

# Racial Inequality in Unemployment Insurance Receipt and Take-Up\*

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March 31, 2022

## Abstract

This paper studies differences in receipt and take-up of unemployment insurance (UI) benefits among white and Black individuals. We combine state-level UI regulations with data containing detailed information on individuals' work history and UI receipt. Black individuals who separate from a job are 24% less likely to receive UI than whites. The UI receipt gap stems primarily from lower take-up of UI benefits among likely eligible individuals, as opposed to differences in benefit eligibility. Statistical decompositions indicate that about one-half of the take-up gap is explained by Black workers' lower pre-unemployment earnings and higher tendency to live in the South.

JEL Classification Codes: J15, J65, H5, I38

Keywords: racial inequality, unemployment insurance, take-up, social insurance

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\*For helpful research assistance, we thank Bennett Adamson, Justin Burcat, Shatakshi Gupta, Vanessa Ntungwanayo, Connor Walz, and Ngodoo Zume. Support from the Institute for International Economic Policy at George Washington University is gratefully acknowledged. The views expressed in this paper are solely those of the authors and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System.

# 1 Introduction

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

Motivated by these findings, this paper studies whether Black and white individuals benefit equally from UI. Black individuals have less income and wealth than white individuals, face higher unemployment rates, and live in different parts of the United States. These contemporaneous differences in socioeconomic status, combined with a long history of public and private discrimination, could lead to racial differences in UI benefit receipt and eligibility, and even benefit receipt among those who are eligible (i.e., take-up).<sup>1</sup>

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

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

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<sup>1</sup>While it would be interesting to analyze racial differences in receipt across a variety of social insurance programs, each program has a distinct set of complex eligibility rules, making a satisfying joint analysis of these programs impossible in a short-paper format.

UI rules with individual-level panel data from the Survey on Income and Program Participation (SIPP). The SIPP provides detailed information on individuals' benefit receipt and work history, which helps us identify whether individuals are likely to be eligible for benefits.

We begin by documenting differences in UI receipt between Black and white individuals. In our sample, 37% of white individuals receive UI within the 12 months after separating from a job into unemployment. UI receipt is considerably lower among Black individuals, at 28%. We estimate that 80% of this gap is explained by differences in take-up among individuals that are likely eligible for UI benefits. When focusing on eligible individuals, we find that 55% of white individuals take up benefits, compared to 42% of Black individuals. These gaps imply that receipt and take-up of UI benefits are both 24% lower among Black than white individuals. The racial gap in total UI benefit dollars received in those first 12 months is even larger, as UI-eligible Black individuals receive \$1,299 less (42%). Moreover, racial UI gaps are quite stable between 1986 and 2015, which suggests that they are explained by persistent economic or social factors.

To further understand the potential sources of the Black-white gaps, we estimate a series of regressions that describe how UI receipt and take-up vary with individual characteristics. We find that take-up is higher among individuals with greater pre-unemployment earnings and for whom UI replaces a higher share of pre-unemployment earnings. Take-up is also higher for individuals that previously worked in a union job, as well as individuals with more children. Patterns for receipt are similar.

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

Observed characteristics (and their correlates) can explain 81% of the Black-white gap in UI receipt and 66% of the take-up gap. The single most important variable is Black workers' lower pre-unemployment earnings, which explains almost 50% of the receipt gap and 30% of the take-up gap. Conditional on the other included variables, very little of the racial gaps is explained by (non-race) demographics, education, and potential UI benefits, or the economic conditions and policies in place in the state and year when individuals lose their job. However, we find an important role for broad regional factors. Conditional on a battery of observed variables, UI receipt and take-up is lower in the South, where unemployed Black individuals are

much more likely to live. A fixed effect for the South accounts for about one-fifth of the racial gaps, while other regions do not have much explanatory power. Potential explanations for the 19–34% of racial gaps that are not correlated with observed variables include unequal treatment of individuals by case workers and employers, as well as different perceptions of UI eligibility and benefits.

The key contribution of this paper is evidence on the racial differences in UI receipt and take-up. Previous influential research has analyzed patterns in UI take-up over time and studied its determinants (e.g., Blank and Card, 1991; Anderson and Meyer, 1997), but has not focused on race. Several papers document (sometimes imprecisely estimated) racial gaps in UI receipt using single years of survey data (Lee, 2004; Gould-Werth and Shaefer, 2012; Nichols and Simms, 2012; Carey, Groen and Jensen, 2021), or data from the Benefit Accuracy Management program (Michaelides and Mueser, 2012). Importantly, none of these papers estimate UI eligibility to examine whether the gap is driven by differences in eligibility or take-up. Our key contributions are showing that the racial UI gap has been stable over a nearly 30-year period, using detailed state UI laws and longitudinal survey data to demonstrate that the UI receipt gap is not driven by differences in UI eligibility, and estimating a decomposition that sheds light on the sources of the gap.

