

Unemployment Insurance, Welfare and
Federal-State Fiscal Interrelations:
Final Report

by
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Executive Summary

This report examines the hypothesis that unemployment insurance (UI) claimants have been shifted from the UI program to federally-financed welfare programs in order to reduce the costs of state-financed UI benefits. The investigation is divided into four main sections. Section I introduces the cost shifting hypothesis. Some alternative ways that a negative association between the receipt of UI and the receipt of welfare can arise are identified and discussed. Section I also conducts a literature review, and it notes specific welfare programs where unemployed workers may seek benefits.

Section II examines national time series data on the receipt of UI benefits and the receipt of welfare benefits. A state-level analysis of UI reciprocity is undertaken in Section III. The analysis identifies states where the receipt of UI has declined the most. Section IV then examines state-level data on the receipt of welfare for three major programs: AFDC, Food Stamps and Medicaid. The objective is to determine if receipt of welfare has increased most in states where receipt of UI benefits has decreased the most. This analysis draws upon simulation results from the Urban Institute's TRIM2 model. A summary of findings is then given in Section V.

The cost shifting hypothesis that motivated this study asserts that a part of UI costs has been shifted to welfare programs through reduced availability of UI benefits. The driving force behind cost shifting could be either deliberate (or inadvertent) state actions or evolutionary economic and demographic developments affecting UI and welfare caseloads in opposite directions. This cost shifting purports to explain much of the decline in UI reciprocity observed over the past twenty-five years.

Following an analysis that covers both a literature review and new research, the principal finding can be simply stated: The cost shifting hypothesis is not supported.

The cost shifting hypothesis can be criticized from three distinct perspectives. 1) From the standpoint of state government fiscal calculus, the hypothesis is incomplete. Shifting potential UI claimants to Food Stamps would clearly save a state money since Food Stamps are fully federally financed. However, welfare recipients typically receive benefits from three programs: AFDC and Medicaid as well as Food Stamps. AFDC and Medicaid are partly state financed. The growth in state-level Medicaid costs dominates all of the others (UI and welfare) program costs under consideration in the report. Because Medicaid costs are so large and grow so rapidly, it would not reduce state-level costs to move UI claimants onto welfare.

2) The main empirical evidence supporting the cost shifting hypothesis is work by the staff of the recent Advisory Council on Unemployment Compensation. This analysis concluded that 64 percent of the decline in UI claims activity between 1971 and 1993 can be explained by growth in welfare. The principal empirical variable used

in a pooled regression analysis was annual per capita Food Stamp expenditures. Section I reviews this study and raises several criticisms regarding its logic and the specification of the analysis. At a minimum, the evidence adduced to support the cost shifting hypothesis is unpersuasive.

3) New analysis of state-level data on reductions in UI claims and increased utilization of welfare did not support the cost shifting hypothesis. The states where UI claims decreased the most did not exhibit above-average increases in utilization of welfare. This analysis was based partly on the Urban Institute's TRIM2 microsimulation model and covered the years 1979 to 1993. Welfare reciprocity and benefit payments were examined for the three programs: AFDC, Food Stamps and Medicaid. The most rapid growth in welfare caseloads was observed in states and regions where welfare participation rates had been lowest during 1979-1981 and where population growth was the most rapid. In many specific instances, rapid growth in welfare caseloads occurred in states in the South and West, states where the IUTU ratio (a principal indicator of UI claims) declined less than or about the same as the national average decline.

These three criticisms of the cost shifting hypothesis are quite persuasive. It seems more likely that the states have not attempted to shift potential UI claimants onto welfare. Other readers may draw a more agnostic conclusion. This could provide a reason for undertaking more research. The place to start any additional work, however, is with an explicit formulation of the cost shifting hypothesis that has testable implications.

The report had other findings that should be noted. 1) A recent Canadian empirical study of the unemployment-UI-welfare interrelation (summarized in Section I) tracked UI claimants longitudinally. It documented the size of the interface between UI and welfare for job leavers during a period when access to UI was restricted. After UI eligibility was restricted, the fraction of job leavers who received welfare did increase, but the increase was rather modest. While the Canadian study provides important evidence, the federal-provincial fiscal relationship and associated financial incentives differ from those in the U.S., e.g., UI is federally financed in Canada. This study's relevance lies mainly in its methodology, i.e., the longitudinal tracking of the unemployed, rather than demonstrating the effects of intergovernmental fiscal incentives.

2) Section II documented the time periods when decreases in UI claims activity and increases in welfare caseloads occurred during the past forty years. UI claims (as reflected in IUTU ratios) declined most during two periods: the decade of the 1960s and the early 1980s with larger declines taking place during the 1960s. Growth in caseloads and total benefit payments were also traced for AFDC, Food Stamps and Medicaid. Relative to the size of the poverty population, AFDC caseload growth was most rapid between the mid 1960s

and the early 1970s while Food Stamp caseload growth was most rapid between the mid 1960s and the mid 1970s. Growth in Medicaid caseloads could not be traced as far back in time as for AFDC and Food Stamps. Caseloads for all three welfare programs grew noticeably after 1989, but this was a period when UI caseloads were, if anything, higher (not lower) than anticipated based on IUTU ratios from the 1980s.

3) A regression analysis conducted in Section II examined decreases in UI claims. The estimated size of the reduction was found to be sensitive to the estimation period, inclusion of state-level weights as controls and the choice of the dependent variable. Comparing 1981-1994 with the earlier 1967-1980 period, the receipt of UI benefits was estimated to be 8.3-8.7 percent lower during 1981-1994.

4) Section III used descriptive data and regressions to characterize the size of the decrease in UI claims for each state. A wide range of state-level decreases was documented. For the fifteen states with the largest decreases, the IUTU ratio declined by an average of 0.111, i.e., by slightly more than one-tenth of average unemployment. For the fifteen with the smallest decreases, the change in IUTU averaged almost exactly zero. Section III also examined whether UI monetary eligibility requirements had increased more in states with the largest decreases in UI claims and/or in states which experienced the largest UI financing problems during the early 1980s.

5) A state-level analysis of AFDC, Food Stamps and Medicaid reciprocity was undertaken for the period 1979 to 1993. Detailed results of this analysis are presented in Section IV and in Appendix A. For all three welfare programs, similar findings were observed on the relation between changes in the receipt of UI benefits and the receipt of welfare. The group of 15 states where UI reciprocity declined the most (as reflected in IUTU ratios) had the smallest increases in welfare caseloads and associated costs. In contrast, the fifteen states where IUTU ratios decreased the least had the largest increases in welfare caseloads. Details for individual states were displayed in Tables 10, 11 and 12 with supporting detail in Tables A1-A5 of Appendix A. An unpublished version of this report also includes in Appendix A a state by state graphical display of welfare caseloads for the 1979-1993 period.

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Introduction

Federal-state fiscal relations have been the subject of extensive past research by public finance economists and political scientists. In the present fiscal environment there are increased pressures on the fiscal authorities at all levels of government to economize on total expenditures across a wide range of public programs. Into this general background, ideas have been advanced recently that purport to explain why reciprocity in the state-financed unemployment insurance (UI) programs has declined. One hypothesis asserts that UI claimants have been shifted to federally-financed welfare programs in order to reduce the costs of state-financed UI benefits. The present paper investigates this cost shifting hypothesis.

The investigation is divided into four main sections. Section I introduces the cost shifting hypothesis. Some alternative ways that a negative association between the receipt of UI and the receipt of welfare can arise are identified and discussed. Section I also conducts a literature review, and it identifies specific welfare programs where unemployed workers may seek benefits. Section II examines national time series data on the receipt of UI benefits and the receipt of welfare benefits. State level analysis of UI reciprocity is undertaken in Section III. The analysis identifies states where receipt of UI has declined the most. Section IV then examines state-level data on the receipt of welfare for three major programs: AFDC, Food Stamps and Medicaid. It analyzes data to determine if receipt of welfare has increased most in states where receipt of UI benefits has decreased the most. This analysis draws upon simulation results from the Urban Institute's TRIM2 model. A summary of findings is then given in Section V.

The main findings can be stated briefly. 1) The cost shifting hypothesis which seems plausible when one considers shifting UI claimants to just AFDC and Food Stamps appears to be incomplete because it also needs to consider Medicaid. Growth in actual and prospective Medicaid costs would make a state reluctant to try to shift potential UI claimants onto welfare. 2) The evidence in the U.S. empirical literature that purports to support the cost shifting

hypothesis can be questioned. 3) In the state-level data examined for this report, there is no important support for the cost shifting hypothesis. Welfare caseloads have not grown especially rapidly in states where receipt of UI benefits has declined the most. 4) While the cost shifting hypothesis is interesting to consider, the empirical evidence of the present report does not support it.

I. The Cost Shifting Hypothesis

The cost shifting hypothesis to be examined in this report refers to actions by state governments to shift costs of state-financed unemployment insurance (UI) to the federal government. The idea that one level of government would try to shift program costs to another level of government has strong intuitive appeal, particularly in a fiscal environment where all levels of government are under increasing pressures to reduce expenditures. Unemployment insurance benefits are state-financed through payroll taxes on UI covered employers. Food Stamps are fully federally financed while AFDC and Medicaid have joint state-federal financing with the federal share ranging from 50 percent to almost 80 percent.¹ If a state successfully shifted a UI claimant onto Food Stamps this would save the most, but shifting to AFDC could also entail substantial savings.

¹ Table 10-17 of the 1994 Green Book published by the Ways and Means Committee of the U.S. House of Representatives shows matching rates for 54 individual jurisdictions; the 50 states plus Guam, the District of Columbia, Puerto Rico and the Virgin Islands. The twelve largest states accounted for slightly more than half of the total AFDC caseload. In five of these states (California, Illinois, Massachusetts, New Jersey, New York) the federal matching rate during fiscal year 1995 was 50 percent. In the remaining seven the percentage matching rates were as follows: Florida - 56.28, Georgia - 62.23, Michigan - 56.84, North Carolina - 64.71, Ohio - 60.69, Pennsylvania - 54.27, Texas - 63.31. Twelve smaller jurisdictions had matching rates of at least 70.00 percent with the highest being 78.58 in Mississippi. Table 10-17 of the 1994 Green Book also shows that matching rates in individual states were quite stable from 1984 to 1995. Nationwide, federal matching has accounted for about 53-55 percent of outlays for both AFDC and Medicaid in recent years.

The hypothesis has not been subjected to much empirical analysis. Before reviewing previous literature and other issues, however, it will be useful to consider three formulations of the hypothesis and the evidence needed to support the hypothesis and to distinguish among the different forms of the hypothesis.

A Taxonomy

Three forms of the cost shifting hypothesis can be distinguished: deliberate shifting, inadvertent (or unintended) shifting and apparent shifting. The third situation results from causal factors affecting both UI and welfare program caseloads but in opposite directions. For example, job leavers typically do not qualify for UI benefits. If there is an increase in unemployment among job leavers who are family heads, there would be a tendency for receipt of UI to decline and receipt of welfare to increase at a given level of aggregate unemployment.

Case 1. Deliberate Shifting

Deliberate shifting would involve the following temporal sequence. A state realizes it can save money by restricting UI eligibility and inducing previously eligible UI claimants to seek benefits from welfare programs. The state enacts restrictive monetary and/or nonmonetary eligibility statutes and/or initiates restrictive administrative provisions, e.g., requiring increased evidence of active work search.

Following these restrictions, UI caseloads decline. Associated with the decline are short run increases in rates of adverse determinations affecting claimants, i.e., higher denial rates from monetary and/or nonmonetary determinations or more severe penalties, e.g., durational disqualifications for quits.

The longer run response of denial rates may be more muted as claimants gain information on the new, more restrictive eligibility criteria and adjust downward their UI application rates. This pattern is suggested in research findings where lower denial rates for

separation issues are associated with lower (not higher) UI claims activity.

The unemployed persons who no longer file for UI benefits may then increase their rate of filing for welfare benefits. Absent UI benefits, family income would be lower leading to increased eligibility for welfare programs such as AFDC and Food Stamps. These latter programs, however, have other eligibility criteria such as demographic screens and asset tests.² Thus not all persons made ineligible by the UI restrictions would be eligible for welfare benefits.

The temporal sequence of key measurable events has three elements: 1) statutory and administrative restrictions on UI eligibility criteria, 2) reductions in measures of UI receipt such as the ratio of UI claims to total unemployment and/or the ratio of UI beneficiaries to total unemployment and 3) increases in applications for and subsequent receipt of welfare benefits. This three step sequence might not be apparent in annual data, but it would be apparent in monthly or quarterly data.³ With appropriate time series data, deliberate shifting could be tested with two equations. Equation 1 would have UI reciprocity depend negatively on UI eligibility criteria. Equation 2 would have the receipt of welfare depend positively on the nonreceipt of UI.

Case 2. Inadvertent Shifting

The temporal sequence of events described in Case 1 could also occur but without any conscious motivations extending beyond the UI program itself. If a UI program experienced a financing problem, signaled by a low or negative trust fund balance, it might enact

² In the basic AFDC program, for example, eligibility is restricted to families headed by a woman whose income falls below size-related thresholds. There are limitations on the value of household possessions such as liquid assets and automobiles. The income and asset limits are state-level determinations.

³ In annual data the three events might appear to occur at the same time rather than in sequence.

legislation to improve solvency through increased employer taxes and/or benefit restrictions. The latter could take the form of higher eligibility criteria or reduced levels of payments or both. In fact, solvency legislation with tax and benefit components was common during the early 1980s when many UI programs had serious funding problems evidenced by large negative trust fund balances. Added motivation for such legislation was provided by the 1983 Social Security amendments, i.e., strong financial rewards for enacting solvency packages that included both benefit reductions and tax increases.⁴

If unemployed workers newly ineligible for UI then applied for and received welfare benefits, the three step sequence outlined for Case 1 would also be observed for Case 2. Restrictions on UI eligibility come first, then reductions in UI receipt and finally increases in welfare receipt. Factors that might help to distinguish Cases 1 and 2 are the timing and identity of the states enacting UI restrictions. Under Case 2 the restrictions would be recession-related and largest in states with the most severe UI funding problems.⁵

Case 3. Apparent Shifting

Another pattern would be for UI and welfare caseloads to change in response to major evolutionary developments in the economy or an increase in the generosity of welfare benefits. An important change in the U.S. economy since the early 1970s, for example, has been the increased dispersion of wage rates and earnings for individual

⁴ Three kinds of financial incentives were provided: lower interest rates on trust fund loans, deferral of loan repayments and limitations on future increases in FUTA tax rates.

⁵ Some forms of UI benefit restrictions would not reduce UI caseloads or lead to an increase in welfare caseloads. A common form of benefit reduction during the early 1980s, for example, was to freeze the UI weekly benefit maximum.

workers within the overall earnings distribution.⁶ The change could result in fewer unemployed persons claiming benefits due to accurate perceptions of reduced monetary eligibility. Monetary eligibility criteria are commonly indexed to the statewide average wage. This average has continued to advance in recent years because it is strongly influenced by wage increases among high wage workers even when there has been stagnation in wage growth among low wage workers. If those no longer eligible for UI then apply for welfare, decreases in UI reciprocity and increases in welfare reciprocity would occur.

Another possible situation could occur if welfare benefits were more fully indexed to inflation than UI benefits. Increased generosity of welfare benefits might induce some to start to claim welfare rather than UI. In practice, average UI benefits have kept up with wage inflation in nearly all states. Among welfare programs, Food Stamps are fully indexed to price inflation but AFDC needs standards and benefit levels have tended to lag behind inflation over the past twenty years. Thus, the actual importance of this possibility seems limited.

In the preceding hypotheticals no change in UI eligibility criteria need occur. However, changes in the receipt of UI and welfare benefits would occur and the changes would be in opposite directions. Changes in benefit reciprocity would take place simultaneously, but UI would not be the causal factor behind the change. The change would be either an unmeasured third factor elsewhere in the economy or increased welfare generosity.

Unique identification of these three cases might not be possible. Cases 1 and 2 as described could appear to be identical within the confines of a single state. If, for example, restrictions on UI eligibility provided the initial impulse, it would be important

⁶This is but one of several evolutionary developments that might be relevant. Others would be increased female headship of families, decreased unionization, reduced importance of manufacturing employment and reduced stigma for receipt of welfare benefits. All of these changes could have effects on UI reciprocity and/or welfare reciprocity.

to distinguish legislative intent. Were the restrictions intended to shift claimants onto welfare (Case 1) or to improve UI program solvency (Case 2) or both? Achieving the appropriate identification of the state's motives would be especially difficult if UI restrictions were implemented when the trust fund was not in immediate danger of insolvency.

Case 3 has two identifying features: 1) there is no state action restricting UI eligibility, and 2) the changes in UI reciprocity and welfare reciprocity are simultaneous and not sequential with reduced UI reciprocity occurring first.

Some other considerations might help to distinguish Case 2 from Case 1. The first is the permanence of the changes in UI eligibility criteria. Solvency legislation as enacted by several states in the early 1980s often had time-limited features on the benefit reductions and tax increases. Provisions such temporary surtaxes and freezes/reductions in maximum weekly benefits were specified to end within a few years, i.e., after the trust fund had been replenished. Enacting temporary solvency features would suggest Case 2. Second, under Case 2 the restrictions would occur mainly during recessionary periods when UI trust funds are most depleted. Third, since the motivation for the restrictions in UI eligibility under Case 2 is a state's solvency situation, the states with the most serious funding problems would be the ones where benefit restrictions should be the largest. In contrast, under Case 1 the restrictions in UI eligibility could occur at any phase of the business cycle and could be enacted even when a state had a comparatively large trust fund balance.

To summarize, the three variants of the cost shifting hypothesis just discussed share a number of empirical predictions. Thus accurate differentiation among the three would not be easy even though the motivations behind the three cases are quite distinct. Under Case 1 one would expect to observe quite large changes in (statutory and other) UI eligibility criteria, and these changes should precede a reduction in receipt of UI benefits. One would also expect to observe above-average increases in receipt of welfare

benefits in these same situations. Geographic detail seems to be crucial to the hypotheses as it predicts larger increases in welfare caseloads in states where above-average decreases in UI reciprocity have taken place. The latter, in turn, may be caused by major restrictions on UI eligibility.

Previous Literature

Because the cost shifting hypothesis has gained prominence quite recently, it has been the focus of only a few empirical investigations. The work of Laurie Bassi and coauthors undertaken for the Advisory Council on Unemployment Compensation (ACUC) is the most notable of the U.S. research completed to date.⁷ It provides the starting point for this review.

The ACUC analysis examines state-level data on the ratio of UI claimants to total unemployment within a multiple regression framework. Their dependent variable is the ratio of claimants in regular UI programs (insured unemployment or IU) to total unemployment as measured in the monthly household survey of the labor force (TU). This variable is commonly referred to as the IUTU ratio. Among the regressors were variables representing the condition of individual state labor markets, indicators of UI tax and benefit levels, interstate UI tax competition variables and three variables representing availability and generosity of welfare benefits. The three were: 1) per capita Food Stamp benefits, 2) the AFDC matching rate and 3) the federal per capita share of AFDC benefits. The

⁷ Two citations for this work are as follows. There is a freestanding research paper by Laurie Bassi, Amy Chasanov, Eileen Cubanski, Stacey Grundman and Daniel McMurrer, "The Evolution of Unemployment Insurance," (August 1995) as well as Chapter 4 in Advisory Council on Unemployment Compensation, Defining Federal and State Roles in Unemployment Insurance, (Washington, D.C.: Advisory Council on Unemployment Compensation, 1996).

welfare variables were lagged one year. Regressions were fitted to state-level data for the 48 contiguous states covering the years 1979 to 1990. They found welfare variables contributed significantly in explaining changes in state-level IUTU ratios. Specifications with variables measured in levels and changes were both tested, but greatest reliance was placed on results from the change formulations.

A visual display related to the authors' argument is provided by a graph showing two aggregate annual time series: the IUTU ratio and the federal share of means tested public assistance expenditures. For the years 1947 to 1990 the graph shows the IUTU ratio declined from roughly 0.500 to 0.320. Over the same years the federal share of public assistance grew from about 0.400 to about 0.650. Five individual welfare programs were included in their grouping, but the two large programs are AFDC and Food Stamps.⁸ Medicaid is not included.

The regression coefficients were then used to simulate the pattern of change in the IUTU ratio between 1971 and 1993. They found that 64 percent of the decline in the IUTU ratio over these 23 years was explained by cost shifting from the states to the federal government. The cost shifting variables that accounted for the change in IUTU were the three welfare variables noted in the previous paragraph.

Several aspects of the analysis warrant comments. 1) The estimation period is unusually short. The authors argue that 1979 was selected as the start date because of limitations on data

⁸ The five are: AFDC; Food Stamps; Emergency Assistance; Women, Infants and Children Nutrition Program; and General Assistance. In 1994 expenditures across the five totaled \$55.5 billion with AFDC and Food Stamps accounting for \$47.0 billion or 84.7 percent.

availability. Other analyses, e.g., Corson and Nicholson⁹, have extended the data period back as far as 1971. Even if 1979 is the earliest possible start date, there is no apparent reason for not extending the estimation period through 1993. Since the authors subsequently undertake simulations for the 1971-1993 period, it would seem they have most if not all of the requisite variables to estimate for the full twenty-three years. It would be sensible to test for the sensitivity of coefficients to choice of estimation period, particularly to note changes in the size and significance of the coefficients on the welfare variables.

2) The use of the IUTU ratio as the dependent variable follows the practice of many previous investigations. A unique feature of this study, however, is the heavy reliance placed on financial motivations for state actions. The IUTU ratio includes many weeks claimed for which no benefits were actually paid (about 10 percent of total weeks claimed).¹⁰ Closer in concept to the cost variable motivating state behavior under the cost shifting hypothesis would be the ratio of the weekly number of beneficiaries to total unemployment.¹¹ The authors could have investigated the sensitivity of the findings using this alternative formulation of the dependent variable.

3) The welfare variable that yielded the strongest empirical results was per capita Food Stamp expenditures. This is the product of average benefits per recipient (measured in current dollars) and recipients as a proportion of the state's population. Thus, an

⁹ Walter Corson and Walter Nicholson, "An Examination of Declining UI Claims During the 1980s," Unemployment Insurance Occasional Paper 88-3, (Washington, D.C.: U.S. Department of Labor, 1988).

¹⁰ Section II presents national data on two ratios: weeks claimed to total unemployment (IUTU) and weeks compensated to total unemployment (AWKTU).

¹¹ In Section II this variable is termed AWKTU.

explanatory variable measured in current dollars is used to explain a real labor market variable, the IUTU ratio. Some of the variation in this explanatory variable arises simply from price inflation.¹² Use of explanatory variables measured in real terms would seem more appropriate. Since the dependent variable (IUTU) is a ratio based on measures of persons, some readers would want to know how the results would differ if per capita Food Stamp reciprocity was the explanatory variable rather than per capita Food Stamp expenditures. Since Food Stamps reciprocity rates vary across states there is an argument for using this variable rather than a national variable that takes on the same value across all states for a given year.

4) Questions about the timing of the variables can also be raised. In the regressions, lagged increases in welfare variables lead to reductions in the IUTU ratio. However the motivation for the state under the cost shifting hypothesis is to shift UI claimants onto welfare. The reduction in the IUTU ratio should precede, rather than follow, the increase in welfare reciprocity.

5) Absent from their list of welfare programs is Medicaid. This has a joint federal-state financing arrangement essentially the same as for AFDC, but Medicaid involves much larger dollar amounts. Medicaid expenditures totaled \$135.5 billion in 1994 and the state share was \$58.2 billion.¹³ Once Medicaid is considered, it becomes much more difficult to argue that a state will realize any budgetary savings by shifting UI claimants onto welfare.

¹² Over the estimation period used in the regressions, current dollar Food Stamp expenditures per capita increased most rapidly during 1979-1983, precisely the period when IUTU declined most. However this explanatory variable also increased sharply during 1970, 1974-75 and most recently during 1988-1991. These other three periods which lie outside the estimation period for their regressions, are periods when the IUTU ratio increased. Table 1 in Section II shows annual time series on the IUTU ratio.

¹³ These national totals were built-up from state data.

These five issues are important enough to call into question the validity of the assertion that about two-thirds of the decrease in UI reciprocity between 1971 and 1993 can be attributed to cost shifting from the states to the federal government. Other research is needed to test the robustness of their findings. In-depth investigations of a few states could yield useful insights.

Craig and Palumbo¹⁴ also examined possible interrelations between UI benefits and spending on welfare programs. They conducted several regression analyses with pooled data for the 48 contiguous states based on a full sample period of 1969-1989 (1008 observations) and a restricted period of 1976-1989 (672 observations) when earlier data were not available. Three welfare programs were studied: AFDC, Medicaid and total state and local welfare which combined AFDC and Medicaid with other (predominantly in-kind) state administered programs.¹⁵ For each of four programs (UI and the three welfare programs), they created three variables: per capita expenditures, per capita beneficiaries and average real expenditures per beneficiary.¹⁶

Their descriptive analysis showed substantial interstate variation in most variables with the smallest variation observed in average real UI benefits per recipient. They found state-level

¹⁴ Steven Craig and Michael Palumbo, "The Interaction between Unemployment Insurance and Income Redistribution Programs," in Advisory Council on Unemployment Compensation: Background Papers, Volume I, (July 1995), pages C1-C51.

