

Public benefits and private safety nets:
Demographic disparities in resources following job loss

by

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Dedication

To the men and women of Fountain House, who showed me why work matters, and what it means to do good social work

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Chapter 1

Introduction

In 2007, I graduated from college and entered the workforce. In August of that year, the economy hummed along in the manner I was familiar with, and I began my first job. Alongside individuals with serious mental illness, I washed carrots and swept floors; flattened boxes and fed worms; filled out applications for Food Stamps and attended psychiatric appointments; set goals and danced through the kitchen. In November of that year, while waiting for our morning meeting to begin, the members and staff of my unit gathered around our meeting table and looked over a newspaper article detailing trouble on Wall Street, sixty blocks south of our organization. Bear Stearns was a firm in the city where we lived and worked, so we tried to understand what had happened there and what, if anything, it would mean for us.

The collapse at Bear Stearns was the beginning of a larger economic crisis that did impact the members and staff at my place of employment. The organization's endowment shrunk and the wealthy donors that had always provided financial support to our organization were no longer sure of their own financial positions. We began a yearlong period of staff lay-offs. As the law firms and accounting agencies that had once provided Temporary Employment Placements to our membership struggled to balance their books, our contracts were canceled. Members and staff alike looked for employment outside of our agency walls, but no one was hiring. Our city was the epicenter of a global financial catastrophe, and it was not clear if or when we would return to normalcy.

In 2009, the National Bureau of Economic Research declared the end of the Great Recession and I began graduate school at the University of Michigan. Though GDP was on the rise, and GM had exited bankruptcy, jobs did not seem to be re-appearing. Was this recovery jobless? And what help existed for those individuals who were no longer able to support themselves through labor market participation? It was in the context of these questions that I

began to familiarize myself with Unemployment Insurance, the major U.S. government program designed to assist individuals who lose jobs.

When, in 1935, Franklin Delano Roosevelt signed the Social Security Act into law and established the Unemployment Insurance (UI) program, he did so in the context of an economic contraction more severe than any we have seen since. When stock prices plummeted on Black Tuesday and underlying weaknesses in the economy were exposed, lay-offs began. Without job openings to fill or state aid to turn to, the unemployed were unable to purchase goods. As the decline in demand rippled through the economy, the number of unemployed Americans increased (Galbraith 1997). In 1933 the unemployment rate reached 25%. In the years preceding and following, without aid from government programs, Americans experienced unparalleled hardship (Rauchway 2008; Terkel 1970). In the East, businessmen took their own lives and breadlines grew. In the Plains, economic devastation was coupled with environmental degradation, and families were forced west in search of work—many succumbed to pneumonia or malnutrition en route. In the Midwest, farming families turned to squirrel meat for sustenance; in the South, the stream of Black outmigration slowed and families remained trapped in sharecropping arrangements. Shantytowns sprang up across the country, some housing thousands of residents who could afford no other shelter (Rauchway 2008).

UI was designed to address both the causes of prolonged macroeconomic contraction and its symptoms. By providing income to the unemployed the program increases demand among individuals with a high marginal propensity to consume, and keeping consumption levels high prevents further lay-offs. Stopping demand from dropping precipitously and economic disaster from spreading contagiously addresses the root causes of economic contraction. UI also addresses the symptoms of contraction that has already occurred by offering relief to those people who have lost jobs and are vulnerable to hunger, cold, and homelessness. The program works by providing partial wage replacement to the victims of involuntary joblessness.

To receive UI, one must 1) apply for the program; 2) satisfy monetary eligibility criteria; and 3) satisfy non-monetary eligibility criteria. Each state has a different application procedure, but in recent years application processes have increasingly moved from in-person procedures to online and telephone claims. In the state of Michigan, individuals can complete an online or telephone application. Applicants provide their social security number, driver's license number, address, phone number, birth date, citizenship status, number of dependents, school enrollment

status, list of all employers worked for in the previous five quarters, rate of pay, occupation code, reason for employment separation, and any continuing pay from former or current employers. In Michigan, applicants also must visit one of the state's approximately 100 One Stop Career Centers (called Michigan Works!) and register for services in person. Most respondents interviewed for this dissertation indicated that these centers were easy to locate and that they were able to secure transportation to the centers, though access is likely in rural areas where the distance to these centers is greater and transit options more limited.

To satisfy monetary eligibility criteria, applicants must have earnings above a given threshold in a four-quarter period, and some states have requirements about the distribution of earnings across the four quarters (called the base period). For example, in Michigan in 2014, UI recipients must have earned \$4,307 in four quarters, and at least \$2,871 of those earnings must be concentrated in one quarter. Further, the total earnings in the base period must equal at least 1.5 times the amount in the base period—so if an individual's greatest earnings in a given quarter are \$6,000, they must have earned \$9,000 in the base period¹.

To satisfy non-monetary eligibility criteria an individual must have separated from work through no fault of their own, and must be searching for work. The legal tests for meeting these criteria are complex and vary by state. In short, the individual must have been laid off, quit for reasons attributable to the employer, or fired for cause but not for misconduct. The individual must be making a reasonable work search effort, and may not refuse an offer for suitable work.

In the state of Michigan, after an individual applies for benefits the Unemployment Insurance Agency examines the individual's wage records to determine monetary eligibility, and contacts an individual's former employers to verify the accuracy of the reason for work separation, and issue a decision regarding benefit eligibility. If either the applicant or applicant's former employer take issue with the Unemployment Insurance Agency's determination, a legal process of contestation can be initiated. This process includes the filing of a protest letter and can include a hearing before an Administrative Law Judge and appeals to higher courts. Following a determination of eligibility, the benefit recipient is required to verify ongoing work search activity and to report changes to employment status online or by calling Michigan's Automated Response Voice Interactive Network (MARVIN). Through their bi-weekly calls to MARVIN,

¹ Alternatively, a Michigan worker can qualify if they have wages in at least two quarters and total wages in four quarters that equal four times the state average weekly wage.

some UI recipients develop almost personal relationships with the system—one respondent interviewed for this dissertation remarked, “Oh Marvin, my goodness, Marvin talks too much, but I do understand that he has to give you this information. I get it, but my goodness! He goes on and on and on.... He's a help too, but jeez.”

Benefit amounts vary by state. In Michigan, the weekly benefit amount is pegged to 4.1% of the earnings in the base period quarter in which the applicant had the highest earnings, and the benefit amount is increased if the benefit recipient has dependents. The minimum benefit amount in Michigan is \$117 weekly and the maximum benefit amount is \$362 weekly. In most states, an individual is eligible to receive a maximum of 26 weeks of regular unemployment benefits, though recent legislation in Michigan has decreased this duration to 20 weeks. In times of macroeconomic contraction, the duration of benefit receipt can increase through the federal Extended Benefit and/or Emergency Unemployment Compensation programs. In 2009 and 2010 benefits were extended for up to 99 weeks.

Unemployment Insurance is financed through a state-federal partnership. Employers pay state and federal taxes on part of each of their employee's earnings. Federal contributions are paid at a rate of 6% on the first \$7,000 of each employee's earnings. State contributions vary by state. Taxes are levied on the first \$7,000 of each employee's earnings (the legal floor) in several states and, in 2014, were levied on the first \$42,100 of each employee's earnings in Washington state (the highest amount). The rate of taxation varies depending on the UI claiming behavior of the employer's employees. When many former employees have claimed UI, the employer's tax rate increases. This program feature, termed “experience rating,” was designed to discourage layoffs by employers, and the U.S. is the only OECD nation that uses experience rated taxes to finance unemployment claims. All tax revenues are deposited into state and federal trust funds, which are then drawn from to finance successful benefit claims.

UI is one part of a larger social safety net. A rich literature in history, sociology and political science argues that the contemporary U.S. social safety net—initially established with the passage of Franklin Delano Roosevelt's Social Security Act during the Great Depression—is designed to serve different social groups differently. Linda Gordon's canonical *Pitied But Not Entitled* (1994) describes how early social programs were built from the framework of widow's pensions, which took great pains to serve “deserving” widows, while excluding men, women without children, and “undeserving” women with children. Jill Quadagno (1994) traces Gordon's

analysis forward in time, examining racial divisions in the Great Society, arguing that the paltry American social safety net took shape from a desire to exclude African Americans from social programs. Finally, Schneider and Ingram (1993) describe the three branches of welfare programs: social welfare programs that target the needy; social insurance programs that target individuals who have a history of labor market attachment; and universal programs, that serve all individuals. Schneider and Ingram draw distinct lines between programs such as Medicaid and Medicare, Unemployment Insurance and Aid to Families with Dependent Children, arguing that different programs can be grouped together based on how deserving and how powerful their target populations are.

These key arguments laid the foundation for a large body of research built on the premise that the American social safety net provides separate and unequal services to distinct target populations: those who are entitled and receive social insurance, and those who are pitied and receive social welfare (Katznelson 2005). UI is considered a social insurance program—and indeed, nearly every person interviewed for this dissertation research distinguished UI from social welfare programs like Food Stamps (now called SNAP, the Supplemental Nutrition Assistance Program), and indicated that they were deserving of UI because they had earned it through their history of consistent work.

In the popular imagination, sharp distinctions are drawn between the deserving (e.g. working or with a work history) and undeserving (nonworking, despite an ability to work) poor, but in reality there are overlaps in the target populations of programs aimed at the deserving and undeserving. Most non-working very poor Americans live in households in which an adult has recently worked (Edin and Shaefer forthcoming), and some working Americans are stereotyped as undeserving because of their low level of education or membership in a racial minority group (Gilens 1999). As funding for social welfare programs/programs targeting the “undeserving” has declined in recent years, accessing social insurance programs may be a more important strategy for the working poor. In an era in which TANF program coverage is low, material assistance from programs such as SSDI, SNAP, EITC and UI has received increasing scholarly attention (Mendenhall et al 2012; Li et al 2014; Kruglaya 2014; Rothstein and Valletta 2014). This dissertation, along with other work, argues that while theoretically the social insurance program UI is an important support for disadvantaged groups in reality, it is often out of reach for low-

educated and racial minority job losers (GAO 2006; GAO 2007; Grant-Thomas 2010; Shaefer 2011).

While many individuals interviewed for this dissertation described UI as playing a crucial role in their recovery from job loss, the importance of Unemployment Insurance in the lives of job losers should not be overstated. While important to recipients, UI is designed to provide income support at a level below the level earned while working, in order to incentivize unemployed individuals to return to work (Douglas 1932 in O’Leary 1995). Equally if not more prominent in the lives of individuals experiencing downward mobility or income shocks are private resources. When individuals fall on hard times, they rely on help from social networks, income from informal work arrangements, and credit to get by (Edin and Lein 1997; Newman 1999; Seefeldt 2008; Stack 1975; Venkatesh 2006). In this dissertation, these resources are collectively referred to as “the private safety net,” a term which denotes personally held resources that individuals can use to meet their needs when they are unable to do so through the labor market.

This dissertation examines both the public safety net—Unemployment Insurance—and the private resources that individuals use to cope with job loss and its concomitant challenges. The first two empirical papers examine disparities in the public resources available to individuals who lose jobs, and the third and final paper turns to disparities in the private resources individuals are able to deploy following job loss. The first paper, presented in chapter 2, uses a special supplement to the Current Population Survey to examine the demographic characteristics of UI applicants and recipients. It finds that low-socioeconomic status (as measured by education level) and racial minority job losers are less likely to apply for and, conditional on application, less likely to receive unemployment benefits. The second paper of the dissertation, presented in chapter 3, uses in-depth interviews with unemployed individuals from across the socioeconomic spectrum to identify an understudied actor—the former employer—whose role in the benefit claiming process may affect disparities in receipt of UI benefits. The final paper, presented in chapter 4, argues that racial disparities in private resources lead to unequal trajectories to recovery from job loss for African American and White job losers. Chapter 5 offers concluding thoughts, suggestions for social work practice, and implications for policy.

This dissertation can be thought of as a tale of two safety nets. Like much sociological work, it documents a bifurcated society, separate and unequal. The three papers included here

provide evidence that, as in other domains, when it comes to buffering the vicissitudes of job loss there are “haves” and “have nots”—some individuals have well-resourced safety nets to buffer their falls; others fall farther and harder.

But this is not simply a tale of two safety nets, one strong and one weak, disproportionately distributed in our society. The dissertation is best read as a story of the two safety nets that each of us has available: one public, one private. The evidence presented in this dissertation suggests that every person who recovers from job loss falls back onto some type of safety net, public, private or both; that for no economic category or racial group is grit and self-determination enough to bounce back, but that for every group tangible resources are necessary. The papers that follow explore how individuals of different racial and socioeconomic groups successfully or unsuccessfully marshal their public and private resources to cope with a life-altering change: job loss.

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Chapter 2

Participation in unemployment insurance by education and by race and ethnicity²

INTRODUCTION

The purpose of the Federal-State Unemployment Insurance (UI) Program is to provide partial wage replacement for individuals who lose a job through no fault of their own. The program also serves to stabilize the macroeconomy during economic downturns (Wander and Stettner 2000; Government Accountability Office 2007). Receipt of UI, however, is far from universal, with consistently less than half of unemployed workers receiving benefits, outside of major economic downturns (Wentworth 2010). Which workers fall into the group of insured unemployed and which do not varies with several factors, such as the worker's reason for unemployment, earnings history, part-time or full-time work status, union coverage, and duration of unemployment. Little research, however, has been devoted to whether application for and receipt of benefits among applicants varies systematically with two key demographic characteristics: educational attainment, and race and ethnicity.

Recent research suggests that low-educated unemployed workers are less likely to access UI than high-educated unemployed workers and that minority unemployed workers are less likely to do so than White non-Hispanic unemployed workers (Grant-Thomas 2011; Shaefer 2010). At the same time, low-educated unemployed workers and minority unemployed workers may be more likely to need the monetary support provided by UI, because they are less likely to have assets that they can draw on to smooth consumption during periods of unemployment (Conley 1999). Although a number of studies have examined workers' educational attainment, as well as race and ethnicity, with an eye toward determining the overall likelihood that a worker will receive UI benefits (Grant-Thomas 2011; Shaefer 2010), to date no in-depth analysis has

² This paper is jointly authored with H. Luke Shaefer, and a version appears in *Monthly Labor Review* 135(10).

been conducted that examines the role of educational attainment or that of race and ethnicity in determining application rates, receipt of UI by applicants, and perceived ineligibility for benefits.

To better understand which workers apply for UI and which applicants receive it, this article analyzes the Current Population Survey (CPS) May 2005 UI Non-filers Supplement. Stratifying the sample by educational attainment and by race and ethnicity, the analyses that follow examine whether unemployed workers apply for UI, whether applicants receive UI, and why nonapplicants fail to apply. Among the findings is that unemployed workers without a high school diploma are far less likely to apply for UI, and, among those who do apply, far less likely to receive UI, than their college-educated counterparts. By contrast, differences in rates of UI application and receipt among applicants with a high school degree or higher are less pronounced. Still, the article finds statistically significant differences across education levels in the reasons cited by non-filers for their failure to apply.

Another finding, this time with regard to race and ethnicity, is that there is bivariate evidence that Hispanics are less likely both to apply for UI, and to receive UI if they do apply, compared with White non-Hispanics. Hispanics are also less likely to know that UI benefits exist and less likely to know how to apply. Some, but not all, of this variation is accounted for by the higher percentage of noncitizens among Hispanic workers. Finally, there is bivariate evidence that Blacks are less likely to apply for UI than White non-Hispanics, and although there appears to be a difference in the rate of receipt between applicants in these two groups, it is not statistically significant. Differences in rates of application and in rates of receipt among applicants, by race and ethnicity, are less robust in multivariate models.

BACKGROUND

The Unemployment Insurance Program is administered through a federal-state partnership. Thus, eligibility requirements, the size of the benefit, and the duration of receipt of the benefit vary among states. During normal macroeconomic conditions, individuals are typically eligible to receive a percentage of their previous earnings for up to 26 weeks. To receive this benefit, individuals must (1) apply for UI; (2) satisfy “monetary eligibility”³ criteria, which typically require that an individual have earnings above a minimum threshold (that varies by state) in a designated four-quarter period; and (3) satisfy “initial nonmonetary eligibility

³ Also called “earnings requirements.”

criteria,” which typically require that an employment separation be involuntary and no-fault and that the worker be engaged in an ongoing search for reemployment. In some cases, individuals with a voluntary separation meet nonmonetary requirements if the separation is considered in “good cause,” such as to avoid harassment or domestic violence or to relocate to another state because of a spouse’s employment situation.⁴

The proportion of the unemployed receiving UI declined from around 50 percent in the 1950s to below 35 percent in a number of years during the 1980s and 1990s, and remained at 37 percent in 2007 on the eve of the Great Recession. In the past few years of high unemployment, UI reciprocity, including benefits from both the regular program and federal extensions, jumped dramatically, peaking as an annual percentage at 66 percent in 2010. This outcome appears to be largely a result of multiple extensions to federal programs, coupled with unemployment spells of unprecedented duration, and it is likely that reciprocity rates will continue to fall as the economy improves.

Several articles in the literature have examined systematic variation in which individuals receive UI. Examining receipt based on gender, age, race, educational attainment, and previous employment status, these studies generally find that low-educated workers and racial and ethnic minority workers are less likely to receive UI, but the reasons for this are largely unknown: it could be a result of differences in application rates or eligibility rates (Shaefer 2010; GAO 2007; Grant-Thomas 2011). Nonmonetary eligibility requirements present a greater barrier to accessing UI than monetary requirements, which a large majority of even low-wage workers meet. Still, even among unemployed workers who appear to be eligible, low-educated and low-wage workers are less likely to report receipt of UI benefits than others (GAO 2006; Shaefer 2010). To date, no studies have examined whether there is systematic variation in UI application rates and receipt among applicants by education level and by race and ethnicity of potential applicants.

Low-educated and minority workers are more likely to lose their jobs during economic downturns and have less of a financial cushion than their more educated and White non-Hispanic counterparts (Keys and Danger 2008; Fairlie and Kletzer 1998; Conley 1999). Thus, these

⁴ Monetary incentives included in the UI Modernization Act, which was part of the American Recovery and Reinvestment Act of 2009 (123 Stat. 115) led some states to relax their nonmonetary requirements, making eligible those who quit for “compelling family reasons,” among which are to avoid domestic violence, to care for an immediate family member who is ill or disabled, and to relocate to another state because of a spouse’s employment situation.

workers could benefit greatly from the income-stabilizing function of UI. At the same time, unemployed individuals who are members of minority racial or ethnic groups or who have low levels of educational attainment could face unique barriers to receipt of benefits. These workers could lack knowledge about the existence of benefits or application procedures, have difficulty satisfying eligibility criteria, face discrimination when applying for benefits, or have difficulty completing the application process. Understanding whether individuals who fall into specific racial or ethnic or education-level categories have lower rates of UI application and receipt--and if so, why--is crucial to developing policies ensuring that the UI program satisfies its intended function for all members of the labor force. This article provides evidence suggesting that low-educated workers and Hispanic workers apply for, and, among those who do apply, receive UI at lower rates than more highly educated and White non-Hispanic workers. The article also provides some evidence as to why these differences exist and suggests future directions for research that would more conclusively determine the causes of the differences.

DATA AND METHODS

The CPS is a monthly survey of 60,000 nationally representative U.S. households. Conducted by the Census Bureau on behalf of the Bureau of Labor Statistics, the CPS includes data on demographic characteristics and the work situations of respondents. Supplementary questions are added to the survey in given months in order to gain more detailed information on specific topics, including filing for UI. The CPS has conducted three supplementary surveys on applications for and (among applicants) receipt of UI: one in 1976, one in 1989, one in 1993, and, most recently, one in 2005. Beyond the demographic and labor force participation variables available in the core CPS surveys, the 2005 UI Non-Filers Supplement provides recent data on whether unemployed workers have applied for UI, whether they received benefits if they applied, and, if they did not apply, the reasons they give for not applying. These kinds of information make the CPS UI Non-Filers Supplement the best available data source for a preliminary exploration of variation in UI application and in receipt among applicants. A search of the literature indicates that this supplement has not yet been analyzed on the basis of either educational attainment or race and ethnicity.

The analyses that follow use the 2005 CPS UI Non-Filers Supplement (1) to estimate the proportion of the unemployed that applies for UI, (2) to estimate the proportion, among those

who do apply, that receives UI, and (3) to examine various reasons workers did not apply. The population is stratified by educational attainment and by race and ethnicity.⁵

The estimates obtained are restricted to unemployed workers who were job losers (including those whose temporary job had ended) and unemployed workers who were job leavers. Job losers are more likely to be eligible for UI than job leavers, because they are more likely to meet the nonmonetary eligibility requirements, which generally call for the employment separation to be initiated by the employer; however, because several categories of job leavers are eligible (recall the earlier discussion), they are also included in the sample.⁶ Excluded are individuals who were working, those who were not in the labor force, new entrants into the labor force, and reentrants. There is no consensus in the literature on how to handle reentrants: some studies assume that they are likely to have spent a short period outside of the labor force and to display characteristics similar to those of job losers and job leavers (Vroman 2009), while others assume that reentrants have likely spent a long period outside of the labor force and thus group them together with new entrants (Valetta and Kuang 2010; Krueger and Mueller, 2010). Because there probably is considerable heterogeneity within this group, with some respondents being similar to new entrants and others being more similar to job losers and job leavers, they are excluded from the analyses.⁷ Ninety-four respondents for whom we had missing data on UI application were excluded from the analyses. Thus, the resulting sample is 1,816 respondents.

The number of years of education is used to place respondents into one of four categories: “less than a high school diploma” for individuals without a high school diploma or a General Educational Development (GED) certificate; “high school diploma,” for individuals who have a high school diploma or a GED but who had not attended any college; “some college,” for individuals who attended a postsecondary institution without receiving a bachelor’s degree; and “bachelor’s degree and higher” (self-explanatory). Respondents were also placed into four

⁵ After proportions are calculated, a simple two-variable ordinary least squares regression is used to determine whether there are any statistically significant differences between groups.

⁶ There are 332 job leavers in the sample, constituting 18.3 percent of the total sample.

⁷ There are 902 reentrants between the ages of 18 and 64 in the 2005 CPS UI non-filers supplement, compared with a combined 1,910 job leavers and job losers, of which 1,816 have information on how to apply for UI. If included, reentrants would constitute one-third of the sample, and the heterogeneity in the group could seriously affect the results of the analysis.

mutually exclusive race and ethnicity categories: White non-Hispanic, Black, Hispanic,⁸ and “other race.” Individuals in the “other race” category were excluded from the tables because of inadequate sample size.

Citizenship status can affect an individual’s eligibility (or perceived eligibility) for government benefits (National Employment Law Project 2002) and is correlated with ethnicity. Slightly more than a third of Hispanic respondents in the sample were not citizens, compared with 4.1 percent of Black respondents and 1.6 percent of White non-Hispanic respondents. To examine the citizenship status of respondents in the sample, a detailed measure of citizenship status was collapsed into the dichotomous categories “citizen” and “noncitizen.” In alternative analyses, the dichotomous categories “immigrant” and “nonimmigrant” were used, with substantively similar results.⁹

Survey questions such as “Did you receive Unemployment Insurance?” and “Is this a reason that you did not apply for Unemployment Insurance” were recoded so that both “I don’t know” and “no” responses were coded as “no.”¹⁰ “Yes” responses were the only responses coded as “yes,” and refusals were coded as missing. Thirty-nine observations that were inconsistently coded were excluded from the analyses of reasons given by nonapplicants for failure to apply.