Our paper also contributes to the literature examining safety-net program take-up decisions more broadly (e.g., Currie, 2006; Finkelstein and Notowidigdo, 2019; Deshpande and Li, 2019). This literature generally finds that program take-up is higher when the level of benefits is higher and when application costs are lower. We also find that take-up responds to economic incentives. However, the racial gap in UI receipt is not explained by differences in the replacement rate or weeks of benefits available to each individual. Instead, we find that Black individuals' reduced take-up of UI is partially accounted for, in a statistical sense, by their lower level of earnings and the fact that they are more likely to live in the South.

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

## **2 Estimating Racial Differences in UI Receipt and Take-Up**

### **2.1 Background on Unemployment Insurance**

Subject to some federal requirements, states can decide most parameters that determine whether an individual is eligible for UI, the weekly benefit entitlement, and its duration. Because this paper seeks to estimate UI receipt and take-up (receipt among eligibles) by race, we need to identify which unemployed workers are eligible for the program. Our coding of state and federal laws builds on the UI calculator used in Kuka (2020). We rely on the Significant Provisions of State Unemployment Insurance Laws produced semi-annually by the Department of Labor and cross-reference state legislation when necessary. This section provides a brief summary of these laws. Our sample ends in 2015, so we do not address the numerous changes to UI made in response to the 2020 pandemic and recession.

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

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

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

## 2.2 Data

Our main data source is the 1986–2014 panels of the Survey of Income and Program Participation (SIPP). Each SIPP panel is a longitudinal, nationally representative survey that generally interviews households at four-month intervals (waves) for 2.5 to 4 consecutive years.<sup>2</sup> In each wave, respondents provide detailed information on employment, earnings, and program participation for each month in the period between interviews, allowing the construction of a detailed *monthly* panel of individuals. Moreover, unlike most data sets containing administrative UI records, the SIPP contains demographic information for all respondents.

To identify whether an unemployed worker is eligible for UI, and thus analyze benefit take-up, we need two key pieces of information. First, since UI eligibility depends on base period wages, we need to observe individuals' work history for at least five quarters prior to a job separation. We thus restrict the sample to observations from interview month 16 onwards. Second, we use information on whether individuals separate from an employer and the reason for this separation to identify involuntary job losses (which are necessary for eligibility) versus other types of separations. Our main sample contains non-Hispanic individuals ages 25–64 that experience a job separation from month 16 onwards in their SIPP interview and are unemployed at some point during the 12 months after job separation. For each individual, we identify the first job separation and use information on earnings and hours worked in the first four quarters of the five quarters before job separation, industry and union status, reason for separation, state and year of separation, as well as other demographic characteristics. We collect information on unemployment status and UI receipt in the first 12 months after the job separation. We focus on a 12-month period after job separation to allow for the possibility of a delay in when individuals apply for and receive UI benefits. We exclude all observations for which UI receipt or the level of UI benefits received is imputed, because imputations are an important source of error when measuring transfer receipt (Meyer, Mittag and George, 2020).<sup>3</sup>

Appendix Table A.1 compares our main sample to all individuals ages 25–64 in the SIPP.<sup>4</sup> Individuals that experience a job separation and become unemployed are more likely to be male, single, and younger. Moreover, they are more likely to be eligible for and to receive UI benefits, and are also eligible for higher benefit levels. The differences between our main sample and all individuals are broadly similar for both

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<sup>2</sup>Exceptions are the 1989 panel, which follows individuals only for 3 waves (1 year), and the 2014 panel, which interviews households every 12 months, for 4 years.

<sup>3</sup>The 1986–1989 panels only contain imputation flags for UI benefit levels.

<sup>4</sup>For all summary statistics, we keep only one observation per person, for either month 16 of the survey, if the individual never experiences a job separation, or the month of separation.

white and Black workers.

We also use the SIPP to create summary measures of UI policies in each state and year. Using a sample of all individuals that experience an involuntary job loss from month 16 onwards in their interview cycle, we calculate average UI eligibility and benefit levels in each state-year for the same set of individuals. These simulated measures thus only depend on state policy variation, and not on who is unemployed in each state and period (Currie and Gruber, 1996).