¹⁵ The percentage breakdown of aggregate spending for combined welfare programs was 23 percent for AFDC, 56 percent for Medicaid and 21 percent for the "all other" category. See Table 1 in their report.

¹⁶ The measure of the UI reciprocity rate was initial claims per covered employee. Average benefits across all these programs were measured in real Alabama dollars of 1989 purchasing power, i.e., current dollar averages deflated by an index of average earnings in Alabama (the UI average weekly wage) in 1989. Because counts of recipients for Medicaid and the combined welfare program were first available only in 1976, their reciprocity rates and average real benefits were measured only from 1976.

unemployment was a major determinant of total UI expenditures and UI reciprocity but not so for the welfare programs.

Several regressions were fitted using pooled data with UI variables and the individual welfare program variables first entered as independent variables and then as dependent variables. Many other controls for labor market conditions, demographics and federal-state financial aid parameters were utilized in specifications that also included fixed effects by state and year. The signs and significance of the coefficients on the welfare and UI variables were then examined to make inferences as to partial effects of UI on welfare and the effects of welfare on UI. Negative coefficients were interpreted as evidence that the programs interrelated as substitutes (more spending on one was associated with less spending on the other) and positive coefficients were interpreted as evidence of program complementarities. Complementary interrelations would be expected if the overall liberality (restrictiveness) of state's political environment led to high (low) spending across social programs generally and these four programs in particular.

The preponderance of the evidence was consistent with the interpretation that UI and AFDC interrelated as substitutes. The regression coefficients suggested a \$1.00 increase in UI spending reduces AFDC spending by \$0.19 while a \$1.00 increase in AFDC spending reduces UI spending by \$0.25. The partial interrelations with Medicaid and total welfare spending, however, were generally positive, consistent with the interprogram complementarity interpretation. Further, since AFDC was included within total welfare spending, the positive association for aggregate welfare spending becomes a stronger finding. In general, states that spend more on UI tend to spend more on welfare programs.

Questions regarding technical aspects of the estimation and interpretation can be raised. 1) There is evidence of strong multicollinearity among the explanatory variables. First, the overall R^2 s are generally high, but individual variables have quite low t

ratios. Second, small changes in specifications lead to large changes in some coefficients.¹⁷ Both patterns are indicators of collinearity. 2) Identifying directions of causation in the regressions is not obvious. 3) The authors assert that specific variables are associated with constituency groups for individual welfare programs, e.g., a higher percentage of elderly in a state raises Medicaid spending, but their causal interpretations can be questioned.

It should be noted that the focus of Craig-Palumbo research is state-level decision making. The analysis does not directly address questions of federal-state fiscal interrelations. The Food Stamps program does not directly enter into the analysis (except in devising a measure of the total welfare beneficiary population). AFDC and Medicaid spending are measured as statewide totals with no distinction made between state-financed shares versus federal shares. No explicit attention is given to fully state-financed welfare programs that are included within total state welfare expenditures, the third of their three welfare programs. Presumably substitution between such programs and UI would be smaller than between UI and AFDC or between UI and Medicaid simply because the former are fully state-financed.

Three final comments about the Craig and Palumbo analysis should be made. 1) They find the predominant direction of association between UI spending and welfare program spending at the state level is positive. 2) Evidence of interprogram substitution in spending was found only between UI and AFDC. The magnitude of the implied offset was 19-25 percent, much less than a dollar for dollar offset even for

¹⁷ For example the average R^2 is 0.87 in Tables 7-9, but the sum of the partial R^2 s is less than 0.2 for the first regression in Table 8. The remainder of explained variation cannot be attributed to individual variables, an indication of positive collinearity among explanatory variables. In this same table the coefficients vary considerably between the first and third equations even though the specifications are identical except for the one reciprocity rate variable is different.

the state-financed share of AFDC spending. Since AFDC accounts for only 23 percent of total welfare spending, the implied offset has a small aggregate effect on state welfare spending. 3) Their analysis is not mainly directed towards federal-state fiscal interrelations. Thus, it does not address the cost shifting hypothesis in the direct manner of the Bassi, et.al., analysis.

A recent study by Browning, Jones and Kuhn¹⁸ of the UI-welfare interrelation in Canada yielded findings that should be noted. In April 1993 Canada changed the disqualification penalty for UI claimants who quit or were discharged without a good personal reason. The penalty increased from a seven-to-twelve week disqualification to a durational disqualification coupled with a requirement of twelve-to-twenty weeks of subsequent employment to reestablish eligibility. Their analysis compared the experiences of two 1993 job-separation cohorts: a January 31-March 13 cohort (Cohort 1) and an April 25-June 5 cohort (Cohort 2), i.e., just before and just after the change. These two cohorts' experiences with UI and welfare benefits were compared using data from administrative records and follow-up interviews conducted 25, 40 and 60 weeks after their job separations.

Canada's UI program is governed by a national statute whereas welfare is mainly a provincial responsibility. Thus, the new penalty was national in application. Compared to their U.S. counterparts the Canadian UI and welfare programs are more generous, both their average benefits and the sizes of caseloads relative to the target

¹⁸ Martin Browning, Stephen Jones and Peter Kuhn, "Studies of the Interaction of UI and Welfare Using the COEP Dataset," Human Resources Development Canada, Unemployment Insurance Evaluation Series, August 1995.

populations (unemployed persons and poor households respectively).¹⁹ Given the greater availability of benefits from both programs, a larger overlap between UI and welfare would be expected in Canada.

Chart 1 displays key data from the Canadian study. Of the

Chart 1. Receipt of UI and Welfare in Canada²⁰

	Sample Size	Proportion with UI Ben	Proportion with Welfare
Cohort 1			
Non-VQs	3804	0.505	0.066
VQs	678	0.259	0.132
Total	4482	0.468	0.076
Cohort 2			
Non-VQs	3951	0.484	0.079
VQs	493	0.177	0.151
Total	4444	0.450	0.087
Total, but with Cohort 1 weights		0.438	0.090

two kinds of job separations most affected by the statutory change, voluntary quits could be clearly identified but not discharges for misconduct. The chart shows data for voluntary quits (VQs) and all

¹⁹ For a comparison of welfare programs in the two countries see Rebecca Blank and Maria Hanratty, "Responding to Need: A Comparison of Social Safety Nets in the United States and Canada," in Richard Freeman and David Card, eds., Small Differences that Matter: Labor Market and Income Maintenance in Canada and the United States, (Chicago, Ill.: University of Chicago Press for NBER, 1993).

²⁰ See Tables 1 and 2 in Browning, Smith and Kuhn, op. cit..

others (non-VQs). Note that VQs constitute only about 15 percent of the claimant total in Cohort 1 and 11 percent in Cohort 2. Overall, the beneficiary proportions are 0.468 for Cohort 1 and 0.450 for Cohort 2. Among VQs there is a large reduction in the UI beneficiary proportion, from 0.259 in Cohort 1 to 0.177 in Cohort 2. Reductions occurred among two subgroups of VQs: persons reemployed and those still not employed 25 weeks after their separations. The aggregate beneficiary proportion for Cohort 2 reflects a different composition of the sample as well as reduced UI reciprocity among VQs. When Cohort 1 subsample weights are applied to the Cohort 2 beneficiary proportions, the aggregate proportion for Cohort 2 becomes 0.438 (the bottom line in Chart 1) or 0.030 lower than the actual Cohort 1 proportion.

Probably the most interesting aspect of Chart 1 is the low proportions who received welfare benefits. The aggregate proportions for both cohorts are less than 0.100. Among VQs the proportions are generally higher and particularly so for those not reemployed 25 weeks following their separations.²¹ Overall, the UI beneficiary proportion for VQs was 0.082 lower for Cohort 2 while the welfare beneficiary proportion was 0.019 higher.

To summarize, four observations about the UI-welfare interface in Canada can be offered. 1) Among two recent cohorts of job separations, somewhat fewer than half collected UI benefits and fewer than 10 percent collected welfare. A substantial minority of job terminations, approaching half, did not collect either type of benefit. 2) Among VQs the recent restrictions in UI eligibility appear to have reduced reciprocity by almost one third (from 0.259 to 0.177). For this same group, however, the welfare reciprocity proportion only increased from 0.132 to 0.151. 3) A close connection between reduced UI reciprocity and increased welfare reciprocity was observed among VQs who were not yet reemployed 25 weeks after their

²¹ These proportions (not shown in Chart 1) were 0.180 for Cohort 1 and 0.286 for Cohort 2. The change of 0.106 roughly matches the reduction in the beneficiary proportion from 0.405 in Cohort 1 to 0.302 in Cohort 2.

job separations. 4) Recall that UI and welfare are both more accessible in Canada than the U.S.. If the longitudinal overlap (nonreceipt of UI followed by receipt of welfare) falls into the one-fourth to one-half range in Canada,²² the analogous fraction in the U.S. would be considerably smaller.

No other literature with explicit tests of the cost shifting hypothesis has been encountered. There is a related popular discussion of the "race to the bottom" which focuses on interstate competition presumably manifested by the sensitivity of each state's benefit levels and tax rates to those of adjacent states. There is also a discussion of federal-state fiscal interrelations by political scientists such as Kent Weaver at the Brookings Institution. However, formal testing of cost shifting is absent from this literature.

Other Considerations

Two other issues related to the cost shifting hypothesis merit some discussion. These are: 1) the identity of the transfer payment programs involved and 2) inter-program differences in the personal and economic characteristics of claimants.

Potentially affected programs

This report's analysis of cost shifting has singled out the AFDC, Food Stamps and Medicaid programs for prime consideration. The empirical analysis to be conducted will place more emphasis on AFDC

²² These proportion are suggested as orders of magnitude calculations. One-half comes from the comparison of the change in the UI beneficiary proportion of $-.030$ (0.468 from Cohort 1 with 0.438 from Cohort 2 using Cohort 1 sub-sample weights) with the change in the welfare beneficiary proportion of 0.014 (0.0756 from Cohort 1 with 0.090 from Cohort 2 using Cohort 1 sub-sample weights). One-quarter comes from the reduction in VQ UI reciprocity of 0.082 (0.259 in Cohort 1 and 0.177 in Cohort 2) with the increase in VQ welfare reciprocity of 0.019 (0.132 in Cohort 1 and 0.151 in Cohort 2). The width of this range is an indication of the degree of uncertainty in the calculation.

and Food Stamps than Medicaid, partly because of better data availability and partly because TRIM2 simulations of Medicaid are not possible for as many earlier years as for AFDC and Food Stamps. Several other programs also make cash or in-kind transfers to persons and families. When the individual programs and their eligibility criteria are reviewed, however, none seem likely to be quantitatively important candidates for state-to-federal governmental cost shifting.

Our starting point is to note all federal and state programs that make transfer payments to individuals as identified in the National Income and Product Accounts (NIPA). During 1994, for example, transfer payments to persons totaled \$933.8 billion.²³ Government payments for pensions, permanent disability and medical expenses constitute the bulk of this spending, more than 80 percent of the total.²⁴ Recipients of retirement pensions and permanent disability benefits exhibit little attachment to the labor force.

General Assistance (GA) and Supplemental Security Income (SSI) are targeted on the low income population. GA is fully state financed while SSI is about 90 percent federally financed. Shifting UI claimants to another state-financed program would not be expected under the cost shifting hypothesis unless benefit levels for the latter were much lower than for UI. In fact, GA has been subjected to eligibility restrictions in recent years, e.g., time limits of 26 weeks in a given annual period. While most of SSI is federally financed, nearly all recipients are aged, disabled or blind. Thus,

²³ Estimates for 1994 appear in the January/February 1996 issue of the Survey of Current Business, Table 3.12.

²⁴ Pension and disability payments for Social Security (OASDI), Federal civilian and military retirees, State and local retirement systems, railroad retirees, veterans' pensions and disability, State temporary disability, federal and state Workers' Compensation and Black Lung totaled \$477.9 billion in 1994. Health expenditures, mainly Medicare and Medicaid, totaled \$310.0 billion. The combined share across all these programs was 84.3 percent of the \$933.8 billion.

SSI is not a likely destination for unsuccessful UI claimants.

The conclusion of this brief review is that AFDC and Food Stamps represent two likely programs to examine for evidence of cost shifting. Since most AFDC and Food Stamps beneficiaries are eligible for Medicaid, the latter program is also important to acknowledge. In fact, potential eligibility for Medicaid is one reason why an unemployed person could be attracted to welfare.

One other aspect of state-to-federal UI cost shifting should be noted. During the later phases of the temporary Federal Emergency Unemployment Compensation (EUC) program of 1991-1994, the states encouraged UI claimants to file for EUC even though these individuals were experiencing new spells of unemployment, spells beginning well past the end of the benefit year from which they previously had exhausted regular UI benefit eligibility. This "optional" EUC was fully federally financed as was the rest of EUC. Many claimants found it to be an attractive option as the weekly benefit was generally higher than under regular UI and no reduction of the regular UI entitlement was implied if optional EUC was received. For claimants who received EUC under this optional feature, the states shifted costs from state-financed regular UI to the federally-financed EUC program.

To the extent that optional EUC was utilized, it had the effect of reducing the IUTU ratio for the regular UI program. Thus, the IUTU ratio would have been somewhat higher from August 1992 to April 1994 had optional EUC not been available.

Optional EUC provides a concrete example of state-to-federal cost shifting, but the affected persons continued to collect UI benefits, albeit federally-financed benefits. Since EUC was a temporary program that expired in early 1994, the relevance of optional EUC was limited to this one earlier time period. No permanent shifting of UI financial costs to the federal government was implied. However it does illustrate that knowledgeable participants in the UI program were aware of the financial

consequences of increasing the federal share of UI financing, albeit during this a short and temporary episode.

Contrasts in demographic and economic characteristics

Demographic and economic contrasts between UI recipients and welfare recipients are pronounced. The UI claimant-beneficiary in the vast majority of instances is an individual with substantial recent attachment to the labor force. Benefits are targeted on the individual claimant whose potential entitlement depends on previous (or base period) earnings.²⁵ In contrast, most recipient units for Food Stamps and AFDC are families, with average sizes of 2.5 and 2.8 respectively during 1993. Most of the other family members are children. Low family income is a primary criterion for welfare program eligibility.

Average labor force attachment among the adult welfare recipients is not strong. Of the 6.006 million units eligible for the AFDC program in 1993, only 1.157 million (19.3 percent) had a working adult member. Only 6.046 million of 16.527 million (36.6 percent) units eligible for Food Stamps during 1993 had an adult with earnings. Further, between 1979 and 1993 the degree of labor force attachment among welfare units did not increase.²⁶

Thus while there could have been shifting of formerly eligible UI claimants onto welfare, there has been no obvious change in the

²⁵ The UI programs of twelve states plus the District of Columbia pay dependents' benefits. These benefits are represent a small part of total benefit costs in all thirteen jurisdictions.

²⁶ In 1979 0.868 million of 3.950 million (22.0 percent) units eligible for AFDC had an adult with earnings. For Food Stamps 5.077 million of 12.963 million (39.2 percent) eligible units in 1981 had an adult with earnings. The corresponding percentages in 1989, a strong labor market year, were 17.5 percent and 36.5 percent. Thus the percentages do not seem responsive to the business cycle. All estimates for 1979, 1989 and 1993 are based on the Urban Institute's TRIM2 model.

degree of labor force attachment of adult welfare recipients. Adult recipients of Food Stamps and AFDC exhibited consistently low labor force attachment between 1979 and 1993.

Sections II-IV undertake additional analysis of the cost shifting hypothesis.

II. National Trends in the Receipt of Benefits

This section presents the major background "facts" on the receipt of UI benefits and welfare benefits. National developments are the primary concern. One objective is to pinpoint the exact periods of time when changes in patterns of benefit receipt took place. Since the motivating changes behind the cost shifting hypothesis are restrictions in state-financed UI benefits, this program is examined first.

Receipt of UI benefits

Unemployment insurance (UI) cash benefits are received through three distinct programs. The regular UI program provides up to 26 weeks of potential compensation²⁷ to eligible claimants who satisfy monetary and nonmonetary eligibility criteria. The second tier, the Federal-State Extended Benefits (EB) program, may pay up to an additional thirteen weeks if the program is triggered "On" in a state. The third tier is emergency benefits that are available in certain recessionary periods as a result of federal legislation. Regular UI is fully state financed while EB financing is shared equally by the states and the federal government. Emergency benefits are fully federally financed. Since the EB program is rarely activated, the regular UI program will be the focus of the ensuing discussion.

Total benefit payouts from the regular state UI programs are

²⁷ Potential benefits in most states may be received for a variable period with 26 weeks as the maximum in all states except Massachusetts and Washington where the maximum is 30 weeks.

the product of the weekly benefit amount times weeks compensated. Because weekly UI benefit levels have not changed much relative to average weekly wages over the past 40 years,²⁸ attention will center on the number of recipients and weeks compensated.

The most commonly used metric of benefit receipt is the ratio of UI claimants (insured unemployment or IU) to the total number unemployed (total unemployment or TU). The latter, measured by the monthly household labor force survey of 55,000 households, counts all persons 16 and older who are actively seeking work. National estimates of TU for those 16 and older extend back to 1947. Universe counts of IU are available back to the inception of unemployment insurance in the late 1930s. However, not all UI claimants receive benefits. In recent years the average weekly number of beneficiaries in regular UI programs (AWK) when expressed as a proportion of IU has averaged from 0.87 to 0.89. Nonrecipients counted in IU but excluded from AWK include those serving a one week waiting period and certain claimants serving fixed length disqualifications. Claimants who have exhausted their entitlements to regular UI benefits are excluded from both IU and AWK.

All three unemployment measures TU, IU and AWK are weekly averages for an unemployed population that is subject to frequent turnover. In 1994, for example, while the weekly average of TU was roughly 8.0 million persons the number of new unemployment spells that began sometime during the year was almost 33.0 million.²⁹ The average length of a new spell of unemployment was about 13 weeks.

Table 1 displays annual data on TU, IU and AWK for the years 1956 to 1994. (All data exclude Puerto Rico and the Virgin Islands.) Also shown is a business cycle indicator, the annual unemployment rate (the TUR, measured as a percent of the civilian labor and, like

²⁸ For example, the national ratio of the average weekly benefit to the average weekly wage was 0.352 in 1960 and 0.357 in 1994.

²⁹ The annual average of TU was 7.992 million while the average monthly number unemployed fewer than five weeks was 2.727 million. Multiplying the latter by 12 produces an estimate of 32.720 million new unemployment spells for the full year.

TU, based on the monthly household labor force survey). All three measures increase sharply in the recession years 1958, 1961, 1975, 1980, and 1991. The numbers of unemployed and of UI claimants are highly variable over the business cycle.

There is no data source that measures the number of persons eligible for UI benefits. The most commonly used measure of benefit receipt is the ratio of insured unemployment to total unemployment (IUTU). A second, closely related measure of the rate of benefit receipt is the ratio of beneficiaries to total unemployment (AWKTU). Both IUTU and AWKTU appear in Table 1. Finally, to show the proportion of UI claimants who receive benefits, the ratio of beneficiaries to claimants also appears in the table (AWKIU). The IUTU and AWKTU ratios both display considerable year to year variability with increases occurring in recession years when the TUR rises.³⁰ In contrast, the AWKIU ratio has much greater year-to-year stability.

A main reason for displaying these aggregate data is to trace the recent history of UI receipt by the unemployed. To reduce the effects of cyclical factors on the annual ratios, the final columns show information arranged as five year averages of the IUTU ratio. The observation of 0.499 for 1956, for example, is the average for the years 1952 through 1956, and the five-year change of 0.029 (the final column) is the difference between the averages for 1952-1956 and 1947-1951.³¹

The final column of Table 1 is especially useful for documenting changes in the IUTU ratio. Most of the entries are

³⁰During recessions the mix of unemployment shifts to include an increased proportion of job losers, the group most likely to claim and receive UI benefits, causing IUTU to rise. In the later stages of recessions IUTU tends to decline as beneficiaries exhaust their entitlements.

³¹ Since 1947 is the first year for which there are estimates of total unemployment for persons 16 and older, 1956 is the first year for which the five year difference in the five year averages of IUTU can be computed. The 1952-1956 average was 0.499 and the 1947-1951 average was 0.470.

negative, 26 of 39, indicating a downward trend in the average IUTU ratio. Note also that the negative and positive entries are bunched for adjacent years, e.g., all negative from 1958 to 1972 and again from 1980 to 1990, but all positive from 1973 to 1979 and again from 1991 to 1994. The historic decline in the IUTU ratio is far from an automatic phenomenon equally applicable to all past periods.

Table 1 highlights two periods when the IUTU ratio declined especially rapidly. The five year changes in the five year averages exceeded $-.040$ in every year between 1965 and 1970 (the final column in Table 1) and again in every year between 1984 and 1989. If states were consciously or unconsciously reducing UI eligibility to move people out of UI program and onto welfare programs, these are the two time periods when one might expect to observe the terms of UI eligibility to have changed most noticeably in a restrictive direction.

These two periods when IUTU decreased differ considerably in the availability of benefits from welfare programs to which the low income unemployed could potentially be shifted. While regular AFDC is a longstanding benefits program, the Food Stamps program was founded in 1966 and remained small during the late 1960s.³² The AFDC-UP program also was not important in the mid to late 1960s. Thus the shifting of unemployed persons to welfare programs would have wider possibilities in the mid to late 1980s than earlier due to the existence and the larger scale of Food Stamps and AFDC-UP in the 1980s. Later sections of this report will emphasize developments during the 1980s and 1990s.

The two periods of major decreases in the IUTU ratio have contrasting causal explanations. The decrease of the 1960s is generally understood to be a demographic phenomenon. This period witnessed a rapid growth in the labor force with the initial entry of the post World War II baby boom generation plus continued increases in female labor force participation. These entrants changed the age-

³² Food Stamp benefits totaled only \$300 million in 1969 compared to \$2.1 billion for regular UI benefits.

gender mix of unemployment toward younger persons and women, groups less likely to file for and receive UI benefits compared to adult men. This decline is an example of Case 3 from the taxonomy offered in Section I, i.e., developments in the economy affecting UI and (possibly) welfare reciprocity in opposite directions.

The decline in IUTU of the 1980s, in contrast, is generally understood to be related to UI financing issues. Low levels of UI trust funds, increased costs of borrowing and legislation to improve trust fund solvency all characterized the situation of UI programs during early to mid 1980s.³³ Individual state UI programs had differing financial experiences during these years. To the extent that financial considerations motivated state UI program changes of this period, it should be reflected in differential decreases in IUTU ratios associated with differential restrictions on UI eligibility by state, i.e., both changing most in the states with the biggest financing problems. This would be an example of Case 2 from the taxonomy of Section I: restrictions in UI eligibility caused by UI financing problems leading to reduced IUTU ratios and to increased receipt of welfare. This possibility is investigated in Section III.

The bottom three rows of Table 1 display important summary information on rates of benefit receipt in the regular UI program. There exists a substantial literature on the decline in

³³ See Corson and Nicholson, op.cit., for an analysis that decomposes the explanation for the decline in IUTU of the early 1980s. Restrictions on UI benefit availability resulting from state-level legislation figures prominently in their explanation. One detailed analysis of state level legislative changes is given in Chapter 2 Wayne Vroman, The Funding Crisis in State Unemployment Insurance, (Kalamazoo, MI: W.E. Upjohn Institute, 1986).

UI claims in the 1980s.³⁴ The Table 1 averages focus on two fourteen-year periods, 1967-1980 and 1981-1994, as well as the entire twenty-eight years 1967 to 1994. The choice of 1967 as the starting date for measuring these averages is related to the measurement of TU. In 1967 the monthly household survey sample was expanded, and the U.S. Labor Department started to collect and publish labor force and unemployment data for the nine "Census" regions and for the ten largest states. State-level detail was increased to 27 states in 1970 and then to all states in 1976. Since state-level analysis is central to this report, the averages are measured from 1967 when state-level detail on TU is first available.

The fourteen-year averages at the bottom of Table 1 show that UI availability declined noticeably after 1981. The 1981-1994 average IUTU ratio is only 82.2 percent of the ratio for the 1967-1980 period (0.329 versus 0.400). The corresponding comparison for the AWKTU ratio is 85.5 percent (0.290 in 1981-1994 versus 0.339 in 1967-1980). There is an important point regarding the contrasting percentage reductions in the IUTU and AWKTU ratios. Actual receipt of UI benefits declined somewhat less than the decline in UI claims activity, e.g., 14.5 percent in reciprocity but 17.8 percent in claims.