For consistency, in the estimates discussed, White non-Hispanic respondents are used as the reference category for comparison with other race and ethnicity categories. Respondents with a bachelor’s degree are used as the reference category for comparison with all other categories of educational attainment. Estimates are weighted with probability weights provided by the U.S. Census Bureau, and standard errors are clustered at the state level to account for the CPS’s stratified survey design.

⁸ Respondents who indicated that they were of Hispanic ethnicity were deemed Hispanic rather than members of the racial group they indicated. In the sample, 7 Hispanic respondents indicated that they were Black, 200 indicated that they were White, and 16 indicated that they were of another race.

⁹ Available upon request.

¹⁰ In the case of UI receipt, it was assumed that individuals would indicate “yes” if they received the benefit and that those who did not know whether they were recipients likely were not. In the case of reasons for failure to file, it was assumed that if a respondent did not know whether a reason had affected his or her decision to file, the reason likely did not have a large impact on the decision.

RATES OF APPLICATION

The top half of table 1 shows the proportion of unemployed individuals who applied for UI, stratified by educational attainment (left-hand panel) and by race and ethnicity (right-hand panel). The full sample of unemployed workers is examined, as are job losers and job leavers separately. Among the three groups of respondents with a high school diploma or higher, the proportion of respondents applying for UI ranges from 44.6 percent of those with just a high school diploma to 50.9 percent of those with a bachelor's degree or higher, and the difference is significant at only the .10 level. By contrast, among respondents with less than a high school diploma, only 30.6 percent applied for UI. This percentage is a statistically significant 20.3 percentage points lower than the application rate among respondents with a bachelor's degree or higher. Thus, workers with less than a high school diploma are much less likely than more highly educated workers to apply for UI.

Moreover, this finding is consistent across both job losers and job leavers: While 57.2 percent of job losers with a bachelor's degree or higher applied for UI, the same was true of just over a third of job losers with less than a high school diploma. Even among job leavers, those with less than a high school diploma were less likely to apply: 7.2 percent, in comparison to 23.3 percent of those with a bachelor's degree and higher.

The top right-hand panel of the table shows that there are some statistically significant differences across racial and ethnic groups as well. Whereas 49.5 percent of White non-Hispanic respondents applied for UI, the same was true of only 38.4 percent of Black respondents. Interestingly, the difference, marginally significant at the .10 level, was entirely a result of Black job losers being less likely to apply than White job losers: application rates among job leavers were similar for the two groups.

Even less likely to apply were Hispanic respondents, with slightly more than a third of them doing so. Because different rates of citizenship may explain some of this disparity,¹¹ Hispanic citizens were compared with White non-Hispanic respondents.¹² As a result the gap

¹¹ About 34 percent of respondents in the Hispanic sample are not U.S. citizens, a large proportion compared with the White non-Hispanic reference group, which is 1.6 percent noncitizen.

¹² Table 1 displays the significance levels for the comparisons between Hispanic citizens and all White non-Hispanic respondents. The analysis also compared White non-Hispanic citizens with Hispanic citizens, and there were no appreciable differences in the results, which are available upon request.

between these groups narrowed, from 15.5 percentage points to 8.9 percentage points (significant at the .001 and .01 level, respectively). Thus, citizenship explains some of the differences in application rates for UI between Hispanic and White non-Hispanic workers, differences that were consistent across both job losers and job leavers. Restricting the analyses to Hispanic citizens narrows the gap among job losers, but not among job leavers.

RECEIPT AMONG THOSE WHO APPLIED

Simply applying for UI does not guarantee that one will receive benefits: workers also must satisfy monetary and nonmonetary criteria to be eligible. The bottom half of table 1 shows levels of UI receipt among the 585 respondents in the sample who applied for benefits.

Among applicants for UI, there is a clear pattern of declining probability of UI receipt as educational level decreases. Applicants with a bachelor's degree or higher are approximately 9 percentage points more likely to receive benefits than are applicants with some college (significant at the .05 level) and applicants with a high school diploma only (statistically insignificant). Respondents with less than a high school diploma who applied for UI are 18.0 percentage points less likely to receive benefits than their counterparts with a bachelor's degree (significant at the .01 level). The disparity between college-educated respondents and those with less than a high school diploma remains large among both job losers and job leavers, although the difference is not statistically significant among job leavers.

With regard to rates of receipt stratified by race and ethnicity, Hispanic applicants are considerably less likely to receive UI than their White non-Hispanic counterparts are, even when the sample is restricted to Hispanic citizens. This finding suggests that citizenship status cannot completely account for the differences in receipt rates among UI applicants in these two groups. Black applicants are 7 percentage points less likely to receive benefits than non-Hispanic Whites; however, this difference is not significantly significant.

MULTIVARIATE MODELS

Tables 2 and 3 report on a series of linear probability models that further test the bivariate relationships described in the previous two sections. Table 2 reports on models in which the outcome is the probability of applying for UI, while table 3 reports on models in which the outcome is the probability of UI receipt among applicants. All of the models include controls for age of respondent (in dummies for younger than 25, 25-34, 35-44, 45-54, and 55-64), gender,

and marital status. Results are given for five models. The first four models examine, respectively, education level, citizenship, race and ethnicity, and the reason for the employment separation. The final model adds in state fixed effects.

Educational attainment					Race, ethnicity, and citizenship			
Category of worker	Bachelor's degree and higher	Some college	High school diploma	Less than a high school diploma	White non-Hispanic	Hispanic	Hispanic citizens	Black
Proportion applying for unemployment insurance					Proportion applying for unemployment insurance			
Unemployed	0.509 (.033)	0.515 (.034)	¹ 0.446 (.028)	² 0.306 (.037)	0.495 (.026)	² 0.340 (.036)	³ 0.406 (.037)	¹ 0.384 (.053)
Job losers	.572 (.037)	.594 (.036)	¹ .498 (.031)	² .347 (.043)	.563 (.023)	² .382 (.034)	¹ .484 (.045)	⁴ .418 (.057)
Job leavers	.233 (.049)	.242 (.054)	.175 (.034)	⁴ .072 (.038)	.204 (.038)	⁴ .064 (.045)	⁴ .064 (.050)	.230 (.061)
Proportion of applicants receiving unemployment insurance					Proportion of applicants receiving unemployment insurance			
Unemployed	.763 (.039)	⁴ .671 (.042)	.675 (.031)	³ .583 (.034)	.709 (.019)	³ .568 (.036)	⁴ .601 (.040)	.639 (.057)
Job losers	.767 (.044)	.708 (.041)	.693 (.033)	³ .587 (.034)	.729 (.020)	³ .581 (.039)	⁴ .619 (.047)	.644 (.065)
Job leavers	.727 (.119)	⁴ .364 (.149)	¹ .405 (.129)	.469 (.234)	.466 (.079)	.083 (.096)	— —	.591 (.174)
¹ Significantly different from the reference group at $p < .1$. ² Significantly different from the reference group at $p < .001$. ³ Significantly different from the reference group at $p < .01$. ⁴ Significantly different from the reference group at $p < .05$. ¹ Significantly different from the reference group at $p < .1$.								
NOTE: Standard errors are in parentheses below values.								

Having less than a high school diploma is associated with a decrease of between 10.5 percentage points and 14.9 percentage points in the probability of applying for UI, relative to those with a bachelor's degree or higher. Citizenship is associated with a substantial increase in the probability of applying, while being a job leaver is associated with a substantial decrease in this probability. Differences in application rates by race and ethnicity are less robust to model specification. Hispanic origin is negatively associated with the probability of applying, but with

statistically significance at the .05 in only two of four models. The point estimates associated with being Black are negative and between 7 percentage points and 8 percentage points across three models, but are not statistically significant in any of them. When state fixed effects are introduced in model 5, the point estimate associated with being Black approaches zero, rising to a statistically insignificant -1.9 percentage points.

Category	Model 1	Model 2	Model 3	Model 4	Model 5
Less than a high school diploma	¹ -0.149 (.049)	—	² -0.106 (.045)	¹ -0.120 (.044)	² -0.105 (.046)
High school diploma	-.008 (.037)	—	.002 (.033)	-.015 (.032)	-.018 (.033)
Some college	.047 (.036)	—	.050 (.036)	.051 (.034)	.049 (.033)
Other race	—	-.004 (.053)	-.003 (.054)	.003 (.052)	.005 (.049)
Black	—	-.085 (.062)	-.074 (.058)	-.074 (.058)	-.019 (.047)
Hispanic	—	² -.086 (.038)	-.057 (.037)	² -.062 (.028)	³ -.044 (.026)
Noncitizen	—	—	—	—	—
Citizen	—	¹ .156 (.045)	² .122 (.046)	¹ .155 (.047)	¹ .169 (.047)
Job leaver	—	—	—	¹ -.291 (.038)	¹ -.266 (.041)
State fixed effects	No	No	No	No	Yes
Constant	¹ .304 (.059)	¹ .150 (.049)	¹ .192 (.064)	¹ .251 (.062)	-.038 (.056)
<i>N</i>	1,816	1,816	1,816	1,816	1,816
<i>R</i> squared	.085	.084	.094	.142	.190

¹ significantly different from the reference group at $p < 0.01$.
² significantly different from the reference group at $p < 0.05$.
³ significantly different from the reference group at $p < 0.1$.

NOTE: Robust standard errors are in parentheses below values. Reference category for race and ethnicity dummies is White non-Hispanic, for educational attainment dummies is bachelor's degree or higher, for citizenship dummy is citizen, and for job separation dummy is job loser. Dash indicates variable not in model.

Table 3. Linear probability model of probability of UI receipt among applicants, 2005

Category	Model 1	Model 2	Model 3	Model 4	Model 5
Less than a high school diploma	¹ -0.174 (.048)	—	² -0.139 (.057)	² -0.149 (.060)	¹ -0.184 (.061)
High school diploma	-0.064 (.047)	—	-0.055 (.048)	-0.062 (.047)	³ -0.084 (.045)
Some college	² -0.079 (.038)	—	³ -0.074 (.039)	³ -0.070 (.040)	-0.080 (.050)
Other race	—	-0.007 (.043)	-0.002 (.046)	-0.008 (.046)	-0.020 (.055)
Black	—	-0.060 (.055)	-0.048 (.057)	-0.042 (.057)	-0.030 (.051)
Hispanic	—	¹ -0.121 (.042)	³ -0.088 (.044)	² -0.097 (.043)	-0.087 (.053)
Noncitizen	—	—	—	—	—
Citizen	—	.071 (.060)	.063 (.061)	.078 (.060)	.0944 (.061)
Job leaver	—	—	—	² -0.249 (.098)	¹ -0.283 (.095)
State fixed effects	No	No	No	No	Yes
Constant	¹ .553 (.109)	¹ .425 (.121)	¹ .497 (.117)	¹ .501 (.118)	¹ .389 (.117)
<i>N</i>	836	836	836	836	836
<i>R</i> squared	.047	.046	.053	.072	.147
¹ significantly different from the reference group at $p < 0.01$. ² significantly different from the reference group at $p < 0.05$. ³ significantly different from the reference group at $p < 0.1$. NOTE: Robust standard errors are in parentheses below values. Reference category for race and ethnicity dummies is White non-Hispanic, for educational attainment dummies is bachelor's degree or higher, for citizenship dummy is citizen, and for job separation dummy is job loser. Dash indicates variable not in model. SOURCE: Authors' analysis of May 2005 CPS UI Non-filers Supplement.					

Table 3 shows that having less than a high school diploma is associated with a large decrease in the probability that an applicant will receive UI benefits. Once again, the point estimate associated with being Black is negative, but not statistically significant. Across all

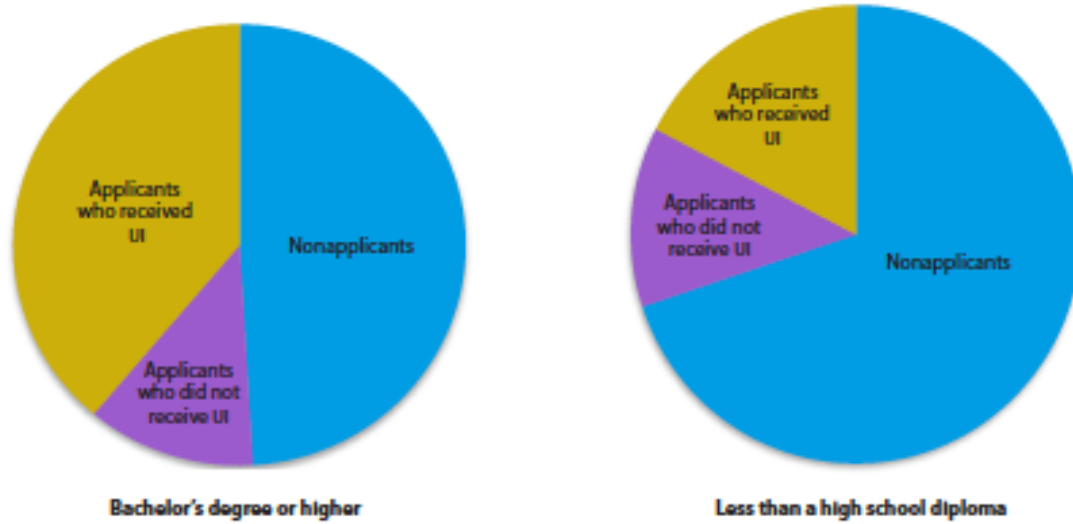
models,¹³ Hispanic applicants are 8.7 percentage points to 12.1 percentage points less likely to receive benefits than White non-Hispanic applicants. Interestingly, citizenship is not statistically significantly related to receipt among applicants. By contrast, being a job leaver is highly associated with a lower probability of receiving benefits.

The bivariate and multivariate analyses yield statistically significant evidence that individuals with less than a high school diploma are much less likely to apply for UI, and less likely to receive it if they do apply, than college-educated unemployed workers. Further, the bivariate estimates suggest that both Black unemployed workers and Hispanic unemployed workers are less likely to apply for UI, and applicants are less likely to receive benefits, compared with college-educated and non-Hispanic White unemployed workers, respectively. In the multivariate estimates, however, the disparities by race and ethnicity are sensitive to the inclusion of other characteristics. The only consistent association identified is the probability of receipt of benefits among Hispanic UI applicants--an association that ceases to be statistically significant when state fixed effects are included in the models.

Taken together, these individual bivariate differences in both application rates and receipt among applicants result in a large disparity in overall rates of access to UI by White non-Hispanic workers compared to minority workers, as well as a large disparity in overall rates of UI access between highly educated workers and low-educated workers. Charts 1 and 2 illustrate these differences, breaking the full population of job losers and job leavers into three groups: nonapplicants, applicants who did not receive UI, and applicants who received UI. Looking at the percentages of the charts representing recipients, one can see that the lower rates of application taken together with the lower rates of receipt among those who do apply have appreciable consequences: a far lower percentage of the overall populations of unemployed minority workers and unemployed low-educated workers receive assistance from the UI program than do unemployed White non-Hispanic workers and unemployed highly educated workers, respectively.

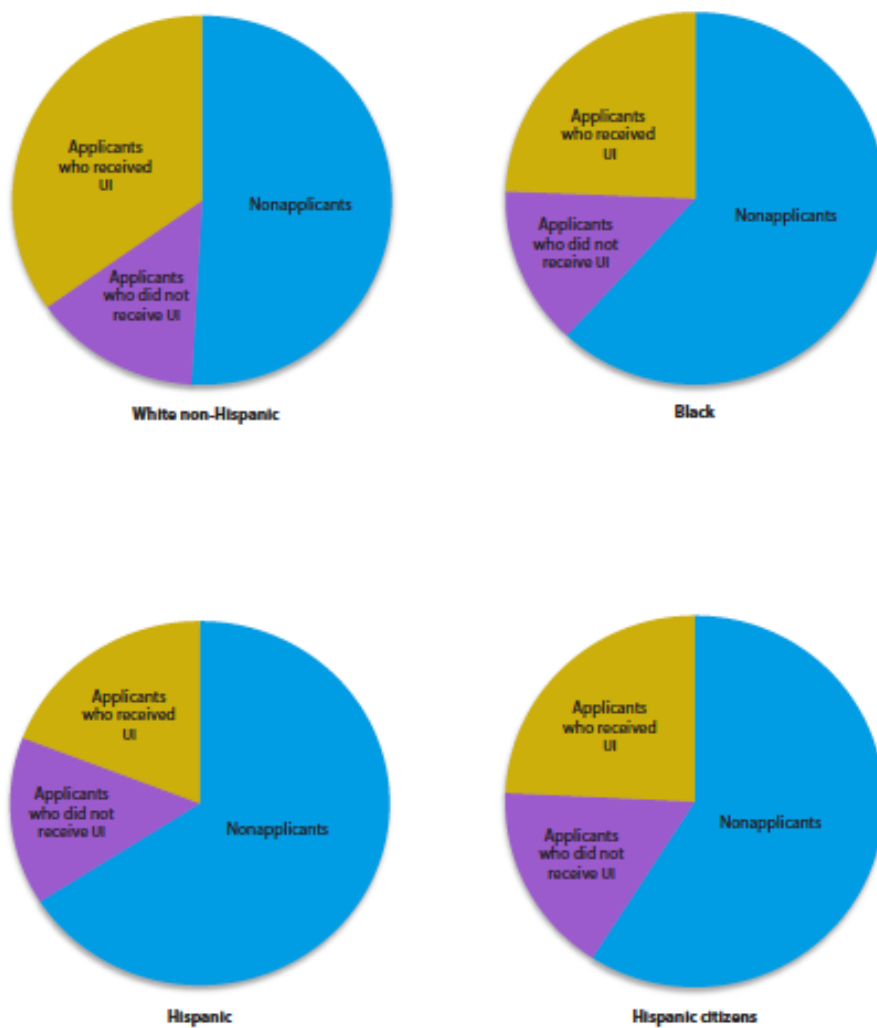
¹³ But not significant in Model 5.

Chart 1. UI application and receipt, by educational attainment, 2005



SOURCE: Authors' analysis of May 2005 CPS UI Non-Fileers Supplement.

Chart 2 UI application and receipt, by race and ethnicity, 2005



SOURCE: Authors' analysis of May 2005 CPS UI Non-Filers Supplement.

It is, however, possible that the lower rates of application reflect correct perceptions by minority workers and low-educated workers that they are ineligible for benefits. The next section examines reasons that individuals gave for failing to apply for UI; the aim of the discussion is to learn the extent to which differences in perceived ineligibility across groups are driving the demonstrated differences in rates of application.

REASONS FOR NOT APPLYING FOR UNEMPLOYMENT INSURANCE

Unemployed workers may choose not to apply for UI for a variety of reasons. The May 2005 UI Non-filers Supplement allowed non-filers to select from a list of reasons for failure to file. The survey asked respondents to indicate all reasons that influenced their decision not to file and then asked them to select their main reason. Tables 4 and 5 display, for each reason for not filing, the percentages of respondents who indicated that reason. Because respondents were permitted to select more than one reason, percentages do not sum to 100. As found in previous research (Vroman 2009; Wandner and Stettner 2000), perceived ineligibility is the reason most cited for failure to file, followed by optimistic expectations for reemployment and the “other” category.

Table 4 stratifies results by educational attainment. Respondents with a bachelor’s degree or higher are less likely to think that they are ineligible than respondents in any of the other educational groups. By contrast, respondents with a bachelor’s degree or higher are more likely to list “other” as a reason for failure to file. These differences are highly statistically significant. With each successive drafting of the UI Non-filers Supplement, attempts have been made to reduce the number of respondents selecting “other.” The nonrandom variation in who does select “other” suggests that there may be a reason for failure to file that is more common among highly educated respondents but that is not included among the current options. Finally, former workers with less than a bachelor’s degree are less likely to indicate “not needing the money” as a reason for failure to file. Although this difference is only marginally statistically significant, it is consistent across categories of educational attainment: workers with less than a high school diploma, workers with a high school diploma, and workers with some college are all approximately 4 percentage points below the 6.0 percent of workers with a bachelor’s degree or higher who said they did not file because they did not need the money.

Table 4. Reasons cited by nonapplicants for failing to apply for UI, by educational attainment, 2005

[In percent]				
Reason	Bachelor's degree and higher	Some college	High school diploma	Less than a high school diploma
Did not think eligible	36.11	¹ 48.80	² 58.25	² 58.28
Expect a new job	8.01	¹ 15.05	8.12	6.65
Expect to be recalled	5.51	6.72	6.83	7.96
Told ineligible by employer	4.68	5.17	5.98	5.07
Starting a new job	5.18	3.60	³ 1.54	2.35
Exhausted benefits	1.84	3.02	2.13	4.42
Does not need money	5.99	¹ 1.44	¹ 1.91	¹ 1.29
Did not know how to apply	3.68	1.47	1.55	3.97
Self-employed or independent contractor	4.68	4.54	2.34	2.09
Plan to file soon	2.05	4.26	1.39	2.21
Too much hassle to apply	3.34	3.96	3.17	4.34
Did not know benefits existed	3.06	¹ .41	3.11	3.97
Too much like charity or welfare	.89	1.04	.81	1.12
Language barrier	1.49	.00	.00	3.62
Worried might affect future jobs	.94	1.11	.45	1.39
Other	30.51	² 18.75	⁴ 15.71	⁴ 10.96
<i>N</i>	157	207	334	210

¹ Significantly different from the proportion of nonapplicants with a bachelor's degree at $p < .1$.

³ Significantly different from the proportion of nonapplicants with a bachelor's degree at $p < .05$.

² Significantly different from the proportion of nonapplicants with a bachelor's degree at $p < .01$.

⁴ Significantly different from the proportion of nonapplicants with a bachelor's degree at $p < .001$.

NOTE: Percentages do not sum to 100 because respondents were permitted to select more than one reason.

SOURCE: Authors' analysis of May 2005 CPS UI Non-filers Supplement.

Table 5 indicates some systematic variation by race and ethnicity. Statistically significant differences between Hispanic respondents and White non-Hispanic respondents are evident: a greater proportion of Hispanic respondents (6.7 percent) than White non-Hispanic respondents (1.7 percent) indicates not knowing where or how to apply as a reason for failure to file. Similarly, a greater proportion of Hispanic respondents (6.1 percent) reports not knowing that benefits existed, in comparison to White non-Hispanic respondents (1.1 percent). This difference is statistically significant at the .01 level and cannot be completely accounted for by citizenship status: 5.9 percent of Hispanic citizens report not knowing that UI benefits exist, a percentage significantly different at the (.05 level) from that of White non-Hispanics. There is important

variation by citizenship status on other measures, however: no Hispanic citizens indicate a language barrier as a reason for failing to file, while in the larger Hispanic group 5.1 percent of respondents list inability to speak English as a reason for not filing. This percentage is statistically significantly different from the percentage of White non-Hispanic respondents at the .001 level.