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

### 2.3 Empirical Strategy

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

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

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

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

more likely to receive UI, then the Black-white income gap could potentially explain racial differences in UI receipt.

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

$$Y = B\theta^c + X\beta + \varepsilon. \quad (2)$$

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

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

where  $\Gamma_k$  is the coefficient from regressing  $X_k$  on  $B$ , and  $\beta_k$  is the  $k$ th element of  $\beta$  in equation (2). The key insight from Gelbach (2016) is that the familiar omitted variable bias formula leads to the decomposition in equation (3), which depends on the product of the Black-white gap in variable  $X_k$  ( $\Gamma_k$ ) and the strength of the relationship between variable  $X_k$  and the dependent variable ( $\beta_k$ ).

This approach offers several benefits in our setting. First, it avoids the common problem of sequential decompositions, which depend on the order in which covariates are added.<sup>5</sup> Instead, this approach quantifies the importance of variables *conditional on the other variables in the decomposition*. Second, the additive structure in equation (3) makes it very easy to include a flexible set of control variables. However, this decomposition only provides a statistical accounting of the observed correlations, and does not describe causal relationships.

### 3 Results

We start by showing average UI receipt and take-up separately for white and Black individuals in Figure 1A. While 37% of white individuals receive UI at some point in the 12 months after a job separation, only 28% of Black individuals do so.<sup>6</sup> This large gap in UI receipt could be driven by both differences in eligibility and differences in take-up among eligible individuals. To address this possibility, Figure 1A also compares white and Black individuals that are eligible for UI.<sup>7</sup> The racial gap in UI receipt remains large: the take-up rate is 55% for white individuals and 42% for Black individuals. Relative to whites, Black individuals are

<sup>5</sup>For example, if two variables are strongly correlated, then a sequential decomposition could identify either one of those variables as having a key role, depending on which variable is added first.

<sup>6</sup>These rates are similar to those estimated by Anderson and Meyer (1997) and Lachowska, Sorkin and Woodbury (2021) using administrative data.

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



24% (= 0.09/0.37) less likely to receive UI and 24% (= 0.13/0.55) less likely to take up UI conditional on being eligible. These numbers underscore the size of UI gaps and show that the receipt gap is mostly driven by differences in take-up. However, Table 1 shows that unemployed white individuals in our sample also are more likely to be eligible for UI than Black individuals (56% vs. 51%), especially because white individuals are more likely to satisfy the monetary eligibility requirement (86% vs. 79%).

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

$$\begin{aligned} & \Pr[R|B] - \Pr[R|W] \\ &= \Pr[E|B] \Pr[T|E, B] - \Pr[E|W] \Pr[T|E, W] \end{aligned} \tag{4}$$

$$= \underbrace{\Pr[E|B](\Pr[T|E, B] - \Pr[T|E, W])}_{\text{Due to take-up}} + \underbrace{(\Pr[E|B] - \Pr[E|W]) \Pr[T|E, W]}_{\text{Due to eligibility}} \tag{5}$$

Equation (4) uses the fact that the receipt rate equals the eligibility rate times the take-up rate. Equation (5) decomposes the receipt gap into components explained by differences in take-up and eligibility. Plugging the relevant means into equation (5) implies that take-up explains 80% of the receipt gap, with the remainder explained by differences in eligibility.<sup>8</sup>

Figure 1B summarizes the total amount of UI benefits received in the 12 months after a job separation. Black individuals receive \$1,158 on average, which is 43% less than the \$2,029 received by white individuals. In terms of dollars, the gap is even larger among eligible individuals, as Black and white individuals receive an average of \$1,799 and \$3,098, respectively. The \$1,299 gap in benefit receipt among eligible individuals is approximately half of the average amount of federal EITC benefits paid in 2020 (Internal Revenue Service, 2021). The magnitudes of the Black-white gap in UI benefit receipt and take-up thus highlight their economic significance.

As an initial step towards understanding the sources of these UI gaps, Figure 1C–1D plots the UI receipt rate and UI take-up rate for white and Black individuals over time. We calculate means for 5-year intervals to avoid spurious patterns that could arise because of the SIPP’s panel design.<sup>9</sup> UI receipt and take-up rates generally declined during this period, with the exception of years proximate to recessions that occurred in

<sup>8</sup>Equation (5) evaluates the take-up gap at the Black eligibility rate. The alternative approach of evaluating the take-up gap at the white eligibility rate yields the same result.

<sup>9</sup>Because SIPP panels occur at 1–5 year intervals and we examine job separations from month 16 onwards within a panel, annual means can fluctuate due to changes in sample size and composition.