This point is further emphasized in the averages of the AWKIUI ratios for the two periods. The ratio was 0.883 during 1981-1994 compared to 0.846 during 1967-1980. Note also in Table 1 that the AWKIUI ratio fell below 0.860 in every year from 1967 to 1980 but exceeded 0.860 in every year after 1980. Since 1981 there has been a

³⁴ Analysis of this phenomenon includes the following papers. Gary Burtless and Daniel Saks, "The Decline in Insured Unemployment During the 1980s," (Washington, D.C.: The Brookings Institution, 1984), Corson and Nicholson(1988), op.cit., Rebecca Blank and David Card, "Recent Trends in Insured and Uninsured Unemployment: Is There an Explanation?" Quarterly Journal of Economics, Vol. 106, (February 1991), pp. 1157-1189, Wayne Vroman, "The Decline in Unemployment Insurance Claims Activity in the 1980s," Unemployment Insurance Occasional Paper 91-2, (Washington, D.C.: U.S. Department of Labor, 1991) and Bassi, et. al.(1995), op.cit..

systematic increase in the proportion of UI weeks claimed that have been compensated.

If UI programs have been restricting eligibility, the pattern of aggregate claims data in Table 1 could suggest that restrictive activities were concentrated in the early to mid 1980s. Further, from the behavior of the reciprocity ratios since 1990, it does not appear that benefit availability declined during the last five years covered by these data.

Regression analysis of the decline in UI reciprocity

This section summarizes a regression analysis of changes in UI benefit reciprocity. Multiple regressions based on time series data are fitted with the objective of estimating the size of the decrease. State-level data as well as national data are examined. Attention focuses on decreases that occurred after 1980 relative to earlier years. Actual receipt of benefits (AWKTU) as well as regular UI claims (IUTU) are both studied.

The multiple regression specification to explain time series changes in IUTU and AWKTU ratios utilizes three explanatory variables. First, the unemployment rate (TUR) is used to control for the effects of the business cycle on UI claims. Higher unemployment raises IUTU due to the change in the mix of unemployment during recessions, i.e., a larger share of job losers who are more likely to be eligible. Second, lagged unemployment is used to control for the effects of exhaustions. Increased exhaustions reduce UI claims, hence TUR lagged is expected to have a negative coefficient. The third explanatory variable is a dummy variable which equals zero through 1980 and then 1.0 in later years. Its coefficient is expected to be negative and provide a point estimate of the size of the post-1980 downward shift in UI claims and benefit reciprocity. Multiple regressions have been fitted to annual data spanning the period from 1967 to 1994.

Table 2 displays the regression results. Two time periods are utilized, 1967-1989 and then 1967-1994, in order to highlight the effects of adding the 1990-1994 period. Equation 1 utilizes national

data on the IUTU ratio for the 1967-1989 period. Note that all three coefficients have expected signs and all are highly significant.³⁵ The dummy variable's coefficient of -0.0707 represents 0.191 of the mean for the 1967-1989 period. This regression suggests that holding other factors constant, i.e., TUR and TUR lagged, regular UI claims shifted downward by 19.1 percent after 1980.

Equation 2 is fitted using a fixed weight index of state-level IUTU ratios as the dependent variable. Each state's share of national unemployment for the years 1967-1989 (a single number) served as weights to be combined with annual IUTU ratios by state in deriving a national time series. In effect, weighting removes the consequences of faster labor force growth by states in the South and the West relative to states in the North East and Midwest. Since IUTU ratios are generally lower in the faster growing geographic areas, there is a measurable difference in the results. Specifically the D1981 coefficient is now -0.0558 (as opposed to -0.0707, 21 percent smaller) and the elasticity of the estimated post-1980 downward shift is 15.1 percent rather than the 19.1 percent of equation 1. Use of state-level data in equation 3 yields very similar results as to the estimated size of the post-1980 downward shift.

Equations 4-6 repeat equations 1-3 respectively but with the weeks compensated ratio (AWKTU) as the dependent variable. All coefficients for the TUR, the TUR lagged and the D1981 dummy variable are significant. Note in equations 5 and 6 that the D1981 coefficients are now even smaller, -0.0308 and -0.0311 respectively, and the estimated elasticities of the post-1980 downward shift are both about 10 percent. The combined effects of using fixed weights by state and explaining the actual receipt of benefits (as opposed to claims) cause the estimated downward shift in equations 5 and 6 to be roughly half the size of the estimate from equation 1.

Equations 7 and 8 are included mainly to reemphasize the earlier observation that the ratio of weeks of UI benefits actually

³⁵ The t ratio needed for significance at the 0.05 level under a one sided t test is 1.7. All three t ratios exceed 10.0.

paid to weeks claimed increased after 1980. The D1981 coefficient is positive, highly significant and suggests the ratio increased by 4.0-4.5 percent after 1980.

The second set of eight equations repeats the specifications of equations 1-8 but with the data extended through 1994. The addition of these five years has a consistent effect on the estimated size of the post-1980 downward shift in both claims and the receipt of benefits. All D1981 coefficients in equations 9-14 are smaller than their counterparts from equations 1-6. When pairs of estimates are compared, e.g., equations 1 and 9, the D1981 coefficients for the 1967-1994 period are uniformly about 10 percent smaller than for the 1967-1989 period. In contrast, the D1981 coefficients in the AWKIU regressions are about 10 percent larger for the longer data period.

The important point here is that one's estimate of the size of the post-1980 downward shift in UI claims and the associated receipt of benefits is sensitive to the choice of data period. Adding data from 1990-1994 causes the estimated size of the downward shift, i.e., the D1981 coefficient, to be smaller, not larger. This finding might surprise those who view the downward trend in the receipt of UI benefits as an inexorable phenomenon.

To summarize, all regressions in Table 2 consistently indicate that UI benefit reciprocity shifted downward after 1980. The estimated size of the downward shift, however, was sensitive to several identifiable factors: the UI program variable being explained (weeks claimed or weeks compensated), controlling for regional shifts in labor force composition and the choice of estimation period. Using equations 13 and 14, actual weeks compensated are estimated to be about 8.5 percent lower after 1980 compared to the 1967-1980 period. The estimated size of the downward shift is less than half of what would be estimated from a regression based just on the national IUTU ratio through 1989, i.e., equation 1 of Table 2.

Two points about the estimated downward shift in AWKTU should be stressed. First, while an 8.5 percent reduction is measurable, it accounts for a modest reduction in the number of beneficiaries. In 1994 total unemployment was about 8.0 million, the AWKTU ratio was

0.291 and the average weekly number of beneficiaries was 2.323 million (Table 1). Adding 8.5 percent to this weekly average would bring it up to 2.520 million. Since the average duration in benefit status during 1994 was 15.5 weeks, the difference in these two weekly averages of 0.197 million probably implies 0.650 million fewer recipients during the year and savings of \$1.7 billion in benefit outlays.³⁶ Second, the 8.5 percent reduction is a nationwide average. When the experiences of individual states are reviewed, several had much larger post-1980 downward shifts in reciprocity. A later section identifies these states and examines their experiences.

Receipt of welfare benefits

Total expenditures on welfare programs have expanded sharply since the 1950s. The following paragraphs provide an overview of the growth in total benefit payments, caseloads and average payments to recipients. Three programs are examined: AFDC, Food Stamps and Medicaid with the AFDC encompassing both AFDC-Basic and AFDC-UP. Despite the recent growth in AFDC-UP, this component only accounts for about 10 percent of all AFDC recipients.³⁷

Table 3 displays annual time series data from 1950 to 1994 for the three welfare programs. AFDC was founded in the 1930s as part of the Social Security Act and has been continuously operative in all later years. States could offer AFDC to two parent families starting in 1961, but full national implementation of AFDC-UP commenced only in 1990. Food Stamps were first available in the early 1960s, but the full scale national program dates from 1969-1970. Medicaid was founded in 1966 and has become the main program providing in-kind

³⁶ These are offered merely as illustrative estimates. Average benefit duration of 15.5 weeks implies a multiplier of about 3.3 to convert the weekly average to the total number who received benefits sometime during the year. The estimate of added outlays is 8.5 percent of the \$20.4 billion total for 1994.

³⁷ During 1993, for example, the 1.509 million AFDC-UP recipients represented 10.9 percent of all AFDC beneficiaries.

medical services to low income families. AFDC and Medicaid have eligibility criteria that are largely state-determined, and both programs operate with joint federal-state funding. The federal share has ranged from 50 to 80 percent in most years.

Aggregate annual expenditures on the three welfare programs have grown sharply. To help place this growth into a comparative perspective relevant to this report, Table 3 also shows annual benefit payments for the state-financed component of UI, i.e., all of regular UI plus the state share of EB. Rapid growth in aggregate Food Stamp benefits occurred during 1969-1975, 1979-1981 and 1989-1992. Growth in total AFDC benefits has been more continuous since the mid 1950s, but accelerations are apparent during 1967-1972 and 1990-1992.

Compared to the other benefit series, however, the growth in Medicaid is of a completely different order of magnitude. While the other three programs fall into the \$20-\$24 billion range in 1994, for example, Medicaid benefits totaled \$143.5 billion. Medicaid benefits are more than two times the total for the other three programs combined. Note that total Medicaid expenditures have been the largest of the four programs shown in Table 3 in every year since 1966. The implications of Medicaid for state budgets, while much larger in recent years than in the past, is not a recent problem.

To help focus on the fiscal burdens that UI and welfare pose to states, Table 3 displays two averages for the 1981-1994 period: total benefits and state-financed benefits. Over these fourteen years the states financed an average of \$17.3 billion for UI, \$7.9 billion for AFDC and \$31.0 billion for Medicaid.³⁸ Medicaid represents by far the largest burden for the states even though more than half of Medicaid costs are federally financed.

Introducing Medicaid into the analysis dramatically alters the

³⁸ The state shares of AFDC and Medicaid were estimated as 44 percent of the national total. This percentage is an average of results from state-level analysis of expenditures and matching formulas for the two years 1984 and 1994.

terms of debate over state-level financial incentives. Intake into welfare programs is often integrated with claimants informed about rights for all three programs: AFDC, Food Stamps and Medicaid. In many situations a person who qualifies for one program qualifies for all three. In typical situations a person who qualifies for AFDC automatically qualifies for Medicaid. The overlap between Food Stamps and Medicaid is much less complete, but joint receipt of these benefits is also common. Generally, states cannot offer AFDC and Food Stamps but exclude Medicaid.

The counts of recipients in the three welfare programs show time series patterns that parallel the patterns for total expenditures. Between 1950 and 1994 AFDC recipient families increased from 0.6 million to 5.0 million while persons on AFDC increased from 2.2 million to 14.2 million. AFDC caseloads (both families and recipients) doubled during 1967-1971 and also grew noticeably from 1989 to 1992.

Food Stamp recipients increased from 3.6 million in 1969 to 17.8 million in 1975. Per-capita Food Stamp expenditures also rose sharply during these years. From the averages of real benefits per-recipient it is also clear that Food Stamp benefit levels increased sharply between 1969 and 1970. Noticeable increases in Food Stamp caseloads occurred during 1979-1981 and 1990-1993, but were much smaller than the 1969-1975 increases.

Because data on Medicaid recipients are first available in the early 1970s, caseload growth for earlier years cannot be documented. The numbers of recipients was stable in the 20-23 million range between 1973 and 1989 but then increased sharply after 1989, reaching 35.1 million in 1994. The recent growth in Medicaid caseloads has surpassed Food Stamps caseload growth. In all recent years many more persons have collected benefits from Food Stamps and Medicaid than from AFDC.

Between 1989 and 1992 per capita Food Stamp benefits increased by 67 percent (from \$49.73 to \$83.00) and by more than 10 percent per

recipient in real terms (from \$520 to \$586). Per capita Medicaid benefits have followed a strong upward trend, roughly tripling during the 1980s and almost doubling between 1990 and 1994. In 1994 real Medicaid benefits per recipient were roughly 2.4 times the level for AFDC (\$2762 versus \$1153) and roughly five times real Food Stamps per recipient.

While large increases in per capita AFDC benefits have also occurred, these increases have been much more modest than for Food Stamps and Medicaid.³⁹ In fact, real AFDC benefits per recipient peaked during 1976-1977 and then declined measurably. The 1994 average of \$1153 represents a cumulative reduction of 27 percent from 1976-1977. Comparisons of real benefits per recipient in 1962 and 1994 for two programs are instructive. Whereas real Food Stamp benefits per recipient roughly doubled (from \$285 to \$560), the 1994 real AFDC benefit was almost identical to that of 1962 (\$1153 versus \$1171).

In the most recent years aggregate outlays for the AFDC and Food Stamps have been about equal. Over the past thirty years more rapid caseload growth and faster growth in benefits per recipient have caused Food Stamp benefits to grow much more rapidly than AFDC benefits. At present Food Stamps serves roughly twice as many as AFDC, but its per recipient benefit levels are about half of AFDC benefit levels.

AFDC, Food Stamps and Medicaid are targeted on the population of low income individuals and families. For both AFDC and Food Stamps, families typically participate for several consecutive months in the receipt of benefits. In contrast, participation by Medicaid eligibles is more episodic, dependent upon the health conditions of individual family members. Also, as noted, summary data on the numbers of Medicaid beneficiaries are available for a much more restricted time

³⁹ The AFDC per-recipient data show the combined federal and state components of benefits.

period when compared to the other two welfare programs. Consequently, the receipt of Medicaid is not emphasized in the following discussion.

Table 4 helps to place the growth of AFDC and Food Stamps into a broader income distribution context by showing their size relative to the poverty population. While eligibility criteria for Food Stamps and AFDC differ and both consider assets as well as income in determining eligibility, both programs are designed to serve the poor. The two programs differ in at least three important respects. Food Stamps has uniform federal eligibility criteria, its benefits are indexed to inflation and benefits are fully federally financed. AFDC has a large role for the states in setting eligibility standards and benefit levels, joint state-federal financing and its benefits are not indexed. For both programs, however, the poverty population is a convenient aggregate proxy for the eligible population.⁴⁰

Poverty in the U.S. has been measured continuously since 1959. The first two columns of data in Table 4 show respectively poverty rates and poverty counts. Poverty declined sharply during the 1960s, but has been resistant to further sustained reductions since about 1970. In fact, the 1994 poverty rate was almost two full percentage points higher than the poverty rate of 1970 (14.5 percent versus 12.6 percent). Note also that since 1980 the poverty rate was at least 13.0 percent in every year but 1989.

Counts of Food Stamp and AFDC recipients are then displayed (repeating information from Table 3) along with caseloads measured as a proportion the poverty population. By 1994 beneficiaries from the two programs represented 0.372 and 0.722 of the poverty population respectively. Again the more rapid growth of Food Stamps is apparent as the program only began in 1962 whereas AFDC recipients already

⁴⁰ A later section of this report examines eligibility for Food Stamps, AFDC-Basic and AFDC-UP in state-level data using CPS income data and Urban Institute's TRIM2 model.

represented 9.6 percent of the poverty population in that year.

The four right-hand columns of Table 4 then trace the growth of the two programs by measuring five year averages and five year changes in five year averages of recipient-to-poverty ratios.⁴¹ The five-year average for Food Stamps recipients first exceeded the AFDC five year average in 1974 (0.466 versus 0.424), and the differential then increased substantially in subsequent years.

To help pinpoint the periods when the two welfare programs grew most relative to the poverty population, the final two columns of Table 4 show five year changes in the five year averages of recipients-to-poverty. The choice of five year periods is deliberate so that comparisons with earlier results from Table 1 can be made.

For Food Stamps the largest changes in these averages occurred between 1972 and 1979 when the changes exceeded 0.200 in all eight years and the largest changes occurred in 1975 and 1976 (0.425 and 0.416 respectively). Observe that the five year changes were then negative from 1983 through 1990. The decreases in the averages exceeded -0.050 in the years 1985 through 1989. Finally, note that the changes became positive in the 1990s indicating renewed growth in Food Stamp reciprocity relative to the poverty population.

For AFDC the five-year changes in the five-year averages exhibit a similar pattern. All changes were positive from 1968 to 1979 and they consistently exceeded 0.100 between 1970 and 1977. The 1973-1975 changes all exceeded 0.200. As with Food Stamps, changes in the AFDC-to-poverty average ratios were then negative for several consecutive years in the 1980s with each change exceeding -0.050 between 1981 and 1986. Finally, growth AFDC reciprocity relative to poverty is indicated after 1989, but the changes were much smaller in 1990-1994 than during 1968-1978.

⁴¹ For example the 1968 change of .045 for Food Stamps-to-poverty in the final column is the difference between the 1964-1968 average (0.047) and the 1959-1963 average (0.002).

Comparing the timing of the changes in the recipient-to-poverty average ratios with the averages of IUTU ratios from Table 1 is instructive. During the 1970s all three sets of five year changes in five year averages were generally positive (1973- 1979 for the IUTU ratio, 1968-1979 for the AFDC-poverty ratio and 1968-1982 for the Food Stamp-poverty ratio). Then the changes turned generally negative in the 1980s (1980-1990 for the IUTU ratio, 1980-1988 for the AFDC-poverty ratio and 1983-1990 for the Food Stamps-poverty ratio). Finally, the changes in the five year averages have been positive in the 1990s (1991-1994 for the IUTU ratio, 1989-1994 for the AFDC-poverty ratio and 1991-1994 for the Food Stamps-poverty ratio).

Comparisons of aggregate time series of the type just made can be criticized because they do not hold constant potentially relevant factors affecting the individual data series. However, the phenomenon of interest (shifting unemployed workers from UI to welfare programs) should have aggregate manifestations if it is truly important.

Instead, the national historic record seems to suggest the following four summary statements. 1) The regular UI program shrank relative to total unemployment during the 1960s with negative five year changes in five year averages indicated for every year between 1958 and 1972. During the latter part of this period the welfare programs grew rapidly relative to the size of the poverty population. 2) During the 1970s the five year changes in five year averages were generally positive across all three programs under study. In terms of orders of magnitude, however, the increases in the Food Stamps-to-poverty ratios were by far the largest while the increases in the IUTU ratios were the smallest across the three programs. 3) During the 1980s the changes in the five-year-average ratios were generally negative for all three programs. 4) During the first half of the 1990s the changes in the average ratios have generally been positive for these programs. The timing of the positive changes of the 1970s

and 1990s and the negative changes of the 1980s was not exactly coincident across the three programs, but strong similarities were apparent. The fact that the changes have been generally positive during the 1990s is especially interesting since state budgets have probably been under greater stress during these years than in earlier decades.

The overall conclusion suggested by the preceding analysis of national time series is that in periods when the IUTU ratio decreased so did measures of the receipt of welfare benefits. Conversely, when IUTU increased there was a clear tendency for welfare reciprocity to increase relative to the poverty population. These patterns are opposite of what would be expected if cost shifting from UI to welfare programs had large national manifestations. The next two sections move from national aggregates to state data to further examine the cost shifting hypothesis. Many readers may find this a more appropriate geographic unit of analysis.

III. Analysis of UI Data by State

The present report has relied heavily on analyses that use individual states as units of observation. This section focuses on the receipt of UI benefits (as reflected in IUTU ratios) and UI eligibility criteria by state. It examines four topics relevant to the possible linkages between changes in UI provisions and decreases in IUTU ratios. First, it notes changes in the probability of receiving UI benefits by state. Second, changes in UI eligibility provisions are reviewed. Third, the association between decreased receipt of UI benefits and state-level eligibility restrictions is explored. Fourth, it examines the possible linkage between UI financing problems of the early 1980s and decreases in IUTU ratios.

Changes in state-level receipt of UI benefits

Analyses of IUTU ratios and AWKTU ratios by state were undertaken for the period 1967 to 1994. Time series multiple regressions were fitted to explain variation in IUTU ratios. The explanatory variables were the same three as used in the regressions of Table 2. The unemployment rate (TUR) and the TUR lagged were entered to control for the change in the composition of unemployment and associated UI claims at different stages of the business cycle and for the effects of benefit exhaustions respectively. Also, included was a dummy variable to test for a downward shift during the 1981-1994 period relative to 1967-1980. Coefficients were expected to be positive for the TUR and negative for both the TUR lagged and the D1981 dummy.

Table 5 shows the results with coefficients, t ratios (in parentheses), adjusted R²s and other summary measures. The states are arranged into the nine Census divisions so that similarities by geographic area can be noted. The equations generally conform to expectations, but with rather poor fits in several states.

Across the fifty-one states the TUR displays the expected positive sign in 46 equations with 27 coefficients significant at the 0.05 level.⁴² Just one of the negative TUR coefficients is significant. Forty-five of the lagged TUR coefficients have the expected negative signs and thirty-one are significant.

For most states the regressions give evidence of a downward shift in the IUTU ratio with forty-six D1981 dummy coefficients negative and twenty-eight significant. As in the aggregate regression results of Table 2, state-level data provide strong support for the hypothesis that relative to total unemployment UI claims were lower during 1981-1994 than during 1967-1980.

The overall fits of many regressions are disappointing. In nineteen states the adjusted R² falls below 0.30. Also note that the standard error exceeds 0.05 in twenty-five states. There is

⁴² Under a one sided test, the t ratio required for significance at the 0.05 level is 1.71.

substantial "noise" in these state-level relationships.⁴³

The size of the negative coefficients for the D1981 dummy variables is one indicator of the extent of the downward shift in UI claims. Eight coefficients are more negative than -0.100, six are positive but just one of the positive coefficients (Wyoming) is significant. The median of the fifty-one D1981 coefficients is -0.0527. For most states, somewhat larger negative coefficients for D1981 were obtained when the data period ended in 1989.⁴⁴

Two important points emerge from these state-level regression results. First, the preponderance of evidence is that IUTU ratios shifted downward after 1981. Second, and more important for this analysis, there was a broad distribution of estimated downward shifts in state-level IUTU ratios.

Table 6 displays the states arranged by the size of the downward shift in IUTU. Two kinds of information are combined to characterize the size of the downward shift by state. The three left-hand columns show fourteen year averages (1967-1980 and 1981-1994) and the change. Ten of these changes exceed -0.100, nine are positive and eight are negative but fall between 0.000 and -0.020. The adjacent column in Table 6 repeats the D1981 regression coefficients from Table 5.

⁴³ BLS only started to publish annual CPS-based estimates of the labor force, employment and unemployment for all states in 1976. However, detail for ten large states and all nine Census divisions extends back to 1967, and state level detail is available from 1970 for 27 states and from 1973 for 29 states. The author's own estimates of TU and the TUR back to 1967 were utilized where CPS data were unavailable. The constructed state-level estimates were informed by published divisional and national totals from the CPS. They also utilized information on UI claims and Decennial Census information. For every year the state estimates of TU, employment and the civilian labor force summed to CPS national totals.

⁴⁴ The size of the negative D1981 coefficient was larger in a negative direction for 38 of 51 states when the equations were fitted through 1989 rather than through 1994. This finding is consistent with results reported earlier in Table 2. The post-1981 downward shift in the IUTU ratio is larger when data from 1990-1994 are not included in the analysis.

The next column then shows the average of two estimates of the IUTU changes: 1) the change between 1967-1980 and 1981-1994 and 2) the regression coefficient from Table 5. The table is sorted by this third average. New Hampshire's average is the most negative (-0.1687) while Wyoming's is the most positive (0.0809). Ten of these averages exceed -0.100 while seven are positive.

The final column of Table 6 then shows the change between 1967-1980 and 1981-1994 in the fraction of the unemployed who received regular UI benefits (AWKTU). Generally, states with the largest decreases in the IUTU ratio also had the largest decreases in the AWKTU ratio. However, only three AWKTU changes exceeded -0.100 while fourteen were positive. This repeats the earlier finding from Section II that AWKTU ratios decreased less than IUTU ratios after 1980, i.e., the actual receipt of regular UI benefits declined somewhat less than UI claims activity.

The changes in IUTU ratios shown in Table 6 were then used to sort the states into three groups: the fifteen with the largest decreases, twenty-one with intermediate sized decreases and the fifteen with the smallest decreases. The simple averages of the changes in the IUTU ratios between 1967-1980 and 1981-1994 for the three groups of states were -0.111, -0.047 and 0.005.⁴⁵ On average, the decrease in UI claims represented more than 10 percent of unemployment for the top group while the average change for the third group was almost exactly zero.

Monetary eligibility for UI benefits

State UI programs use both monetary and nonmonetary criteria in making eligibility determinations. This section examines several indicators of monetary eligibility criteria for evidence of change during recent years.

⁴⁵ The top fifteen are the group starting with New Hampshire and ending with Massachusetts in Table 6. The intermediate states run from Iowa to Vermont and the low-change states are from Hawaii to Wyoming. The corresponding changes in the AWKTU ratios for the three groups were -0.083, -0.020 and 0.018 respectively.

It should be noted that two previous investigations of this topic reached similar findings, namely monetary eligibility requirements did increase somewhat, but the changes were modest.⁴⁶ Blank and Card studied the periods 1977-1978 and 1986-1987 in a CPS-based analysis that compared state UI earnings requirements with earnings as reported to interviewers. Quarterly earnings patterns had to be simulated because quarterly information is not reported in the March CPS annual income supplement. They also had to make inferences as to the base periods for individual workers. Bassi and Chasanov compared monetary eligibility in 1979 with 1990 using the Survey of Income and Program Participation (SIPP). Unlike Blank and Card, their SIPP-based analysis could use reported quarterly earnings, but information on actual base periods was not available from SIPP. Both analyses concluded there had been only modest increases in the earnings requirements for monetary eligibility.