Table 5. Reasons cited by nonapplicants for failing to apply for UI, by race, ethnicity, and citizenship, 2005				
[In percent]				
Reason	White non-Hispanic	Hispanic	Hispanic citizens	Black
Did not think eligible	52.57	49.04	44.60	57.90
Expect a new job	9.44	7.65	10.47	10.37
Expect to be recalled	7.01	10.49	8.00	¹ 3.46
Told ineligible by employer	6.15	3.42	¹ 2.54	¹ 3.19
Starting a new job	4.04	1.57	2.76	¹ 1.62
Exhausted benefits	1.52	6.73	5.83	3.37
Does not need money	2.58	1.82	3.21	.95
Did not know how to apply	1.72	² 6.74	² 6.45	.68
Self-employed or independent contractor	4.66	³ 8.87	³ 9.00	1.99
Plan to file soon	2.37	3.50	4.48	2.04
Too much hassle to apply	2.70	3.00	3.24	¹ 6.57
Did not know benefits existed	1.11	³ 6.14	² 5.86	3.26
Too much like charity or welfare	1.16	² 9.00	² 9.00	1.38
Language barrier	.26	⁴ 5.09	.00	.00
Worried might affect future jobs	.49	2.07	2.03	.68
Other	18.66	15.34	18.63	15.97
<i>N</i>	554	135	78	156
¹ Significantly different from the proportion of White non-Hispanic nonapplicants at $p < .1$.				
² Significantly different from the proportion of White Non-Hispanic nonapplicants at $p < .05$.				
³ Significantly different from the proportion of White Non-Hispanic nonapplicants at $p < .01$.				
⁴ Significantly different from the proportion of White non-Hispanic nonapplicants at $p < .001$.				
NOTE: Percentages do not sum to 100 because respondents were permitted to select more than one reason.				
SOURCE: Authors' analysis of May 2005 CPS UI Non-filers Supplement.				

There are only marginally statistically significant differences between the reasons for failing to file given by Black respondents versus White non-Hispanic respondents. Also, although the difference is statistically insignificant, it may be worth noting that a greater

proportion of Black respondents (57.9 percent) than White non-Hispanic respondents (52.6 percent) failed to file because they perceived themselves to be ineligible.

Consistent with previous findings, only a small proportion of individuals cites “too much hassle to apply” and “too much like charity or welfare” as reasons for failing to apply for UI (Vroman 2009). This finding merits discussion because in the literature both reasons are common explanations for failure to take up benefits. In actuality, however, respondents indicate these two responses at low levels consistently across racial and ethnic groups and educational attainment groups, with the notable exception of Black respondents, 6.6 percent of whom cite “too much hassle” as a reason for not applying.

REASONS FOR PERCEIVED INELIGIBILITY

As discussed earlier, perceived ineligibility is the most commonly cited reason for nonapplicants failing to apply for UI benefits. However, there is in turn a wide range of reasons that individuals may perceive themselves to be ineligible. This section explores whether the likelihood of citing a given reason for perceived ineligibility varies by level of education or by race or ethnicity. The March 2005 UI Non-filers Supplement asked respondents who report perceived ineligibility as a reason for failure to file why they perceived that they were ineligible. Respondents were allowed to select one response only, and proportions of individuals selecting each option are reported in table 6.

Table 6 shows systematic variation in the reasons for perceived ineligibility by educational attainment. Non-filers with lower levels of education who perceived themselves to be ineligible for UI are more likely to attribute their ineligibility to inadequate work or earnings than are their counterparts with a bachelor’s degree or higher. The latter are more likely to report a voluntary quit as the reason for perceived ineligibility than are respondents in each of the other categories of educational attainment.

The right-hand panel of the table gives a less clear pattern of variation by race and ethnicity. Among those who report that they perceive themselves to be ineligible because they voluntarily quit their last job, there is no statistically significant variation by race or ethnicity. There is also no statistically significant difference between Hispanics and White non-Hispanics as regards reporting not earning enough or not working enough as the reason for perceived ineligibility, and this absence of significance extends to Hispanic citizens as well. The percentage of Black respondents reporting that they did not work enough or earn enough as the

reason for their perceived ineligibility is 12.6 percent higher than the percentage of White non-Hispanic respondents reporting this reason, although, again, the difference is only marginally statistically significant.

[In percent]								
Educational attainment					Race, ethnicity, and citizenship			
Reason	Bachelor's degree and higher	Some college	High school diploma	Less than a high school diploma	White non-Hispanic	Hispanic	Hispanic citizens	Black
Did not earn or work enough	17.97	27.52	² 45.17	² 47.72	34.89	35.33	37.41	³ 47.51
Voluntarily quit last job	37.19	27.94	³ 24.35	² 16.74	29.24	18.98	33.69	18.97 [†]
Was fired from last job	4.90	5.52	4.15	6.14	7.29	4.39	3.44	⁴ 1.88
Did not have a recent job	2.06	1.72	1.79	1.12	1.96	⁴ 0.00	⁴ 0.00	2.18
Self-employed or independent contractor	3.11	4.16	7.70	3.42	5.37	4.04	² 0.00	² 6.40
Don't know why	3.13	3.17	2.29	4.52	2.58	2.63	1.69	5.19
Other	31.64	28.62	⁴ 14.54	20.34	18.65	⁴ 32.87	23.77	18.00
<i>N</i>	59	96	186	111	272	65	34	87

¹ Percentages are restricted to nonapplicants who list perceived ineligibility as the reason they did not apply for UI.
² Significantly different from the reference group at $p < .01$.
³ Significantly different from the reference group at $p < .1$.
⁴ Significantly different from the reference group at $p < .05$.
⁵ Significantly different from the reference group at $p < .001$.

SOURCE: Authors' analysis of May 2005 CPS UI Non-filers Supplement.

Significant at the .05 level are (1) the greater proportion of Hispanic respondents reporting “other,” (2) the lower percentage of Black respondents reporting having been fired as a reason for their perceived ineligibility, (3) the lower percentage of Hispanic and Hispanic citizen respondents citing that they held no recent job, and (4) the greater proportion of Black respondents reporting their status as self-employed or independent contractor. The substantive meaning of these findings is unclear. Thus, the most suggestive findings on reasons for perceived eligibility relate to educational level, rather than race or ethnicity: highly educated workers are

more likely to perceive themselves to be ineligible because of a voluntarily quit, while less educated workers are more likely to perceive themselves to be ineligible because they did not work enough or earn enough. However, the absence of a measure of whether individuals perceive their eligibility status accurately results in ambiguity in the interpretation of reported rates of perceived ineligibility.

DISCUSSION

The analyses presented in this article show that unemployed workers from different racial and ethnic groups and with different levels of educational attainment have different experiences with the UI program. Respondents with a bachelor's degree or higher are more likely to apply for UI and are more likely to receive it if they apply. This circumstance constitutes a double advantage for these members of the labor force. Chart 1 shows how this double advantage results in a far higher percentage of highly educated former workers receiving UI than former workers without a high school diploma. Further, highly educated respondents are more likely to attribute their perceived ineligibility to a voluntary quit. It is probable that a number of these voluntary job leavers are able to financially plan for the loss of employment income. Thus, it appears that the UI program is best serving the needs of highly educated workers.

Importantly, compared with workers with higher levels of education, unemployed workers with less than a high school diploma who do not apply for UI are the most likely to perceive themselves as ineligible because they did not work enough or earn enough. This perception is somewhat surprising, because monetary requirements are far easier to meet than nonmonetary requirements: recent studies find that a large majority of both low-wage workers (who are likely less educated) and high-wage workers (who are likely more educated) meet monetary requirements, but far fewer meet nonmonetary requirements. We would thus expect that a large majority of both more educated and less educated workers would perceive themselves to be monetarily eligible. Nonetheless, formal lay-offs are less common in industries in which low-wage workers are clustered, suggesting that low-wage workers are more likely to fail to meet nonmonetary eligibility criteria (GAO 2007).

The finding that less educated workers are far more likely to perceive themselves as ineligible for monetary reasons and far less likely to perceive themselves as ineligible for nonmonetary reasons (e.g., quitting voluntarily) suggests that less educated workers may lack a sufficient understanding of UI eligibility criteria. Unfortunately, CPS survey questions do not

explore either the accuracy of respondents' understandings of the UI program and of their own eligibility or the accuracy of their self-perceived eligibility status. A future qualitative study could perhaps yield useful information on these two points if it were better able to explore the accuracy of respondents' basic understanding of UI program eligibility rules, respondents' self-perceptions of eligibility, and factors that would influence their actual eligibility status, such as how they were separated from their job and what their base-period earnings were.

As regards variation by ethnicity, there is bivariate evidence that Black unemployed workers are less likely to apply for UI than White non-Hispanic workers, although the difference is significant only at the .10 level. Also, there is a 7-percentage-point gap among these groups in rates of receipt among applicants, but this difference is not statistically significant. In multivariate models, the point estimates associated with being Black are not statistically significant for either outcome. Further research is needed to determine whether it is the small sample size or the fact that Black workers and White non-Hispanics workers are similarly likely to apply for UI and to receive it if they do apply that results in the absence of significance.

Hispanics are particularly unlikely to either apply for UI or receive it if they do apply, compared with White non-Hispanics, and these differences are robust in some multivariate models. The differences even among Blacks and Hispanics--while statistically insignificant--suggest that future studies of UI application and receipt should examine these groups separately whenever possible. Further, the findings presented here suggest that, although the higher proportion of noncitizens can account for some of the difference in UI participation between Hispanics and White non-Hispanics, citizenship status cannot account entirely for these disparities. This provides further impetus to examine Hispanic workers separately from other underrepresented minorities, in order to understand what factors are driving the aforesaid differences.

Although the analyses show different patterns in UI application and receipt among applicants on the basis of educational attainment as well as race and ethnicity, they leave many questions unanswered. The ideal analysis would go beyond the current bivariate and simple multivariate comparisons of outcomes for workers in various ethnic and educational attainment categories. A more sophisticated analysis would try to more robustly isolate the effects of membership within each category by controlling for other factors that might affect an individual's propensity to apply for UI, receive UI if he or she does apply, or give a specific

reason for failing to apply. The small sample size of the March 2005 UI Non-filers Supplement (including, e.g., just 68 Hispanic respondents who applied for UI) limits the researcher's ability to undertake such robust multivariate analyses. A similar survey with a larger sample would allow researchers to explore in greater detail whether membership in the categories studied is a causal factor in the relationships found.

However, even a larger survey would leave a crucial question unanswered: when individuals perceive themselves to be ineligible, how accurate is that perception? Without earnings data and information about the nature of work separations, analysts are unable to gauge the accuracy of unemployed workers' perceptions. A further limitation of this study is that survey data are subject to serious underreporting of receipt of public benefits (Meyer et al 2009). Moreover, no evidence exists on underreporting of application rates, which may be subject to a similar bias. Possible explanations for failure to report receipt of benefits include the stigma perceived to be attached, failure to recall receiving benefits, and inability to identify the program responsible for the cash transfer (e.g., reporting "worker's compensation" when, in reality, one is receiving UI). These causes of underreporting could be correlated with educational attainment, as well as race or ethnicity, in which case the findings presented here could reflect differences in reporting behaviors rather than differences in outcomes.

The most obvious way to address these serious limitations would be to link survey data from datasets such as the CPS Non-filers Supplement to administrative UI records upon both application and receipt of benefits. By linking administrative data with survey data, researchers could determine, with greater certainty, whether respondents applied for and received UI. They also would be better able to determine whether individuals who believe that they are ineligible for benefits perceive their eligibility status correctly. Like survey data, however, available administrative records have limitations. Most importantly, these records do not include any data on workers' demographic characteristics, such as education, race, or ethnicity. Thus, a study such as the one presented in this article, but using administrative records only, is currently not possible. But a linked dataset could answer the questions posed here, as well as questions previously posed in the extant body of UI research, to a greater degree of certainty. Answering these questions with greater certainty is a necessary first step in ensuring that the UI program is serving its intended purpose for all workers with reasonable attachment to the labor force.

The answer to this question has important policy implications. If eligible workers are wrong in assuming that they are ineligible—and if this group is disproportionately made up of low-educated and minority workers—then the implied policy response would be to encourage higher levels of application and greater understanding of the UI program within these groups. However, if individuals perceive ineligibility accurately, then applying for UI is not in their interest and they should not be encouraged to apply. Either way, the answer to this question has important implications for the UI program and its ability to serve all workers with reasonable attachment to the labor force.

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Chapter 3

The Unnoticed Actor: The Employer's Role in Unemployment Benefit Claims

ABSTRACT

Unemployment Insurance (UI) is the major government social program designed to provide material support to workers who lose jobs through no fault of their own. Yet, typically fewer than two thirds of workers who lose jobs receive unemployment benefits, and the proportion of low-earning recipients is even smaller. Using data from qualitative interviews with a diverse group of individuals who experienced unemployment between 2008 and 2011, this study identifies the former employer as an important actor affecting the job loser's interest in pursuing benefit claims and success in that pursuit. This study delineates four employer archetypes: the facilitator, the ignorer, the fighter and the architect. Respondents perceive each type of employer as taking different actions—and having different attitudes—toward their benefit access, which affects respondents' interest in pursuing benefits. The employer role in benefit claims discourages some workers from taking up UI benefits and, because employer action interacts with worker characteristics to affect benefit access, has disparate consequences for workers of differing earning levels. This paper contributes to the larger literature on benefit take-up by identifying a previously unnoticed actor—the employer—who mediates benefit claims that had been previously theorized as a dyadic relationship between claimants and state actors.

INTRODUCTION

In December 2007, the United States experienced its most severe macroeconomic contraction since the Great Depression. While low-earning workers were more likely to be laid off than their more affluent counterparts (Hoynes et al 2012), employment problems and job loss were widespread: unemployment rates increased for all racial groups and all educational levels (Hout et al 2011). The lives and social networks of individuals across the social spectrum reeled

in the face of economic calamity. When facing the challenges of job loss, individuals can turn to a variety of resources to address their trouble: for example, personal skills, social networks, or individual resources. In many cases, they also have the option of turning to the Federal-State Unemployment Insurance (UI) program. This program has dual aims: providing income support to individuals who lose jobs and stabilizing the macroeconomy in times of economic downturn.

Typically fewer than two thirds of workers who lose jobs receive unemployment benefits (Blank and Card 1991; Currie 2004; Burtless 2008). An even smaller proportion of low-earning workers take up these benefits (GAO 2006; Enchategui 2012; Michaelides and Mueser 2012; Gould-Werth and Shaefer 2012), despite the fact that low-earners who lose jobs face higher levels of material hardship than their more-advantaged counterparts on average (Mayer and Jencks 1989; Gruber 1997) and thus would presumably derive the highest level of marginal benefit from program participation and benefit most from the income-stabilizing function of the program (Gruber 1997; Browning and Crossley 2001).

Existing research around low levels of benefit take-up has focused on a dyadic relationship between claimants and the state. Research has examined how state-determined program factors (eligibility criteria, benefit generosity, and transaction costs) affect claimant behavior, as well as how individual-level demographic characteristics (gender, family composition, race, socioeconomic status, and neighborhood characteristics) affect an individual's propensity to claim benefits from the state (Nicoll forthcoming and Currie 2004). Extant ethnographic work provides a closer examination of how this dyadic relationship plays out in the lives of poor Americans, showcasing how state policies are filtered and altered by street-level bureaucrats and how eligibility criteria are used to more broadly regulate the behavior of poor Americans (Lipsky 1980; Gilliom 2001; Watkins-Hayes 2009).

The body of literature on benefit take-up has examined how characteristics of the state, characteristics of the individual, and the interaction between the two affect benefit-claiming behavior. I challenge the idea that—in the case of unemployment benefits—we should theorize the relationship between the claimant and the state as dyadic: this work shows that in the case of unemployment benefit access the employer serves as a mediating actor between the individual and the state. The analysis below delineates four categories of employers (the facilitator, the ignorer, the fighter and the architect), each of which distinctly affects whether and how the workers pursue benefits. Further, I argue that a worker's industry and occupation influence

which type of employer an individual is employed by, and that workers' information, resources, and attitudes affect how/whether being employed by an ignorer, fighter, or architect impedes benefit claims: the findings below illustrate an interaction between worker characteristics and employer characteristics, which ultimately affects benefit claims. Thus, the employer role in benefit claims affects individuals of differing earning levels in distinct manners.

Below, I provide background information on Unemployment Insurance eligibility and financing to provide context for how a worker can receive benefits and why an employer might intervene in an employee's claim, and I review the extant literature on benefit take-up. I then describe the research methodology, and use my findings to demonstrate that employers can be categorized into four groups—facilitators, ignorers, fighters, and architects—each of which mediates the connection between former employee and state benefits differently. I then discuss how worker attitudes and behaviors interact with employer behavior to affect benefit claiming behavior. My concluding comments provide suggestions for future research that could examine how the triadic relationship between employer, employee, and state could affect benefit claiming in the context of other government programs, as well as suggestions for research methods that could more conclusively determine what proportion of the disparity in rates of UI benefit access can be traced to employer behavior.

BACKGROUND

UI eligibility

When a worker separates from employment, the onus is on the worker to both know of and apply for unemployment benefits. In order to be eligible for benefits, a UI claimant must satisfy *monetary eligibility criteria*, which are designed to ensure that workers are well integrated into the labor force. These monetary eligibility criteria include state-specific minimum earnings requirements and may include requirements about the distribution of earnings across a four-quarter period. Claimants must also satisfy *non-monetary* eligibility criteria: they must not be working but must be searching for work, and must have separated from their job in a manner that makes them eligible for benefits. Eligible separations include lay-offs, terminations for cause but not misconduct, and quits for good cause attributable to the employer. The intricacies of eligibility requirements vary from state to state, and within states these rules are often contested, which results in a dense body of state-specific case law pertaining to eligibility. For this reason in many cases eligibility is difficult to determine and/or contested, even by experts. Should either

the employer or the state believe that the claimant is not eligible for benefits, benefits can be denied, at which point the claimant can initiate an appeals process.

UI financing

When workers do receive unemployment compensation, this benefit is financed through a federal-state partnership. Benefits are paid from Federal and State Trust Fund accounts, which are funded through a tax levied on employers. The Federal tax is a flat 0.6% tax (called the FUTA) on up to \$7,000 of wages paid per employee¹⁴. This revenue is deposited in a Federal trust fund and made available for the cost of administering the UI program and for the cost of benefits for any unemployed worker who qualifies for extended benefits or emergency unemployment compensation (additional weeks of benefits provided during periods of economic downturn).

State trust funds are financed in a similar manner: employers are subject to a state tax (SUTA) on the “taxable wage base,” a state-specific amount¹⁵ of each employee’s earnings. SUTA revenue is deposited into a state trust fund and then disbursed to workers who qualify for benefits during normal economic times (which are entirely state-funded) and the state portion of additional weeks of benefits provided during economic downturn. The level of taxation varies from employer to employer based on their “experience rating.” This rating reflects the propensity of an employer’s former employees to claim benefits, and the magnitude of their claims. The rating is generated using a measure which is a ratio expressing the amount of benefits paid to former employees to a measure of the employer’s total payroll. The higher the “experience rating” assigned to an employer, the higher the state tax levied on that employer. Each state has a different “experience rating schedule,” but the taxation level generally ranges from 0% to 6%. Thus, the more benefits claimed by former employees, the higher the rate of tax paid by their employer¹⁶.

The experience rating system is unique to the U.S. and was designed when the program was initially implemented in 1935 in order to discourage employers from laying off workers. The Federal government hoped to mitigate the possibility that employers would lay off workers who could have otherwise continued to be employed, and by doing so, take advantage of the federal

¹⁴ So for example, if employer had two employees one of whom was paid \$3,000, another who was paid \$51,000, the federal government would charge the employer $.006*(3,000 + 7,000) = 60$ dollars

¹⁵ 2014, wages subject to SUTA tax varied from the legal floor (the first \$7,000 of an employee’s earnings) to the first \$41,300 of an employee’s earnings in Washington State.

¹⁶ For more information see Vroman 1998 or Stone and Chen 2014

government's willingness to foot the bill for these workers' basic needs. Thus, the action that the experience rating is intended to disincentivize is the *lay-off*, not the *benefit receipt*. However, in all states except Alaska, the employer is taxed on benefit claims rather than changes to payroll, and thus the experience rating not only disincentivizes lay-offs, but also incentivizes employers to stop employees from claiming benefits.

Program Take-up

Existing work on program participation has narrowly focused on the state, the claimant, and the interaction between the two (for an exhaustive summary see Nicoll forthcoming and Currie 2004). This work has focused on a broad range of government social programs including cash assistance, disability insurance, state-provided medical insurance, food assistance, worker's compensation, and the Earned Income Tax Credit. One line of inquiry has focused on the way state action affects program participation. This research focuses on program structure and benefit size, finding that greater benefit amount and fewer transaction costs make individuals more likely to participate in programs (Nord & Prell, 2011; Ellwood, 1999; Smith et al., 1998; Zedlewski & Nelson, 2003; Burstein et al., 2009; Ratcliffe, et al., 2008; Currie & Grogger, 2001).

A second line of inquiry focuses on the claimant, mainly investigating how the demographic characteristics of the claimant and his/her household affect program participation. This work finds that African Americans, women, single parents, English speakers, American citizens, low-educated individuals, and the young are more likely to participate in state programs than individuals with other demographic characteristics (Caputo, 2006; Algert, et al., 2006; Burstein et al., 2009; Coe, 1983; Farrell et al., 2003; George et al., Ponza et al., 1999; Bartlett, et al., 2004). However, many of these associations disappear when controlling for other characteristics such as household income, perceptions of stigma, and neighborhood characteristics, suggesting that income and community characteristics—rather than a wider range of demographic characteristics—drive patterns of program access (Blank & Ruggles, 1996; Burstein et al., 2009; Caputo, 2006; Cody et al., 2008; Coe, 1983; Ponza et al., 1999; Scholz, 1994; Zedlewski, 2002).

Finally, a third line of inquiry focuses on the relationship between the state and the claimant. This work focuses on interactions between claimants and “street-level bureaucrats.” The foundational work in this field is Lipsky's (1980) *Street Level Bureaucracy: The Dilemmas*

of the Individual in Public Service, which makes the case that low-level bureaucrats such as case managers and administrative assistants exert considerable discretion over the lives of claimants in their seemingly mundane work as agents of the state. Gilliom's (2001) *Overseers of the Poor* and Watkins-Hayes' (2009) *The New Welfare Bureaucrats* show, respectively, the control that the state exerts over claimants through surveillance and the way that street-level bureaucrats' individual identities affect the way they interact with claimants of varying identity groups.

These three lines of inquiry hold important lessons for understanding low rates of UI take-up and difference in take-up rates by earning level. This body of research demonstrates that benefit size, transaction costs, household context, and frontline worker practices all affect who accesses these benefits and how. This paper argues, however that in the case of Unemployment Insurance we should broaden our focus—not limiting our examination to simply the claimant and the state, but considering other actors—to fully understand puzzles related to benefit take-up.

