later and become unemployed at some point during the 12 months after job separation. Columns 2 and 4 further restrict the sample to unemployed individuals that we estimate as likely eligible for UI. We use one observation per person, observed in the month of separation. UI receipt and benefits are measured for the 12, 9, 6, or 3 months after observation. All columns exclude individuals for whom UI receipt is imputed.

Source: Authors' analysis of the 1986–2014 SIPP panels.

Table A.9: Racial Gaps in Unemployment Insurance Benefits – Sensitivity to Using Estimates from BAM Data and Extreme Assumptions

	Data (1)	White (2)	Black (3)	Gap (4)
A: Summary Statistics				
Share receiving UI	SIPP	0.37	0.28	0.09
Average months with UI receipt, conditional on receipt	SIPP	3.48	3.23	0.25
Average weekly benefit amount, conditional on receipt	SIPP	342	300	42
Average weekly benefit amount, conditional on receipt	BAM	382	308	74
B: Average Total UI Benefits Received				
Measured directly from SIPP	SIPP	1983	1167	816
Approximated using decomposition formula	SIPP	1907	1175	732
C: Sensitivity Analyses				
Robustness: Use BAM weekly benefit amount	SIPP & BAM	2130	1206	924
BAM + Extreme assumption 1: No gap in share receiving UI	SIPP & BAM	2130	1594	536
BAM + Extreme assumption 2: No gap in months of UI receipt	SIPP & BAM	2130	1299	830
BAM + Extreme assumptions 1 & 2	SIPP & BAM	2130	1717	413

Notes: Panel A report summary statistics from 2002–2015 SIPP and BAM data on non-Hispanic individuals between the ages of 25 and 64. We limit the BAM sample to initial UI claimants to avoid biases from dynamic sample selection over time. We weight the BAM data using the ratio of the total number of UI claims in a state-week combination from Department of Labor data to the number of UI claimants in a state-week combination in the BAM data. The first row of Panel B reports average total UI benefits received in the 12 months after job separation. The second row of Panel B reports an approximation of this sum, calculated by combining equation (A.3) with the summary statistics from Panel A on share of individuals who receive UI, average months with UI receipt, and average weekly benefit amount. In Panel C, we continue to use this approximation. In all rows we use the average weekly benefit amount from the BAM data. The second row imposes the assumption that there is no racial gap in the share of individuals that receive UI by using the White UI receipt rate for Black individuals. The third row imposes the assumption that there is no racial gap in months of UI receipt by using the White average months with UI receipt for Black individuals. The final row imposes both of these assumptions. Source: Authors' analysis of 2002–2015 SIPP and BAM data.