The present analysis traced selected indicators of monetary eligibility by state from 1967 to 1994. Seven different indicators of eligibility were examined: 1) the proportion of claimants deemed monetarily eligible, 2) the base period earnings needed for eligibility (measured two ways), 3) base period earnings needed for 26 weeks of eligibility at the maximum weekly benefit amount (measured two ways), 4) indexation of the maximum weekly benefit and 5) the ratio of the maximum weekly benefit to the average weekly wage (UI mean AWW) of the preceding year. Some discussion of these requirements may be useful.

The proportion of claimants who are monetarily eligible have been reported by state for more than thirty years. Since 1971, quarterly data from the ETA-218 Report are available. Earlier data are available from hard copy publications.⁴⁷

⁴⁶ See Blank and Card (1991), op.cit., and Laurie Bassi and Amy Chasanov, "Low Wage Workers and the Unemployment Insurance System," in The American Woman 1996-1997, (New York, NY: W.W. Norton, 1996), forthcoming.

⁴⁷ The UI Service monthly publication Unemployment Insurance Statistics was available until 1980.

Base period eligibility in most states is determined from covered earnings during the earliest four of the five past completed quarters. Eligibility is typically calculated using a threshold dollar amount for the four quarters of the base period and a second threshold for the quarter of highest earnings. Other earnings requirements are also present in several states. The measures developed here use the minimum dollar amount for the base period but expressed as a ratio to the average weekly wage.

Two measures of the average weekly wage (AWW) were used to construct base period minimum earnings requirements. The AWW as measured by the UI reporting system is a mean, and it is based on a concept of full-person years of employment. The annual AWW for a state is measured as total UI covered earnings for the year divided by average employment in the twelve months, and that ratio is divided by 52. It is appropriately viewed as an average for weeks employed, and those with high wages exert a very large influence on this average.

The second measure is the median AWW for persons as calculated from earnings data reported in the CPS. This CPS-based measure is less than the UI measure for two reasons. First, it is person-based as opposed to a full year equivalent (52 weeks per employee) employment measure. Second, it is a median as opposed to a mean so that it reflects the weekly earnings of the typical worker. With the growing disparity in earnings between high wage and low wage workers, this median shows slower growth than the mean weekly earnings.

Consequently, base period minimum earnings requirements using the CPS median AWW implies more weeks of employment to achieve eligibility than earnings measured by the mean AWW from the UI reporting system. Across all 51 states, the simple average of the two ratios for the 1967-1994 period was 3.43 weeks for the UI mean AWW

but 4.73 weeks for the CPS median AWW.⁴⁸

Each state limits the amount of benefits potentially collected during a benefit year. The maximum potential benefit is the product of the maximum weekly benefit amount (WBA) times twenty-six, the maximum potential benefit duration in all but two states.⁴⁹ In most states eligibility for this maximum dollar amount requires a stated amount of base period earnings. For example, in Minnesota during 1994 the maximum WBA was \$305 and maximum potential benefits were \$7930. Minnesota limits potential entitlements to one third of base period earnings. To be eligible for \$7930 in 1994, a claimant needed base period earnings of \$23,790. Earnings requirements for maximum potential entitlements were expressed in terms of weeks of employment at the UI mean AWW and weeks at the CPS median AWW. For Minnesota in 1994 these two measures were respectively 47.21 weeks and 64.76 weeks. Since the base period can have only 52 weeks of employment, a 1994 claimant in Minnesota earning the statewide median could not potentially collect 26 weeks of benefits at the maximum WBA.

Two other measures of monetary eligibility are the presence of an indexed maximum WBA and the maximum WBA expressed as a percentage of the average weekly wage over the past year.

Note that of the seven monetary eligibility measures to be reviewed, six (all but the proportion monetarily eligible) include explicit statutory monetary eligibility provisions in their construction. Thus if a state tried to restrict eligibility to economize on UI benefit outlays, these measures should move in an obvious direction. The requirements for minimum eligibility and maximum potential eligibility (both expressed as weeks of

⁴⁸ The CPS median AWW was created in two steps. First, annual median/mean ratios based on state-level CPS data were taken from regressions fitted over the 1964-1988 period. Second, ratios of CPS means to UI means for the AWW were multiplied by regression-based projections of median/mean ratios.

⁴⁹ The maximum duration is 30 weeks in Massachusetts and Washington. For these two states our measures calculated earnings needed to be eligible for 26 weeks at the maximum weekly benefit.

employment required in the base period) should increase. The prevalence indexed maximum WBAs and the maximum WBA expressed as a ratio to the lagged AWW should decline.

Table 7 summarizes these monetary eligibility provisions for the single years 1967 through 1994 and averages for 1967-1994, 1967-1980 and 1981-1994. All entries are simple averages of state-level detail. When the averages for the two fourteen-year subperiods are compared, there are some obvious changes. While weeks of employment for minimum monetary eligibility increases only slightly between 1967-1980 and 1981-1994, weeks for maximum eligibility increased more noticeably. The increase was 4.66 weeks of employment (from 31.56 to 36.22) using the UI mean AWW but 8.57 weeks (from 42.73 to 51.30) using the CPS median AWW.

The other three measures show increased monetary eligibility during the 1981-1994 period. The increases in the proportion monetarily eligible and the ratio of the maximum WBA to the lagged AWW increased only modestly over the averages for 1967-1980. However, indexation of the maximum WBA was noticeably more prevalent in the latter period. In fact, thirty-four or more states were indexed in every year between 1977 and 1994. Increases in the number of states with indexed maximum WBAs occurred mainly between 1969 and 1977.

A few other patterns are apparent in these data. Decreases in the proportion monetarily eligible follow recession years, e.g., 1972, 1976, 1983-84, and 1992. The widening spread of the earnings distribution has caused much of the increase in base period weeks of employment needed for maximum potential benefits.

Overall, most monetary eligibility measures summarized in Table 7 suggest stability in requirements over the 1967-1994 period. The average for minimum requirements increased slightly while the ratio of the maximum WBA to the AWW and the proportion monetarily eligible suggested small increases in accessibility. The largest change shown in Table 7 is a measurable increase in weeks of work at the average weekly wage needed to qualify for the maximum benefit entitlement. This increase is especially noticeable when the CPS median is utilized to measure the AWW.

The stability of most monetary earnings requirements covered by Table 7 (except the requirements for the maximum benefit entitlement) contrasts with what would be expected under the cost shifting hypothesis. On average, the requirements for monetary eligibility were no more difficult to meet at the end of the data period than they had been ten or twenty years previously. The next pages continue this analysis by focusing more directly on groupings of states where increases in eligibility requirements might be especially likely.

Monetary eligibility and changes in IUTU ratios

Table 8 brings together summary information on changes IUTU ratios with information on changes in monetary eligibility. The same seven monetary eligibility measures from Table 7 are displayed separately for the three groupings of states identified previously in Table 6. If states were deliberately trying to reduce UI claims loads, the fifteen with the largest decreases in IUTU ratios should be particularly interesting. Recall that their average IUTU ratio decreased by 0.111 between 1967-1980 and 1981-1994. Table 8 displays averages for these same two periods as well as some individual year data from 1981-1994. As in Table 7, all entries in Table 8 are simple averages where each state-year observation is given equal weight.

The top panel in Table 8 (the states with the largest decreases in IUTU ratios) does not reveal dramatic changes. The proportion monetarily eligible is essentially unchanged. Weeks for minimum eligibility show nearly identical averages for the two fourteen-year periods. Note that weeks for minimum eligibility are higher in 1994 than in 1981. The change occurred between 1981 and 1985 with little change after 1985.

Weeks for maximum eligibility do show an increase between 1967-1980 and 1981-1994 and also within the 1981-1994 period. However, the increases between 1981 and 1994 are only 10 percent using the UI-based mean AWW (increasing from 30.24 to 33.35) and 15 percent using the CPS-based median AWW (increasing from 40.55 to 46.74) respectively. Indexation was more prevalent among this group of states during 1981-1994 compared to the earlier period and

practically unchanged during 1981-1994. Note that the ratio of the maximum WBA to the lagged AWW was higher during 1981-1994 and that it increased modestly during these years.

For this group of states the largest change in a restrictive direction is the requirement for weeks of earnings needed for the maximum potential entitlement. Weeks of employment needed for the maximum entitlement increased using both measures of the AWW and the increases occurred mainly between 1981 and 1989. When these changes are compared with changes in the two other sets of states, however, nothing unusual is present in the top panel of Table 8. The increase in the weeks requirements between 1967-1980 and 1981-1994 were about the same in the states where IUTU decreased the least (by 6.04 weeks from 47.49 to 53.53 weeks using the CPS median AWW). This requirement increased even more in the twenty-one states with intermediate decreases in their IUTU ratios (by 12.10 weeks using the CPS median AWW).

A series of multiple regressions was fitted to explicitly test for post-1981 changes in monetary eligibility requirements. The patterns of the post-1981 dummy variable regression coefficients mirrored the patterns of the average eligibility requirements as shown in Table 8, i.e., the largest changes occurred in the requirements for maximum weeks of eligibility. The regression coefficients for the states with the largest decreases in IUTU ratios did not demonstrate above-average increases in requirements. In fact, the states with the largest decreases in IUTU ratios had below-average increases in more than half of the regressions. These findings were present using both unweighted data, i.e., each state weighted equally as in Table 8, and in regressions where states were

weighted by size.⁵⁰

For the UI eligibility requirements examined here, there is nothing to suggest that above-average decreases in IUTU ratios reflect state-level restrictions on monetary eligibility. For five of the seven measures there was very little change between 1967-1980 and 1981-1994. The earnings requirements needed for twenty-six weeks of benefits (measured in two different ways) did increase during these years. Much of the increased difficulty in qualifying for the maximum entitlement, however, is due to the increased dispersion in the earnings distribution. Although this area of monetary eligibility tightened measurably during 1981-1994, it happened for all three groupings of states not just for the fifteen where the IUTU ratio decreased the most. More important, the underlying cause for this increase does not reflect restrictive UI legislative actions.

UI financing problems and changes in IUTU ratios

Widespread problems of UI program financing were experienced in the early 1980s and several states with depleted trust funds had to borrow from the U.S. Treasury in order to make benefit payments. Between 1980 and 1988 a total of 32 programs needed loans and borrowing totaled \$24.2 billion.⁵¹ Since an aspect of the hypothesis under investigation is that decreases in IUTU ratios reflect conscious actions to reduce UI eligibility (Cases 1 and 2 from Section I), the pressures for restrictions were probably greatest in states with the largest financing problems.

⁵⁰One consistent result was that for states with the smallest decreases in IUTU ratios, the weighted results changed markedly when California was excluded from the data. Because of its size and because its requirements became easier to satisfy in more recent years, the exclusion of California made the increases in the requirements for this third group larger than when California was included.

⁵¹ The thirty-two included 30 states plus the District of Columbia and the Virgin Islands. One analysis of the financing problem is given in Chapters 1 and 2 of Vroman (1986), op.cit..

Information on UI claims and monetary eligibility has been investigated with attention to state-level differences in funding problems. The states were divided into three groups. The fifteen with the most serious problems were identified on the basis of having the highest borrowing-to-wages ratios for 1980-1988. Those with the least serious funding problems include the thirteen that did not borrow at all during the 1970s, 1980s or 1990s plus two that had the smallest loans-to-wages ratios during the 1970s. Fifteen of remaining 21 borrowed lesser amounts during the 1980s while the other six borrowed during the 1970s.

Table 9 displays summary information for the three groups of states with attention to two periods (1967-1980 and 1981-1994) and the individual years 1981, 1985, 1989 and 1994. The table shows averages for IUTU ratios and the seven monetary eligibility variables from Table 8. The fifteen with the most serious financing problems are of particular interest. They might be expected to show above-average reductions in IUTU ratios and above-average increases in monetary eligibility requirements.

The decrease in the average IUTU ratio for these fifteen states almost exactly matches the national average decrease between 1967-1980 and 1981-1994. Their decrease was 0.049 whereas the national average decrease was 0.051.⁵² Note that IUTU ratios also decreased for the other two groups of states although somewhat less for those with the least serious financing problems (-.034) and more for the intermediate group (-.064). Within the 1981-1994 period the IUTU ratios follow a broadly similar pattern for the three groups of states: declining between 1981 and 1985 and then recovering somewhat after 1985. Only for the states with the least serious financing problems does the IUTU ratio fail to recover noticeably after 1985.

When monetary eligibility criteria are examined, strong parallels are found for two groups of states: those with the most

⁵² The national average decreased from 0.386 to 0.335.

serious and those with the least serious financing problems. These two groups of states experienced larger increases in eligibility requirements than the group of 21 states with intermediate-sized financing problems. Weeks of earnings required for minimum eligibility and for 26 weeks of eligibility were higher during 1981-1994 than during 1967-1980. Within the 1981-1994 period the requirements for minimum eligibility increased between 1981 and 1985, decreased between 1989 and 1994, but 1994 levels still exceeded 1981 levels. Earnings needed for 26 weeks of eligibility increased throughout 1981-1994, and the changes were larger for these two groupings than for the 21 states with intermediate-sized financing problems.

Several indicators in Table 9 suggest that benefits have been consistently less accessible and less generous in the group of states with the least serious financing problems. 1) The IUTU ratio is consistently lowest for multi year periods. 2) The proportion monetarily eligible is lowest. 3) Indexation of the maximum weekly benefit is much less prevalent. 4) The maximum weekly benefit is the lowest percentage of the average weekly wage. Thus there is a suggestion that their avoidance of borrowing during the 1972-1994 period could be partially a consequence of deliberate decisions to limit the availability and generosity of benefits.

Conversely, the states with the largest financing problems have above-average indicators for the proportion monetarily eligible, the number with indexation (14 of 15 during most of 1981-1994) and the level of the maximum WBA relative to the lagged average weekly wage. Recall, however, that their IUTU ratio is somewhat below the national average. Their financing problems of the early 1980s appear to be associated with high UI payment levels but not with unusually large caseloads relative to total unemployment. Finally, the presence of financing problems in these states is not associated with unusually large restrictions on monetary eligibility, at least not for the eligibility indicators examined in Table 9. For most indicators the

patterns of change were quite similar for the states with the most serious and least serious financing problems.

Multiple regression analysis generally confirmed the patterns of change as described in Table 9. However, one contrast between the tabular display and the regressions merits notice. For the two minimum eligibility requirements, the post-1981 increases were consistently largest for the group of states with the most serious financing problems when data were weighted by state size.⁵³ Otherwise, the regression coefficients for post-1981 changes showed that requirements increased by about the same amount for the states with the most serious and the least serious financing problems, more than for the intermediate group.

Under Cases 1 and 2 of the cost shifting hypothesis (deliberate and inadvertent shifting respectively) the states with the largest UI financing problems would be expected to make the largest restrictive changes in UI eligibility and generosity. For the monetary eligibility requirements examined here, only one set of patterns were observed for these fifteen states that suggested unusually large increases in requirements, i.e., minimum eligibility requirements in regressions with weighted data. Finally, recall that these 15 states did not exhibit above-average decreases in IUTU ratios.

IV. Receipt of Welfare by State

If cost shifting has occurred, state-level data on the receipt of welfare benefits could provide persuasive evidence. States where IUTU ratios have decreased the most may have experienced above-average increases in welfare caseloads. The Urban Institute's TRIM2 model was utilized to examine caseloads and participation rates for

⁵³ This result held both when California was included and excluded from the states with the least serious funding problems.

three welfare programs: AFDC-Basic, AFDC-UP (unemployed parent)⁵⁴ and Food Stamps. Simulations of eligibility and receipt of welfare benefits were conducted for the years 1979 to 1993.

The TRIM2 model and state-level estimates

TRIM2 is a static microsimulation model developed at the Urban Institute during the 1980s based on earlier modelling extending back to the late 1960s.⁵⁵ The model operates with micro data from the Current Population Survey (CPS) to simulate details of individual cash and in-kind transfer payment programs. Three modules used in this report simulate eligibility for the AFDC-Basic, AFDC-UP and Food Stamp programs. Eligibility is simulated by combining TRIM2's detailed state-level rules on program eligibility with income and family composition data as reported in the CPS. The ratio of actual recipients to TRIM2 simulated eligibles yields estimated participation rates.

The AFDC-Basic, AFDC-UP and Food Stamps programs are particularly relevant because a measurable minority of recipient families has at least one member actively engaged in the labor market. For the fifteen years 1979 to 1993 the average proportion of households with at least one working member were as follows: AFDC-Basic - 0.160, AFDC-UP - 0.381 and Food Stamps - 0.360. Thus an unemployed worker ineligible for UI might apply for and receive benefits from one or perhaps two of these welfare programs. The AFDC-UP and Food Stamps programs would seem to be especially relevant given the higher likelihood of labor market attachment among recipient households. TRIM2 was examined to count eligible families,

⁵⁴ AFDC-Basic pays cash benefits mainly to families headed by women and accounts for roughly 90 percent of AFDC caseloads. AFDC-UP is available to two parent families where at least one adult demonstrates recent labor market attachment.

⁵⁵ See Linda Giannarelli, "An Analyst's Guide to TRIM2: The Transfer Income Model, Version 2," (Washington, D.C.: The Urban Institute, 1992) for a description of the capabilities of TRIM2, details of the individual sections (modules) and model use.

persons and the dollar amounts of benefit entitlements.⁵⁶

To undertake the TRIM2-based analysis, a number of problems had to be addressed. Program data for certain years were not available. Specifically, dollars of AFDC-UP benefit payments were not available prior to 1985, and the number of Food Stamp households was not known for 1979.

Since the CPS sample has 55,000 households nationwide, the sample sizes by state were often quite small. Small samples produce considerable statistical "noise" in state-level estimates. This noise problem is most severe for the smallest states and for the AFDC-UP program in all states. In 1993 when AFDC-UP was present in all 51 "states" (including the District of Columbia), the total number of simulated eligible households was only 766 or an average of 15 per state. To help address this noise problem, the analysis emphasizes results based on three consecutive years of data. Even with averaging, however, the state-level estimates of eligibility still contain a sizeable random component.

A technical problem related to the processing of CPS data in the early 1980s should also be noted. Starting in 1981, the coding of families and households was improved to recognize sub-families previously included within larger household units but not differentiated.⁵⁷ By 1982 these changes added about 1.0 million sub-families, bringing the total to about 2.0 million, and roughly half of the added units were eligible for AFDC-Basic benefits. The TRIM2 estimates of eligibility for 1979, 1980 and 1981 were adjusted to

⁵⁶ The particular measures to be emphasized here are calendar year monthly averages of families and persons and total annual dollar amounts of benefits.

⁵⁷ A specific example would be an unmarried adult daughter living with parents and mother of a young child. Previously the women and child were grouped with other family members and not recognized as a sub-family.

account for this change in CPS data handling.⁵⁸

In considering the 1979-1993 time series for welfare programs, two important legislative changes should also be noted. 1) After Ronald Reagan's election of 1980 there was national legislation that restricted eligibility for both AFDC and Food Stamp benefits. The changes became effective during 1982 but then were partially reversed during the next two years. The number of recipients of AFDC-Basic and Food Stamp benefits declined in 1982 even though unemployment was higher than in 1981. These changes had the largest eligibility-reducing effects on AFDC families where one or more members worked.⁵⁹ 2) In October 1990 the AFDC-UP program became mandatory for all states and caused an increase in AFDC-UP caseloads starting in 1991. For states that introduced AFDC-UP in 1991, however, participation rates have consistently been much lower than in states that previously offered AFDC-UP.⁶⁰

Welfare benefits in three programs

Tables 10, 11 and 12 summarize information on the receipt of benefits from the AFDC, Food Stamps and Medicaid programs

⁵⁸ The adjustments which increased the number of eligible units by 14.1 percent in 1979 and 1980 and by 3.4 percent in 1981 were based on a report by Patricia Ruggles and Richard Michel, "Participation Rates in the Aid to Families with Dependent Children Program: Trends for 1967 Through 1984," The Urban Institute, (1987). Their report discusses the change in the CPS data handling and evaluates its effect on estimated eligibility and participation rates in the AFDC-Basic program.

⁵⁹ See Chapter I of LaDonna Pavetti, "The Dynamics of Welfare and Work: Exploring the Process by Which Women Work their Way Off Welfare," Ph.D. Thesis, Kennedy School of Government, Harvard University (1993).

⁶⁰ The number of state-level programs increased from 28 to 51 in October 1990. For an analysis of the effects on caseloads see Gregory Acs and Linda Giannarelli, "An Evaluation of the Aid to Families with Dependent Children Unemployed Parent (AFDC-UP) Program," draft report, (Washington, D.C.: The Urban Institute, October, 1995).

respectively. Comparisons of beneficiaries, participation rates and total benefits are made for three year periods: 1979-1981 to 1991-1993 for AFDC and Food Stamps and 1984-1986 to 1991-1993 for Medicaid. The tables summarize the experiences of eighteen big states and three aggregations of states: by Census Division, size of decrease in IUTU ratios and the size of UI debts. The latter are the three-way groupings previously analyzed in Section III. The eighteen states represented 70.9 percent of UI taxable covered employment in 1994. Their experiences dominate the nationwide U.S. totals for UI and welfare programs.⁶¹

After examining data on AFDC-UP caseloads and participation rates it was decided to exclude this component of AFDC from the present analysis. The reason was that the underlying data have very high levels of statistical "noise" due to small sample sizes. Interested readers can examine Table A2 of Appendix A for summary data on this element of the AFDC program.

Each table demonstrates that growth in welfare caseloads and expenditures varied widely over the period from 1979 to 1993. Table 10 shows that AFDC-Basic caseloads and participation rates increased the most in the West South Central and Mountain divisions while little change occurred in the four divisions of the North East and Midwest. Thus while the national participation rate for AFDC-Basic increased only modestly between 1979-1981 and 1991-1993 (from 0.806 to 0.834 or by 3.5 percent) the average participation rate increased by 20.2 percent in the West South Central states (from 0.635 to 0.763) and by 30.2 percent in Mountain states (from 0.719 to 0.936). Above-average population growth and increased participation rates both contributed to the growth in caseloads and total benefit payments in these areas.

AFDC-Basic caseload growth over this period can be summarized as

⁶¹ Appendix A in an unpublished version of this report presents summary detail for every state on total unemployment, insured unemployment and welfare caseloads. Tables A1-A5 of the present report shows three year averages of participation and benefit payments for AFDC, Food Stamps and Medicaid.

a process whereby states and regions with the lowest participation rates experienced the largest proportional increases. Six of the eighteen states had participation rates below 0.700 in 1979-1981, but that only one (Indiana) had a similarly low participation rate during 1991-1993.

A major reason for examining state-level data was to observe possible differences across states ranked by the size of the decrease in the IUTU ratio. Note in Table 10 that all of the AFDC-Basic caseload growth has occurred in states other than the fifteen where IUTU decreased the most.⁶² When participation rates are examined, states in all three groupings show modest increases.

For all six states from the top group note that participation rates in AFDC-Basic were quite stable over the period, decreasing for four and increasing for two. The largest change was the 7.4 percent reduction in New Jersey.

Perhaps the most dramatic finding is the comparative increases in total AFDC benefit payments for the three groups of states. Those where IUTU decreased the most had total benefits increases of 43.4 percent compared to 89.4 percent for the middle twenty-one and 139.7 percent for the bottom fifteen. On average, the states where AFDC costs have increased the most have been those where IUTU decreased the least.

The bottom rows of Table 10 summarize experiences for states grouped by the size of UI debts from the 1980s. Here the increases in AFDC participation were largest in states where UI debt problems were the least serious. Their average participation rates in AFDC-Basic increased by 10.6 percent whereas the changes for the other two groups were both close to zero. Average participation rates for all

⁶² Recall that Table 6 displays states arranged according to the size of the decrease in IUTU between 1967-1980 and 1981-1994. For the top fifteen states the average decrease was -0.111 compared to -0.047 for the middle 21 and +0.005 for the bottom fifteen. For these three groupings the decreases in the simple averages of IUTU from 1979-1981 to 1991-1993 were -0.071, -0.036 and -0.020 respectively, i.e., the same rankings.

three groups are quite similar in 1991-1993. Note also that the percentage change in total AFDC benefit payments was largest for the states with the least serious UI debt problems and smallest in states with the most serious UI debt problems. The increases were 153.0 and 43.0 percent for the two groups respectively.

From this examination of AFDC it appears the explanation for growth in caseloads and costs is related to a "catching up" phenomena whereby participation has increased most in states and areas where participation was the lowest during 1979-1981. When participation rates for individual states and groups of states are examined, they are much more similar in 1991-1993 than they were during 1979-1981.

Table 11 summarizes experiences with the Food Stamps program. Nationwide, the participation rate increased from 0.537 in 1979-1981 to 0.607 in 1991-1993. In this program three Census Divisions were characterized by low participation during 1979-1981: the West North Central, West South Central and Mountain divisions. Respectively their average participation rates were 0.358, 0.458 and 0.403 in these years. Note how participation rates for these three divisions increased the most so that by 1991-1993 all stood within 0.038 of the national average.