Unemployment Insurance Take-up

Though countercyclical, rates of UI benefit receipt trended downward in the 1980s (Blank and Card 1991) and remained depressed until the onset of the Great Recession (Valetta and Kluang 2010). On the eve of this massive downturn, from 2007-2009, only fifty percent of eligible individuals claimed UI benefits (Fuller et al 2012). Explanations for low levels of UI take-up have examined transaction costs (Ebenstein and Stange 2010), the shifting demographic composition and regional distribution of the unemployed (Michaeledes and Mueser 2012, Blank and Card 1991), and benefit level (Anderson and Meyer 1997). While benefit level and the regional distribution of unemployment have been found to be associated with take-up rates, much of the failure to take-up unemployment benefits remains unexplained.

Further, low-earning workers are less likely to successfully claim unemployment benefits than their higher-earning counterparts (Government Accountability Office, 2006). Several factors have been hypothesized to contribute to the disparity in levels of benefit access between low- and high-earning workers, most of which focus on the eligibility status of low-earning workers. Policy analysts have proposed that their lower wages make it more difficult for low-earning workers to satisfy monetary eligibility criteria (Stettner et al 2005), and the federal government's main intervention intended to ameliorate disparities in rates of program participation targeted monetary eligibility. Other scholars have suggested that non-monetary requirements are more likely to cause low rates of eligibility, pointing to the fact that low-

earning workers are disproportionately clustered in industries that avoid formal lay-offs, are more likely to be fired for cause (and perhaps for misconduct), and are more likely to quit work for family-related reasons (Holzer, 2000; O’Leary & Kline, 2008; Rangarajan, Razafindrakoto, & Corson, 2002; Shaefer, 2010; Shaefer & Wu, 2011; Fishman et al 2003).

Though the majority of the literature on UI take-up focuses on ineligibility as a potential cause of the low rates of take-up among low-earning workers, a smaller body of literature argues that low-earning workers are less likely to apply for unemployment benefits than their higher-earning counterparts, and application behavior—independent of eligibility—may drive the gap in rates of UI access between low- and high-earning workers. This literature shows that the lower rate of application among low-earning workers results from lack of program knowledge and perceived ineligibility, though the accuracy of these perceptions is difficult to measure (Vroman 2008, Shaefer 2010, Gould-Werth and Shaefer 2012) and Vroman (1991) suggests that a substantial proportion of workers who perceive themselves to be ineligible are in fact eligible.

As is the case for means tested government benefits, scholars of unemployment benefit take-up have looked to a dyadic relationship between claimant and state in identifying potential factors affecting benefit take-up. The existing literature has focused on characteristics of the claimant (demographic characteristics and geographic context) and characteristics of the state program (transaction cost, benefit level). This scope of inquiry is logical, as 1) given program goals (stabilizing the economy and protecting citizens), state interests are tied to program participation as well as the need to control program costs; and 2) claimant interest in consumption smoothing is directly tied to program participation. The funding structure of UI, however, introduces a third party whose interest is tied to program participation. Because employers face higher taxes when more of their former employees claim benefits, they, too, may be invested in the claiming behavior of their former employees. Employer characteristics and behaviors may thus affect benefit take-up.

The analysis presented below makes the case that employers are *mediating actors* between the state and former employees who may claim unemployment benefits. The term *mediating* is not meant in the statistical sense. Rather, referring to employers as mediating actors serves to connote that employers take actions that frame and influence the relationship between the individual and the state: their actions can create a variety of contexts influencing individual perceptions of benefit claiming and benefit receipt. Some employer actions result in contexts in

which benefit claiming is perceived as more advantageous and receipt is perceived as being more possible; other actions create contexts in which claims seem less beneficial and receipt less possible. In other words, the behavior of employers who facilitate claims, who ignore claims, who fight claims, and who alter the structure of work arrangements in such a manner that their employees perceive themselves to be ineligible for claims affect benefit take-up in differing ways. Further, if low-earning workers are 1) clustered among employers that discourage benefit claims; 2) have less information about benefits in the absence of employer-provided information; or 3) have fewer resources to pursue claims in the face of employer contestation, then the employer role in UI claims may serve as a mechanism contributing to the difference in rates of UI access between low- and high-earning individuals who lose jobs.

METHODS

The metro-Detroit area provides a useful case for examining diverse individuals' experiences of unemployment during the Great Recession. Home of the auto-industry, Detroit was hard hit by the economic contraction of 2008, and while no single geographic area can stand in for the U.S. as a whole, Detroit is a case that illustrates the experiences of many Americans in de-industrialized metropolitan areas. The metro area is home to individuals of varying income levels: according to the American Community Survey, between 2008 and 2012, the median household income in Detroit was \$26,995 while in the nearby suburb Farmington Hills, it was two and a half times as much.

To identify respondents, I used a subsample from the Michigan Recession and Recovery Study (MRRS), a stratified random sample panel survey, representative of the population of working age adults in the Detroit Metropolitan Area. MRRS completed three waves of hour-long, in-person interviews with adults aged 19-64 at baseline. Wave 1 took place between October 2009 and April 2010 with 914 adults and had a response rate of 82.8%. The next wave, in 2011, had a respondent retention rate of 93.9%, and was followed by a third wave of data collection in 2013 with a respondent retention rate of 90.8%. The survey gathered information about household demographics, income, education, physical/mental health, benefit receipt, and an employment calendar tracking respondents' monthly employment situations from 2007 through 2013.

My sample consisted of respondents whose employment calendars showed steady work (at least 3 continuous months of employment) followed by unemployment in 2008, 2009, 2010

or 2011. Respondents were pre-screened to ensure that they were members of the target population that UI aims to assist: individuals who have separated from work due to circumstances outside of their control and who want to work following their job loss. In order to ensure diversity of earnings history in my sample, I stratified the population of MRRS respondents into three categories by education level and sampled randomly within these categories. My final sample included 13 individuals without high school diplomas, 14 with a high school diploma but without a bachelor's degree, and 18 people with bachelor's degrees or higher. In this sampling strategy, education level serves as the best available measure of earning history—though MRRS contains respondent earning history data, sorting respondents into discrete groups based upon actual earnings is challenging when earning trajectories are disrupted by spells of unemployment. Though the sample contained some low-educated respondents with high levels of earnings and some high-educated respondents with low earnings levels, the strategy was successful in generating a wide range of earning histories. The random sampling strategy generated a sample diverse in age, gender, race, marital status and other demographic characteristics of interest for benefit take-up behavior.

I interviewed 45 respondents between summer 2013 and summer 2014, two to six years after the unemployment documented in the survey's Wave 2. Respondents recounted experiences of job separation with multiple employers, so while this analysis is drawn from the narratives of 45 individuals, these narratives described a total of approximately 75 job separations, each of which was analyzed separately. Because respondents shared stories of job losses both earlier and more recent than the unemployment documented in Wave 2, the data include narratives of job losses that occurred between 10 months and 11 years prior to interview. At interview, all respondents retained salient memories of their experiences of job loss and benefit claims, recounting specific details such as: the order of events on the day they lost their job; conversations with former employers and loved ones; specific dates and circumstances surrounding their termination, search for re-employment, and the lapse of unemployment benefits.

Respondents were compensated with 80 dollars, and the modal interview lasted for two hours, though some were as short as 1.5 hours and others lasted over three hours. The majority of the interviews took place in respondents' homes, though eleven respondents preferred to meet in public places like libraries and restaurants, and one in the waiting room of a health clinic. Two

interviews were conducted over the phone because respondents had relocated out of state following their job losses. The interviews elicited respondents' own narratives in three areas: the job loss itself; financial and emotional coping; interaction with government programs. Several respondents experienced multiple job losses, so I asked respondents to discuss all job losses, or if one felt more prominent to them, to focus on it and contrast experiences related to this job loss with other reported job losses. Interviews were audio-recorded and transcribed verbatim by professional transcriptionists.

The majority of the analysis presented here is drawn from narratives elicited in the third section of the interview, the portion designed to evoke descriptions of respondents' experiences with benefit claims. Data were analyzed using thematic coding, Dedoose software, and an iterative approach. While some hypotheses and research questions pre-dated the analysis phase, analysis also incorporated elements of a grounded theory approach (Corbin and Strauss 1998) and theory was generated inductively by paying close attention to: (1) respondents' relationships with former employers, (2) respondents' experiences with the Unemployment Insurance system, and (3) respondents' answers to the questions "did your employer ever mention unemployment benefits to you?" and "do you think your employer cared whether or not you claimed unemployment benefits?"

In many cases eligibility for benefits is complex, and at times is contested under Michigan state law. To understand the likely benefit-eligibility of each respondent, I consulted with two attorneys: one is a national expert in UI benefits, and the other has state-level expertise and has represented hundreds of workers pursuing legal cases related to unemployment benefit claims in the jurisdiction where I conducted interviews. Using the facts shared by respondents, these experts were able to share whether the case was a clear case of eligibility or ineligibility according to the law. In more legally ambiguous cases, the Michigan-based lawyer was able to share what percentage of his clients in similar cases were able to successfully claim benefits, and even which judges in the area were likely to approve or deny these types of cases. It is likely that in some cases my respondents were not able or willing to share all the relevant information for determining benefit eligibility, but the level of certainty about likelihood of benefit eligibility determined through this method is greater than the level of certainty garnered through the methods used in most extant research, which tend to rely on crude survey measures.

RESULTS

In describing their separations from employment, respondents relayed their perceptions of their employers' actions in relation to unemployment benefits in distinct, and often complex, ways. I classified these subjective perceptions of employer behavior into four categories. Employers who shared information and encouraged benefit application are labeled “facilitators.” Employers who did not share information about benefits either way are labeled “ignorers.” Employers who actively discouraged benefit receipt are labeled “fighters.” Finally, in some cases employers structured work arrangements in such a manner that respondents were not eligible for benefits, or perceived themselves to be ineligible. These employers are labeled “architects.”

Each type of employer behavior affects the benefit claimsmaking behavior of the former employee in a distinct manner, supporting the idea that employer behavior affects benefit claims. Further, within some groups of respondents who describe employer actions similarly, there exists diversity in how respondents react to employer behavior: it is this interaction between employer behavior and former employee characteristics that ultimately affects whether a claim to unemployment benefits is levied and the success of that claim. While many examples of employer type and employee-employer interaction exist within each category, and while some employers display behaviors characteristic of multiple categories, I describe one to two cases that are clearly representative in each category below.

The Facilitator

Linda Bruno, a 51-year-old who had a high school diploma at the time of her job loss¹⁷, liked her office job, “it was in a nice place and the people were really nice and I liked everybody I worked with; and I worked there for a long time.” When she was laid off in 2009, she felt betrayed. She described the process of meeting with employers and packing up the cubicle she had occupied for ten years, a common trope in the narratives of other respondents whose employers facilitated their benefit access:

I got down to this big conference room there was probably about 18 other employees in there with me and we all knew. We all had a feeling. What a horrible feeling.... and so then they just like kind of came right out and told us.... I felt really rejected. I mean I literally, some, I cried.... I just felt so hurt by it like you know because I had been a loyal employee for all these years and stuff.... And then after they got done in the meeting they

¹⁷ all names are pseudonyms and identifying details not central to the analysis have been anonymized

[had] a person from personnel go to each person's desk and make us pack our desk right in front of them, as if we were like gonna steal their stuff or something you know. It was horrible. It was a really bad day in my life. You want to know something; I don't think I ever unpacked that box. I never unpacked that box because it hurt. It was very hard. I can't imagine... you know and I had been there, you know I had been there like almost ten years.

Like many respondents, Ms. Bruno had a complex relationship with her employer. Though she felt betrayed, rejected, and hurt—"I remember thinking it's hard to believe it's not personal"—she also recognized that on some level, her employer cared about her,

We were like a family there. There were a lot of really good workers there that you know stayed there for years. They were very committed. So um, I think so. I think it was, I think it was difficult for them to do it. I mean I really do. I think it was hard on them to have to lay off people, but they had to.

Because of this perceived caring, Ms. Bruno believed that her employer wanted her and her fellow employees to receive UI benefits. In fact,

When they actually laid us off, at that meeting, they kind of gave us a little like heads up on what to do. So they kind of gave us a little; you know, who we needed to call and what we needed to do. And so then I don't remember the specifics about what I needed to do, but I had my little unemployment folder with my letter that I was laid off and everything that I needed to, you know fill out, calling them um, and so I just kind of followed whatever they told us to do and you know it was very organized.

With clear instructions from her employer—"whatever they told me to do, I did"—Ms. Bruno was able to successfully navigate the Unemployment Insurance application process and claim benefits. After four months of unemployment, Ms. Bruno entered college for nursing—which she had long planned to do—and continued to claim her benefits. These benefits came in handy when her husband, too, lost his job a year later. The couple cut back on spending, put some expenses on credit cards, and managed to make their mortgage payments—though late. At the time of interview, Ms. Bruno had secured a good job that paid more than the one she'd lost, though her husband was still underemployed. The family was rebuilding their credit, returning to their old consumption habits, and Ms. Bruno remarked that she now appreciates, "how much it means to have a job."

While each respondent's relationship with their employer is unique, Ms. Bruno's experience unfolded similarly to the other ten work separations from employers who were labeled "facilitators." In each case, a representative of the employer met with the employee and

explained where and how to claim benefits. In many cases, respondents were given documentation explaining the nature of their job loss to share with the Unemployment Insurance Agency, and were informed that their employers would not contest their right to benefits. In some cases, employers paid severance and brought in outside firms to facilitate the job search and re-hiring process for former employees. Of the ten respondents who described their employers *facilitating* benefit claims, eight successfully claimed benefits. Of the two who did not successfully claim benefits, one chose an early retirement package rather than an unemployment package, and the other was informed by the Unemployment Insurance Agency that he was not eligible for benefits, as he had only been working for four months. Respondents with employers who were facilitators were on average higher income than the rest of the sample, though several respondents who worked the line at factories had their claiming process facilitated by their employers. While, overall, respondents who experienced employers *facilitating* benefit claims had fairly similar outcomes, the experiences of respondents who described their employers as *ignorers* were quite divergent, as I describe next.

The Ignorer

Respondents most often perceived their employers as *ignorers*—people who neither fought nor facilitated benefit claims. Twenty separations occurred where employers were described as ignoring UI benefits, and of those 11 resulted in successful benefit claims.

Like Linda Bruno, Barbara Silverman felt betrayed when she lost her job. Ms. Silverman, a 55-year-old woman, had originally been trained in education—she'd received a bachelor's degree in the subject. But, for ten years prior to her job loss she had worked as the administrative assistant in a small construction company. In 2007 a new owner came to the company and Ms. Silverman served as his guide,

He had come in as the owner of this company not knowing a lot about it. I mean he knew some but not much and I really helped him tremendously.... He was kind of a young... well, he was kind of weird. He had his own, his little, his small little own brick cleaning company, a real small one, but he didn't know anything about how to run a union one because there's different things you have to do for the union and the other one he just ran out of his house.

Though Ms. Silverman tried to deploy her ten years of experience at the company to assist the owner, "I was really trying to help him out and I told him I would come in on a Saturday to help get him caught up on different thing," she felt betrayed when, "he called me after work on a

Friday... He goes I'm not going to need you anymore... So I was, you know, really stunned and said okay. And then he said to me, but I hope you can come in and help me out with a few things and I'll pay you really good." Ms. Silverman went in, was paid \$100 to help straighten things up before her departure, and never heard from the owner again. Reflecting on her service to the company and the help she'd provided the employer, Ms. Silverman remarked, "for him to go do this me; it almost felt like a stab in the back, I took it real personal."

Though she was shocked by her job loss, and though her employer did not mention unemployment benefits to her, Ms. Silverman knew about these benefits, "I knew a little bit about it from some of the guys that had worked [in construction at her job], because they would have to go on unemployment when the weather was bad and they weren't able to work." Ms. Silverman contacted the Unemployment Insurance Agency and went to the state's One Stop Workforce center to apply for benefits. She was not happy to be there, "it's just like, you know, real depressing when you see all of these people and you think; oh my God, all of these people are out of work and all of these people are trying to find a job and it's like, you know, I shouldn't be here. I should be, there was no reason, there was nothing I did wrong, you know I shouldn't have to be going through this." Yet, she successfully navigated the bureaucracy, and began receiving benefits.

When I asked Ms. Silverman if she thought her employer wanted her to get benefits, she replied, "I think he probably wanted me to, you know, yeah, I mean he didn't, you know, he didn't fight it at all, there would have been no reason to." Though Ms. Silverman's employer did not mention benefits to her or facilitate her benefit access, she took his lack of resistance to her benefit access as an implicit condoning of her benefit receipt. Ms. Silverman and her husband applied these benefit payments to their regular spending while Ms. Silverman searched for work and cobbled babysitting jobs together for extra income. She and her husband managed to meet their expenses without pulling money from their retirement savings, and eventually Ms. Silverman was re-employed as a pre-school teacher. Things are back to normal in the Silverman household, though Ms. Silverman still holds a modicum of bitterness toward her former employer, who ran the business into the ground in the years after Ms. Silverman's departure.

While Ms. Silverman—and several other similar respondents—took her employer's silence as a tacit acceptance of her benefit claiming, for Cecelia Doyle, the absence of information about UI benefits from her employer meant that she did not know that benefits were

available for her to claim. Though young—twenty-six at the time of the interview—Ms. Doyle had worked a variety of low-wage jobs (“I worked at a clothing factory, I worked at a Toy Store and I had a couple of restaurant jobs”) and taken a break from the labor force for health reasons before landing at a steady job at an adult foster care center. Ms. Doyle liked her co-workers and built strong relationships with clients. She had been at the foster care center for three years when, near the end of the workday, her employer called her into her office and let her know that because the number of clients had decreased, she had to be laid off. As had been the case with her previous employers, at the time of termination her employer made no mention of the Unemployment Insurance program. Feeling “a little surprised and hurt,” Ms. Doyle went home to tell her family of four—for whom she was the sole source of income—that she had lost her job.

When I asked Ms. Doyle if she had considered applying for unemployment benefits after losing her job, she responded, “I sure didn’t. I went right and applied for cash assistance at the Department of Human Services.” She elaborated on this choice saying,

I don’t think back then I knew as much about unemployment as the little bit that I do know now....I didn’t apply for unemployment cause... I would say back at that time, I didn’t know as much about unemployment and I was under the impression that you had to work like a year or something like that. I didn’t... I knew bits and pieces, but I didn’t know the specifics and it was my negligence and me not going out on my own to find out more information about unemployment. I just went straight to the Department of Human Services you know that’s where my family told me to go apply, so I didn’t even think about, really think about the unemployment, so.

In the absence of information about Unemployment Insurance program, like two other respondents, Ms. Doyle turned to the more familiar cash assistance program (also called Temporary Assistance for Needy Families, the Family Independence Program, or colloquially “welfare”). In Ms. Doyle’s case, this action proved costly: her cash benefits were time-limited and, as she had claimed benefits earlier in her children’s lives, after two years of collecting these benefits post-job loss, she hit her time limit. Though Ms. Doyle reported searching diligently for work, employment was hard to come by in her urban neighborhood. Though she received an offer, it was in an outlying suburb and the cost the cost of transportation and the need to care for her young children made taking this job an untenable option. With only benefits from the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps) to aid them, Ms.

Doyle, her partner, and their two young children left their home and moved in with Ms. Doyle's father, where they continued to live at the time of interview.

Ms. Silverman and Ms. Doyle perceived their employers in a similar manner: like 20 other respondents, they reported their employers making no mention of—and taking no action regarding—unemployment benefits. Yet Ms. Silverman and ten other respondents employed by ignorers successfully claimed benefits. These individuals had previously been employed by facilitators, or were enmeshed in social networks that were aware of these benefits: in the face of employer inaction, they relied on their personal information. In contrast, Ms. Doyle and eight other respondents—largely service-sector and other low-wage workers—lacked the necessary information in order to make a claim, though many appeared to be eligible for benefits. Finally, it is important to note that while all respondents in this category perceived their employers as ignorers, had the nine respondents who didn't apply for benefits pursued them, they may have found their employers to be fighters, the type of employer described in the next section.

The Fighter

The circumstances surrounding Jacques Beauchamp's termination were dramatic. Accused of a crime, he was escorted away from his job as a security guard by policemen bearing a warrant for his arrest. When the dust settled, it was clear that Mr. Beauchamp—a 25-year-old without a high school diploma—was innocent. He had a clear alibi: he had been at work at the time the crime was committed. Though his name was cleared, and though they had witnessed Mr. Beauchamp at their workplace at the time the crime was committed, Mr. Beauchamp's employers didn't want him at work anymore: "I got called into the main place for where they dispatch you at and that's where they let me go... one boss said I can have the job back, but when I heard from the main boss, they denied." When I asked Mr. Beauchamp how he responded, he replied, "Oh, I threatened them with a lawsuit [and then] I just left because I got tired of all of the BS and I went job searching somewhere else um, because there was no way I was getting that job back."

Though Mr. Beauchamp never actually sued his former employer over his termination, their battle played out over different ground: Mr. Beauchamp's unemployment benefits. Mr. Beauchamp's aunt, who worked for the state, informed him that he was entitled to benefits, and he was surprised, "because I like never collected unemployment in my life. Usually you get fired [and that's it: you] get fired." Mr. Beauchamp's aunt helped him to navigate the application

process, but he then received a letter in the mail saying that his employer was contesting his right to benefits and that he needed to appear in court. When I asked Mr. Beauchamp if it was easy to understand the letter he responded, “Oh it was easy to understand is you ain’t getting nothing, (laughter) you’re screwed basically.” But Mr. Beauchamp wasn’t screwed—with the help of his aunt and a family friend who was a lawyer, Mr. Beauchamp gathered evidence to show that he had not harmed the interest of his employer prior to work separation, and appeared in court. Though Mr. Beauchamp’s former employer tried to make a case against him,

everything she tried to put against me and it wasn’t working in her behalf. She’d say I didn’t try to get my job back, which I had telephone proof from the phone bills and talked, brought another guy in saying that I talked to him, that I did try to get my job back. and all that stuff. Still no matter what she tried to salvage, what she tried to word it, it just wasn’t fitting right.

In the end, Mr. Beauchamp triumphed: “the judge flat out told them that I was more than eligible for unemployment.”

The unemployment benefits came in handy as Mr. Beauchamp’s spell of unemployment stretched on and on, punctuated only by odd jobs and a few sporadic days of work through a temp agency. When his unemployment benefits ended, Mr. Beauchamp, who shared a mobile home with his mother, struggled to pay bills and eat an adequate amount. After another year of hardship, in a moment of apparent serendipity, Mr. Beauchamp passed a mechanic’s shop with a help wanted sign, “And I walked in there and they hired me right on the spot.... I just asked are you hiring, and he asked if I was certified in certain things. I said yes. And he said you got tools? I said yes. And he said how long could you be here, I said an hour, and I was back and I’ve been working ever since.... It felt good when I, I mean you know I could stand back on my own two feet again.” At the time of interview, Mr. Beauchamp had been employed as a mechanic for seven months.

Out of the ten separations for which employers were classified as “fighters,” five followed similar trajectories to Mr. Beauchamp’s story: respondents pursued claims and received benefits. Interestingly, I did not interview any respondents who pursued a claim against an employer’s wishes and failed to receive benefits. However, five respondents who applied for benefits but then found their employers to be “fighters” chose simply not to pursue their claims.