When states are ranked by the size of the decline in IUTU all three groups show increases in participation, but the largest increases are for the "Middle 21" grouping (20.8 percent). The top and bottom grouping of 15 experienced similar average percentage increases in Food Stamps participation.

State-level detail shows that Food Stamps participation rates were relatively stable in the "Top 15" group with three of the group's six largest states having lower participation rates in 1991-1993 than in 1979-1981. Participation rates increased the most in Washington, Virginia and Texas, three states where participation in AFDC-Basic (Table 10) also increased sharply.

The aggregate budget implication of growth in Food Stamps caseloads per se is not an issue because benefits are fully federally financed. Note that the growth in Food Stamps caseloads and in total benefits were largest in the fifteen states where IUTU decreased the

least (52.4 percent and 183.1 percent respectively) and smallest in the fifteen where IUTU decreased the most (14.1 percent and 122.6 percent respectively).

The bottom of Table 11 summarizes the experiences of states grouped by the size of UI debts from the early 1980s. Here the obvious pattern is the similarity of the "Top 15" and the "Bottom 15" in caseload growth, growth in participation rates and growth in total benefits. The middle group experienced smaller increases across all three welfare indicators. Earlier experiences with UI debts from the early 1980s have no obvious link to growth in Food Stamps utilization for the time period covered by Table 11.

The Medicaid experiences of the states as summarized in Table 12 parallel earlier findings from Tables 10 and 11. The largest growth in caseloads occurred in the South Atlantic, East South Central, West South Central and Mountain divisions. For all states and groupings of states, however, Medicaid growth has had major fiscal implications. National average growth in total benefits was 173.9 percent between 1984-1986 and 1991-1993. For the eighteen individual states, growth in benefit payouts ranged from a low of 90.0 percent (Minnesota) to a high of 335.7 percent (Florida). The absolute levels of the outlays and the attendant state shares are very large.

When the growth in caseloads and benefits are examined for states according to the decrease in IUTU, the growth was somewhat lower in states where IUTU decreased the most. However, the three averages for total benefit increases are not that different: 165.4 percent, 181.9 percent and 180.8 percent for the Top 15, Middle 21 and Bottom 15 respectively. Except for New Jersey, all states where growth exceeded 200.0 percent were in the middle and bottom groups of decreased IUTU ratios.

The bottom three rows of Table 12 summarize experiences of the states with UI indebtedness of differing severity. As with AFDC, the largest growth in Medicaid costs occurred in states with the least serious UI debt problems and the smallest growth was among states with the largest UI debt problems. Again, however, the differences in Table 12 are comparatively modest ranging from 164.2 percent to 180.6

percent. All three groups witnessed major increases in Medicaid costs.

While the data in Table 12 show growth in total Medicaid costs (as was the data on AFDC in Table 10), there clearly are major fiscal implications for the states for their shares of Medicaid costs. Between 1979-1981 and 1991-1993 the state share of Medicaid grew from \$17.6 billion to \$48.2 billion, or by \$30.6 billion.⁶³ Compared to the \$1.7 billion of state savings on UI costs nationwide caused by the reduction in the IUTU ratio (as estimated earlier, page 29), the contrast in orders of magnitude is sobering. It is difficult to argue that inducing UI claimants onto welfare roles would save money for a state once Medicaid costs are factored into the calculation.

Summary

The preceding analysis of welfare caseloads and benefit outlays emphasized state-level experiences. Data for individual states and groups of states show a wide diversity of experiences. However, no association was found between decreased availability of UI benefits (as signaled by a reduction in the IUTU ratio) and increased utilization of welfare. In fact, welfare caseloads and participation rates have been most stable in states where IUTU ratios have decreased the most. Welfare participation rates have changed with bigger increases observed for Food Stamps than for AFDC. However, a major factor driving growth in welfare caseloads appeared to be a leveling-up of participation rates among those eligible for welfare, i.e., the largest increases occurred in states where participation rates were the lowest in 1979-1981.

Two factors appear to lie behind growth in welfare caseloads in states where growth has been most rapid: 1) population growth and 2) increased participation rates among eligibles. States like Florida, Texas, Virginia and Washington experienced especially rapid increases in caseloads.

⁶³ This is a calculation by the author using the averages in Table 12 (\$39.996 billion and \$199.468 billion) assuming a state share of 44 percent for both periods.

Of the welfare programs examined here, the budget implications of Medicaid growth are of much greater importance to states than growth in AFDC. All states have come under fiscal pressures due to growth in Medicaid costs. Nationwide, the growth in state-financed Medicaid costs exceeded \$30 billion between 1979-1981 and 1991-1993. For the group of 18 large states examined here, total Medicaid costs grew by at least 90 percent over this period and for eight states the growth exceeded 200 percent. Shifting UI claimants to welfare when Medicaid is an element of welfare costs is not rational. Because the cost shifting hypothesis has not explicitly considered Medicaid, it has omitted the most important element of state welfare costs.

V. Summary and Conclusions

Because the report is rather long it will be useful to review the findings and conclusions from the individual sections. Before descending to the details, however, the principal finding of the report should be stated. The cost shifting hypothesis that motivated this study maintains that a part of UI costs has been shifted to welfare programs through reduced availability of UI benefits. The driving force behind the shifting could be either state actions (deliberate or inadvertent) or evolutionary changes affecting UI and welfare caseloads in opposite directions.

This report conducted three analyses of the cost shifting hypothesis and found that the hypothesis is not supported. 1) From the standpoint of state government fiscal calculus the hypothesis is incomplete. Shifting potential UI claimants to Food Stamps would clearly save a state money since Food Stamps are fully federally financed. However, welfare recipients often receive benefits from three programs: AFDC and Medicaid as well as Food Stamps. AFDC and Medicaid are partly state financed. The growth in the state-level Medicaid costs dominates all of the other (UI and welfare) program costs under consideration in the report. Because Medicaid costs have been so large and growing so rapidly, it does not seem rational for a

state to move UI claimants onto welfare.

2) The main empirical evidence supporting the cost shifting hypothesis is work undertaken by the staff of the recent Advisory Council on Unemployment Compensation. This analysis concluded that 64 percent of the decline in UI claims activity between 1971 and 1993 can be explained by growth in welfare. The principal empirical variable used in a pooled regression analysis was annual per capita Food Stamp expenditures. Chapter I reviewed this study and made criticisms of the logic and the specification of the analysis. At a minimum, this evidence adduced to support the cost shifting hypothesis is not persuasive.

3) New analysis of state-level data on reductions in UI claims and increases in the utilization of welfare did not support the cost shifting hypothesis. The states where UI claims decreased the most did not exhibit above-average increases in utilization of welfare.

The state-level analysis was based partly on the Urban Institute's TRIM2 microsimulation model and covered the years 1979 to 1993. Welfare reciprocity and benefit payments were examined for the three programs: AFDC, Food Stamps and Medicaid. The most rapid growth in welfare caseloads was observed in states and regions where participation rates had been lowest during 1979-1981 and where population growth was the most rapid. In many specific instances, rapid growth in welfare caseloads occurred in states in the South and West, states where the IUTU ratio (a principal indicator of UI claims) declined less than or about the same as the national average decline.

To this author these three criticisms of the cost shifting hypothesis are persuasive. It seems more likely that the states have not shifted potential UI claimants onto welfare. Other readers may draw a more agnostic conclusion. This could provide a reason for undertaking more research. The place to start any additional work is with an explicit formulation of the cost shifting hypothesis that has testable implications.

The report had other findings that should be noted. 1) A recent Canadian empirical study on the unemployment-UI-welfare interrelation

(summarized in Section I) tracked UI claimants longitudinally. It documented the size of the UI-welfare interface for job leavers during a period when access to UI was restricted. After UI eligibility was restricted, the proportion of job leavers who received welfare did increase, but the increase was rather modest. While the Canadian study provides important evidence, the federal-provincial fiscal relationship and related financial incentives are different from those in the U.S., e.g., UI is federally financed in Canada. This study's relevance lies mainly in its methodology, i.e., the longitudinal tracking of the unemployed, rather than demonstrating the effects of intergovernmental fiscal incentives.

2) Section II documented the time periods when decreases in UI claims activity and increases in welfare caseloads occurred during the past forty years. UI claims (represented by IUTU ratios) declined most during two periods: the decade of the 1960s and the early 1980s. The declines were larger during the 1960s. Growth in caseloads and total benefit payments were also traced for AFDC, Food Stamps and Medicaid. Growth in welfare program caseloads was not unusually rapid in periods when IUTU declined the most. Caseloads for all three welfare programs grew rapidly after 1989, but this was a period when UI caseloads were, if anything, higher (not lower) than expected based on caseloads from earlier in the 1980s.

3) A regression analysis was conducted in Section II to examine decreases in UI claims. The estimated size of the reduction was found to be sensitive to the estimation period, inclusion of state-level weights as controls and the choice of the dependent variable. Comparing 1981-1994 with the earlier 1967-1980 period, receipt of UI benefits was estimated to be 8.3-8.7 percent lower during 1981-1994.

4) Section III used descriptive data and regressions to characterize the size of the decrease in UI claims for each state. A wide range of state-level decreases was identified. For the fifteen states with the largest decreases, the IUTU ratio declined by an average of 0.111. For the fifteen with the smallest decreases, the change in IUTU averaged almost exactly zero. Section III also examined whether UI monetary eligibility requirements had increased

more in states with the largest decreases in UI claims and/or in states which experienced the largest UI financing problems during the early 1980s. Monetary eligibility requirements did not exhibit unusually large increases in either grouping of states.

5) A state-level analysis of AFDC, Food Stamps and Medicaid reciprocity was undertaken for the period 1979 to 1993. Detailed results of this analysis are presented in Section IV and in Appendix A. For all three welfare programs, similar findings were observed on the relation between changes in the receipt of UI benefits and the receipt of welfare. The group of 15 states where UI reciprocity declined the most (as reflected in IUTU ratios) had the smallest increases in welfare caseloads and associated costs. In contrast, the fifteen states where IUTU ratios decreased the least had the largest increases in welfare caseloads. Details for individual states were displayed in Tables 10, 11 and 12 and with supporting Tables A1-A5 in Appendix A. An unpublished version of this report also presents a state by state graphical analysis of unemployment and welfare caseload growth between 1979 and 1993.

Table 1. National Data on Unemployment and UI Claims, 1956-1994.

Year	TUR	TU-a	IU	AWK	IUTU	AWKTU	AWKIU	IUTU 5YrAvg	IUTU 5YrChng 5YrAvg
1956	4.1	2750	1212	1022	0.441	0.372	0.843	0.499	0.029
1957	4.3	2859	1447	1235	0.506	0.432	0.853	0.491	0.000
1958	6.8	4602	2513	2226	0.546	0.484	0.886	0.492	-0.020
1959	5.5	3740	1665	1464	0.445	0.391	0.879	0.485	-0.033
1960	5.5	3852	1903	1647	0.494	0.428	0.866	0.486	-0.019
1961	6.7	4714	2271	1994	0.482	0.423	0.878	0.495	-0.004
1962	5.5	3911	1765	1516	0.451	0.388	0.859	0.484	-0.008
1963	5.7	4070	1772	1531	0.435	0.376	0.864	0.462	-0.031
1964	5.2	3786	1571	1362	0.415	0.360	0.867	0.455	-0.029
1965	4.5	3366	1293	1119	0.384	0.332	0.865	0.433	-0.053
1966	3.8	2875	1029	884	0.358	0.307	0.859	0.409	-0.086
1967	3.8	2975	1171	1004	0.394	0.337	0.857	0.397	-0.086
1968	3.6	2817	1079	922	0.383	0.327	0.854	0.387	-0.075
1969	3.5	2832	1065	905	0.376	0.320	0.850	0.379	-0.077
1970	4.9	4093	1762	1495	0.430	0.365	0.848	0.388	-0.045
1971	5.9	5016	2102	1806	0.419	0.360	0.859	0.400	-0.008
1972	5.6	4882	1800	1529	0.369	0.313	0.849	0.395	-0.002
1973	4.9	4365	1578	1337	0.362	0.306	0.847	0.391	0.004
1974	5.6	5156	2202	1843	0.427	0.357	0.837	0.401	0.022
1975	8.5	7929	3900	3325	0.492	0.419	0.853	0.414	0.025
1976	7.7	7406	2922	2411	0.395	0.326	0.825	0.409	0.008
1977	7.1	6991	2584	2141	0.370	0.306	0.829	0.409	0.013
1978	6.1	6202	2302	1905	0.371	0.307	0.828	0.411	0.020
1979	5.8	6137	2372	2004	0.387	0.327	0.845	0.403	0.001
1980	7.1	7637	3305	2831	0.433	0.371	0.857	0.391	-0.023
1981	7.6	8273	2989	2580	0.361	0.312	0.863	0.384	-0.024
1982	9.7	10678	3998	3533	0.374	0.331	0.884	0.385	-0.024
1983	9.6	10717	3347	2969	0.312	0.277	0.887	0.373	-0.037
1984	7.5	8539	2434	2118	0.285	0.248	0.870	0.353	-0.050
1985	7.2	8312	2561	2260	0.308	0.272	0.882	0.328	-0.063
1986	7.0	8237	2607	2307	0.316	0.280	0.885	0.319	-0.065
1987	6.2	7425	2265	1998	0.305	0.269	0.882	0.305	-0.080
1988	5.5	6701	2048	1787	0.306	0.267	0.873	0.304	-0.069
1989	5.3	6528	2118	1848	0.324	0.283	0.872	0.312	-0.041
1990	5.5	6918	2479	2197	0.358	0.318	0.887	0.322	-0.006
1991	6.7	8482	3291	2943	0.388	0.347	0.894	0.336	0.017
1992	7.4	9452	3190	2845	0.337	0.301	0.892	0.343	0.037
1993	6.8	8788	2640	2370	0.300	0.270	0.898	0.342	0.038
1994	6.1	7996	2608	2323	0.326	0.290	0.891	0.342	0.030
Avg.									
1967-94	6.4	6839	2454	2126	0.365	0.315	0.864		
1967-80	5.7	5317	2153	1818	0.400	0.339	0.846		
1981-94	7.0	8360	2755	2434	0.329	0.290	0.883		

Source: U.S. Department of Labor, Bureau of Labor Statistics and Unemployment Insurance Service.

a - The 1990-1994 estimates of TU incorporate 1990 Census-based population controls.

Table 2. Regressions Explaining UI Claims and Beneficiary Rates, 1967-1994

Equation and Dep Var	Constant	TUR	TUR Lagged	D1981	Sample Size	Adj R2	Std Error	Mean DepVar	Elast D1981
Data Period 1967-1989									
1. IUTU Macro	0.3812 (35.3)	0.0293 (11.8)	-0.0271 (10.5)	-0.0707 (11.4)	23	0.946	0.0119	0.3695	-0.191
2. IUTU Macro, Fixed Wt	0.3799 (28.0)	0.0269 (8.6)	-0.0254 (7.8)	-0.0558 (7.2)	23	0.890	0.0150	0.3695	-0.151
3. IUTU State, Fixed Wt	0.4040 (40.2)	0.0185 (7.7)	-0.0183 (7.5)	-0.0492 (7.5)	1173	0.899	0.1544	0.3695	-0.133
4. AWKTU Macro	0.3273 (41.5)	0.0263 (14.5)	-0.0254 (13.5)	-0.0471 (10.5)	23	0.954	0.0087	0.3166	-0.149
5. AWKTU Macro Fixed Wt	0.3252 (31.3)	0.0242 (10.1)	-0.0240 (9.7)	-0.0308 (5.2)	23	0.891	0.0115	0.3156	-0.098
6. AWKTU State, Fixed Wt	0.3452 (35.3)	0.0176 (7.5)	-0.0173 (7.3)	-0.0311 (4.9)	1173	0.878	0.1504	0.3156	-0.099
7. AWKIU Macro	0.8586 (104.1)	0.0030 (1.6)	-0.0055 (2.8)	0.0384 (8.1)	23	0.769	0.0091	0.8581	0.045
8. AWKIU State Fixed Wt	0.8253 (139.8)	0.0065 (4.6)	-0.0034 (2.4)	0.0339 (8.8)	1173	0.992	0.0906	0.8459	0.040
Data Period 1967-1994									
9. IUTU Macro	0.3917 (32.8)	0.0294 (10.6)	-0.0291 (10.5)	-0.0630 (10.4)	28	0.920	0.0139	0.3646	-0.173
10. IUTU Macro, Fixed Wt	0.3896 (28.6)	0.0271 (8.5)	-0.0273 (8.6)	-0.0495 (7.2)	28	0.867	0.0158	0.3656	-0.135
11. IUTU State, Fixed Wt	0.4096 (44.3)	0.0199 (9.2)	-0.0207 (9.6)	-0.0466 (8.5)	1428	0.905	0.1483	0.3656	-0.127
12. AWKTU Macro	0.3374 (34.9)	0.0264 (11.7)	-0.0273 (12.1)	-0.0388 (8.0)	28	0.915	0.0112	0.3145	-0.123
13. AWKTU Macro, Fixed Wt	0.3334 (30.3)	0.0242 (9.5)	-0.0256 (10.0)	-0.0261 (4.7)	28	0.857	0.0128	0.3137	-0.083
14. AWKTU State, Fixed Wt	0.3488 (38.4)	0.0194 (9.1)	-0.0198 (9.3)	-0.0274 (5.1)	1428	0.884	0.1456	0.3137	-0.087
15. AWKIU Macro	0.8607 (106.0)	0.0028 (1.5)	-0.0056 (3.0)	0.0427 (10.4)	28	0.812	0.0094	0.8642	0.049
16. AWKIU State Fixed Wt	0.8221 (138.7)	0.0078 (5.6)	-0.0041 (3.0)	0.0374 (10.7)	1428	0.991	0.0950	0.8503	0.044

Source: Regressions based on annual (national and state-level) data. Beneath each coefficient is the absolute value of its t ratio. Weights are state shares of covered employment from 1967 to 1989.

Table 3. National Data on Expenditures and Recipients of AFDC, Food Stamps and Medicaid, 1950-1994.

Year	State UI	Aggregate Benefits:			Number of Recipients:				Per Capita Benefits:			Real Benefits per Recipient		
		AFDC (\$billions)	Food Stamps	Medicaid	AFDC Fam.	AFDC Pers.	FS Pers.	MAid Pers.	AFDC (\$dollars)	FS (\$dollars)	MAid (\$dollars)	AFDC (1982-1984 dollars)	FS (1982-1984 dollars)	MAid (1982-1984 dollars)
1950	1.4	0.6	NA	NA	0.6	2.2	NA	NA	3.9	NA	NA	1129	NA	NA
1951	0.8	0.6	NA	NA	0.6	2.1	NA	NA	3.9	NA	NA	1080	NA	NA
1952	1.0	0.5	NA	0.1	0.6	2.0	NA	NA	3.2	NA	0.6	936	NA	NA
1953	1.0	0.5	NA	0.1	0.6	2.0	NA	NA	3.1	NA	0.6	953	NA	NA
1954	2.0	0.6	NA	0.2	0.6	2.1	NA	NA	3.7	NA	1.2	1084	NA	NA
1955	1.4	0.6	NA	0.2	0.6	2.2	NA	NA	3.6	NA	1.2	1011	NA	NA
1956	1.4	0.6	NA	0.2	0.6	2.2	NA	NA	3.6	NA	1.2	989	NA	NA
1957	1.7	0.7	NA	0.2	0.6	2.4	NA	NA	4.1	NA	1.2	1045	NA	NA
1958	3.5	0.8	NA	0.3	0.7	2.5	NA	NA	4.6	NA	1.7	1111	NA	NA
1959	2.3	0.9	NA	0.5	0.8	2.7	NA	NA	5.1	NA	2.8	1139	NA	NA
1960	2.7	1.0	NA	0.5	0.8	3.0	NA	NA	5.5	NA	2.8	1124	NA	NA
1961	3.4	1.1	NA	0.7	0.9	3.4	NA	NA	6.0	NA	3.8	1097	NA	NA
1962	2.7	1.3	0.0	0.9	0.9	3.7	0.2	NA	7.0	0.1	4.8	1171	285	NA
1963	2.8	1.4	0.0	1.1	0.9	3.9	0.3	NA	7.4	0.1	5.8	1180	261	NA
1964	2.5	1.5	0.0	1.3	1.0	4.1	0.4	NA	7.8	0.2	6.8	1175	249	NA
1965	2.1	1.7	0.0	1.5	1.0	4.3	0.6	NA	8.7	0.3	7.7	1247	240	NA
1966	1.8	1.9	0.1	2.0	1.1	4.5	1.2	NA	9.7	0.5	10.2	1299	267	NA
1967	2.1	2.3	0.1	2.7	1.2	5.0	1.8	NA	11.6	0.5	13.6	1373	164	NA
1968	2.0	2.8	0.2	4.0	1.4	5.7	2.5	NA	14.0	1.0	19.9	1410	226	NA
1969	2.1	3.5	0.3	4.5	1.7	6.7	3.6	NA	17.3	1.5	22.2	1422	227	NA
1970	3.8	4.8	1.1	5.4	2.2	8.5	6.9	NA	23.4	5.4	26.3	1461	414	NA
1971	5.2	6.2	1.7	6.7	2.8	10.2	10.2	NA	29.9	8.2	32.3	1495	410	NA
1972	4.7	6.9	2.0	8.2	3.0	10.9	11.6	18.6	32.9	9.5	39.1	1508	411	1054
1973	4.0	7.2	2.2	9.6	3.1	10.9	12.5	20.5	34.0	10.4	45.3	1481	395	1053
1974	6.2	7.9	3.4	11.3	3.2	10.9	15.0	21.7	36.9	15.9	52.8	1475	460	1055
1975	12.9	9.2	4.6	14.0	3.5	11.3	17.8	22.4	42.6	21.3	64.8	1507	480	1161
1976	10.0	10.1	4.6	15.6	3.6	11.3	17.8	22.8	46.3	21.1	71.5	1570	454	1201
1977	9.1	10.6	4.4	17.1	3.6	11.1	16.8	22.6	48.1	20.0	77.6	1583	432	1248
1978	8.0	10.7	4.6	19.0	3.5	10.6	16.5	21.9	48.1	20.7	85.4	1553	429	1333
1979	8.6	11.0	6.3	21.5	3.5	10.3	18.6	21.5	48.9	28.0	95.5	1469	468	1375
1980	14.5	12.4	8.2	24.6	3.7	10.8	21.4	21.7	54.5	36.0	108.0	1397	465	1376
1981	13.8	13.0	10.1	28.8	3.8	11.1	22.3	21.9	56.5	43.9	125.2	1291	499	1448
1982	21.8	13.3	9.9	31.7	3.5	10.3	21.7	21.6	57.3	42.6	136.5	1344	473	1521
1983	18.6	14.2	11.1	35.5	3.7	10.8	21.4	21.6	60.6	47.4	151.5	1325	520	1653
1984	12.5	14.8	10.7	38.3	3.7	10.8	20.6	21.7	62.6	45.3	162.0	1315	499	1702
1985	14.0	15.4	10.7	41.8	3.7	10.9	19.8	22.0	64.6	44.9	175.3	1318	503	1767
1986	15.4	16.4	10.6	46.3	3.8	11.0	19.3	22.7	68.1	44.0	192.4	1356	500	1864
1987	13.6	16.7	10.6	50.7	3.8	11.0	19.0	23.1	68.8	43.7	208.8	1333	491	1936
1988	12.5	17.3	11.2	55.9	3.7	10.9	18.7	23.1	70.6	45.7	228.1	1340	507	2049
1989	13.5	18.0	12.3	63.8	3.8	11.0	19.1	23.4	72.8	49.7	257.9	1320	520	2194
1990	17.2	19.8	14.7	76.7	4.1	11.7	20.7	24.5	79.2	58.8	306.9	1295	544	2394
1991	24.5	22.0	18.2	100.1	4.5	12.9	23.3	28.9	87.1	72.0	396.3	1249	573	2540
1992	23.8	23.3	21.2	119.7	4.8	13.8	25.8	31.6	91.2	83.0	468.7	1206	586	2704
1993	20.5	23.9	22.2	132.5	5.0	14.2	27.1	33.8	92.6	86.0	513.3	1164	567	2710
1994	20.3	24.2	22.8	143.5	5.0	14.2	27.5	35.1	92.8	87.5	550.5	1153	560	2762
Averages for 1981-1994														
Total	17.3	18.0	14.0	69.0	4.1	11.8	21.9	25.3	73.2	56.8	276.7	1286	524	2089
State-Financed	17.3	7.9	0.0	31.0										

Source: Data on UI benefits from U.S. Department of Labor, Unemployment Insurance Financial Data. Estimates include state share of Extended Benefits. National expenditures on welfare programs from the National Income Accounts, Table 3.12. Small amounts of other medical assistance included in the Medicaid category. Counts of AFDC, Food Stamps and Medicaid recipients are monthly averages from program data taken from the Social Security Bulletin, Annual Statistical Supplement, various issues. Population data for per capita expenditure estimates taken from the 1995 Economic Report of the President, Table B-33. Real per recipient estimates derived using the all-items CPI, 1982-1984 = 1.000.