One such worker was Gregg Williams, a forty-five-year-old father without a high school diploma. Mr. Williams had worked in a variety of low-wage jobs—operating a forklift, working

in drycleaning, picking up temp work here and there—and had landed steady work in a grocery store in his neighborhood, “stock[ing], setting ads, um rotating, sometimes I set displays that was on the sales, unloaded the trucks, you know the delivery trucks.” Though Mr. Williams described the grocery store owner as “kind of shady,” his manager, “was like, he was to me one of the best managers I ever had you know because he took care of business and actually he ran the business. But you know as far as the owner, the owner would— to me he seemed like he was always trying to be up on the next person. You know what I’m saying, trying to make sure he got a little extra than what he should have gotten.”

When the owner decided to close the store location in the city of Detroit and open a new store nearer to his home in the suburbs, he offered Mr. Williams a job in the new suburban location. But without a driver’s license or adequate public transit, Mr. Williams was unable to commute to the new location, and,

my first thing was to make sure I had my W-2 forms and what not so I could file for my unemployment because when he offered me the job, I, you know, explained it to him where I lived, it would probably take me some time you know to get up the money to get my license back and to be able to come out there. So that kind of made me say, well I might as well just try to you know file this paperwork for my unemployment at least until I can, you know get back on my feet and get find me something else. I said so at least I have some money coming in.

The process of claiming the benefit, however, did not go smoothly for Mr. Williams. He explains the process saying that the Unemployment Insurance Agency,

sent me the papers because you know your employers have to sign your papers for you to receive it....first he gotta sign it then it has to be determined how much you know you be getting paid and he had to okay that. So if he don’t sign it to say he’s okay with you drawing unemployment, you have to go back and start it over again.

When Mr. Williams was initially denied his benefits he was “kind of discouraged,” but he sent in the paperwork to continue to pursue the claim, hopeful that he would be successful:

I figured like you knows, he know how I am and he know how I work you know even if I was to get it, it wouldn’t be for long you know. It would just be until I find another job and if I find another job before I start getting it I wouldn’t pursue it, I wouldn’t call you know I would leave it alone. So I figured okay he shouldn’t have no problem with that.

But again at the second stage of the contestation process, the claim was denied. Mr. Williams chose not to pursue benefits any further. “I never tried again after that,” he remarked, “I could

have re-applied [continued the process of contestation], but I just said I'd rather just spend my time and energy on trying to find me work and keep some kind of constant work you know to keep [my family] afloat." Unfortunately, without a driver's license constant work proved difficult to find. At the time of interview, Mr. Williams was piecing together from informal work repairing cars and working on houses for neighbors, family and friends. When I asked Mr. Williams how he would describe the unemployment system to someone who had never heard of the program, he had a piece of advice to add for the neophyte,

Don't get on your employer's bad side. (Laughter). Because they will deny you. See a lot of times if you're working for somebody, if that person don't like you they can and not saying that you won't get it, but they can deny it, withhold it, where the process will take a lot longer.... They can distract you and keep you going back and forth to court till you just give up and say; well okay, I'm gonna leave it alone. So the best thing is to make sure you [have a good relationship wither your employer]. And not just think that you have a good relationship but make sure you know, you know even if you don't like the person if you just talk to them to find out you know where they're at.

When pugnacious Jacques Beauchamp was confronted with an employer who contested his benefits, he marshaled his resources and fought back—until he won. But for Gregg Williams and four other respondents, the solution to the problem was not to fight, but to walk away—and to take with them the message that next time, it was their job to change their behavior, so that next time their next employer might be more magnanimous. Though Mr. Beauchamp and Mr. Williams described nearly identical behavior on the part of their employers, Mr. Beauchamp marshaled resources (his knowledgeable aunt, his pro bono lawyer) to which Mr. Williams lacked access. Using these resources Mr. Beauchamp took actions, forgone by Mr. Williams, that resulted in a successful claim for Mr. Beauchamp.

The Architect

The descriptions above use the stories of former employees to piece together how employers mediate benefit claims by sharing or withholding information, and taking or refraining from action. Each narrative emphasizes how micro-level processes—single conversations, appearances in court, individual meetings—affect benefit-claiming behavior. Yet, employers have wider ranging control than is evidenced by these micro-interactions: they determine the very structure of the environment in which their employees labor. Employers who shape work environments—by offering limited hours, subcontracting, or moving temporary employees from firm to firm—are *architects*. The work structures they build are environments in

which their employees are either ineligible for benefits, or incorrectly perceive themselves to be ineligible for benefits. Out of the 13 work separations from employers who were *architects*, only three resulted in successful benefit claims.

At the time of interview, Kayla Hutchins—a thirty-year-old woman with a master’s degree who struggled to find work in her field—had been employed at the same temp firm for six years. Her work history was a pastiche composed of stretches of unemployment between jobs sorting mail, entering data, and answering phones. Despite her frequent unemployment, Ms. Hutchins had never claimed UI. She explains,

I don't think I've ever been able [to claim UI] 'cause I think you have to work [for a long stretch of time] ...and see by me working for agencies... You know, you have to work so long [to be eligible] and usually I have...either the assignment ends before six months, or before I would be eligible, so I'd never even try to get [the benefit].

Like other respondents, Ms. Hutchins believes that a certain amount of consecutive employment with a single employer is a condition for UI eligibility. While Ms. Hutchins cites six months as the requirement, other respondents believe that sixty days are required. These respondents are correct in their assertion that one must demonstrate labor force attachment to qualify for UI benefits, but this attachment is measured by dollars earned rather than by months or days worked. In Michigan at the time most interviews were conducted, respondents were required to have earned \$4,307 over four quarters, with at least \$2,807 in one quarter to achieve monetary eligibility. With wages averaging \$1,000 monthly, Ms. Hutchins likely qualified for UI during some of her many work separations, yet she believes herself to be consistently ineligible. This belief of ineligibility was shared by many workers employed in non-standard work arrangements.

As was the case with other respondents who did not have a high level of information about unemployment benefits, Ms. Hutchins thought more about the benefits as she responded to my series of questions about UI than she ever had previously. As she thought it over, she concluded that perhaps she could have applied for these benefits—“you would think I would be able to,” she remarked—but she remained adamant that even had she been mistaken about her eligibility, benefits weren’t necessary in her case:

But now it's like I said, things are better. But even when things weren't, you know when I was getting less and less jobs or when I wasn't getting that many jobs, I just relied on my

grandmother to help me until I either got my school loans refund or you know got a job you know...you know I never really thought about it you know because I think early on, I didn't think I was able to get it anyway you know¹⁸. But yeah.

For Ms. Hutchins, the combination of her low level of awareness of the UI program, belief in her own ineligibility, and support from her grandmother—with whom she lived—led her not to apply for UI, nor to regret not doing so. Though Ms. Hutchins wished that she contributed more to the household during tough times, given that her grandmother provided for many relatives—“it may... makes things harder when it's one person carrying the load”—she also saw it as “okay because that's just life so I don't get stressed out about that.” Ms. Hutchins saw her period of underemployment as a waystation in her career path during which, “it's natural to work...you know work jobs for a certain amount of time and then be without one,” and without unemployment benefits. Were she to “work permanent jobs and lose them that would be different. It would be a whole different ballgame.”

In contrast, Reggie Greene saw both the permanent and temporary work in his employment history as similar—just part of his “shuffle” to make ends meet. Of the three successful claims among employees of *architects*, two belonged to Mr. Greene, a 32-year-old African American man without a high school diploma who was savvier to the strategies of architects than most other respondents. Yet, even he was sometimes tricked by the structure of his workplace. Mr. Greene, whose attachment to the labor force “fluctuates, it's nothing consistent [available],” describes how he goes about claiming unemployment benefits when he gets laid off from landscaping work:

It's a process where you call your unemployment agency. You give them your job information and everything and you see if your job is in a certain bracket and if you are eligible to get unemployment from that job. A lot of jobs purposely stay out of that bracket, you know so it depends on the job.

When I follow up asking, “have you had jobs that were both in the bracket and out of the bracket?” Mr. Green responds affirmatively: “Uh huh. Uh huh.” Mr. Greene describes a complex set of mechanisms through which even employers “in the bracket” work in the “gray areas” of the law to avoid having their employees collect benefits:

¹⁸ Ms. Hutchin's belief “early on” of her ineligibility stems from a direct message from her employer: “I think I asked my agency one time uh, but they told me that you have to have worked for so many hours and I didn't have those hours at the time. So that was one reason why I didn't [apply].”

Like, [the landscaping company I worked for], doing their seasonal work, um if you're working consistently through the spring, summer and fall and their down time is the winter then you can get unemployment benefits unless they're planning on getting rid of you or eliminating a shift or you know. Some of them may, I done seen them do this: hire you and then before you get your 90 days to be able to receive unemployment at least a partial piece of unemployment, release [lay-off the employee] release. Cause somebody is always in need of a job so they constantly can do that all the time. So you can imagine how much money they're saving.

He describes how when employers discover that their former employees are collecting benefits, “they may call you to work one or two days or three days once they figure that out. Like oh-oh we’ll come out cheaper if we just let him work instead of getting unemployment. If we let him work three or four days we’ll come out cheaper.” He also observes that employers slowly decrease the hours given to an employee so that when employees are finally laid off from their jobs, they will not have the earnings record necessary to qualify for benefits, “slowly tapered off, downsized. They know how to manipulate. That’s every business owner. I mean that’s their job to try to make as much money and keep as much money in their pocket as possible so.”

While Mr. Greene is unusual in the fact that he ever claims benefits from “architect” employers, he does not try to claim unemployment every time he is laid off. When he anticipates going back to work quickly or believes that his employer falls outside of the “bracket” of covered employers, Mr. Greene does not claim benefits. Mr. Greene believes that

most private entities you know anything like if you work for like one owner who just got one store you know and it's not, you know it's just, you know it's just not making it and it's not incorporated or anything like that. Nine times out of ten they don't have unemployment. You're one step from being paid under the table.

Yet, the State of Michigan Unemployment Insurance handbook reads, “all employing units that are determined to be employers and therefore liable under the Michigan Employment Security Act, are responsible for paying state unemployment taxes to the Unemployment Insurance Agency.” In the case of small employers, Mr. Greene has out-architected himself. Ensclosed in a system where employees can no longer assume that they are entitled to unemployment benefits when they are laid off (as was largely the case between 1935 and 1970), Mr. Greene misses the fact that he *is* eligible for benefits: firm size is not related to benefit eligibility.

Echoing a sentiment repeated by several respondents, Mr. Greene remarks, “your employer never wants you to get unemployment, ever. So he manipulates you and the

unemployment center to save him some money, so. The smart guy on top.” Mr. Greene, a young, low-educated Black man who came of age in Detroit during the age of de-unionization, has never known an employer who was a facilitator. Like Mr. Greene, many respondents whose employers were architects were low-educated Black men.

A Two-way Street: Employee Perceptions

This analysis has focused on the role employer action plays in affecting benefit claiming behavior of former employees. When employers take positive action (facilitating claims) the results are nearly uniform. But when they take neutral (ignoring) or negative (fighting) action toward benefit claiming, I have shown variation in outcome dependent on the information and resources available to an individual. When employers ignore, individuals must have information about benefits to claim them. When employers fight, individuals are more successful when they have the resources to contest. Individual attitudes toward employers, too, interact with employer behavior to affect claims and, ultimately, it is the nature of this interaction that affects whether a claim is levied and the success of that claim. To illustrate the agency individuals take in the construction of their belief systems and courses of action around employer interaction, I show how Danielle Darby and Ben Adler construct their employment relationships as personal rather than solely professional.

Danielle Darby is a personable woman: over the course of our interview, she made me feel at home in her home, and described the nuances of the relationships in her life—with her son’s teachers, other tenants in her building, in her social circle. As Ms. Darby, a 30-year-old with a high school diploma, launched into a description of her experiences with the six different employers she had worked for in the past ten years, it was clear that her sociability extended into her work life: she paid close attention to the social dynamics in each workplace. Ms. Darby’s first work separation was particularly personal: she had worked for her father’s company as an assistant in the Human Resources department. When her father’s business slowed during the 2008 economic contraction, Ms. Darby knew the business was suffering, and that her father didn’t want her to lose her job. Unwilling to let her father damage his business by continuing to pay her wages, Ms. Darby told her father she wanted to leave the company and search for other works so that her resume would demonstrate that she could work for someone who was not a family member. I asked Ms. Darby if she claimed unemployment benefits when she became

unemployed. Both attuned to her father's needs and the experience-rated nature of SUTA taxes, Ms. Darby responded:

No, my dad's company, I didn't even apply.because of his company not doing so well. Again, they paid part of that...well paid well most of it. And I didn't want to do that to him because I knew that financially he was struggling and that was my reason for leaving in the first place, so why would I leave and then go get him for... (laughs) I mean if that was the case I would have just stayed so.

Protective of her father, and her relationship with him, Ms. Darby forgoes benefits.

Personal relationships shape her benefit claiming in other ways with other employers. When she is separated from her work as a waitress because of a conflict with a co-worker who harassed her, Ms. Darby both chose not to apply because she was unsure she'd be eligible and because,

I didn't want anything else to do with that restaurant other than just eating there occasionally with my family, (laughter) so I didn't want any more bad blood or any more fighting with them through you know the unemployment agency and everything so, yeah.

When her friendship with the restaurant ended badly over her harassment, Ms. Darby wanted to sever the relationship totally—she didn't want a benefit claim to link her back to the toxic work environment.

The most recent job Ms. Darby had held before our interview was seasonal work for a department store. To maximize the likelihood of being hired on permanently, Ms. Darby worked hard at the job,

I really busted my butt more than a lot of people there just doing little things, trying to get the shelves all cleaned up at the end of the night, staying an extra 45 minutes and unpaid just to make sure [the department looked good the next day] So I wanted someone finally to leave the mall and say; wow they've really cleaned up that department. So my hope was that at the end of all it they would hire me, but unfortunately it didn't work out that way.

But even after she no longer worked for her employer, Ms. Darby hoped to maintain her positive relationship with the store. She chose not to apply for unemployment benefits because she

just didn't want to cause the issues with them or if I ever wanted to go back to Department Store for the holidays I didn't want them to remember me as somebody (short laugh) the put for unemployment afterwards you know because it was a seasonal job, so. Yeah, unfortunately it just didn't seem like a very wise thing to do. I wanted both

places to still be a good... if I had another job interview I was going to, a good reference for me and so.

In each of these three cases, Ms. Darby does not pursue unemployment benefits, not because she feels that she does not need or deserve them, but because she believes that a benefit claim would disrupt her carefully constructed relationships with each employer.

Like Ms. Darby, Ben Adler—a 43-year-old graphic designer—had personal relationships with multiple employers. He says of one employer, “my relationship with Martha is complicated cause I've known her for 20 years so there's a certain level where they're kind of why if we lived in a different world we might be friends, if she was capable of having friends we could maybe be friends.” After a contentious work separation several months prior to our interview, Mr. Adler reported talking with his former employer again: “we're friends. She's talking, she's made overtures in the last month or two about trying to get me back in there to work with her again.”

When I asked Mr. Adler if his employer wanted him to get unemployment benefits after his work separation, he laughed. He described Martha “screaming at people and throwing staplers at our heads,” and reported that she would complain to him when his ex-co-workers claimed benefits. He described a conversation between Martha and himself:

“remember Angie?” [she asked] “yeah the one you threw out the door the other day?” [I responded. And then she said back,] “yeah, she filed for unemployment, bitch.”

I asked Mr. Adler, who successfully claimed unemployment benefits, if he thought about these remarks when he filed for benefits. He responded, “Yeah, I think about everything. I mean, I mean I don't care that, that's not my problem though, I mean if today I am the new bad guy, I accept it, tomorrow there'll be another new bad guy.”

Mr. Adler has a lot in common with Ms. Darby: he had personal relationships with his employers, he hopes to maintain a professional relationship with his employer after work separation, and he believes that his employer will not look favorably on a benefit claim. Yet, Mr. Adler files for unemployment benefits and Ms. Darby does not. That Mr. Adler anticipates receiving a larger benefit payment than Ms. Darby probably helps to explain their divergent behavior. However, their respective skill levels and class positions also likely play roles¹⁹. Mr. Adler views himself as an equal to his employer, while Ms. Darby sees herself as subordinate.

¹⁹ Likely, gender too plays a role in their divergent behavior. However, analysis of gendered differences in claiming behavior falls outside the scope of this analysis.

As an equal, Mr. Adler is less afraid to defy his employer's expectations, and is willing to accept his role as "the new bad guy," confident that he will fall back into his employer's good graces. This tendency is not unique to Mr. Adler's relationship with Martha, an employer he views as particularly mercurial: Mr. Adler reports filing for benefits after separating from two other employers, each time believing that his employer would dislike his choice, and each time unafraid of the professional ramifications of that choice.

DISCUSSION AND CONCLUSION

Linda Bruno, Barbara Silverman, Cecelia Doyle, Jacques Beauchamp, Gregg Williamson, Kayla Hutchins, Reggie Greene, Danielle Darby and Ben Adler all lost jobs through no fault of their own, and all pursued re-employment following their separation from work. Yet, some of these individuals received unemployment benefits, and others did not. Existing work points to a variety of factors—the size of benefit they anticipated receiving, the transaction costs that they faced during application—that likely affected their take-up behavior. This analysis, however, makes an important theoretical advance in our understanding of how individuals levy claims on the state, asking us to broaden the scope of analysis when considering why some of these individuals took up benefits while others did not. Routinely theorized as a dyadic relationship between the individual and the state, this paper shows that in fact employers play a mediating role: what was once thought of as an individual-state dyad is actually a triad between the individual, their former employer and the state. The behavior of employers—facilitating, ignoring, fighting, structuring work arrangements—interacts with the situation of former employees—their information, resources, and attitudes toward the working relationship—to influence the employee's benefit claiming behavior. By broadening the scope of analysis to consider employer behavior, we improve our ability to understand why an individual does or does not access unemployment benefits.

In addition to improving our understanding of whether and why a given individual will access unemployment benefits, considering the employer role in benefit access may shed light on the gap in rates of benefit access between high- and low-earning workers. Low-earning workers may be clustered among employers who fight or ignore claims, and are disproportionately represented in non-standard work arrangements (Kalleberg et al 2000). Further, earning level is highly correlated with socioeconomic status, which is connected to the information and resources

available to an individual, as well as to attitudes toward figures of authority (Lareau 2011; Calarco 2011; Khan 2011; Streib 2015).

The results presented above suggest that two workers who are *equally qualified* to receive unemployment benefits will be *unequally likely* to receive benefits depending on which type of employer they have. However, this study has several major limitations that leave this idea, as well as the idea that employer involvement in UI claims explains a portion of the gap in rates of UI access, an implication and not a conclusion. First, the data allow for an examination of job losers' *perceptions* of their former employers' behavior and intents. This is a powerful tool for examining how subjective perception affects claiming behavior, but for a fuller picture of how program structure, employer behavior, and employee perceptions interact, an examination of the employer side of the equation is necessary. To more conclusively link employer behavior to claimant outcomes and demographic variation therein, further mixed methods research is called for. Ethnographic work should examine the behavior of both employers and employees in the time period immediately preceding and immediately following termination. This ethnography should be paired with interviews investigating the decision-making process employers use when decide to contest, ignore, or facilitate benefits claims. An aim of this work should be to determine whether and to what extent the experience rated nature of SUTA taxes drive employer behavior regarding benefit claims.

Another limitation of the present study is that the sample size is small and constrained to one geographic location. Quantitative work using causal inference techniques and survey or administrative data should be used to determine to more fully elucidate the magnitude of experience rating's effect on the disparity in rates of UI access. This paper offers a strong suggestion that the structure of the financing of the UI program creates a perverse incentive for employers to discourage benefit claims among their former employees—an incentive with disproportionate consequences for lower-earning individuals. Further work should test the validity of this strong suggestion. Quantitative work using employer fixed-effects could further examine whether employer behavior is consistent across employees, or whether an employer acts as a facilitator to some employees, but a fighter toward others.

The federal government has been concerned with the low levels of UI benefit take-up documented among low-earning workers, and in 2009 incentivized a suite of state-level changes to UI eligibility with \$7 billion of recovery act financing. The central reform in this suite, the

Alternative Base Period targeting levels of monetary eligibility, has been found to only be mildly effective (Gould-Werth and Shaefer 2013). Perhaps by broadening the scope of examination to include application as well as eligibility, and the employer role in eligibility and application of former employees, more effective interventions can be designed. Considering the employer role from both theoretical and intervention-perspectives may be important for a range of programs broader than simply Unemployment Insurance. These might include, for example, low-wage employers' practices surrounding information sharing around public programs such as SNAP and Medicaid, the proposed expansion of experience rating into the realm of disability insurance, and women's claims to contraceptives under the Affordable Care Act, among others. In the case of women's access to contraceptives, advocates have pressed us to answer a normative, rather than technocratic question: when it comes to benefit claims, should interactions be private interactions between the individual and the state, or are these claims "our boss' business?"

Finally, this research suggests a connection between an arcane funding mechanism (experience rated taxes) to real consequences—access to benefits and concomitant necessities like food and shelter—for individuals and to broader social disparity. Too often our examinations of program financing and program take-up are siloed, studied by disparate groups of academics. This analysis calls into question these silos and suggests that by integrating our analyses of "the front end" and "the back end" of public programs, we may gain important perspectives on the role of these programs in the broader social context.

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Chapter 4

“The Help that We Get”: Racial Differences in Private Safety Nets and the Scarring Effects of Unemployment Following the Great Recession

ABSTRACT

Though the Great Recession came to a close in June 2009, workers are still feeling its effects due to continued high rates of underemployment and long-term unemployment. The long-term unemployed are more marginally attached to the labor force than their short-term unemployed peers, yet less is known about how people sort into long-term unemployment or cope with this status, nor why African Americans are disproportionately represented in this group. Using data from qualitative interviews with a diverse group of individuals who experienced job loss between 2007 and 2011, this study identifies the important role private safety nets play in ameliorating the scarring effects of unemployment in the aftermath of the Great Recession. Private resources, which are unequally distributed along racial lines, connect job losers to satisfactory jobs, provide high quality re-training opportunities, and facilitate more comfortable labor force exits. Private resources also augment the living conditions of individuals who find themselves long-term unemployed or underemployed, buffering them from the potential negative consequences of the decline in the quality of their employment situation. Because these resources are unequally distributed along racial lines, African Americans who lose their jobs experience worse labor market outcomes and greater decreases in their wellbeing than their White counterparts. These results suggest that job loss is a turning point in the life course—like incarceration, eviction, or high school completion—in which racial inequality is magnified and reproduced.