Table 4. National Data on Poverty and the Receipt of AFDC and Food Stamps, 1956-1994.

Year	Pov- erty Rate (Pct.)	Pov- erty Pop. (Mill.)	AFDC Recip- ients (Mill.)	FS Recip- ients (Mill.)	AFDC Recip/ Pov. Pop.	FS Recip/ Pov. Pop.	AFDC Recip/ Pov. Pop. 5YrAv	FS Recip/ Pov. Pop. 5YrAv	AFDC Recip/ Pov. Pop. 5YrCh 5YrAv	FS Recip/ Pov. Pop. 5YrCh 5YrAv
1956	NA	NA	2.2	NA						
1957	NA	NA	2.4	NA						
1958	NA	NA	2.5	NA						
1959	22.4	39.5	2.7	NA	0.069	0.000				
1960	22.2	39.9	3.0	NA	0.075	0.000				
1961	21.9	39.6	3.4	NA	0.085	0.000				
1962	21.0	38.6	3.7	0.2	0.095	0.005				
1963	19.5	36.4	3.9	0.3	0.106	0.008	0.086	0.002		
1964	19.0	36.1	4.1	0.4	0.114	0.011	0.095	0.004		
1965	17.3	33.2	4.3	0.6	0.130	0.019	0.106	0.008		
1966	14.7	28.5	4.5	1.2	0.158	0.041	0.120	0.016		
1967	14.2	27.8	5.0	1.8	0.181	0.066	0.137	0.028		
1968	12.8	25.4	5.7	2.5	0.225	0.100	0.161	0.047	0.076	0.045
1969	12.1	24.1	6.7	3.6	0.278	0.149	0.194	0.075	0.099	0.070
1970	12.6	25.4	8.5	6.9	0.333	0.270	0.234	0.125	0.129	0.116
1971	12.5	25.6	10.2	10.2	0.401	0.400	0.283	0.197	0.162	0.180
1972	11.9	24.5	10.9	11.6	0.448	0.476	0.336	0.279	0.199	0.250
1973	11.1	23.0	10.9	12.5	0.477	0.546	0.387	0.368	0.225	0.321
1974	11.2	23.4	10.9	15.0	0.465	0.641	0.424	0.466	0.230	0.392
1975	12.3	25.9	11.3	17.8	0.438	0.688	0.445	0.550	0.211	0.425
1976	11.8	25.0	11.3	17.8	0.453	0.713	0.456	0.612	0.173	0.416
1977	11.6	24.7	11.1	16.8	0.447	0.680	0.455	0.653	0.119	0.374
1978	11.4	24.5	10.6	16.5	0.431	0.672	0.446	0.678	0.060	0.310
1979	11.7	26.1	10.3	18.6	0.396	0.712	0.433	0.692	0.008	0.226
1980	13.0	29.3	10.8	21.4	0.368	0.732	0.418	0.701	-0.027	0.151
1981	14.0	31.8	11.1	22.3	0.348	0.699	0.398	0.698	-0.058	0.086
1982	15.0	34.4	10.3	21.7	0.298	0.631	0.368	0.689	-0.088	0.035
1983	15.2	35.3	10.8	21.4	0.305	0.607	0.342	0.676	-0.104	-0.003
1984	14.4	33.7	10.8	20.6	0.321	0.612	0.328	0.656	-0.105	-0.037
1985	14.0	33.1	10.9	19.8	0.328	0.599	0.320	0.629	-0.099	-0.072
1986	13.6	32.4	11.0	19.3	0.341	0.598	0.318	0.609	-0.079	-0.090
1987	13.4	32.2	11.0	19.0	0.342	0.590	0.327	0.600	-0.041	-0.088
1988	13.0	31.7	10.9	18.7	0.344	0.588	0.335	0.597	-0.008	-0.079
1989	12.8	31.5	11.0	19.1	0.349	0.605	0.340	0.595	0.013	-0.060
1990	13.5	33.6	11.7	20.7	0.348	0.616	0.344	0.599	0.025	-0.030
1991	14.2	35.7	12.9	23.3	0.362	0.653	0.349	0.610	0.030	0.001
1992	14.8	38.0	13.8	25.8	0.362	0.679	0.353	0.628	0.025	0.027
1993	15.1	39.3	14.2	27.1	0.362	0.690	0.356	0.648	0.021	0.051
1994	14.5	38.1	14.2	27.5	0.372	0.722	0.361	0.671	0.021	0.076

Source: Poverty estimates based on the Current Population Survey. Counts of Food Stamps and AFDC recipients are monthly averages from program data as reported in the Social Security Bulletin, Annual Statistical Supplement, various issues.

Table 5. Time Series Regressions Explaining IUTU Ratios, 1967 to 1994

State	Constant	TUR	TURLag	D1981	AdjR2	S.E.	D.W.	Mean	Elast81
Connecticut	.576(11.5)	.0188(1.7)	-.0288(2.7)	-.1103(3.9)	0.433	0.073	0.97	0.4673	-0.236
Maine	.621(15.6)	.0043(0.4)	-.0250(2.7)	-.0642(3.0)	0.477	0.057	1.62	0.4625	-0.139
Massachusetts	.814(30.5)	-.0021(0.4)	-.0406(7.0)	-.0894(5.5)	0.848	0.042	1.30	0.5189	-0.172
New Hampshire	.463(9.3)	.0304(1.9)	-.0414(2.6)	-.1572(3.9)	0.503	0.098	1.70	0.3409	-0.461
Rhode Island	.912(25.2)	-.0245(3.6)	-.0174(2.6)	-.0995(4.3)	0.757	0.060	2.03	0.5990	-0.166
Vermont	.513(15.9)	.0177(2.1)	-.0215(2.7)	-.0158(0.9)	0.178	0.045	2.28	0.4860	-0.033
New Jersey	.740(31.7)	.0012(0.2)	-.0310(5.6)	-.1120(8.6)	0.858	0.034	1.93	0.4987	-0.225
New York	.694(35.1)	.0008(0.2)	-.0300(6.4)	-.0991(9.6)	0.900	0.027	2.09	0.4539	-0.218
Pennsylvania	.495(16.6)	.0294(3.7)	-.0263(3.3)	-.0803(4.1)	0.572	0.046	0.86	0.4786	-0.168
Illinois	.346(8.2)	.0298(2.9)	-.0134(1.2)	-.1502(4.2)	0.519	0.062	1.17	0.3792	-0.396
Indiana	.254(15.1)	.0243(5.5)	-.0184(4.5)	-.0579(4.1)	0.700	0.031	1.81	0.2676	-0.216
Michigan	.460(17.9)	.0186(4.2)	-.0216(4.6)	-.1078(5.7)	0.782	0.042	1.74	0.3828	-0.282
Ohio	.279(10.1)	.0316(5.2)	-.0254(4.1)	-.0211(1.0)	0.495	0.044	0.87	0.3122	-0.068
Wisconsin	.448(11.5)	.0257(2.5)	-.0233(2.1)	-.0600(2.1)	0.290	0.063	1.24	0.4323	-0.139
Iowa	.387(20.1)	.0181(2.1)	-.0170(1.8)	-.0781(3.7)	0.575	0.037	1.40	0.3545	-0.220
Kansas	.350(7.0)	.0386(2.6)	-.0340(2.3)	-.0107(0.4)	0.166	0.050	1.44	0.3668	-0.029
Minnesota	.387(9.8)	.0151(1.4)	-.0079(0.7)	-.0745(3.2)	0.309	0.050	1.51	0.3850	-0.194
Missouri	.555(15.7)	.0115(1.3)	-.0278(2.8)	-.1088(4.3)	0.743	0.048	2.45	0.4107	-0.265
Nebraska	.312(9.7)	-.0000(0.0)	.0069(0.6)	-.0041(0.2)	-0.097	0.049	0.95	0.3338	-0.012
North Dakota	.157(1.6)	.0198(0.9)	.0325(1.4)	-.0659(2.0)	0.087	0.068	0.67	0.3621	-0.182
South Dakota	.198(4.6)	.0103(0.6)	.0196(1.0)	-.1280(5.1)	0.518	0.045	0.84	0.2443	-0.524
Delaware	.385(11.3)	.0037(0.4)	-.0079(0.9)	-.0277(1.5)	0.021	0.048	1.87	0.3461	-0.080
Dist. of Col.	.386(8.2)	.0067(0.6)	-.0085(0.7)	.0174(0.6)	-0.091	0.071	1.52	0.3823	0.046
Florida	.171(8.4)	.0172(3.9)	-.0047(1.1)	-.0527(5.0)	0.576	0.027	1.33	0.2238	-0.235
Georgia	.183(4.4)	.0351(3.5)	-.0191(1.9)	-.0203(1.0)	0.276	0.051	2.19	0.2635	-0.077
Maryland	.348(10.1)	.0292(2.7)	-.0286(2.6)	-.0221(1.2)	0.227	0.046	1.48	0.3418	-0.065
North Carolina	.272(7.7)	.0345(4.5)	-.0262(3.4)	.0040(0.2)	0.401	0.049	1.34	0.3184	0.013
South Carolina	.225(4.8)	.0398(4.2)	-.0260(2.7)	-.0193(0.8)	0.349	0.060	1.82	0.3032	-0.064
Virginia	.081(3.1)	.0355(4.5)	-.0094(1.2)	-.0265(1.9)	0.483	0.033	1.74	0.1926	-0.138

West Virginia	.351(6.2)	.0198(2.3)	-.0189(2.1)	-.0862(2.0)	0.334	0.069	0.51	0.3177	-0.271
Alabama	.335(11.8)	.0089(1.4)	-.0068(1.0)	-.0987(4.1)	0.516	0.046	1.58	0.3016	-0.327
Kentucky	.371(7.9)	.0182(1.9)	-.0200(1.9)	-.0813(2.2)	0.418	0.060	0.90	0.3190	-0.255
Mississippi	.235(6.9)	.0280(3.8)	-.0228(3.0)	-.0156(0.5)	0.301	0.047	1.16	0.2676	-0.058
Tennessee	.458(14.6)	.0176(2.3)	-.0264(3.3)	-.0822(3.4)	0.614	0.051	1.31	0.3637	-0.226
Arkansas	.313(5.1)	.0222(2.2)	-.0158(1.4)	-.0279(1.0)	0.098	0.054	0.69	0.3445	-0.081
Louisiana	.228(5.0)	.0196(2.2)	-.0090(1.0)	-.0595(2.3)	0.160	0.049	1.08	0.2857	-0.208
Oklahoma	.395(7.5)	.0009(0.1)	-.0175(1.7)	-.0533(1.6)	0.356	0.059	1.33	0.2795	-0.191
Texas	.120(4.3)	.0217(3.5)	-.0067(1.1)	-.0161(0.9)	0.358	0.025	1.64	0.1981	-0.081
Arizona	.304(8.1)	.0144(2.2)	-.0163(2.5)	-.0300(1.6)	0.232	0.048	1.91	0.2775	-0.108
Colorado	.111(3.3)	.0175(2.3)	.0069(0.8)	.0155(0.9)	0.466	0.037	1.26	0.2477	0.063
Idaho	.378(7.0)	.0088(0.9)	-.0078(0.7)	.0220(0.9)	-0.044	0.052	0.80	0.3958	0.056
Montana	.350(4.5)	-.0139(0.9)	.0176(1.1)	-.0424(1.5)	0.009	0.065	0.50	0.3522	-0.120
Nevada	.527(10.7)	.0069(0.8)	-.0164(1.9)	-.1067(5.2)	0.526	0.054	1.74	0.4104	-0.260
New Mexico	.317(6.4)	.0066(0.8)	-.0084(1.0)	-.0520(2.6)	0.271	0.043	1.80	0.2785	-0.187
Utah	.264(5.3)	.0089(0.9)	.0081(0.8)	-.0788(4.0)	0.368	0.051	0.80	0.3204	-0.246
Wyoming	.301(6.9)	.0216(1.8)	-.0358(3.2)	.0967(2.9)	0.386	0.056	1.16	0.2783	0.347
Alaska	.864(6.0)	-.0101(0.6)	-.0253(1.5)	-.0002(0.0)	0.114	0.104	0.43	0.5302	0.000
California	.536(26.1)	.0056(1.6)	-.0220(6.3)	-.0038(0.5)	0.660	0.020	1.28	0.4150	-0.009
Hawaii	.467(11.4)	.0069(0.7)	-.0124(1.3)	-.0221(1.0)	-0.024	0.054	1.71	0.4274	-0.052
Oregon	.510(13.6)	.0084(1.1)	-.0184(2.4)	-.0131(0.7)	0.204	0.047	1.70	0.4302	-0.030
Washington	.519(9.8)	.0086(0.9)	-.0156(1.7)	-.0465(1.9)	0.169	0.063	1.12	0.4425	-0.105

Table 6. Changes in IUTU Ratios by State, Regression Results and Raw Averages, 1967 to 1994

State	Average IU/TU Ratio			Table 5: D81 Coeff.	Average: Change & Coeff.	Change AWK/TU Ratio
	1967- 1980	1981- 1994	Change			
New Hampshire	0.4310	0.2508	-0.1802	-0.1572	-0.1687	-0.1310
Missouri	0.4883	0.3332	-0.1551	-0.1088	-0.1320	-0.0928
Illinois	0.4343	0.3242	-0.1101	-0.1502	-0.1301	-0.0793
Michigan	0.4518	0.3138	-0.1380	-0.1078	-0.1229	-0.0772
New Jersey	0.5560	0.4414	-0.1146	-0.1120	-0.1133	-0.1084
Rhode Island	0.6653	0.5427	-0.1226	-0.0995	-0.1111	-0.1042
Connecticut	0.5221	0.4126	-0.1095	-0.1103	-0.1099	-0.0912
South Dakota	0.2888	0.1998	-0.0890	-0.1280	-0.1085	-0.0663
Nevada	0.4653	0.3556	-0.1097	-0.1067	-0.1082	-0.0959
New York	0.5112	0.3967	-0.1145	-0.0991	-0.1068	-0.0896
Tennessee	0.4206	0.3068	-0.1138	-0.0822	-0.0980	-0.0622
Alabama	0.3497	0.2536	-0.0961	-0.0987	-0.0974	-0.0670
West Virginia	0.3602	0.2751	-0.0851	-0.0862	-0.0857	-0.0583
Pennsylvania	0.5219	0.4354	-0.0865	-0.0803	-0.0834	-0.0611
Massachusetts	0.5573	0.4804	-0.0769	-0.0894	-0.0832	-0.0545
Iowa	0.3959	0.3132	-0.0827	-0.0781	-0.0804	-0.0579
Utah	0.3577	0.2832	-0.0745	-0.0788	-0.0766	-0.0433
Minnesota	0.4194	0.3507	-0.0687	-0.0745	-0.0716	-0.0338
Maine	0.5006	0.4243	-0.0763	-0.0642	-0.0703	-0.0609
Oklahoma	0.3226	0.2364	-0.0862	-0.0533	-0.0698	-0.0547
Indiana	0.3026	0.2327	-0.0699	-0.0579	-0.0639	-0.0672
Wisconsin	0.4655	0.3991	-0.0664	-0.0600	-0.0632	-0.0104
New Mexico	0.3069	0.2502	-0.0567	-0.0520	-0.0544	-0.0274
Washington	0.4697	0.4154	-0.0543	-0.0465	-0.0504	-0.0117
Florida	0.2461	0.2015	-0.0446	-0.0527	-0.0486	-0.0043
Louisiana	0.3011	0.2703	-0.0308	-0.0595	-0.0452	-0.0220
North Dakota	0.3711	0.3531	-0.0180	-0.0659	-0.0420	0.0088
Montana	0.3696	0.3349	-0.0347	-0.0424	-0.0386	-0.0205
Kentucky	0.3672	0.3763	0.0091	-0.0813	-0.0361	0.0233
Arizona	0.2949	0.2600	-0.0349	-0.0300	-0.0325	-0.0103
Delaware	0.3600	0.3323	-0.0277	-0.0277	-0.0277	-0.0185
Maryland	0.3572	0.3264	-0.0308	-0.0221	-0.0265	-0.0280
Arkansas	0.3557	0.3333	-0.0224	-0.0279	-0.0251	0.0028
Ohio	0.3238	0.3007	-0.0231	-0.0211	-0.0221	-0.0056
Oregon	0.4450	0.4154	-0.0296	-0.0131	-0.0214	0.0168
Vermont	0.4971	0.4749	-0.0222	-0.0158	-0.0190	-0.0019
Hawaii	0.4337	0.4209	-0.0128	-0.0221	-0.0175	0.0112
Georgia	0.2686	0.2585	-0.0101	-0.0203	-0.0152	0.0210
Virginia	0.1933	0.1920	-0.0013	-0.0265	-0.0139	0.0169
South Carolina	0.3072	0.2992	-0.0080	-0.0193	-0.0136	-0.0048
Mississippi	0.2692	0.2660	-0.0032	-0.0156	-0.0094	0.0043
Kansas	0.3704	0.3633	-0.0071	-0.0107	-0.0089	0.0156
California	0.4185	0.4114	-0.0071	-0.0038	-0.0055	-0.0030
Nebraska	0.3324	0.3353	0.0029	-0.0041	-0.0006	-0.0082
North Carolina	0.3178	0.3190	0.0012	0.0040	0.0026	-0.0035
Texas	0.1872	0.2089	0.0217	-0.0161	0.0028	0.0391
Alaska	0.5201	0.5403	0.0202	-0.0002	0.0100	-0.0121
Dist. of Col.	0.3759	0.3887	0.0128	0.0174	0.0151	0.0060
Idaho	0.3858	0.4058	0.0200	0.0220	0.0210	0.0376
Colorado	0.2220	0.2733	0.0513	0.0155	0.0334	0.0601
Wyoming	0.2458	0.3108	0.0650	0.0967	0.0809	0.0913
U.S. Total	0.3861	0.3352	-0.0509		-0.0255	-0.0288

Table 7. Annual Summary of Monetary Eligibility, Unweighted State Averages, 1967-1994.

Year	Prop. Mon. Elig.	MinElg: WksEarn @UIMean AWW	MinElg: WksEarn @CPSMed. AWW	26WksElg: WksEarn @UIMean AWW	26WksElg: WksEarn @CPSMed AWW	States with Indexed MAXWBA	Avg. Ratio, MAXWBA/ AWW Lag
1967	0.858	4.12	5.46	29.70	39.41	16	0.425
1968	0.855	3.98	5.30	29.82	39.66	19	0.432
1969	0.854	3.85	5.14	28.86	38.52	19	0.427
1970	0.854	3.71	4.97	29.30	39.23	21	0.429
1971	0.832	3.60	4.83	29.91	40.16	23	0.440
1972	0.811	3.58	4.81	32.21	43.37	25	0.469
1973	0.840	3.41	4.61	32.10	43.37	25	0.477
1974	0.850	3.24	4.39	32.01	43.36	28	0.490
1975	0.822	3.05	4.14	32.03	43.51	29	0.497
1976	0.787	2.99	4.07	33.34	45.43	32	0.515
1977	0.800	2.88	3.93	33.86	46.29	34	0.518
1978	0.822	2.86	3.91	33.89	46.48	35	0.520
1979	0.857	2.80	3.84	32.69	44.98	35	0.512
1980	0.867	2.85	3.92	32.17	44.40	35	0.504
1981	0.853	2.83	3.91	31.98	44.29	35	0.494
1982	0.848	3.08	4.26	33.61	46.69	36	0.496
1983	0.805	3.37	4.67	34.85	48.58	36	0.497
1984	0.827	3.60	5.02	35.67	49.89	36	0.496
1985	0.845	3.62	5.07	36.02	50.55	36	0.498
1986	0.859	3.77	5.29	37.12	52.29	35	0.503
1987	0.861	3.75	5.29	36.97	52.25	35	0.504
1988	0.859	3.71	5.24	36.79	52.18	34	0.502
1989	0.867	3.74	5.31	37.17	52.89	34	0.500
1990	0.869	3.62	5.15	37.28	53.23	34	0.510
1991	0.865	3.55	5.08	37.23	53.34	34	0.507
1992	0.848	3.45	4.95	36.83	52.93	34	0.514
1993	0.863	3.45	4.97	37.43	53.98	34	0.506
1994	0.870	3.48	5.02	38.09	55.11	34	0.519
Averages							
1967-94	0.845	3.43	4.73	33.89	47.01	30.8	0.489
1967-80	0.836	3.35	4.52	31.56	42.73	26.9	0.475
1981-94	0.853	3.50	4.94	36.22	51.30	34.8	0.503

Source: Data compiled at the Urban Institute based on UI Service publications.
 All entries are simple averages for 51 UI programs: the fifty states plus D.C..

Table 8. Summary of Changes in Monetary Eligibility, 1967 to 1994,
States Grouped by Size of Decreases in IUTU Ratio

Time Period	Prop. Mon. Elig.	MinElig: WksEarn @UIMean AWW	MinElig: WksEarn @CPSMed. AWW	26WksElig: WksEarn @UIMean AWW	26WksElig: WksEarn @CPSMed AWW	States with Indexed MAXWBA	Avg. Ratio, MAXWBA/ AWWlag
Fifteen states with largest decreases in IUTU							
1967-80	0.865	3.47	4.64	30.24	40.55	6.6	0.468
1981-94	0.868	3.41	4.77	33.35	46.74	9.9	0.492
Change	0.003	-0.06	0.13	3.10	6.19	3.3	0.024
1981	0.870	2.88	3.94	28.86	39.59	9	0.478
1985	0.856	3.48	4.82	33.80	46.92	10	0.492
1989	0.875	3.60	5.07	34.26	48.23	10	0.487
1994	0.883	3.18	4.55	35.15	50.36	10	0.510
Twenty-one states with intermediate decreases in IUTU							
1967-80	0.823	3.34	4.51	30.10	40.87	12.2	0.472
1981-94	0.849	3.87	5.48	37.29	52.96	16.0	0.516
Change	0.026	0.53	0.97	7.19	12.10	3.8	0.045
1981	0.840	3.15	4.37	32.52	45.12	17	0.508
1985	0.841	4.00	5.61	36.45	51.28	17	0.509
1989	0.867	4.18	5.95	38.30	54.66	15	0.511
1994	0.874	3.94	5.69	39.80	57.17	15	0.538
Fifteen states with smallest decreases in IUTU							
1967-80	0.826	3.26	4.43	34.92	47.49	8.0	0.488
1981-94	0.843	3.08	4.37	37.58	53.53	8.9	0.496
Change	0.017	-0.18	-0.05	2.67	6.04	0.9	0.009
1981	0.853	2.33	3.23	34.33	47.82	9	0.491
1985	0.840	3.24	4.56	37.63	53.14	9	0.490
1989	0.859	3.27	4.67	38.49	55.07	9	0.498
1994	0.852	3.13	4.54	38.63	56.19	9	0.502

Source: Data compiled at the Urban Institute based on UI Service publications.
All entries are simple averages across subsets of 51 programs.
Decreases in IUTU ratios by state appear in Table 6.

Table 9. Summary of Changes in Monetary Eligibility, 1967 to 1994,
States Grouped by Extent of UI Financing Problems in Early 1980s

Time Period	IUTU	Prop. Mon. Elig.	MinElig: WksEarn @UIMean AWW	MinElig: WksEarn @CPSMed. AWW	26WksElig: WksEarn @UIMean AWW	26WksElig: WksEarn @CPSMed AWW	States with Indexed MAXWBA	Avg. Ratio, MAXWBA/AWWLag
Fifteen states with largest financing problems								
1967-80	0.370	0.838	2.98	4.00	32.47	43.86	10.1	0.488
1981-94	0.321	0.862	3.47	4.89	38.63	54.76	14.3	0.545
Change	-0.049	0.024	0.49	0.89	6.16	10.91	4.1	0.057
1981	0.359	0.864	2.45	3.38	34.31	47.52	14	0.541
1985	0.293	0.854	3.70	5.16	37.33	52.43	15	0.536
1989	0.312	0.866	3.76	5.34	39.79	56.66	14	0.536
1994	0.319	0.884	3.39	4.90	40.50	58.71	14	0.552
Twenty-one states with intermediate financing problems								
1967-80	0.425	0.848	3.51	4.74	29.07	39.26	11.7	0.482
1981-94	0.360	0.861	3.31	4.63	32.28	45.37	13.5	0.487
Change	-0.064	0.013	-0.21	-0.10	3.21	6.11	1.8	0.006
1981	0.382	0.857	3.06	4.20	28.77	39.60	14	0.480
1985	0.347	0.847	3.36	4.67	32.94	45.92	14	0.485
1989	0.364	0.884	3.47	4.88	32.74	46.22	13	0.485
1994	0.361	0.875	3.40	4.84	34.45	49.34	13	0.513
Fifteen states with smallest financing problems								
1967-80	0.348	0.818	3.50	4.75	34.14	46.43	5.0	0.454
1981-94	0.314	0.832	3.81	5.43	39.31	56.13	7.0	0.484
Change	-0.034	0.014	0.31	0.69	5.17	9.70	2.0	0.030
1981	0.356	0.835	2.88	4.03	34.13	47.61	7	0.468
1985	0.300	0.834	3.92	5.53	39.01	55.13	7	0.480
1989	0.305	0.844	4.12	5.90	40.75	58.45	7	0.486
1994	0.293	0.850	3.68	5.37	40.77	59.58	7	0.495

Source: Data compiled at the Urban Institute based on UI Service publications. All entries are simple averages across subsets of 51 programs. States with largest financing problems had the largest loans relative to covered wages during 1980-1988. States with smallest financing problems include thirteen that never have borrowed plus two with the smallest loans relative to covered wages during the 1970s.