INTRODUCTION

This paper investigates how inequality is reproduced in the contemporary economic context. In 2007, the United States experienced its most severe macroeconomic contraction since the Great Depression: by October 2009 one in ten members of the labor force was unemployed. The length of unemployment spells during this downturn was unprecedented. In 2009, 40% of the unemployed had been looking for work for six months or more and underemployment remains high relative to other historical periods (Krueger, Cramer and Cho 2014). Rates of long-term unemployment, too, remain elevated, though they are falling over time (Acs 2013; Krueger, Cramer and Cho 2014). The loss of a job means more than an income drop: individuals who lose jobs, termed “job losers” in the existing literature, struggle with unstructured days that affect mental health. The loss of a work-based identity shakes one’s sense of self: Americans interpret job loss not as a career setback, but as a personal deficit (Newman 1988; Sandage 2005).

Quantitative analyses have long established that poor and minority workers are more likely to be laid off than more affluent and White workers (Keys and Danziger 2008; Hoynes, Miller and Schaller 2012). Less is known about *why* this occurs or how individuals of different demographic groups buffer themselves from negative consequences of long-term unemployment. This paper shows how individuals of different demographic groups fare when confronted with the same shock—job loss. This has important implications for understanding trajectories of downward mobility and the reproduction of inequality in an anemic economy. Who achieves the best outcomes in this environment? Who is able to move on from the shock of job loss?

Using in-depth interviews with 45 socioeconomically and racially diverse individuals who experienced job loss between 2007 and 2011, I find that though all respondents I interviewed experienced long-term unemployment, *Black and White respondents who had been in similar labor market positions and had similar levels of educational attainment prior to job loss had followed divergent trajectories following job loss: on average, African American respondents were worse off.* By deploying individual resources—private assets and personal connections—White job losers of all educational levels escape the deepest scars of unemployment by achieving one of the following three outcomes (1) finding satisfactory re-employment despite experiencing long-term unemployment, through re-training or otherwise; (2) comfortably exiting the labor force; or (3) buffering the emotional and material consequences of prolonged unemployment or underemployment with emotional support and material resources.

I find that recovery from job loss is a key site where racial inequality is magnified and reproduced because African Americans lack the private resources that their White counterparts employ to prevent downward mobility and move on from the experience of job loss. This finding adds to the well-developed body of work on racial inequality in the United States by identifying job loss as a disruption in the life course setting individuals of different races who formerly occupied similar labor market positions on divergent economic trajectories. This analysis also contributes to a growing body of literature on recession-era experiences by uncovering an important mechanism—the private safety net—affecting the labor market status and wellbeing of 8.7 million Americans who experienced job loss during the Great Recession (CBPP 2014).

BACKGROUND

This paper’s findings connect to two main bodies of literature: research on *outcomes* of job loss—“scars” or the effects of job loss that persist over the life course— and research on private *resources* or “the private safety net” used to deal with economic difficulty. Understanding differences in resources available to job losers suggests a possible factor contributing to the racial differences in outcomes experienced by job losers.

To draw out the important features of these literatures, I begin by reviewing the literature describing the persistent, “scarring,” effects of job loss, racial differences in these effects, scars in the current economic context, and the way individuals perceive these scars. I then review a largely separate body of literature on the importance of private resources for getting through economic difficulty and racial differences in the levels of these resources. The empirical work that follows shows how individuals attempt to leverage these resources to prevent these negative outcomes, as well as the differential success of these individuals by racial group.

The Scarring Effects of Job Loss

Even in good times, job loss has long-reaching consequences. Extant work shows that following job loss, workers are “scarred” with diminished wages even after securing re-employment, and that these scars persist for the remainder of their careers (Davis and von Wachter 2011; Ellwood 1983; Jacobson, LaLonde and Sullivan 1993; Ruhm 1991). Racial and ethnic minorities face deeper and more persistent scars, earning less for longer as a result of their unemployment; in other words, their downward mobility is characterized by a steeper decline (Moore 1992; Ong 1991; Ong and Mar 1992; US GAO 1994). Some of this difference can be

explained by racial differences in occupation and educational attainment (Fairlie and Kletzer 1998). The remainder of this association is unexplained.

While the economic consequences of job loss alone are significant, job loss also affects other domains of life. Complementing this literature on the economic consequences of job loss is a literature documenting the long-term negative consequences of job loss for occupational prestige (Brand 2006); psychological well-being (Knabe and Ratzel 2011); physical health (Sullivan and von Wachter 2009); and social participation (Brand and Burgard 2008). This research identifies average effects, rather than variation in response to treatment, convincingly demonstrating that on average, after experiencing a short-term job loss, workers suffer in the long-term and that this suffering persists through re-employment. This research does not, however, examine the differential impact of these experiences by racial group. Cristobal Young's (2012) study of the scarring effects of job loss on subjective wellbeing notes that the persistent effects he finds vary by subgroup, with Blacks experiencing deeper scars than Whites, though these differences are not statistically significant, perhaps due to sample size.

In research using more recently collected data, Krueger, Cramer and Cho (2014) show that the Great Recession resulted in a large pool of long-term unemployed workers that, even when re-employed, tend to be *underemployed* and often churn back into unemployment: only one in ten long-term unemployed workers that they observed between 2008 and 2012 were employed in steady, full-time employment one year after being observed. Worker heterogeneity is unlikely to be driving the unemployment duration dependent nature of these re-employment outcomes. Krueger, Cramer and Cho note that African Americans are over-represented among the long-term unemployed, though racial disparities are not the focus of their inquiry. This literature quantifies the serious—and racially disparate—consequences of job loss; qualitative research complements this work by uncovering perceptions of job loss. Famously, Newman's *Falling From Grace* (1999) documents the subjective experience of downward mobility among corporate executives, air traffic controllers, sewing machine manufacturers, and divorced women. For each group, an emotional toll complements and interacts with their “wage scar”: in a society deeply invested in the meritocratic ideal, being unemployed is not simply a circumstance one encounters but rather a state that reflects symbolically on an individual's character. The most recent edition of Newman's work is subtitled “Downward Mobility in an

Age of Affluence,” suggesting that the experience of job loss is ripe to be explored in the current macroeconomic context, more aptly characterized by depletion than by plenty.

In the analysis below, I provide insight into how individuals who lost jobs during the Great Recession avoid or fall prey to the vicissitudes of long-term unemployment. I illustrate how some individuals buffer their experiences and “move on” from the initial devastation of job loss, despite wage scars. These individuals achieve one of the following three labor market outcomes: 1) satisfactory re-employment, through re-training or otherwise; (2) comfortable labor force exits; or (3) labor market failure buffered by emotional support and material resources. I provide an explanation for one factor leading to racial disparities this ability to move on, which I term “the private safety net.” Before moving into my analysis, I review the literature on the use of private resources, and racial disparities in these private resources.

Getting by During Hard Times: the Importance of Private Resources

While the literature reviewed above illustrates long-reaching *outcomes* of job loss, a separate body of research examines the *resources* individuals deploy to stave off these outcomes. An extensive body of literature documents the tools poor people use to make ends meet, demonstrating that they rely on a mix of state support, help from social networks, and income from sporadic or unsatisfactory work arrangements in order to get by (Edin and Lein 1997; Seefeldt 2008; Stack 1975; Venkatesh 2006). A clear finding emerging from this research is that, while important, the public safety net is too paltry to support poor families on its own. When individuals are unable to support themselves through labor force participation or through the public safety net, they can turn to *private safety nets* for support. Private safety nets have been defined as non-cash resources and cash support from family and friends (Edin and Lein 1997); emotional and/or material support from family and friends (Harknett and Harnett 2011); social support (Turney and Kao 2009); and material and instrumental support from family and friends (Ryan et al 2009). Work in this tradition examines only poor individuals and is sometimes restricted further to a single ethnic group, making it difficult to determine whether the strategies documented in this research are unique to the groups under study or more broadly shared.

In the current research, in addition to expanding the scope of analysis to examine individuals across demographic groups, I broaden the term “private safety net” to include personal assets including savings and homes, credit, and resources accessed through social networks like jobs, cash, housing, and emotional support. In short, in this analysis *private safety*

net refers to personally held resources that individuals can use to meet their needs when they are unable to do so through the labor market.

Private savings and access to credit are important tools that can be leveraged to smooth consumption when temporarily unable to meet basic needs through labor force participation. Though most individuals restrict spending following job loss, “liquidity constrained” individuals, lacking credit and savings, limit spending more than their less-constrained peers (Browning and Crossley 2001; Seefeldt 2010). Due to current and historical discrimination, African Americans have less access to credit and less wealth than their White counterparts, making this piece of the private safety net less available to them (Barsky et al 2002; Conley 1999; Oliver and Shapiro 1995; Rice and Swesnik 2013). This shortage of wealth includes more meager housing stock (Galster 1990; Galster and Godfrey 2005; Jackson 1985; Lacy 2012), a crucial disadvantage for consumption-smoothing, as owning one’s home outright means that one can maintain a housing arrangement even when payments for a mortgage or rent would be hard to come by, and that housing payments do not compete with other priorities for allocation of limited dollars.

While a person’s own assets and credit can be deployed to smooth consumption, family, kin-like friends (Edin and Lein 1997; Nelson 2000; Stack 1975), and even new affiliates (Desmond 2013) can provide crucial financial and material resources to poor Americans who cannot meet these needs through the labor market. Additionally, these social networks are important when seeking employment. Across the business cycle, searching for a job through family and friends is consistently one of the most popular and effective search methods (author’s calculations using CPS data; Eubanks and Wiczer 2014). Service workers and the managerial elite alike rely on personal connections to find and advance in employment (Brown and Konrad 2001; Fernandez and Weinberg 1997; Granovetter 1973; Royster 2003).

Though social networks are crucial to staving off hardship, finding work, and achieving upward mobility (Silva 2013), the networks of racial minorities are generally less well-resourced and provide fewer work opportunities²⁰ and tangible resources than those of their White peers (Desmond 2013; McDonald, Lin and Ao 2009; McDonald 2011; Petersen, Saporta and Seidel 2000). Because contemporary American social life is racially segregated and because the African Americans in their networks face barriers to upward mobility, even when individual Black Americans achieve upward mobility, they remain tied to poorer social networks than White peers

²⁰ For an alternate perspective, see Mouw 2003.

of a similar class status (McPherson, Smith-Lovin and Cook 2001; Patillo 1999). This network structure overburdens African Americans with plentiful resources, and as a result, the well-resourced may be unable to facilitate job connections or provide other assistance for all needy ties (Smith 2005; Smith 2010; Stack 1975). For example, African Americans' networks are populated by other African Americans who face contemporary labor market discrimination (Bertrand and Mullainathan 2004; Pager 2009). Thus, the networks of these racial minorities may contain fewer connections to potential employers and fewer individuals with incomes ample enough to share liberally. Thus, fewer resources are available to African Americans through their social networks.

In the current research, I build on the extant typologies of network theorists (Granovetter 1973) and ethnographers (Desmond 2013) to describe the three distinct and unequal types of ties available in the social networks of job losers. *Horizontal ties* are connections to individuals who possess similar levels of resources to the respondent and/or ties where the respondent is expected to engage in a reciprocal sharing relationship with the individuals to whom they were connected. *Vertical ties*, in contrast, provide significant one-way transfers without the obligation of repayment. Finally, *negative ties* do not provide resources to job losers, but rather drain them.

The research reviewed above suggests that private safety nets could prevent downward mobility among job losers. Extant research shows racial inequality in *outcomes* (scarring effects of job loss are worse for racial minorities) and racial inequality in *resources* (racial minorities have weaker private safety nets), prompting the question: *how does this disparity in resources affect the disparity in outcomes?* Below, I examine the role of private safety nets in the lives of a diverse group of job losers, showing how racial disparities in private resources affect mobility trajectories and reproduction of inequality. I examine who secures a job of comparable quality to the one they lost, or ameliorates the consequences of a decline in job quality or prolonged unemployment, and how they do so (see Table 7 for summary). In contrast to survey methods, my qualitative inquiry allows me to uncover nuanced differences in how individuals evaluate their own complex situations, including whether they consider themselves to have “moved on” from job loss despite prolonged unemployment or underemployment. This methodological approach provides for a more precise depiction of racial disparities in resources and outcomes.

Table 7: Respondent Characteristics						
Pseudonym	Race	Gender	Age	Education	Status at Time of Interview	Sufficiently Buffered? **
Charles Safford	Black	Male	47	College degree	satisfactory re-employment	
Jane Parks	Black	Female	53	College degree	satisfactory re-employment	
Shoquana Davis	Black	Female	52	College Degree	satisfactory re-employment	
Jeanette Brown	Black	Female	51	Less than High School	satisfactory re-employment	
Dareon Voss	Black	Male	27	Less than High School	satisfactory re-employment	
Barbara Silverman	White	Female	58	College degree	satisfactory re-employment	
Keith Kazanski	White	Male	53	College Degree	satisfactory re-employment	
Linda Bruno	White	Female	49	College degree	satisfactory re-employment	
Matt Schuster	White	Male	28	College degree	satisfactory re-employment	
Sean McCormick	White	Male	63	College Degree	satisfactory re-employment	
Brett Teruel	White	Male	37	High school diploma	satisfactory re-employment	
Craig Hendricks	White	Male	32	High school diploma	satisfactory re-employment	
Jenny Chilcott	White	Female	54	High school diploma	satisfactory re-employment	
Melissa Johnson	White	Female	34	High school diploma	satisfactory re-employment	
Jacques Beauchamp	White	Male	28	Less than High School	satisfactory re-employment	
Fred Henninger	White	Male	61	High school diploma	labor force exit	Y
Ann Shaw	White	Female	61	Less than high school	labor force exit	Y
Krystal Stamper	White	Female	26	Less than high school	labor force exit	Y
Kathleen Barthel	White	Female	45	College degree	underemployment	Y
Tad Smith	White	Male	57	College Degree	underemployment	Y
Gary Richards	White	Male	53	Less than high school	underemployment	Y
Paul Hadad	White*	Male	59	High school diploma	underemployment	Y
Bert Taylor	Black	Male	50	College degree	underemployment	N
Lastelle McCammon	Black	Female	49	College degree	underemployment	N
Travis Rorke	Black	Male	58	College degree	underemployment	N
Cecelia Doyle	Black	Female	26	High School Diploma	underemployment	N
Sherry Fuller	Black	Female	28	High school diploma	underemployment	N
Athalia Gordon	Black	Female	41	High school diploma	unemployment	N
Frank Morning	Black	Male	52	High school diploma	unemployment	N
Patricia J Henderson	Black	Female	44	High School Diploma	unemployment	N
Valerie Clayton	Black	Female	49	High school diploma	unemployment	N
Bonnie Adams	Black	Female	32	Less than High School	unemployment	N
Gregg Williams	Black	Male	46	Less than High School	unemployment	N
Reggie Greene	Black	Male	31	Less than high school	unemployment	N
Wendy Campbell	Black	Female	46	Less than High School	unemployment	N
Tim Jones	White	Male	58	College degree	unemployment	N
Thomas Rudaj	White	Male	41	Less than high school	unemployment	N
Danielle Darby	White	Female	31	High school diploma	labor force exit	?
Kayla Hutchins	Black	Female	31	College degree	underemployment	?
Celia Woodall	Black	Female	49	College Degree	underemployment	?
Edward Jones	Black	Male	30	High School Diploma	underemployment	?
Ben Adler	White	Male	35	College Degree	underemployment	?
M.T. Carson	Black	Male	55	High School Diploma	unemployment	?
Debra Brown	Black	Female	31	Less than high school	unemployment	?
Paul Remington	White	Male	42	High school diploma	unemployment	?

* Lebanese Respondent

** Determining what amount of buffering is "sufficient" is challenging, as most respondents had some level of buffering from their social networks. The body of the paper provides nuanced explanation. Respondents marked "?" had support that provided for their basic needs, but reported continued dissatisfaction with their situations. It should be noted that even within this group, White respondents had access to ties with ample resources (e.g. parents that provided rent, siblings with high-paying jobs) while Black respondents were buffered by more strained and less well-resourced ties.

RESEARCH METHODS

The metro-Detroit area provides a useful case for examining diverse individuals' experiences of unemployment during the Great Recession. Home of the auto-industry, Detroit was hard hit by the economic contraction of 2008, and while no single geographic area can stand in for the U.S. as a whole, Detroit is a case that illustrates the experiences of many Americans in

de-industrialized metropolitan areas. Importantly for this research, the metro area is home to both White and African American individuals of varying levels of economic success: according to the American Community Survey, between 2008 and 2012, the median household income in Detroit was \$26,995 while in the nearby suburb Farmington Hills, it was two and a half times as much.

To identify respondents, I used a subsample from the Michigan Recession and Recovery Study (MRRS), a stratified random sample panel survey, representative of the population of working age adults in the Detroit Metropolitan Area (who are primarily Black and White). MRRS completed three waves of hour-long, in-person interviews with adults aged 19-64 at baseline. Wave 1 took place between October 2009 and April 2010 with 914 adults and had a response rate of 82.8%. The next wave, in 2011, had a respondent retention rate of 93.9%, and was followed by a third wave of data collection in 2013 with a respondent retention rate of 90.8%. The survey gathered information about household demographics, income, education, physical/mental health, benefit receipt, and an employment calendar tracking respondents' monthly employment situations from 2007 through 2013.

Using the characteristics reported in the second survey interview, I stratified the large group of MRRS respondents into six categories by race/education, as shown in Table 8.

Table 8: Sample Characteristics		
	Black	White
No High School Diploma	8	5
High School Diploma only/ Some College	6	8
Bachelor's Degree or Higher	9	9

I follow the approach of survey researchers who use education level as a proxy for class status, a difficult concept to operationalize, particularly when earnings histories are interrupted by unemployment. Within each category I drew a subsample of working-aged respondents (aged 25-64) who, according to the survey's employment calendar, had experienced involuntary joblessness between 2007 and 2011, directly following at least four months of steady employment. My sample contained individuals who were unemployed at Wave 2, and to avoid the "hospital beds problem"²¹, individuals whose unemployment spell resolved prior to Wave 2.

²¹ For example, imagine a hospital with six beds. Over the course of a year, the hospital has 61 patients, 60 of whom stay for one month (98%) and one who stays for the year (2%). Observing in any given month, however, our cross-sectional sample contains five patients (83%) staying for one month and one patient (17%) staying for a year,

Despite this sampling strategy, every respondent experienced long-term unemployment, likely due to local labor market conditions. This unplanned consistency allows me to examine variation in how individuals of different demographic categories respond to long-term unemployment, a particularly challenging labor-market experience (Krueger, Cramer and Cho 2014).

I interviewed 45 respondents, between summer 2013 and summer 2014, two to five years after the unemployment documented in the survey's Wave 2. At interview, all respondents retained salient memories of their experience of job loss, recounting specific details such as: the order of events on the day they lost their job; conversations with former employers and loved ones; specific dates and circumstances surrounding their termination, search for re-employment, and the lapse of unemployment benefits. While not enough time had passed since the initial job loss to lose the rich narratives surrounding these experiences, sufficient time had passed for different trajectories to unfold following the job loss: some respondents perceived themselves to be "back to normal," while others reported continuing struggle, as documented in Table 7.

Respondents were compensated with 80 dollars and the modal interview lasted for two hours, though some were as short as 1.5 hours and others lasted over three hours. The majority of the interviews took place in respondents' homes, though eleven respondents preferred to meet in public places like libraries and restaurants, and one in the waiting room of a health clinic. Two interviews were conducted over the phone because respondents had relocated out of state following their job losses. The interviews elicited respondents' own narratives in three areas: the job loss itself; financial and emotional coping; interaction with government programs. Several respondents experienced multiple job losses, so I asked respondents to discuss all job losses, or if one felt more prominent to them, to focus on it and contrast experiences related to this job loss with other reported job losses. Interviews were audio-recorded and transcribed professionally.

The majority of the analysis presented here is drawn from narratives elicited in the second section of the interview, the portion designed to evoke descriptions of coping strategies following job loss. Data were analyzed using a grounded theory approach (Corbin and Strauss 1998), and theory was generated inductively by paying close attention to: (1) the rich detail respondents provided regarding the level of support they held independently and accessed from

overstating the number of patients with long stays. Similarly, if we sample only individuals who were unemployed at a given point in time, we will disproportionately sample long-term unemployed individuals.

various individuals in their social networks, (2) the ways in which they accessed these resources, and (3) their evaluation of their current material situation and labor force status.

RESULTS

The Initial Experience of Job Loss: Devastation in All Demographic Categories

I find job losers across the socioeconomic spectrum and across racial divides to be devastated by their initial experience of job loss. Ann Shaw²², a White woman without a high school diploma, describes the way job loss affected her independence, saying, “You know, I cried a lot. I, it really, really devastated me because at that time, you know I’d been single for 45 years. I took care of myself. I worked. I didn’t ask anybody for anything. I was very independent, very independent and that just took my independence away.... I loved my job. I always loved my job. Athalia Gordon, a 41-year-old Black woman describes conflicting feelings about the loss of her job, factory work that caused her chronic pain: “[I felt] glad sometimes because I know [my job] was really, really hard, but I miss my paycheck, I miss it, I really do so and it's hard now, it's really hard now.” In addition to missing her paycheck, Ms. Gordon misses her old routine, characterizing her days as, “kind of sad in fact. I mean it was just like my whole life had been taken away from me because everything that I was used to doing on a regular basis was gone.”

Respondents also felt shame. Gary Richards, a White truck driver describes his sudden shift in status, “I guess I think you’re too ashamed of really you know it’s hard to... you’re in one category then the next you know you’re in another you know? You’re like fully gained employed, doing great, and then now you’re a bum, you know what I mean?” These feelings of shame persist even when respondents know they lost jobs because of economic conditions. Matt Schuster, a 28-year-old White chemist puts it succinctly: “regardless of whether it was your fault that you lost your job, you feel a little... ashamed, disappointed, and without a clear purpose²³.”

The emotional toll of job loss goes hand-in-hand with a drop in standard of living. Shoquana Davis, a college educated Black woman explains, chiding me, “Now mind you Alix, I went to bed one night making over \$100,000... And I woke up the next morning zero... I can remember one time I got a shut off notice. The first time in my life I ever got a shut off notice...”

²² Names are pseudonyms; identifying details not central to the analysis have been anonymized.

²³ This internalization of labor force status is consistent with historical literature showing that in the American context career loss is treated as a personal shame, despite its structural origins (Sandage 2005). Here, this construction persists despite the worst economic conditions since the Great Depression. See Sharone (2013) for more on structural causes of this personal shame.

it just blew my mind it's like I didn't even have any money or anything." Whether their actions were new or familiar, Black and White respondents across the socioeconomic spectrum describe delaying payments on bills, leaving cars unrepaired and non-functional, foregoing meals out and even meals altogether, and leaving important prescriptions unfilled. Respondents struggled especially with their newly constrained ability to provide for children. Cutting back didn't bother Cecelia Doyle, a 26-year-old Black woman, "because I'm not a picky person. It's my kids, it's a little different for them when sometimes I say; well mommy can't afford it today. You know it's a little irritating and painful sometimes, you know they can't just get what they want like I was used to before because of the money issue, so they know sometimes I have to say, 'no.'"