Table 10. AFDC Program Participation and Expenditures, 1979-1981 to 1991-1993.

	AFDC-Basic, Participants			AFDC-Basic, Part. Rate:			AFDC-Total, Total Benefits:		
	1979-1981	1991-1993	Percent Change	1979-1981	1991-1993	Percent Change	1979-1981	1991-1993	Percent Change
U.S. Total	9840	12014	22.1	0.806	0.834	3.5	12037	21859	81.6
Census Divisions									
New England	102	100	-2.2	0.953	0.883	-7.3	137	244	78.2
Middle Atlantic	695	650	-6.5	0.955	0.903	-5.4	961	1395	45.2
E. N. Central	410	442	7.7	0.818	0.876	7.1	557	743	33.4
W. N. Central	79	90	14.3	0.907	0.941	3.7	97	151	55.3
South Atlantic	154	217	41.5	0.892	0.866	-2.9	122	265	117.5
E. S. Central	170	192	13.3	0.875	0.741	-15.3	89	148	66.4
W. S. Central	173	298	72.2	0.635	0.763	20.2	97	231	137.2
Mountain	34	65	90.1	0.719	0.936	30.2	33	90	168.6
Pacific	303	438	44.6	0.873	0.881	0.9	552	1364	147.2
States Ranked in Decline in IUTU									
Top 15	299	296	-1.0	0.854	0.892	4.4	386	554	43.4
Middle 21	122	165	35.3	0.840	0.872	3.8	134	253	89.4
Bottom 15	186	274	47.1	0.850	0.867	2.0	229	549	139.7
Big States by Decline in IUTU									
6 Biggest of Top 15:									
Illinois	651	642	-1.4	0.805	0.855	6.2	735	907	23.4
Michigan	587	562	-4.2	0.866	0.898	3.7	1019	1178	15.5
New Jersey	437	329	-24.7	1.044	0.967	-7.4	537	514	-4.3
New York	1058	1071	1.3	0.771	0.762	-1.2	1594	2770	73.8
Pennsylvania	591	551	-6.8	1.051	0.980	-6.8	751	902	20.1
Massachusetts	325	291	-10.6	1.022	0.983	-3.8	434	729	67.9
6 Biggest of Middle 21									
Minnesota	127	156	22.8	1.319	0.723	-45.2	210	384	82.4
Wisconsin	197	201	2.1	0.866	0.904	4.4	345	448	29.7
Indiana	159	150	-6.1	0.692	0.664	-4.0	133	210	57.5
Washington	133	213	59.4	0.618	0.961	55.5	227	583	157.5
Florida	258	575	123.2	0.509	0.782	53.6	191	710	271.6
Ohio	456	617	35.3	0.863	1.059	22.7	551	972	76.4
6 Biggest of Bottom 15									
Georgia	224	377	68.6	0.958	1.019	6.4	138	415	202.0
Virginia	167	181	8.4	0.697	1.029	47.6	159	222	39.6
California	1214	1806	48.7	0.819	0.772	-5.7	2280	5815	155.1
North Carolina	196	303	54.3	0.684	0.774	13.2	151	335	121.9
Texas	309	722	134.0	0.551	0.913	65.7	130	514	294.7
Colorado	73	117	60.0	1.020	1.140	11.8	81	160	97.2
States Ranked by UI Debts									
Top 15	247	290	17.3	0.900	0.895	-0.6	295	422	43.0
Middle 21	171	178	4.0	0.862	0.878	1.9	203	337	65.7
Bottom 15	169	262	54.7	0.773	0.855	10.6	223	564	153.0

Source: Program data and simulations with the TRIM2 model as described in the text. Participants are monthly averages measured in thousands while benefits are in millions of dollars. Estimates for groups of states are simple averages for the indicated groups.

Table 11. Food Stamps Program Participation and Expenditures, 1979-1981 to 1991-1993

	Program Participants:			Participation Rate:			Total Benefits		
	1979-1981	1991-1993	Percent Change	1979-1981	1991-1993	Percent Change	1979-1981	1991-1993	Percent Change
U.S. Total	19051	25475	33.7	0.537	0.607	13.0	8173	20574	151.8
Census Divisions									
New England	155	160	3.1	0.672	0.668	-0.6	62	115	84.7
Middle Atlantic	1119	1187	6.0	0.635	0.634	-0.2	464	985	112.1
E. N. Central	642	836	30.2	0.555	0.630	13.5	276	710	156.9
W. N. Central	126	205	63.1	0.358	0.569	58.9	53	156	196.8
South Atlantic	394	485	23.1	0.604	0.600	-0.7	175	405	131.4
E. S. Central	535	578	8.0	0.612	0.633	3.4	240	457	90.4
W. S. Central	544	969	78.2	0.458	0.599	30.8	236	803	240.2
Mountain	90	165	83.7	0.403	0.572	41.9	43	133	209.6
Pacific	418	693	65.6	0.565	0.631	11.7	166	507	205.0
States Ranked in Decline in IUTU									
Top 15	511	583	14.1	0.563	0.623	10.7	216	480	122.6
Middle 21	269	381	41.4	0.514	0.621	20.8	121	313	159.2
Bottom 15	382	582	52.4	0.516	0.581	12.6	160	453	183.1
Big States by Decline in IUTU									
6 Biggest of Top 15:									
Illinois	926	1155	24.7	0.571	0.624	9.3	429	1042	143.1
Michigan	828	1005	21.3	0.646	0.693	7.3	302	838	177.3
New Jersey	583	498	-14.5	0.626	0.569	-9.1	240	434	80.6
New York	1776	1921	8.2	0.626	0.617	-1.4	744	1613	116.7
Pennsylvania	1000	1141	14.2	0.653	0.716	9.6	409	909	122.2
Massachusetts	449	429	-4.6	0.682	0.642	-5.9	179	310	72.9
6 Biggest of Middle 21									
Minnesota	177	307	74.0	0.441	0.513	16.3	67	225	235.0
Wisconsin	231	326	41.3	0.544	0.616	13.2	77	224	191.8
Indiana	347	453	30.6	0.403	0.462	14.6	161	371	130.9
Washington	249	434	74.5	0.468	0.786	67.9	106	340	220.9
Florida	887	1359	53.3	0.474	0.537	13.3	426	1217	185.5
Ohio	878	1241	41.4	0.609	0.756	24.1	413	1074	160.0
6 Biggest of Bottom 15									
Georgia	606	755	24.6	0.613	0.593	-3.3	263	615	133.6
Virginia	379	494	30.3	0.504	0.686	36.1	163	400	145.8
California	1509	2628	74.1	0.484	0.494	2.1	541	1807	233.9
North Carolina	570	594	4.2	0.498	0.490	-1.6	237	452	90.9
Texas	1139	2482	117.8	0.412	0.705	71.1	511	2088	308.6
Colorado	161	261	62.1	0.566	0.656	15.9	73	215	193.6
States Ranked by UI Debts									
Top 15	476	674	41.8	0.547	0.641	17.2	205	558	172.9
Middle 21	322	366	13.8	0.554	0.617	11.4	139	298	114.2
Bottom 15	344	511	48.7	0.475	0.569	19.8	145	396	172.3

Source: Program data and simulations with the TRIM2 model as described in the text. Participants are monthly averages measured in thousands while benefits are in millions of dollars. Estimates for groups of states are simple averages for the indicated groups.

Table 12. Medicaid Participation and Expenditures, 1984-1986 to 1991-1993.

	Program Participants:			Total Benefits:		
	1984- 1986	1991- 1993	Percent Change	1984- 1986	1991- 1993	Percent Change
U.S. Total	21188	29398	38.7	39966	109468	173.9
Census Divisions						
New England	178	247	39.0	472	1432	203.2
Middle Atlantic	1364	1502	10.1	3568	8929	150.2
E. N. Central	862	948	9.9	1417	3335	135.4
W. N. Central	181	248	37.3	371	951	156.4
South Atlantic	304	549	80.2	504	1730	243.0
E. S. Central	367	581	58.0	479	1625	239.6
W. S. Central	416	835	100.7	791	2696	240.8
Mountain	69	124	78.7	129	403	211.7
Pacific	818	1093	33.6	1245	3017	142.3
States Ranked by Decline in IUTU						
Top 15	576	696	20.7	1243	3299	165.4
Middle 20	289	421	45.7	525	1480	181.9
Bottom 15	451	702	55.8	721	2025	180.8
Big States by Decline in IUTU						
6 Biggest of Top 15:						
Illinois	1058	1284	21.4	1744	3927	125.2
Michigan	1287	1137	-11.7	1741	3836	120.4
New Jersey	610	698	14.4	1172	3996	240.9
New York	2308	2586	12.0	7579	17563	131.8
Pennsylvania	1176	1221	3.9	1954	5228	167.5
Massachusetts	512	686	34.0	1498	4270	185.1
6 Biggest of Middle 20						
Minnesota	348	413	18.7	1020	1937	90.0
Wisconsin	574	441	-23.2	1007	1952	93.9
Indiana	303	492	62.3	757	2362	211.9
Washington	358	569	59.2	585	1953	233.5
Florida	574	1495	160.4	948	4128	335.7
Ohio	1091	1387	27.2	1837	4600	150.4
6 Biggest of Bottom 15						
Georgia	503	854	69.7	753	2420	221.1
Virginia	306	511	66.8	569	1535	169.5
California	3459	4446	28.6	5168	11794	128.2
North Carolina	354	784	121.4	684	2482	262.7
Texas	796	2014	153.1	1591	5910	271.5
Colorado	173	254	46.5	314	944	200.6
States Ranked by UI Debts						
Top 15	544	698	28.3	924	2441	164.2
Middle 21	331	447	35.0	790	2196	178.1
Bottom 14	435	682	56.9	681	1910	180.6

Source: Program data after editing at the Urban Institute. Participants are counts of persons ever-on measured in thousands while benefits are in millions of dollars. Estimates for groups of states are simple averages for the indicated groups. Arizona not included in Medicaid data.

Appendix A: Welfare Programs by State: Participation and Benefits

This appendix presents summary data on state-level participation and benefit payments for four welfare programs: AFDC-Basic, AFDC-UP, Food Stamps and Medicaid. Three measures are emphasized: numbers of participants, participation rates among eligibles and total benefit payments. The information was derived from annual data files covering the years 1979 to 1993. For three of the programs (AFDC-Basic, AFDC-UP and Food Stamps) the Urban Institute's TRIM2 model was utilized to derive state-level estimates of eligibility. The analysis using TRIM2 developed time series for eligibility and participation for families, persons and benefit entitlements. Thus, the summaries to be discussed here represent only a portion of the state-level detail generated by the TRIM2 simulations undertaken for this report.

Two forms of summary information were prepared. First, five tables provide summaries of the individual welfare programs emphasizing participation and expenditures for three-year periods: 1979-1981, 1987-1989 and 1991-1993. Tables A1-A5 underlie the tabular summaries appearing in Section IV (Tables 10, 11 and 12) of the report. Second, an unpublished version of this report has graphic displays that show numbers of unemployed and welfare beneficiaries by state for the years 1979 to 1993.

Tables A1-A5 display summaries for the three programs AFDC, Food Stamps and Medicaid. Three tables are used for the AFDC program so that a clear distinction is made between AFDC-Basic (Table A1), AFDC-UP (Table A2) and the two combined (Table A3). As noted, expenditure detail for AFDC-UP is only available from 1985. Thus Table A3 shows expenditures for the combined program, the only consistent series available back to 1979.

Each table follows the same format with individual state detail for three year periods. Participants, participation rates and total benefits are three year averages for the three-year periods 1979-1981, 1987-1989 and 1991-1993. Where states are grouped: e.g., by Census Division, decline in IUTU and UI debt, the displays are all simple averages.

Throughout these tables greatest volatility is observed for the participation rates. TRIM2-based estimates of eligibility, the denominator of estimated participation rates, exhibit sampling variability due to small sample sizes. This variability is greatest where small numbers of micro records underlie the state-year estimates. Across programs, this sampling variability is smallest for Food Stamps, intermediate for AFDC-Basic and greatest for AFDC-UP. Because the Food Stamps program has the largest eligible population there are more micro records in the CPS upon which to base estimates of eligibility. Within a given welfare program, of course, variability in the eligibility estimates is greatest for the smallest states.

The most obvious manifestations of variability in the estimates of eligibility are in Table A2 which pertains to AFDC-UP. Eleven of the three year averages of estimated participation rates exceed 1.5. This is the smallest welfare program and several of the highest averages are for small states, e.g., Iowa, Nebraska and Vermont. However, there are also high average ratios for the middle sized states of Minnesota, Washington and Wisconsin. After examining these series in several states it was decided to exclude AFDC-UP from the discussion of Section IV in the report. Table A2 is displayed to show the results of the TRIM2-based simulations.

Finally, note that the treatment of Medicaid in Table A5 differs from the other programs. All the information in this table was taken directly from program data. Estimates of eligibility and Medicaid program participation rates were not made for this report. Partly this reflects an early decision to emphasize AFDC and Medicaid as in the analysis by Bassi, et.al.. It should also be noted, however, that TRIM2's Medicaid module does not extend back to 1979. Thus, a fully parallel analysis of this program extending from 1979 is not possible.

Also, note that the earliest three-year average for the Medicaid program refers to 1984-1986, not 1979-1981. While program data by state do extend back to the mid-1970s, they were not obtained for this report. The data from 1984 were already resident at the Urban

Institute and had been edited for errors. "Clean" data for years before are not available. Readers can note the national time series for Medicaid reciprocity in Table 3 and in the graph from this appendix entitled "Total US." Both displays show that Medicaid caseloads were stable between 1979 and 1986. It should be emphasized, of course, that aggregate caseload stability does not necessarily reflect stability in individual states. Thus errors could be made in assuming that state-level growth in caseloads from 1979-1981 to 1987-1989 and 1991-1993 would be the same as growth from 1984-1986.

Each graph in the unpublished report (not shown in Appendix A of this report) has six time series: 1) total unemployment, 2) insured unemployment, 3) AFDC-Basic, 4) AFDC-UP, 5) Food Stamps and 6) Medicaid. For all but Medicaid the graphs show counts of persons measured as annual averages. Medicaid data start from 1984 and the estimates refer to persons ever-on during the year. Ever-on counts are inherently larger than monthly averages, probably 20 to 30 percent larger. The ever-on estimates were derived from other research at the Urban Institute and have been edited for errors.⁶⁴ There exist state-level Medicaid reciprocity data for earlier years but they could not be obtained with the resources available for the present project.

The graphs show a number of consistent patterns. The counts of beneficiaries are largest for Food Stamps and Medicaid compared to the other four series for practically every state-year observation.⁶⁵ Food Stamps reciprocity moves similarly to total unemployment in most

⁶⁴ See David Liska, Karen Obermaier, Barbara Lyons and Peter Long, "Medicaid Expenditures and Beneficiaries: National and State Profiles and Trends, 1984-1993," (Washington, D.C.: Kaiser Commission on the Future of Medicaid, July 1995).

⁶⁵ There are only five exceptions across the fifty-one states: Alaska - 1984-1986, Idaho - 1986, Nevada - 1984-1987, New Hampshire - 1990 and Wyoming - 1986. In all instances total unemployment exceeds the number of recipients of Food Stamps and/or Medicaid. Note four situations pertain to small western states during the mid 1980s while the fifth is New Hampshire that experienced an especially large increase in unemployment between 1988 and 1991.

states. After 1988, Food Stamps and Medicaid caseloads both exhibit rapid growth.

The two mid-level series in practically all states for all years are total unemployment and AFDC-Basic average monthly reciprocity. The AFDC-Basic series is the more stable of the pair, and does not increase much in years when total unemployment increases.⁶⁶ Also note that while AFDC-Basic caseloads increase in the 1990s, the increases are absolutely and proportionately much smaller than for Food Stamps and Medicaid. Between 1987-1989 and 1991-1993 AFDC-Basic caseloads grew by 21.8 percent, about two-thirds the growth in Food Stamps and Medicaid caseloads (35.2 percent and 33.1 percent respectively).⁶⁷

The two bottom series in the graphs are always insured unemployment and AFDC-UP average monthly reciprocity. Generally, insured unemployment is two to three times the level of AFDC-UP. During 1991-1993 AFDC-UP caseloads averaged 1.370 million or 45.1 percent of insured unemployment which averaged 3.040 million. For this three-year period AFDC-UP averaged half or more of insured unemployment in just eleven states: California, Alaska, Kentucky, Maine, Michigan, Minnesota, Montana, Nebraska, Ohio, Vermont, Washington, West Virginia and Wisconsin. West Virginia is the only state where AFDC-UP is the higher of the two series.

The "Total US" graph in the unpublished report vividly illustrates all of the preceding points. The most cyclical series are total unemployment, insured unemployment and Food Stamps. AFDC-Basic was much less cyclical in the downturns of the early 1980s and 1990-1992 and during the sustained expansion of 1984-1989. Again, the high levels and sharp post-1988 growth in Food Stamps and Medicaid reciprocity are two very pronounced patterns in the "Total US" summary graph.

⁶⁶ For most states except those along the Atlantic coast and California total unemployment is highest either in the early 1980s or the mid 1980s. Participation in AFDC-Basic generally increases very little in the years of highest unemployment.

⁶⁷ These percentages are based on Tables A1, A4 and A5 below.

Table A1.		AFDC BASIC: Participation Data					
		Participants			Participation Rates		
STATE GROUPINGS		79-81	87-89	91-93	79-81	87-89	91-93
TOTAL US		9,840,085	9,867,768	12,014,463	0.806	0.787	0.834
CENSUS DIVISIONS							
1	<i>New England</i>	102,133	76,625	99,932	0.953	1.029	0.883
2	<i>Middle Atlantic</i>	695,175	589,873	650,263	0.955	0.970	0.903
3	<i>East North Central</i>	410,049	409,480	441,758	0.818	0.984	0.876
4	<i>West North Central</i>	78,711	77,916	89,992	0.907	0.897	0.941
5	<i>South Atlantic</i>	153,688	148,565	217,466	0.892	0.720	0.866
6	<i>East South Central</i>	169,655	164,335	192,188	0.875	0.715	0.741
7	<i>West South Central</i>	172,943	239,886	297,809	0.635	0.617	0.763
8	<i>Mountain</i>	33,952	45,902	64,667	0.719	0.789	0.936
9	<i>Pacific</i>	303,068	344,881	438,168	0.873	0.867	0.881
DECLINE IN IUTU, RANK							
	<i>Top 15 States</i>	299,215	262,152	296,250	0.854	0.902	0.892
	<i>Middle 21 States</i>	121,950	132,923	165,048	0.840	0.832	0.872
	<i>Bottom 15 States</i>	186,060	209,607	273,648	0.850	0.782	0.867
UI DEBT, RANK							
	<i>Top 15 States</i>	247,219	257,807	290,095	0.900	0.885	0.895
	<i>Middle 21 States</i>	171,181	150,064	177,987	0.862	0.863	0.878
	<i>Bottom 15 States</i>	169,134	189,955	261,687	0.773	0.755	0.855
FIPS CODE							
1	<i>Alabama</i>	174,412	131,769	138,166	0.653	0.619	0.730
2	<i>Alaska</i>	15,276	19,271	24,840	0.910	0.912	1.025
4	<i>Arizona</i>	55,117	97,331	173,977	0.673	0.672	1.120
5	<i>Arkansas</i>	84,389	68,599	72,616	0.645	0.448	0.630
6	<i>California</i>	1,214,440	1,404,962	1,805,767	0.819	0.793	0.772
8	<i>Colorado</i>	73,291	94,941	117,281	1.020	0.639	1.140
9	<i>Connecticut</i>	134,833	106,046	147,506	1.005	1.712	0.894
10	<i>Delaware</i>	30,614	19,587	25,824	1.116	0.803	0.937
11	<i>Dist. of Columbia</i>	82,839	48,997	61,837	0.999	1.097	0.938
12	<i>Florida</i>	257,649	313,826	574,994	0.509	0.564	0.782
13	<i>Georgia</i>	223,870	257,444	377,498	0.958	0.643	1.019
15	<i>Hawaii</i>	55,872	39,215	47,823	1.408	0.828	0.729
16	<i>Idaho</i>	20,118	17,190	18,737	0.645	0.587	0.644
17	<i>Illinois</i>	651,315	615,999	642,291	0.805	0.942	0.855
18	<i>Indiana</i>	159,469	149,813	186,476	0.692	0.768	0.664
19	<i>Iowa</i>	93,903	90,427	92,433	0.933	0.936	1.064
20	<i>Kansas</i>	65,526	65,075	74,910	0.813	1.014	0.904
21	<i>Kentucky</i>	167,858	157,549	189,742	1.231	0.857	0.671
22	<i>Louisiana</i>	210,844	271,922	266,883	0.602	0.690	0.726
23	<i>Maine</i>	58,572	47,993	56,416	1.071	0.826	0.824
24	<i>Maryland</i>	207,645	174,444	213,199	1.323	0.819	0.933
25	<i>Massachusetts</i>	325,428	233,368	290,850	1.022	0.802	0.983
26	<i>Michigan</i>	586,605	535,081	561,917	0.866	0.938	0.898
27	<i>Minnesota</i>	126,825	131,914	155,785	1.319	0.674	0.723
28	<i>Mississippi</i>	173,353	178,480	174,239	0.989	0.695	0.818
29	<i>Missouri</i>	196,568	186,480	228,703	0.903	0.823	1.165
30	<i>Montana</i>	17,630	23,689	27,853	0.857	0.810	1.066
31	<i>Nebraska</i>	35,682	38,039	42,079	0.676	0.874	0.915
32	<i>Nevada</i>	12,343	18,439	30,998	0.536	0.537	0.870
33	<i>New Hampshire</i>	22,336	11,974	25,507	0.941	0.776	0.548
34	<i>New Jersey</i>	436,915	302,699	328,939	1.044	1.033	0.967
35	<i>New Mexico</i>	53,701	58,341	80,702	0.830	1.085	0.963
36	<i>New York</i>	1,057,858	967,140	1,071,270	0.771	0.766	0.762
37	<i>North Carolina</i>	196,127	188,998	302,712	0.684	0.625	0.774
38	<i>North Dakota</i>	13,015	14,718	16,100	0.914	1.163	0.981
39	<i>Ohio</i>	456,070	534,864	617,261	0.863	0.951	1.059
40	<i>Oklahoma</i>	87,952	101,570	129,578	0.743	0.623	0.782
41	<i>Oregon</i>	96,401	78,070	99,831	0.610	0.665	0.917
42	<i>Pennsylvania</i>	590,751	499,779	550,578	1.051	1.111	0.980
44	<i>Rhode Island</i>	51,208	41,993	56,784	0.962	1.176	1.198
45	<i>South Carolina</i>	151,796	114,178	135,932	0.899	0.596	0.446
46	<i>South Dakota</i>	19,457	18,759	19,932	0.791	0.799	0.839
47	<i>Tennessee</i>	162,998	189,541	266,605	0.627	0.687	0.745
48	<i>Texas</i>	308,586	517,451	722,161	0.551	0.705	0.913
49	<i>Utah</i>	32,746	43,812	50,381	0.502	0.786	0.749
50	<i>Vermont</i>	20,421	18,377	22,528	0.718	0.882	0.849
51	<i>Virginia</i>	167,451	146,395	181,494	0.697	0.523	1.029
53	<i>Washington</i>	133,348	182,885	212,577	0.618	1.138	0.961
54	<i>West Virginia</i>	65,201	73,215	83,699	0.840	0.809	0.940
55	<i>Wisconsin</i>	196,787	211,645	200,845	0.866	1.318	0.904
56	<i>Wyoming</i>	6,673	13,474	17,407	0.686	1.200	0.935