Respondents also struggled emotionally with the loss of housing. Only half of those not already doubled up (living in a combined household) at the time of job loss were able to preserve their housing situation. Fred Henninger, a White engineer who, in rapid succession, experienced job loss, his spouse's death, and paraplegia, describes the loss of his house as "the most terrible time in my life." Mr. Henninger gets lost in his words as he describes better times in his home:

...to lose it like that after so much had happened there... I still got my initials, [my late wife's] initials and my kids' initials in that cement that's there. I don't know if that'll ever stay that way, but I could go over there right now and see that. Of course I'd be in tears, but you know. But uh, there was so many things there. She won two awards from the city for two years with her Christmas light display. She went up and got these damn, (sigh) got these damn uh, made me go out and get these lights (short laugh) and I hated to put the lights up, (laughter) I swear to God.... you know she bought these these, (sigh) the little deer things. She found this one that actually would bob its head... she just loved to do that stuff. I couldn't believe all the things we did at that house.

For many, the loss of a home was not simply an alteration in living arrangements, but a symbolic loss representing the end of an era that could not be packed up and brought along on moving day.

Many respondents "doubled up" by moving in with friends and family following the loss of their jobs. Some felt tension in these new housing arrangements. Patricia J. Henderson, a woman with a high school diploma, lost her job when her repetitive factory work caused her debilitating pain in her joints, leaving her unable to sit or stand at times. When her application for disability payments was denied, her mother moved into Ms. Henderson's home and began paying the rent. Ms. Henderson describes the constant tension in the house saying, "You know and everything was really strained for [me] when mom had to come back... We don't get along. Yeah and [for my mother] it's like, 'uh well I got to move back here to take care of a grown

lady,' you know, 'I don't like that I had to give up my apartment and I don't like it,' you know, complaining all the time, 'I hope your disability hurry up and come through so I can get out of here.'" While some respondents made smooth transitions into smaller homes or learned to enjoy living with their new roommates, for others life felt cramped and family conflict flared.

At the moment of job loss, suffering was almost universal, regardless of the respondent's demographic group. Respondents describe emotional difficulty, financial hardship, and the loss of the places they held most dear. While respondents shared this initial difficulty, as time passed they faced unequal trajectories toward recovery, described below and summarized in Table 7.

When Public Safety Nets are Insufficient, Private Safety Nets are Important

Perhaps surprisingly, job losers in every demographic profile accessed public benefits. 37 of the 45 reported assistance from the array of public programs that together comprise our "public safety net." Respondents turned to Temporary Assistance to Needy Families; Worker's Compensation; State Emergency Relief; Section 8 Housing; Pell Grants; publicly funded job re-training programs; Social Security (disability, survivor's, or old age benefits) and—most prominently—the Supplemental Nutrition Assistance Program (formerly food stamps) and Unemployment Insurance. This assistance was important to respondents: Shoquana Davis reports

It helped me through a time when mentally I wasn't there. You know I really had to get my mind; my mind had to get right. You know so having the unemployment benefits allowed me time; that time that I needed to spend some time in prayer. You know because when the unemployment benefits was there, I could write out my tithe check, write out my mortgage, write out my lights, gas, water, phone and have some left over for gas.

While respondents appreciated these benefits, they also repeatedly noted that these benefits alone could not meet their needs. Brett Teruel and his fiancée Lauren together described the shortcomings of Mr. Teruel's unemployment check for meeting their household needs:

Lauren: As a household though by the time you get the first check...

Brett: Oh you might as well be...

Lauren: You're already...

Brett: ...playing catch up...

Lauren: ...six weeks behind on bills. So if they're going to say, like I know some people think like; oh well it keeps you on track. No it's you're behind already and it's not exactly the same kind of money you were working for.

Brett: ...it's a fiasco.

Unemployment benefits and the bricolage of programs described above provided financial assistance to many respondents, but these programs alone are rarely sufficient to help job losers get by. Indeed, the unemployment benefits program is purposefully designed to provide a level of support that is less substantial than the amount recipients earned while working in order to incentivize unemployed individuals to return to work (Douglas 1932 in O’Leary 1995). As their unemployment stretched on, most respondents turned to “private safety nets” for assistance.

Above, I define the “private safety net” as resources not provided through the state that individuals deploy in times of need to make ends meet, secure employment and housing, and preserve their mental health. These resources include private savings, credit, homes owned outright, and social ties that provide resources. Existing research suggests that along each of these dimensions, White job losers are likely to have more extensive resources (Barsky et al 2002; Conley 1999; Galster 1990; Galster and Godfrey 2005; Jackson 1985; Lacy 2012; McDonald 2011; Petersen et al 2000; Oliver and Shapiro 1995; Rice and Swesnik 2013; Smith 2005; Smith 2010), and this is consistent with what I find. Below I detail the similar strategies Black and White job losers use to make ends meet, and their divergent levels of success.

Making Ends Meet

Unable to quickly secure new work, respondents had to adapt to their changed cash flow and continue to pay for housing, regular bills, food, and other basic expenses. Being unable to “make ends meet” prevents job losers from 1) finding satisfactory re-employment; (2) exiting the labor force comfortably; or (3) buffering labor market failure. The time, effort and added stress necessary to meet basic needs is psychologically wearing and prevents a person from engaging in job search activity, using resources to retrain, and taking other necessary steps to secure one of the three labor market outcomes under examination here. Some respondents—mostly White—deployed their private safety nets to make ends meet with relative ease.

Using the Private Safety Net To Make Ends Meet: Wealth

Some, disproportionately White, respondents leaned on personal savings. For example, Keith Kazanski—a White businessman—“had a five plus year cash reserve basically,” that he used to sustain his consumption patterns over the three years he waited for labor market conditions to improve. With no trouble making ends meet, Mr. Kazanski turned down a variety of unsatisfactory jobs, waiting for an opportunity that was right for him. Just over half of White

respondents successfully borrowed from their 401k and savings accounts to cover expenses previously paid for with employment income.

In contrast, other respondents with savings accounts quickly spent through them. Few Black respondents had 401k accounts to fall back on, and many spent the few thousand dollars they had saved. Athalia Gordon remarks, “I did have a savings account. Depleted. Zero. No actually I have \$19.76, I think it is in there right now...before I lost the job, well heck I don't know [how much was in there]... but it was more than nineteen dollars.” Other respondents reported spending down 401k accounts, declaring bankruptcy, not having personal savings to begin with, and depleting these resources but being unable to stave off the inevitable. Valerie Clayton had built a cushion of savings through diligent saving behavior across her career: she describes, “I paid myself every pay period. Just like I wrote a bill, and X amount of dollars went into my savings, no matter what. That was a bill. So, I was grateful though because I was able to live off some years with that.” Though her \$10,000 in savings sustained her and her dependents for a period of time, drawing down these funds was difficult. Yet, Ms. Clayton, like other respondents, believed that spending these funds was the logical choice. She explains,

I cried but I said I couldn't be stupid. What sense did it make for me to have money but I don't have anything? Or we get kicked out on the street or we're sitting in the dark. So I mean, realistically, you have no other choice. Just be grateful for the fact that you have it in there to use it anyway. It may not be what you wanted to use it on but be grateful that you have it is how I looked at it. I think what hurt me the most was when I closed it out. When it had zero dollars. That was the most hurting thing.

In lieu of savings, some, mostly White middle-class respondents leaned heavily on their credit cards. Matt Schuster explains, “In order to pay rent I had to put it on a credit card, didn't have enough, you know?” Linda Bruno, who was laid off from her clerical job four months before she'd been planning to return to college fulltime to pursue a nursing career, explains her strategy and discomfort with it, “there were times when we um, used the credit card for things like buying gas and paying grocery, which I absolutely hate, so we did incur a little bit of credit debt during that year, a lot more than we would normally.” Mr. Schuster and Ms. Bruno were unhappy to still be working to pay off their debt at the time of interview, but the credit allowed them to stay in their homes and meet their basic needs. This risky strategy was most successful for individuals who secured re-employment or had ties to individuals who could help them

mitigate the financial consequences of ruined credit or bankruptcy. Less-educated and Black respondents in my sample less often used this strategy, and when they did, were less successful²⁴.

Using the Private Safety Net To Make Ends Meet: Social Ties

Most respondents who leaned on assets or credit to make ends meet complemented this strategy with help from their social networks. These relationships were the cornerstone of the private safety net, in terms of prominence and the amount of assistance provided. Drawing on these ties in order to make ends meet was rarely easy for respondents. Brett Teruel explains,

I would rather... have everything taken care of, be able to take care of everything, but I do appreciate the help that we get, but I would prefer to be able to do it myself. But I'm not too proud, I'm not going to have the kids go without because I'm too proud.

In response to feelings of failure, respondents did the emotional work necessary to accept the assistance they needed. Discussing her aunt's financial assistance with foreclosure-related moving costs, Sherry Fuller initially remarks that accepting help was hard, but then reconsiders: "It wasn't hard. I needed the money to move for my babies. Did I want to borrow the money from anybody? No." She reconfigures what would have been shameful: "thank God I get to pay her back.... That would be the hard part if I wasn't able to pay her back." Almost all respondents accepted assistance from family or friends, confirming the importance of social ties for getting by not just for poor people as previously documented (Stack 1975; Edin and Lein 1997; Seefeldt 2008), but for all demographic groups.

African Americans' private safety nets often were composed of extensive horizontal (reciprocal) ties. Edward Jones, a 28-year-old Black man who has contingent work sorting parts for a distributor, describes how he gets support from his family when he is not called in for work:

I'll call my mom or my aunt or we'll—my sister—and we'll all sit down and I'll just tell them like; work hasn't been what it was, I'll paint your house or something like that you know. You know I try to work it off. I don't want to owe anyone. So I would rather work it off cause owing family... I don't like asking anybody for nothing so. What, I mean, they don't mind. They'll be there for me you know, they'll be there for me.

²⁴ In a typical remark, Reggie Greene explains why he doesn't use credit cards: "You can be spending in credit and don't have a job tomorrow. So that's, why would I put myself in that position?" Other low-income and Black respondents had prior negative experiences with credit and were unable or unwilling to use credit cards. Others still hit credit limits or had cards canceled before credit use became a long-term strategy. For more on credit see Seefeldt 2010.

While Mr. Jones notes the reciprocal nature of his ties, when Patricia J. Henderson thought she was accessing support from vertical ties—one-way transfers without the obligation of repayment—her creditors (friends and family) were actually expecting the repayment associated with a horizontal tie. Ms. Henderson explains, “a lot of times when I would borrow twos and fives I didn’t know that they were keeping a list [so] when I did get my money... you owe me this and you owe me that.” In the end, Ms. Henderson paid back her friends and family \$10,000 of her \$25,000 worker’s compensation payment. Without access to a competent lawyer to help her successfully claim disability benefits, ensconced in a network expectant of repayment, and physically unable to work, Ms. Henderson spent her payout in a year and ended up unhappily living in close quarters with her mother and donating plasma to get by. Like Mr. Jones and Ms. Henderson, most Black respondents received help from horizontal ties. When Black respondents accessed support through vertical ties, these ties—parents on fixed incomes and siblings who provide for a large number of less affluent family members—were often stretched thin.

This was not completely unique to African Americans: some white respondents found themselves in similar situations. For example, when I asked Tim Jones, an engineer who bitterly accepted a meager early retirement package from a Big Three Auto manufacturer in lieu of a lay-off, why he elected not to borrow money from family and friends, he responded, “They don’t have any. And I have a small family and I have no aunts and uncles or nothing so I just have a sister and she has her own problems.” These situations, however, were more common among African American respondents. More typical White respondents had networks containing amply-resourced vertical ties. For example, while Patricia J. Henderson’s creditors kept careful tally of what she owed, Jenny Chilcott—a White respondent with the same educational level as Ms. Henderson, but with a family with higher socioeconomic status—was indebted to more lackadaisical lenders: the resources were “usually a gift and I make an effort to pay back when I can.” Similarly, Kathleen Barthel describes the help she receives from her aging parents:

[My parents] were very generous. Anytime we get short they’re more than happy to loan us the money and right now I work it off by cleaning their house.... It’s a very generous and well-suited arrangement for both of us. So we have a set amount that they will pay me for cleaning and then if I need, you know, my son, we were taking him to a, trying a new alternative thing for his back and it was an extra 500 dollars we just didn’t have, so I borrowed from my parents and so I’m cleaning their house to pay that off, so it works out well. But they helped us out with Catholic High School. My dad really wanted, my

dad graduated from Catholic High School, as did my brother, so my dad very generously said he would pay half their tuition, because we couldn't have afforded it otherwise.

Though these transfers could be considered horizontal as they are repaid, the once a week housecleaning Ms. Barthel provides is likely more a symbolic effort than a material exchange. Vertical ties not only helped White respondents to meet their basic material needs, they provided extras that met additional recreational, religious, and emotional needs.

Additionally, private safety nets helped job losers to navigate bureaucracies and access resources. For example, friends who were lawyers secured unemployment benefits for two White respondents without high school diplomas and a Black respondent with a bachelor's degree. Unlike their Black counterpart, the White respondents received their friends' services pro bono. Similarly, when Melissa Johnson was unable to save her home by piecing together the discordant advice of bank employees who were prohibited from explicitly communicating that she needed to intentionally default on her mortgage to negotiate a lower rate, her husband stepped in. Mr. Johnson's skills as a math teacher translated to effective advocacy with bank bureaucrats: "I deal with things like that all the time. I deal with kids that [say] "This is not what I'm gonna do..." [I say,] "You need to get this done." [They say,] "Well I can't do it." [I say,] "Yes, you can." [With the bank] I'm the same way. It also helps that as a math teacher, I have a deeper understanding of how some of those things work just by the sheer nature of what I do. Them telling me certain numbers are happening; no, it doesn't work that way."

Both Black and White job losers maintained relationships with negative ties (people that needed care and assistance). These relationships, particularly with children, brought joy to respondents, but the time, energy and resources they took to maintain detracted from respondents' abilities to stabilize their own situations. For example, Athalia Gordon's grandson moved in with Ms. Gordon during her spell of unemployment. Ms. Gordon describes this time as "terrible, it's been rough, it has been rough, it's been hard and um, I really feel bad for my daughter because I know that she wants to help and she's not able to. I mean again the baby's here with me and I know that she needs help, but right now he may be better off here with me because she's struggling also.... So overall, it has been one of the hardest times in my life." While in some cases adult children act as resources and sources of strength during their parents' times of need, Ms. Gordon's daughter needed to receive—rather than give—assistance. Similarly, following her job loss, Valerie Clayton found herself providing housing for seven

family members despite having depleted her own savings. This financial strain left her unable to purchase toilet paper, “Everybody else has their own issues so it worked out where I was able to keep this house, cause everybody had to come here (laughter). So I have to, I have to try to look at it positively like that but finances are.... I told you I'm borrowing money [from the neighbors] and just to get a roll of tissue yesterday.... It's just everybody's struggling.”

While White respondents, too, had negative ties in their networks, these ties often refrained from burdening respondents with requests for assistance, instead turning to employed members of their networks. An exception was Tad Smith, who went from owning a business with 312 employees to facing unemployment himself. Simultaneously, his family was suffering: Mr. Smith's son was dismissed from college due to his low grade point average, and “he moved back in which was an enormous strain. Yeah, my daughter is over in Springfield, Illinois and she was testing our mettle at the same time... Yeah and [my wife] had her mother with cancer and my mother with Alzheimers in nursing homes...Talk about the sandwich. We're on both ends. And we're in the middle looking at each other like it's gonna get better and it didn't.” Mr. Smith experienced hardship as his business dissolved and his family struggled. Unlike many Black respondents whose networks were composed solely of horizontal ties, he was buoyed by one crucial vertical tie, his wife, who maintained employment as a nurse anesthetist. Across the sample, live-in partners provided the strongest vertical ties described by respondents. At the time of interview, fifteen respondents—four Black and eleven White—had live-in partners. Several respondents divorced following the initial months of their unemployment spell, though none would attribute the divorce to the job loss. In Mr. Smith's case, his relationship nearly ended due to financial and emotional strain, but eventually his family situation stabilized. Though he struggled, like other White respondents, as time passed following job loss Mr. Smith managed to meet his basic needs through his private safety net. When respondents had secured a strategy for making ends meet, they were more able to turn their attention toward their search work.

Labor Market Outcome 1, Re-employment, Through Private Safety Net Connections

The experience of unemployment pushed the desire for work into sharp relief for many respondents. Edward Jones remarks that unemployment “makes me more hungry for work. So it makes me want to work more.” Social ties can be leveraged to sate the appetite for employment by providing connections to jobs, but racial disparities in these networks affect whether

respondents are able to find work and the quality of jobs secured. Below, I examine how respondents leverage private safety nets to arrive at Labor Market Outcome 1: Re-employment.

It was a blow when new management laid off Barbara Silverman, a college-educated White woman, from her long-time position as a bookkeeper for a car repair shop. She remarks,

It was very, very difficult, yeah and a lot of anger towards [the new owner] who I had helped.... He had come in as the owner of this company not knowing a lot about it. I mean he knew some but not much and I really helped him tremendously and then for him to go do this me; it almost felt like a stab in the back, I took it real personal.

When she was unable to obtain another office position, Ms. Silverman's friends encouraged her to substitute at their workplace, a preschool. After substituting for several months, Ms. Silverman converted the sporadic work into a permanent position. Ms. Silverman remarks, "I'm happy with what I'm doing... I don't want to go back to being in an office at this point." Other White respondents had connections that similarly linked them to jobs of comparable quality to their old positions. Brett Teruel's father secured a maintenance position for his son. Mr. Teruel explains: "he got my foot in the door, I'm the one that's keeping myself there is what I'll say."

While the low-educated Mr. Teruel benefitted from his familial ties, Keith Kazanski, a highly educated White man, maintained ties to his business networks: "As much as I was disappointed [by my financial situation]," he explained, "I never gave up, I never stopped you know networking and pursuing opportunities keeping in touch with people and so forth." Eventually these efforts paid off. Mr. Kazanski described a business relationship dating back to 2003 "with an individual who is a very high level senior partner of a well-known law firm in Tampa." Mr. Kazanski maintained this relationship and after several years of unemployment received lucrative consulting work in Tampa through the connection. With no negative ties confining him to his Michigan residence, Mr. Kazanski packed his bags and moved to corporate housing in Tampa, there to stay until the next lucrative opportunity came through.

African Americans, too, turned to their networks for re-employment. Among those African Americans who did use personal connections to find new jobs, however, the majority²⁵

²⁵ Some Black respondents leveraged personal ties to secure re-employment. Charles Safford, like Keith Kazanski, maintained his professional network and was re-employed in his field. Shoquana Davis found a job through a fellow church member. Though these exceptions are important, they remain exceptional: African Americans rarely found satisfactory work through network ties.

found themselves in jobs of lower quality than their former jobs, and many quickly relinquished these positions. Frank Morning, a former fine-dining waiter, was connected to a job at a hospitality staffing agency by a cousin. Mr. Morning details problems with the job, including understaffing, insufficient and sporadic hours, low wages despite the high price of the food and wine served, and concludes, “I was sitting there getting that check and I was looking at it like this ain't even worth it. You know this ain't even worth me wasting my gas, my time and effort; and they treating me like a slave.” Other Black respondents who secured jobs through personal connections also decided that, in these new jobs, they bore too much of the economic risk and their employers too little. Bonnie Adams left a job at an upscale clothing store because she was being paid less than minimum wage under the table, and her employer was often late with payment. Debra Brown took work at an in-home daycare center that paled when compared to the 60-hour-a-week job she'd held previously: the new center had difficulty retaining clients and Ms. Brown was often told not to come in at the last minute. Ms. Brown, too, left the position, disappointedly returning to cash assistance and the mandatory “employment training” that she detested, where she and her fellow cash assistance recipients just “sat there ... every day that I can remember. Going to sign our name [and then] from 8:30 all the way to 5:30 doing nothing.”

Negative ties also affected the ability to access re-employment. Lastelle McCammon, a college educated Black woman, describes how adopting her three nieces affected her ability to search for a job, contrasting her current situation to when her nieces entered her household,

now I can concentrate more at [looking for a job]; there's no way when I got [my nieces] in 2008 I could've did that. I was up at the school every day. Getting them adjusted too because my sister [their mother] had... wasn't a functioning person in society.

Ms. McCammon's college education couldn't insulate her from the long stretch of unemployment accompanying the adoption that resulted from the dysfunction in her sister's life. Racial variation in resources—in this case, social ties—provided by the private safety net affects the ability to move on from job loss by securing adequate employment through connections.

Labor Market Outcome 1, Re-employment, Through Private Safety Net Provided Retraining

Though social ties are a component of the private safety net that is crucial to recovery from job loss, the importance of skills should not be underestimated. Of the 22 former factory/low-skill service workers I interviewed, only nine were re-employed at the time of

interview and only two found jobs of comparable quality to the ones they had lost without the help of their social network. In contrast, respondents with skills in high demand in the current economy, such as teaching, translation, engineering, and finance secured re-employment much more easily, without the help of social connections, or through their professional networks. This pattern held for respondents of both races. It should be noted that skills are not equivalent to credentials. Many Black respondents had high levels of credentials, but inferior training or skills when compared to less-educated White respondents. For example, two respondents were interested in translation. The White respondent had no post-secondary education, but had grown up speaking Chinese in China where her father conducted international business. The Black respondent had a master's degree in her language of interest, but despite hours of study, was not fluent and unable to work in her field. A considerable literature (see Kao and Thompson 2003) details inequities in the educational system that result in these differential educational outcomes, and concomitant employment prospects, for Black and White students.

Perhaps surprisingly, without connections, two low-educated respondents found blue-collar jobs with benefits after extended spells of unemployment. Jacques Beauchamp leveraged his mechanic's tools and knowledge to find work, but Dareon Voss, a Black man without a diploma, was hired even without skills. While searching for lawns to mow, he stopped by a steel plant with unkempt grass. Rather than having Mr. Voss mow the lawn, the owner offered him a position as janitor. Mr. Voss took the job and quickly worked his way up the plant hierarchy. He remarked, "You know I went in just asking did they want the grass cut you know randomly and ended up getting a job yeah and moving up in the job and now I don't cut grass. I cut steel." Mr. Voss had replaced his newspaper delivery job with a salaried position with benefits.

Mr. Voss' story illustrates that while blue-collar workers who struggle with prolonged unemployment are unlikely to find satisfactory long-term employment, even in Detroit—harbinger of de-industrialization—there is variation around this pattern of downward mobility. Yet, following unsuccessful job searches, most respondents who had worked in office, factory, or service jobs recognized that a skill mismatch made their chances for re-employment low and elected to retrain. Respondents without strong private safety nets participated in state programs, using the public safety net with little success. M.T. Carson, a high school educated African American with a long history in factory work, first tried to retrain as a chef, but lacked the support needed to travel to class and succeed in his math coursework. Mr. Carson explains,

I had been out of high school so long and they told me that I needed to go back and take a, something like an equivalent test to get my math up to speed and I tried that for quite a while and I said; I couldn't seem to get the hang of it. I had been out of school for like 35 or 40 years. And then it got hard and difficult then I had to... travel to go to school; I had to catch the bus but at the time I still didn't have a car and then you know it was wintertime and it's six or seven inches of snow so you know that was a little bit difficult so. I stood with it as long as I could so you know that just didn't pan out.