Table A2.		AFDC-UP: Participation Data					
		Participation			Participation Rates		
STATE GROUPINGS		79-81	87-89	91-93	79-81	87-89	91-93
	TOTAL US	704,011	921,642	1,370,267	0.448	0.840	0.616
CENSUS DIVISIONS							
1	<i>New England</i>	4,636	2,398	8,180	0.209	0.903	0.860
2	<i>Middle Atlantic</i>	38,014	29,219	41,631	0.385	0.572	0.576
3	<i>East North Central</i>	51,039	64,084	64,592	0.404	0.986	1.077
4	<i>West North Central</i>	4,231	10,578	11,438	0.120	1.314	2.112
5	<i>South Atlantic</i>	2,290	4,873	8,228	0.137	0.381	0.322
6	<i>East South Central</i>	-	-	11,316	-	-	0.320
7	<i>West South Central</i>	-	-	9,770	-	-	0.203
8	<i>Mountain</i>	1,521	564	3,040	0.078	0.065	0.331
9	<i>Pacific</i>	48,912	75,353	122,109	0.279	0.807	1.067
DECLINE IN IUTU, RANK							
	Top 15 States	20,480	20,660	26,042	0.220	0.395	0.577
	Middle 21 States	7,692	12,327	17,785	0.153	0.887	1.029
	Bottom 15 States	15,686	23,525	40,411	0.133	0.312	0.651
UI DEBT, RANK							
	Top 15 States	22,545	29,290	33,587	0.249	0.978	1.143
	Middle 21 States	6,551	6,096	12,203	0.178	0.540	0.601
	Bottom 15 States	15,218	23,618	40,680	0.069	0.215	0.685
FIPS CODE							
1	<i>Alabama</i>	-	-	1,252	-	-	0.117
2	<i>Alaska</i>	-	-	7,494	-	-	1.325
4	<i>Arizona</i>	-	-	5,542	-	-	0.199
5	<i>Arkansas</i>	-	-	1,511	-	-	0.189
6	<i>California</i>	220,974	334,416	523,436	0.654	1.091	0.662
8	<i>Colorado</i>	4,926	-	2,999	0.247	-	0.426
9	<i>Connecticut</i>	3,691	2,202	8,385	0.318	0.389	0.660
10	<i>Delaware</i>	1,485	189	440	0.318	0.146	0.336
11	<i>Dist. of Columbia</i>	1,044	452	537	0.436	1.355	0.238
12	<i>Florida</i>	-	-	16,842	-	-	0.418
13	<i>Georgia</i>	-	-	3,972	-	-	0.163
15	<i>Hawaii</i>	4,308	3,110	3,643	0.369	0.535	0.417
16	<i>Idaho</i>	-	-	1,381	-	-	0.168
17	<i>Illinois</i>	37,117	49,654	45,476	0.328	0.607	0.649
18	<i>Indiana</i>	-	-	12,874	-	-	0.436
19	<i>Iowa</i>	8,171	12,711	9,389	0.199	5.282	6.858
20	<i>Kansas</i>	3,066	7,737	9,753	0.198	1.060	0.526
21	<i>Kentucky</i>	-	-	34,435	-	-	0.766
22	<i>Louisiana</i>	-	-	3,541	-	-	0.163
23	<i>Maine</i>	-	4,333	10,733	-	0.504	0.992
24	<i>Maryland</i>	5,760	3,171	4,050	0.247	0.881	0.275
25	<i>Massachusetts</i>	20,489	5,353	19,438	0.410	0.277	0.562
26	<i>Michigan</i>	112,649	109,535	121,595	0.586	1.221	1.240
27	<i>Minnesota</i>	11,810	31,458	32,596	0.267	1.742	0.975
28	<i>Mississippi</i>	-	-	567	-	-	0.031
29	<i>Missouri</i>	5,608	17,168	21,023	0.081	0.566	1.269
30	<i>Montana</i>	1,554	4,511	4,892	0.151	0.516	0.631
31	<i>Nebraska</i>	965	4,974	5,338	0.092	0.550	4.268
32	<i>Nevada</i>	-	-	1,148	-	-	0.180
33	<i>New Hampshire</i>	-	-	2,259	-	-	0.572
34	<i>New Jersey</i>	23,010	10,732	18,732	0.517	0.847	0.710
35	<i>New Mexico</i>	-	-	6,884	-	-	0.372
36	<i>New York</i>	46,333	40,467	64,053	0.306	0.463	0.448
37	<i>North Carolina</i>	-	368	8,964	-	0.020	0.268
38	<i>North Dakota</i>	-	-	1,723	-	-	0.781
39	<i>Ohio</i>	81,005	108,601	103,328	0.536	1.196	1.224
40	<i>Oklahoma</i>	-	-	2,532	-	-	0.079
41	<i>Oregon</i>	3,269	6,780	14,985	0.097	0.503	1.114
42	<i>Pennsylvania</i>	44,699	36,459	42,108	0.333	0.407	0.570
44	<i>Rhode Island</i>	1,285	475	2,507	0.189	0.194	0.357
45	<i>South Carolina</i>	-	1,816	2,912	-	0.071	0.125
46	<i>South Dakota</i>	-	-	249	-	-	0.105
47	<i>Tennessee</i>	-	-	9,011	-	-	0.365
48	<i>Texas</i>	-	-	31,496	-	-	0.381
49	<i>Utah</i>	5,686	-	746	0.230	-	0.130
50	<i>Vermont</i>	2,352	2,025	5,759	0.335	4.055	2.019
51	<i>Virginia</i>	-	-	2,944	-	-	0.230
53	<i>Washington</i>	16,009	32,458	60,985	0.273	1.905	1.819
54	<i>West Virginia</i>	12,324	37,858	33,389	0.235	0.954	0.844
55	<i>Wisconsin</i>	24,424	52,629	39,689	0.572	1.907	1.834
56	<i>Wyoming</i>	-	-	731	-	-	0.543

Table A3. AFDC TOTAL: Benefits Data				
		Annual Dollars (in 1,000's)		
STATE GROUPINGS		79-81	87-89	91-93
TOTAL US		12,036,546	16,814,196	21,858,734
CENSUS DIVISIONS				
1	<i>New England</i>	137,083	171,010	244,221
2	<i>Middle Atlantic</i>	960,775	1,113,408	1,395,307
3	<i>East North Central</i>	556,720	702,710	742,694
4	<i>West North Central</i>	97,222	130,488	151,019
5	<i>South Atlantic</i>	121,954	171,893	265,264
6	<i>East South Central</i>	88,815	106,639	147,753
7	<i>West South Central</i>	97,191	176,483	230,538
8	<i>Mountain</i>	33,355	56,526	89,588
9	<i>Pacific</i>	551,822	977,843	1,363,928
DECLINE IN IUTU, RANK				
<i>Top 15 States</i>		386,230	456,098	553,847
<i>Middle 21 States</i>		133,722	192,493	253,287
<i>Bottom 15 States</i>		228,996	395,359	548,800
UI DEBT, RANK				
<i>Top 15 States</i>		295,147	377,512	422,154
<i>Middle 21 States</i>		203,221	254,796	336,808
<i>Bottom 15 States</i>		222,781	386,719	563,563
FIPS CODE				
1	<i>Alabama</i>	80,284	62,338	84,348
2	<i>Alaska</i>	28,515	53,322	96,352
4	<i>Arizona</i>	39,013	108,004	236,677
5	<i>Arkansas</i>	49,767	53,421	60,182
6	<i>California</i>	2,279,727	4,215,269	5,815,039
8	<i>Colorado</i>	81,176	126,245	160,056
9	<i>Connecticut</i>	200,935	230,934	373,603
10	<i>Delaware</i>	31,065	24,708	37,010
11	<i>Dist. of Columbia</i>	90,659	77,443	106,701
12	<i>Florida</i>	191,070	331,631	710,010
13	<i>Georgia</i>	137,581	271,895	415,467
15	<i>Hawaii</i>	90,786	80,591	128,520
16	<i>Idaho</i>	22,933	19,286	25,538
17	<i>Illinois</i>	734,592	816,732	906,567
18	<i>Indiana</i>	133,137	160,561	209,627
19	<i>Iowa</i>	136,090	155,343	163,620
20	<i>Kansas</i>	81,979	100,442	118,964
21	<i>Kentucky</i>	132,941	148,350	209,771
22	<i>Louisiana</i>	120,195	181,525	182,215
23	<i>Maine</i>	58,478	83,863	116,340
24	<i>Maryland</i>	207,874	258,134	325,621
25	<i>Massachusetts</i>	434,254	564,193	729,238
26	<i>Michigan</i>	1,019,444	1,221,253	1,177,529
27	<i>Minnesota</i>	210,419	339,285	383,905
28	<i>Mississippi</i>	59,902	84,205	87,754
29	<i>Missouri</i>	175,642	216,961	274,498
30	<i>Montana</i>	18,126	40,869	45,220
31	<i>Nebraska</i>	42,749	57,420	64,378
32	<i>Nevada</i>	10,748	21,159	40,424
33	<i>New Hampshire</i>	25,603	22,010	53,621
34	<i>New Jersey</i>	537,191	456,740	514,242
35	<i>New Mexico</i>	41,232	55,840	107,205
36	<i>New York</i>	1,594,030	2,138,070	2,769,854
37	<i>North Carolina</i>	151,044	210,076	335,222
38	<i>North Dakota</i>	15,487	22,616	26,977
39	<i>Ohio</i>	550,965	816,507	971,770
40	<i>Oklahoma</i>	88,600	119,762	165,850
41	<i>Oregon</i>	133,572	130,275	196,572
42	<i>Pennsylvania</i>	751,105	745,414	901,825
44	<i>Rhode Island</i>	70,596	83,824	128,704
45	<i>South Carolina</i>	70,616	94,471	116,163
46	<i>South Dakota</i>	18,191	21,349	24,796
47	<i>Tennessee</i>	82,134	131,662	209,139
48	<i>Texas</i>	130,201	351,224	513,907
49	<i>Utah</i>	45,522	62,163	75,501
50	<i>Vermont</i>	32,633	41,237	63,819
51	<i>Virginia</i>	158,981	169,849	221,861
53	<i>Washington</i>	226,509	409,758	583,157
54	<i>West Virginia</i>	58,699	108,831	119,317
55	<i>Wisconsin</i>	345,461	498,496	447,975
56	<i>Wyoming</i>	8,092	18,640	26,084

Table A4. Food Stamps: Participation and Benefits Data									
STATE GROUPINGS	Participants			Participation Rates			Annual Dollars (in 1,000's)		
	79-81	87-89	91-93	79-81	87-89	91-93	79-81	87-89	91-93
TOTAL US	19,051,145	18,846,492	25,475,354	0.537	0.514	0.607	8,172,515	11,370,645	20,574,379
CENSUS DIVISIONS									
1 <i>New England</i>	155,358	103,795	160,167	0.672	0.574	0.668	62,472	51,844	115,365
2 <i>Middle Atlantic</i>	1,119,312	946,041	1,186,771	0.635	0.588	0.634	464,439	568,128	985,146
3 <i>East North Central</i>	642,055	718,185	836,178	0.555	0.636	0.630	276,283	466,560	709,762
4 <i>West North Central</i>	125,849	160,706	205,364	0.358	0.470	0.569	52,607	92,357	156,162
5 <i>South Atlantic</i>	393,838	304,048	484,963	0.604	0.482	0.600	175,059	189,546	405,173
6 <i>East South Central</i>	534,722	476,823	577,517	0.612	0.546	0.633	240,211	296,203	457,260
7 <i>West South Central</i>	543,668	700,473	968,567	0.458	0.480	0.599	235,933	446,631	802,726
8 <i>Mountain</i>	89,959	109,400	165,280	0.403	0.430	0.572	42,963	69,696	133,010
9 <i>Pacific</i>	418,414	469,782	692,872	0.565	0.537	0.631	166,178	228,214	506,845
DECLINE IN IUTU, RANK									
Top 15 States	511,421	461,920	583,330	0.563	0.530	0.623	215,601	282,298	479,948
Middle 21 States	269,326	283,602	380,934	0.514	0.529	0.621	120,824	178,520	313,224
Bottom 15 States	381,598	397,470	581,720	0.516	0.479	0.581	160,080	225,817	453,164
UI DEBT, RANK									
Top 15 States	475,767	547,374	674,430	0.547	0.582	0.641	204,615	346,110	558,462
Middle 21 States	321,745	268,626	366,069	0.554	0.520	0.617	139,202	163,076	298,162
Bottom 15 States	343,866	332,983	511,431	0.475	0.440	0.569	145,337	183,627	395,736
FIPS CODE									
1 <i>Alabama</i>	567,059	442,271	544,749	0.511	0.434	0.568	251,658	271,499	441,329
2 <i>Alaska</i>	28,587	28,239	38,469	0.440	0.387	0.563	25,015	25,640	41,501
4 <i>Arizona</i>	184,444	239,220	457,569	0.462	0.442	0.710	99,029	156,442	370,815
5 <i>Arkansas</i>	292,471	231,095	276,399	0.487	0.388	0.487	121,874	128,415	202,728
6 <i>California</i>	1,509,236	1,713,789	2,627,957	0.484	0.460	0.494	541,321	710,588	1,807,308
8 <i>Colorado</i>	160,968	205,406	260,849	0.566	0.445	0.656	73,161	127,690	214,803
9 <i>Connecticut</i>	168,905	112,744	201,819	0.710	0.742	0.675	61,356	51,354	129,696
10 <i>Delaware</i>	50,742	29,394	51,693	0.717	0.450	0.646	22,536	18,338	41,829
11 <i>Dist. of Columbia</i>	100,133	59,120	82,234	0.906	0.656	0.662	41,890	34,619	71,344
12 <i>Florida</i>	886,845	642,726	1,359,106	0.474	0.341	0.537	426,403	425,940	1,217,204
13 <i>Georgia</i>	606,229	480,840	755,388	0.613	0.453	0.593	263,104	286,557	614,515
15 <i>Hawaii</i>	100,246	80,110	95,965	0.802	0.575	0.634	60,035	78,659	121,775
16 <i>Idaho</i>	58,146	61,258	74,045	0.375	0.397	0.437	28,800	37,470	53,556
17 <i>Illinois</i>	926,318	1,024,689	1,155,053	0.571	0.605	0.624	428,812	729,097	1,042,399
18 <i>Indiana</i>	347,020	303,069	453,375	0.403	0.385	0.462	160,539	192,082	370,627
19 <i>Iowa</i>	144,210	180,013	191,273	0.426	0.485	0.611	59,354	102,031	140,017
20 <i>Kansas</i>	93,009	124,576	176,514	0.336	0.423	0.549	41,042	76,647	132,154
21 <i>Kentucky</i>	470,186	469,430	522,803	0.629	0.610	0.614	220,247	303,446	416,941
22 <i>Louisiana</i>	545,035	725,721	770,152	0.533	0.626	0.700	239,221	466,658	648,070
23 <i>Maine</i>	134,417	88,583	131,611	0.713	0.558	0.719	60,511	48,938	104,483
24 <i>Maryland</i>	322,255	247,675	348,593	0.704	0.538	0.655	146,008	170,239	312,672
25 <i>Massachusetts</i>	449,326	308,909	428,551	0.682	0.513	0.642	179,421	149,750	310,211
26 <i>Michigan</i>	828,417	877,509	1,005,177	0.646	0.692	0.693	302,208	517,335	837,944
27 <i>Minnesota</i>	176,685	240,005	307,479	0.441	0.474	0.513	67,121	124,211	224,860
28 <i>Mississippi</i>	489,125	497,301	532,605	0.696	0.660	0.686	204,401	308,505	411,338
29 <i>Missouri</i>	333,845	395,129	554,320	0.432	0.484	0.635	147,689	240,926	444,873
30 <i>Montana</i>	42,247	57,857	66,881	0.350	0.427	0.504	18,571	35,291	51,700
31 <i>Nebraska</i>	66,233	95,851	107,922	0.297	0.436	0.566	25,554	51,091	76,338
32 <i>Nevada</i>	32,169	38,697	82,184	0.327	0.306	0.509	16,298	27,979	75,210
33 <i>New Hampshire</i>	49,399	20,406	56,785	0.569	0.277	0.519	22,452	11,033	43,323
34 <i>New Jersey</i>	582,769	361,831	498,067	0.626	0.567	0.569	240,113	228,479	433,694
35 <i>New Mexico</i>	172,537	153,397	223,556	0.560	0.436	0.672	78,368	98,871	179,186
36 <i>New York</i>	1,775,592	1,537,709	1,921,031	0.626	0.572	0.617	744,283	927,060	1,613,153
37 <i>North Carolina</i>	569,906	399,880	593,853	0.498	0.399	0.490	236,635	225,716	451,679
38 <i>North Dakota</i>	25,462	37,648	45,507	0.282	0.540	0.572	9,799	20,496	33,535
39 <i>Ohio</i>	877,982	1,075,136	1,241,421	0.609	0.728	0.756	413,151	737,662	1,074,058
40 <i>Oklahoma</i>	197,788	271,660	345,680	0.402	0.438	0.504	71,614	163,066	272,009
41 <i>Oregon</i>	205,008	213,883	267,487	0.633	0.594	0.677	98,621	145,738	223,763
42 <i>Pennsylvania</i>	999,575	938,584	1,141,216	0.653	0.623	0.716	408,920	548,844	908,593
44 <i>Rhode Island</i>	84,780	58,010	87,570	0.690	0.573	0.690	32,831	32,521	68,252
45 <i>South Carolina</i>	410,487	285,696	371,262	0.519	0.405	0.444	180,684	181,121	288,047
46 <i>South Dakota</i>	41,498	51,719	54,533	0.293	0.450	0.540	17,691	31,098	41,358
47 <i>Tennessee</i>	612,517	498,290	709,910	0.610	0.480	0.666	284,539	301,360	559,432
48 <i>Texas</i>	1,139,376	1,573,418	2,482,035	0.412	0.466	0.705	511,023	1,028,385	2,088,096
49 <i>Utah</i>	55,664	91,593	124,015	0.291	0.428	0.536	23,477	56,520	93,314
50 <i>Vermont</i>	45,319	34,119	54,664	0.669	0.782	0.764	18,260	17,469	36,226
51 <i>Virginia</i>	378,792	328,793	493,556	0.504	0.471	0.686	162,531	197,252	399,511
53 <i>Washington</i>	248,992	312,889	434,483	0.468	0.668	0.786	105,898	180,446	339,877
54 <i>West Virginia</i>	219,150	262,308	308,981	0.506	0.626	0.690	95,743	166,136	249,757
55 <i>Wisconsin</i>	230,539	310,522	325,865	0.544	0.770	0.616	76,702	156,626	223,780
56 <i>Wyoming</i>	13,499	27,774	33,144	0.290	0.557	0.555	5,998	17,309	25,496

Table A5.		Medicaid: Participation and Benefits Data					
		(excludes Arizona)					
		Participants (Ever On)			Annual Dollars (In 1,000's)		
STATE GROUPINGS		84-86	87-89	91-93	84-86	87-89	91-93
TOTAL US		21,188,136	22,081,394	29,397,927	39,966,215	53,273,957	109,468,413
CENSUS DIVISIONS							
1	<i>New England</i>	177,708	182,000	246,959	472,138	654,810	1,431,668
2	<i>Middle Atlantic</i>	1,364,470	1,345,333	1,501,744	3,568,221	4,672,002	8,929,079
3	<i>East North Central</i>	862,457	817,256	948,038	1,417,000	1,767,901	3,335,397
4	<i>West North Central</i>	180,682	187,785	248,119	370,756	482,032	950,673
5	<i>South Atlantic</i>	304,496	334,830	548,608	504,313	752,331	1,729,957
6	<i>East South Central</i>	367,345	401,876	580,583	478,661	678,948	1,625,493
7	<i>West South Central</i>	416,153	511,476	835,042	791,116	1,044,247	2,696,260
8	<i>Mountain</i>	69,344	79,094	123,888	129,212	187,506	402,758
9	<i>Pacific</i>	818,312	866,417	1,093,346	1,245,204	1,627,814	3,016,707
DECLINE IN IUTU, RANK							
	<i>Top 15 States</i>	576,343	573,396	695,886	1,243,254	1,623,224	3,299,373
	<i>Middle 20 States</i>	289,118	306,156	421,241	525,132	722,724	1,480,364
	<i>Bottom 15 States</i>	450,709	490,490	702,320	720,985	964,740	2,024,702
UI DEBT, RANK							
	<i>Top 15 States</i>	543,623	556,333	697,676	923,577	1,173,945	2,440,524
	<i>Middle 21 States</i>	330,826	336,931	446,749	789,672	1,073,827	2,196,371
	<i>Bottom 14 States</i>	434,746	475,775	682,219	680,675	936,744	1,909,768
FIPS CODE							
1	<i>Alabama</i>	333,101	305,288	463,904	424,335	485,504	1,397,701
2	<i>Alaska</i>	24,804	32,539	57,943	69,650	112,961	213,964
5	<i>Arkansas</i>	199,102	226,726	305,090	383,321	459,712	898,119
6	<i>California</i>	3,458,533	3,563,456	4,446,217	5,167,743	6,574,634	11,793,887
8	<i>Colorado</i>	173,303	189,813	253,805	314,000	459,550	943,771
9	<i>Connecticut</i>	218,058	219,415	300,767	625,483	892,818	1,968,977
10	<i>Delaware</i>	44,430	40,371	60,047	74,327	103,985	217,972
11	<i>Dist. of Columbia</i>	100,211	97,239	109,232	310,133	376,404	595,723
12	<i>Florida</i>	573,895	761,211	1,494,604	947,572	1,606,461	4,128,399
13	<i>Georgia</i>	502,906	541,497	853,560	753,423	1,136,633	2,419,613
15	<i>Hawaii</i>	98,084	99,334	98,628	140,703	167,704	316,228
16	<i>Idaho</i>	38,564	44,420	85,500	74,344	114,385	257,507
17	<i>Illinois</i>	1,057,684	1,042,858	1,284,006	1,743,750	1,964,261	3,926,844
18	<i>Indiana</i>	302,931	322,288	491,660	757,243	1,067,976	2,361,801
19	<i>Iowa</i>	232,770	228,242	275,570	365,718	490,937	893,926
20	<i>Kansas</i>	160,027	173,079	225,653	264,879	338,139	765,951
21	<i>Kentucky</i>	461,424	442,638	575,135	545,278	737,642	1,734,122
22	<i>Louisiana</i>	414,987	474,497	679,669	746,749	980,508	2,980,130
23	<i>Maine</i>	137,601	126,846	160,622	242,368	337,493	729,543
24	<i>Maryland</i>	325,428	317,591	392,040	663,956	915,545	1,761,763
25	<i>Massachusetts</i>	512,059	559,582	685,963	1,497,633	2,080,719	4,269,891
26	<i>Michigan</i>	1,287,115	1,124,435	1,136,712	1,740,600	2,064,965	3,836,455
27	<i>Minnesota</i>	347,658	335,161	412,642	1,019,680	1,217,490	1,937,180
28	<i>Mississippi</i>	307,499	371,094	486,988	316,209	452,555	1,032,484
29	<i>Missouri</i>	357,556	384,729	555,723	557,784	754,702	2,090,891
30	<i>Montana</i>	55,965	58,445	70,617	106,594	157,072	276,132
31	<i>Nebraska</i>	94,128	107,037	146,481	172,110	248,936	481,979
32	<i>Nevada</i>	31,114	39,650	75,083	72,041	98,338	327,227
33	<i>New Hampshire</i>	42,832	34,164	68,734	121,658	170,145	637,847
34	<i>New Jersey</i>	609,633	537,322	697,689	1,171,941	1,764,732	3,995,638
35	<i>New Mexico</i>	87,401	105,143	202,241	154,485	225,819	483,045
36	<i>New York</i>	2,308,162	2,257,892	2,586,193	7,578,569	9,767,511	17,563,400
37	<i>North Carolina</i>	353,980	428,086	783,554	684,345	1,019,777	2,482,381
38	<i>North Dakota</i>	38,294	44,379	57,223	118,241	193,316	248,851
39	<i>Ohio</i>	1,090,941	1,127,845	1,387,189	1,836,642	2,522,168	4,599,700
40	<i>Oklahoma</i>	254,921	267,242	341,433	443,661	613,505	996,895
41	<i>Oregon</i>	152,614	190,013	294,619	262,491	369,764	806,870
42	<i>Pennsylvania</i>	1,175,614	1,240,784	1,221,348	1,954,153	2,483,762	5,228,199
44	<i>Rhode Island</i>	104,488	100,382	189,411	257,261	335,058	751,171
45	<i>South Carolina</i>	327,371	273,495	420,688	357,787	509,006	1,506,385
46	<i>South Dakota</i>	34,341	41,869	63,540	96,881	130,701	235,930
47	<i>Tennessee</i>	367,358	488,482	796,307	628,821	1,040,092	2,337,667
48	<i>Texas</i>	795,601	1,077,441	2,013,977	1,590,732	2,123,261	5,909,897
49	<i>Utah</i>	79,642	87,270	138,223	153,684	208,327	415,479
50	<i>Vermont</i>	51,207	51,610	76,256	88,425	112,624	232,582
51	<i>Virginia</i>	306,210	329,897	510,833	569,380	788,109	1,534,622
53	<i>Washington</i>	357,527	446,744	569,323	585,434	914,006	1,952,587
54	<i>West Virginia</i>	206,029	224,080	312,913	177,894	315,058	922,757
55	<i>Wisconsin</i>	573,615	468,855	440,624	1,006,766	1,220,136	1,952,187
56	<i>Wyoming</i>	19,417	28,919	41,748	29,339	49,049	116,142