He then enrolled in an HVAC training program, but was unable to find employment in the field:

I was hopeful... me and a friend of mine went and took the course and the class together and we had both graduated and we both found it difficult. I don't understand why, but every time we went to places and put a resume in they told us, well we needed four or five years experience.

Unable to translate his state-sponsored skills into employment income, Mr. Carson lost his apartment and doubled up with his cousin. Discouraged, he reflects, "So basically I was just one of, one of the; I was one of the homeless people in Detroit basically." Like Mr. Carson, none of the Black respondents that retrained were re-employed at the time of interview.

Only two White respondents chose to pursue retraining and both followed successful trajectories into nursing careers. When Melissa Johnson lost her administrative staff position, she took it as a sign that she should follow through with her plan to become a nurse. She knew that this job was in high demand, paid well, and had a schedule compatible with raising her children. So, she drew heavily from her private safety net to make her plan a reality. Her husband took on extra teaching duties to augment their income. Ms. Johnson took out student loans, pulled money from her 401k, and enrolled in a reputable nursing program. This time was difficult:

My husband was gone a lot you know. So it was me and the kids home a lot. And that was hard because he wasn't able to be with the kids a lot and they weren't able to be with him and he was gone. He was working so much... I think that's a struggle for him to be working constantly; not being able to chill out, you know be with his family. That was hard. And then I didn't get help...while I was trying to study for school. So it was like me with the kids. So I think that was one of the hardest things other than like yeah, okay making the money work. It was just our family was split apart for a while.

Still, the combination of 401k dollars, loan money, unemployment benefits, and her husband's income and skill navigating their mortgage provider's bureaucracy proved just enough to avert the loss of their home and allow Ms. Johnson to complete school. Her private safety net provided a temporary break from the labor force, retraining, and eventually a job that paid nearly double

what she earned pre-job loss. Other respondents also chose to exit the labor force and, as was the case with Ms. Johnson, their private safety nets determined how comfortably they could do so.

Labor Market Outcome 2: Private Safety Nets Provide Comfortable Labor Force Exits

In total, about one quarter of respondents retreated from the labor force to retrain, wait for the economy to improve or take care of children. The ability to take these breaks, the quality of life during the breaks, and the ability to end the breaks to take satisfactory jobs when desired, were all influenced by the strength of the respondent's private safety net. Though their initial experiences of job loss were devastating, because White respondents' private safety nets provided more resources than those of Black respondents, they were able to draw on these resources emotionally to re-frame their situations, and materially to support them as they withdrew from the labor force and constructed unfamiliar but comfortable new lives. These White respondents used their private safety nets to arrive at the second labor market outcome under examination: a comfortable labor market exit.

While Ann Shaw ached for the excitement and independence that accompanied employment, when she failed to find work and depleted her savings, she left the labor force, called herself retired, and moved in with her longtime beau, who provided a spacious home, a car, and vacations to Michigan's northern beaches: "I'm lucky I have a man that pays the bills and I don't have to worry about you know a house over my head. I don't have to worry about those things. He takes care of those.... So I'm lucky in that aspect you know where many aren't." Ms. Shaw, a White woman, pined for independence, but was grateful that her private safety net provided for her material needs. In contrast, when African American Debra Brown left the labor force to return to school, her private safety net could not provide a high standard of living. Her mother and the father of her children gave what they could, covering utility payments and household supplies. Other needs went unmet, "like right now, my kids starting back to school. I'm like my kids need the shoes. I was only able to buy two pair of shoes. I'm like I got seven more to buy. So I got a kid that's gonna start kindergarten and like she don't got nothing; no uniform, no shoes, no nothing. I said, 'But God gonna make a way. He gonna make a way.'" Ms. Brown provides for the 14 children in her household with deft navigation of the meager private, public, and charitable safety nets available to her. Yet, this causes stress: "every day, I sit here and think about like, 'What I'm gonna do now?' ...that's kind of stressful, too, to sit here every day and think about what you gonna do, you know, and you ain't got the money to do it."

Ms. Brown and Ms. Shaw had the same level of education (neither completed high school) and both lost jobs that they loved and could not replace. Yet, they experienced very different labor force exits because of their private safety nets: Ms. Brown felt deeper scars.

Other respondents left the labor force to care for children after they lost their jobs²⁶. Happy to rely on the income from her husband's work as a boilermaker, Sherry Fuller, a Black woman, chose to care for her two girls rather than re-enter the labor force after she was laid off from her job in billing. Ms. Fuller came to understand how fragile her private safety net was when her spouse was suddenly incarcerated and—though pregnant—she had to sell cable subscriptions door-to-door on commission. Her aunt provided financial assistance with moving costs, but “the other people really (sigh) didn't have any to loan because... I was the person they would borrow money from.” Social ties of similar class positions were sparse in her network, and the one that existed—her aunt—was overburdened. Ms. Fuller's fall from grace showcases what a private safety net can do: it can be the difference between comfortably caring for children regardless of employment status versus taking the only job that fits your children's schedule and struggling to make adequate commission. It also shows how fragile these private safety nets can be, particularly for African Americans whose safety nets contain few well-resourced ties.

Labor Market Outcome 3: Buffering Labor Market Failure Using the Private Safety Net

In addition to helping job losers to comfortably retreat from the labor force, private safety nets augmented the living situations of respondents who took jobs that were worse than those they had held prior to their unemployment. These respondents arrive at the final labor market outcome of interest: buffered labor market failure. For example, after a long unemployment spell, Gary Richards' old employer rehired him, but the quality of his employment decreased: “I lost all my vacation time, all my seniority, all my pay, I started right back down.” Remembering the depression, listlessness, family conflict, foreclosure and bankruptcy that characterized his two years of unemployment, though, Mr. Richards was pleased to be back at work. His wife's salary augmented his decreased earnings and Mr. Richards seemed not quite to feel the drop in his labor market condition. At the time of interview, he and his wife had just put down carpeting in their newly purchased home and, reflecting on his unemployment, Mr. Richards remarks, “It's kind of like it didn't happen. You know 'cause now we're doing good again, we just bought a

²⁶ This occurred because children needed intensive care, or simply because respondents preferred spending time with children to working and this option was financially feasible for their family.

new car yesterday.... you know we're turning our life around again you know what I mean? So it's kind of like it didn't happen. But in your heart you know what happened you know?" His private safety net had almost, but not quite, erased the scar of unemployment. In contrast, Bert Taylor, who is Black, went from a \$79,000 salary at a white-collar job to being largely unhireable because of a misdemeanor. Lacking a robust safety net, he relied on a part-time fitness coach position paying \$9,000 annually. Mr. Taylor remained resilient: "I don't take it as a negative," he remarked, "I take it as challenge," though it was a challenge he bore on his own.

For the underemployed and long-term unemployed, the private safety net can provide the emotional and material support necessary to prevent a slide into depression and allow job losers to see silver linings in their situations. Tad Smith—who was buffered by his wife's salary—feels that unemployment "grounds your ego. You know it makes you look at what's truly important in life. You know I think a lot of us go through life and we look at the materialistic things in life and that's important and we forget the most important part is your family." This side of unemployment is harder to see when one struggles to meet his or her basic needs unsupported, as was the case for many African Americans in the sample. For example, when I ask Edward Jones—whose network was composed of horizontal ties only—if anything good had come out of his time unemployed he responds, "nope. Just hardships, bad." Reggie Greene elaborates on the consequences of facing unemployment with only horizontal ties to buffer you,

it can wear on you. ...it can cause some people to, you know have a depression and you know it can wear on you physically, you know a lot of mental strain you know. So because you never know, you've got a family you're providing for or; you know it's a lot of things that come with it so you have to deal with the good and deal with the bad. So it can get real ugly if you're not careful, so.

Jeanette Brown, a former health aide who experienced homelessness and felt she had no ties to turn to in her time of need, reflects on the feelings accompanying unbuffered hardship,

when you have something and it be taken from you and you don't have no place to go or nothing like that, you going to feel a lot of overwhelmness. You have anger, you know, disappointment cause you, cause you know there's something different you could've, you know you would thought you would do something different, but didn't do it cause you didn't think of it or something like that you know.

Ms. Brown feels that she alone determines her material circumstances. Though Ms. Brown was re-employed and feeling positive at the time of the interview—"I smile more than I ever did"—

the scars of her experience still cast shadows. She reflects, “It still bothers me that I went through it, you know ...And I got to still try to keep myself from getting there again.” Without the private resources employed by their White counterparts, African Americans feel the full force of their diminished labor market position: they scar deeply. This unbuffered experience causes feelings like depression and anger—and circumstances like homelessness and car-lessness—that make it difficult to advance in the labor force or come to peace with one’s new circumstances.

DISCUSSION AND CONCLUSIONS

Individuals who face long-term unemployment are faced with bleak prospects: they are unlikely to find re-employment, and if they do they are likely to be underemployed or quickly find themselves unemployed again (Krueger, Kramer and Cho 2014). My research uncovers one mechanism, the *private safety net*, affecting who is able to (1) find satisfactory re-employment despite experiencing long-term unemployment, through re-training or otherwise; (2) shed their long-term unemployed status by comfortably exiting the labor force; or (3) buffer the emotional and material consequences of prolonged unemployment or underemployment with emotional support and material resources. Job losers of every class background and every racial group attempt to draw on their privately held assets and their personal connections—their *private safety nets*—to ameliorate the scarring effects of job loss and arrive at one of these three outcomes. African Americans, however, have weaker safety nets than their White peers. Though holding similar jobs may permit African Americans and Whites to maintain similar standards of living despite private safety net differences, unemployment brings the inequalities in private safety nets into sharp relief. The inability to effectively deploy private resources means that Black job losers face deeper scars and steeper trajectories of downward mobility than their White counterparts.

This finding brings together research in several distinct domains: the scarring effects of job loss; strategies for making ends meet; and racial disparities in social networks and wealth. At the nexus of these literatures sits an important turning point in the life course, job loss, that I show to be associated with the magnification and reproduction of racial inequality. While extant research shows that African Americans face unique barriers to securing employment (Bertrand and Mullainathan 2004; Pager 2009; Smith 2010), the current research both broadens the scope of examination to consider all coping strategies available to job losers, and narrows the focus of inquiry to look at the specific experiences of job losers (not job changers or labor market entrants). When the frame of analysis is shifted, *the private safety net* emerges as an important

tool influencing the depth of scarring experienced by job losers. Importantly, my analysis breaks with much of the extant literature on making ends meet to examine the strategies of a diverse group of job losers. I find that individuals across the socioeconomic spectrum and racial divides employ the same strategies—using public benefits and private safety nets—but that differences in the quality of resources available to African American job losers result in the inability to “move on” from job loss. My results suggest that *resources* rather than *behavior* drive the disparate outcomes experienced by Black and White job losers. Ethnographic work is called for to better understand how behavior influences the labor force trajectories of job losers.

This research finds that Black and White Americans turn to both public and private safety nets following job loss, but that disparities in private resources leave Black job losers on unequal footing in the labor market compared to their White peers. Public resources plentiful enough to mitigate this inequality largely are unavailable: employers and the state are embedded in a logic that emphasizes market solutions and the deployment of private resources (Harvey 2005; Mudge 2008). Despite the calls of advocates for the unemployed, in 2014 Unemployment Insurance was not extended and many states are scaling back their programs by cutting the number of weeks available to job losers and emphasizing reduction of fraud rather than program expansion (Evangelist 2013; Peters 2014). In addition, some evidence suggests that racial disparities in public safety net access complement and reinforce disparities in the strength of private safety nets (Gould-Werth & Shaefer 2012; Grant-Thomas 2011). Reversing this trend and bringing public resources to African Americans at the point of job loss may be an important intervention at a crucial juncture in the life course in order to ameliorate racial inequality. However, the same ideology that brings job losers to internalize the scarring effects of unemployment may preclude policy makers from providing a public solution to a problem that is constructed as private.

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Chapter 5

Conclusion

Our sages taught: A person shall not throw stones from his domain into the public domain.

There is a story about a certain person who was throwing stones from his domain into the public domain. A certain wiseman found him doing so and said, "Numskull! Why are you throwing stones from a domain that is not yours into a domain that is yours?" [The numskull] laughed at [the wiseman].

[Time passed and the numskull] had to sell his field. He was walking in that public domain, and he stumbled over those very stones [that he had thrown previously]. He said, "that wiseman spoke well when he said to me 'Why are you throwing stones from a domain that is not yours to a domain that is yours?'"

--Bavli Bava Kama 50b²⁷

Job loss is a devastating moment. The stories of the respondents detailed in Chapters 3 and 4 show how quickly lives can unravel when the order of the workday and its accompanying paychecks vanish. This dissertation, though, has investigated more than the devastation in the wake of job loss: it has examined how those who fall from grace attempt to buffer their falls. As mentioned at the outset of this manuscript, this dissertation is a tale of two safety nets, an inquiry into the efficacy of public and private safety nets in the lives of job losers from differing demographic groups.

Chapters 2 and 3 investigated the reach of the public safety net. Chapter 2 used survey data from a special supplement to the Current Population Survey (the May 2005 UI non-filers supplement) to show that among job losers, racial minorities and low-educated individuals are less likely to apply for UI benefits than their more advantaged counterparts. The analysis in chapter 2 further demonstrated that applicants who are members of disadvantaged sociodemographic groups are less likely to receive benefits, and that for Latino and low-educated

²⁷ Thanks to Helen Plotkin for sharing this excerpt with me.

groups, these findings are robust to controls for racial group, citizenship status, state of residence, and reported reason for work separation.

Using qualitative data from 45 in depth interviews, Chapter 3 examined mechanisms for benefit receipt in more detail. It identified the employer as an important actor whose actions created a context for benefits claims—either favorable or unfavorable, depending on the employer’s actions. This chapter further demonstrated that employer actions interact with former employee characteristics to influence an individual’s knowledge of benefits and choice of whether and how to pursue a benefit claim. Finally, Chapter 3 posited that members of disadvantaged sociodemographic groups may be clustered among employers who take actions that are unfavorable toward benefit receipt, and these individuals less often have access to the information and resources that are necessary to pursue a successful claim in the absence of a facilitating employer. Thus, the employer role in benefit claims may result in some of the disparity in rates of benefit receipt described in Chapter 2.

Chapter 4 identifies the *private safety net* (privately held assets and personal connections) as a factor affecting who, following job loss, is able to (1) find satisfactory re-employment; (2) comfortably exit the labor force; or (3) buffer the emotional and material consequences of prolonged unemployment or underemployment. All job losers draw on these private safety nets to ameliorate the scarring effects of job loss and arrive at one of these three outcomes, yet racial disparities in private safety nets make job loss a pivotal life-course moment where racial inequality is reproduced. Together with Chapters 2 and 3, Chapter 4 shows that low-educated racial minorities are doubly disadvantaged. The public safety net does not offset the private disadvantage these individuals face.

Together, Chapters 2, 3, and 4 make the case that while the public safety net *could* function to ameliorate demographic disparities in the consequences of job loss, it has grave shortcomings. Though Chapter 4 makes the case that overall, in the lives of recessionary job losers in the metro-Detroit area, the private safety net was more robust than the public safety net, many respondents preferred to rely on UI benefits to tapping their personal networks or draining their private resources. Yet, these public benefits provide fewer resources than many private safety nets and thus are less helpful in facilitating recovery. Despite these shortcomings, political support for strengthening the UI program is low. The program remains underfunded (Hertel-Fernandez 2013) and in 2014, UI benefits were not extended despite the continuing dearth of job

openings (Peters 2014). As workers prepare for potential job loss, readying themselves for future rainy days, it may make sense for them to focus on strengthening their private safety net, rather than planning to rely on the public one.

Typically, we think of private resources as being more strongly connected to ourselves than shared public resources: they are ours and belong to no one else. The epigraph at the outset of this chapter pushes us to complicate our notion of what is truly ours. It tells a story of a man who cherishes his private land and enriches it at the expense of the commons (shared public land available to all). He hurls stones from his privately held land into the commons, freeing himself from these obstacles to plowing the land, sowing seeds, and harvesting crops. In removing the stones from his private land, he passes the burden to members of the general public who might use the shared space. The man believes that he is enriching his fortune in a zero sum game: himself versus the public. A prescient wise man challenges his worldview, arguing that the privately held land does not belong to the stone thrower. The wise man asserts that the commons are more strongly connected to the stone thrower than his private land, which the stone thrower takes as an absurd statement. When economic misfortune befalls the stone thrower, he loses the private land that he had cultivated. The only resources available to him lie in the public domain, which he has polluted with stones.

This story reminds us that our private resources are not permanent, a sentiment that emerged and re-emerged throughout my interviews with individuals who experienced job loss. Many things—homes and possessions, access to transportation and health care, one's standard of living—feel permanent, my respondents told me, until they are not. Tad Smith, a 57-year-old former business owner, illustrates this point. He describes a man whom his wife, a nurse, encountered at work:

Sadly [she saw] a gentleman [who was] 70 years old. 70. He came into the emergency room, homeless. Now it gets worse. He's got no shoes. No shoes and [with] what's it like out [in this cold weather], can you imagine walking around at 70 with no shoes on? He's got no jacket and he's been beat up.

Throughout our interview, Mr. Smith refers back to this emergency room patient. Toward the end of the interview, he again returns to the image of the shoeless man when reflecting on the sudden drop in income that accompanied his unemployment:

Well yeah I was cruising along at 120 [thousand dollars a year in income] and all of a sudden I'm doing zero... That nest egg I had is gone. So for me, I think that's why that 70-year-old guy with no shoes really affected me. Because I look at myself and say, "could that be me?" I don't want it to be me so what do I need to do? The loss of, just the loss of revenue, I mean there's just no extra cash, so yeah.

Though once the employer of many, an owner of a successful business, and a family man, when job loss hit Mr. Smith found himself nearing divorce, selling his home at a great loss, and unemployed. All that had seemed permanent, central to his identity, was gone and there were few public resources available to cushion his fall. It was this experience that brought Mr. Smith to see himself reflected back in the shoeless, beaten, seventy-year-old that appeared in the hospital emergency room.

In the introduction of this dissertation, I described the development of the contemporary public safety net during the Great Depression. During this period, millions of Americans found themselves unemployed, and—like the shoeless man—found themselves without the resources to clothe themselves adequately, to keep themselves healthy, or to protect themselves from the torment of violence and cold. The Unemployment Insurance program was developed so that in moments of job loss, Americans with labor force attachment would not find themselves confronted by these possible hardships. Yet, Tad Smith feels close to this fate. In the end, Mr. Smith credits rekindling his relationship with his high-income wife—the private rather than public safety net—with staving off this outcome. Eighty years after the passage of the Social Security Act, Americans with paltry private safety nets, however, cannot sufficiently buffer themselves from job loss. To extend a metaphor, our commons are polluted with stones.

IMPLICATIONS FOR PUBLIC POLICY

Chapter 2 outlines a policy concern: relative to their more advantaged counterparts, demographically disadvantaged workers who lose jobs have difficulty accessing the main government social program designed to assist them following job loss. Chapter 3 points to an entry point for policy intervention: the employer side. Chapter 3 shows the important role employers can play in facilitating the benefit access of their employees, though facilitating access in this manner is optional and employers are required to do little to make their employees aware of the UI program.

In contrast, the program design of COBRA (a public-private health insurance continuation program) incorporates employers into program take-up: employers are required to

notify employees of their COBRA eligibility in writing at work separation. The lack of UI program knowledge among some low-educated job losers suggests that mandating employers to notify job losers of their benefit eligibility at job loss could be an important step to increasing rates of benefit application, and hence receipt, among this group. As many respondents describe their moment of job separation as “a blur” during which new information is difficult to absorb, the notification of UI program availability should be perhaps provide twice: once at separation and again mailed to the home of the worker.

In addition to describing employers who facilitate benefit access, Chapter 3 describes employers who work to prevent their employees from accessing benefits and describes a funding mechanism, experience rating, which may incentivize employers to discourage their employees from accessing benefits. Chapter 3 further points to low-earning workers as potentially bearing a disproportionate amount of the burden when it comes to employer behavior that discourages benefit access. While proponents of experience rating argue that experience rating is necessary to preclude employer moral hazard (i.e., laying off workers who could have otherwise remained employed) and keep the UI system solvent, the United States is the only OECD nation that uses this experience rating. The most obvious policy solution to negative employer intervention in UI claiming would be to abolish experience rating in the US, and with it abolish the incentive for employers to suppress their former workers’ claims. If repealing experience rating completely is not a tenable policy option, perhaps the structure of the system could be altered so that employers of low-wage workers are not taxed so regressively and thus do not have a higher incentive to stop claims of a low-wage workforce.

Finally, Chapter 4 shows that in the absence of a robust public safety net, job losers rely on private safety nets and that this reliance magnifies racial inequality. Though potentially politically unpalatable, the obvious policy implication here is to strengthen the public safety net by making UI more generous and more available, and to provide job losers with additional public supports that some are able to access privately: for example psychosocial support and housing. Strengthening the resources available to all would diminish the importance of private resources available to only some at a crucial moment—job loss—in the earnings trajectory.

IMPLICATIONS FOR SOCIAL WORK PRACTICE

Chapter 4 makes the case that job loss is a turning point in the life course where racial inequality is amplified and reproduced. Social work practitioners and scholars have identified

several key life course moments for interventions designed to ameliorate racial inequality. Practitioners have implemented early childhood education, adolescent sexual health education, the promotion of healthy marriage, prisoner re-entry, and aging in place—each targeting a specific life course moment during which racial inequality places individuals of different racial groups on different trajectories for the remainder of the life course. Rich bodies of research describe the implementation, replication, and evaluation of these interventions, as well as their effect on racial inequality in the U.S. The findings presented here suggest that, though less researched, job loss is an important life course moment for further study and intervention to reduce levels of racial inequality. This dissertation serves as a call to the social work profession to deploy our professional tools to aid individuals who struggle with job loss.

In Chapter 4 I quote Jeanette Brown, describing her feelings at the time of job loss:

You're going to feel a lot of things but when you have something and it be taken from you and you don't have no place to go or nothing like that, you going to feel a lot of overwhelmness. You have anger, you know, disappointment cause you, cause you know there's something different you could've, you know you would thought you would do something different, but didn't do it cause you didn't think of it or something like that you know.

Ms. Brown goes on to remark:

I was actually sunk into a depression a little. [If I hadn't been depressed], I would have went [to the unemployment office] first thing. Uh huh... as soon as my job was over with, I would went.

Social work is a profession that positions itself to intervene on multiple levels, addressing private troubles as well as public issues. Ms. Brown describes a private trouble, depression, that she experienced as did other job losers whom I interviewed. Social work practitioners should be poised to address depression and other psychological trouble after job loss, which affect many aspects of life including—as Ms. Brown describes—UI benefit access.

The sociological perspective reminds us that even the most private of troubles occur in the context of, and as a result of, social structure. Policy interventions that would bring UI to Ms. Brown even as she struggled with depression would have perhaps lightened her burden, bringing her public resources that she could deploy to make ends meet. This would allow her to protect her limited energy for moving forward rather than for meeting basic needs. By intervening both on a policy level and on the individual level, the social work profession—which has largely left

the terrain of job loss uncharted—has the potential to ameliorate the hardship of millions of workers who suffer from job loss each year.

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