1990–1991, 2001, and 2007–2009. Most notably, the Black-white gap in UI receipt and take-up were quite stable over the 30 years covered by our data. This finding suggests that racial UI gaps are driven by economic and social factors that persisted during this period. The stability shown in Figure 1C–1D also suggests that changes in survey methodology—such as the 1996 redesign of the SIPP or the decline in survey response rates (Meyer, Mok and Sullivan, 2015)—do not explain the estimated racial UI gaps.<sup>10</sup>

Why are Black individuals less likely to take up UI benefits than whites? Prior work on the take-up of social benefits highlights several possible explanations (e.g., Currie, 2006). First, individuals might be less likely to take up UI if the benefits are lower. The value of UI benefits depends both on the benefit amount and its possible duration, as well as the marginal utility of consumption, which in turn may depend on factors like individuals' wealth and the likelihood of being recalled to their former employer. Second, individuals might be less likely to take up UI if the costs are higher. The costs of applying for UI involve both psychic and time costs of gathering background information and submitting the necessary paperwork, in addition to stigma. Third, take-up depends on information and perceptions about UI benefits and costs. These could vary significantly across regions, years, industries, and occupations. Evidence from the Current Population Survey UI Non-Filers Supplement in 2005 suggests that many unemployed individuals do not apply for UI benefits because they believe they are ineligible (Vroman, 2009). Black unemployed individuals are more likely to say they are ineligible, are unaware of UI benefits, and did not apply because of the hassle (Gould-Werth and Shaefer, 2012), though not all of these differences are statistically significant. Moreover, Black individuals were less likely to receive UI benefits, conditional on applying for them, during the COVID-19 recession in 2020 (Carey, Groen and Jensen, 2021).

To gauge the potential importance of these explanations, columns 1 and 4 of Table 1 present summary statistics of the characteristics of white and Black individuals who are unemployed in the 12 months after experiencing a separation. Columns 2 and 5 limit the sample to individuals that are eligible for UI during this period, while columns 3 and 6 further restrict to UI recipients.

Among individuals eligible for UI, the potential weekly benefit amount of Black individuals is lower (\$279 vs. \$344), but this reflects their lower pre-unemployment earnings. The potential replacement rate, defined as potential weekly benefits divided by average weekly earnings in the base period, is 5 percentage points higher for Black individuals. Combined with their generally lower amounts of earnings and larger

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

number of children, this initial evidence suggests that the take-up gap is unlikely to be driven by differences in the value of UI benefits. This point is underscored by the fact that Black individuals in our sample have fewer years of schooling and are less likely to be married. Black individuals that are eligible for UI are twice as likely to live in the South (59% vs. 31%).<sup>11</sup> Location could matter because states have considerable latitude in setting policies that affect UI benefits and costs.

Table 2 provides further evidence on the potential determinants of UI receipt and take-up. Columns 1 and 2 report regression results where the dependent variables are indicators for UI receipt or take-up in the 12 months after job separation.<sup>12</sup> In columns 3 and 4, the dependent variables are the amount of UI benefits received in the 12-month period after job separation, among all individuals and those eligible for UI.

The results indicate that UI receipt and take-up are systematically correlated with several individual-level factors. Most importantly for this paper, Black individuals are less likely to receive UI. UI receipt is higher among older individuals and union members. Higher base period wages are associated with higher UI receipt and take-up, suggesting that income (and its correlates) plays a larger role than simply determining monetary eligibility, and that those with a higher marginal utility of consumption have lower take-up rates.<sup>13</sup>

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

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

The first four columns of Table 3 report Black-white gaps in UI receipt and take-up, while the remaining columns report gaps in total UI benefits among all and eligible individuals only. The first row shows that the

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<sup>11</sup>Appendix Table A.1 shows that the share living in the South is similar among those that do not experience a job separation.

<sup>12</sup>Appendix Table A.2 shows that these estimates are similar when using a probit instead of a linear probability model.

<sup>13</sup>This result is consistent with Lachowska, Sorkin and Woodbury (2021), who find that take-up increases with base period wages using administrative data from Washington for 2005–2013.

<sup>14</sup>For the same reason, we do not interpret unconditional or conditional gaps as the effect of race on UI receipt.

unconditional gaps in UI receipt and take-up are 9.9 p.p. (standard error: 1.3) and 14.0 p.p. (s.e.: 1.9). The second row presents conditional gaps, estimated as  $\theta^c$  in equation (2). We control for a battery of observed covariates, as detailed below. The conditional Black-white gap in UI receipt is reduced to 1.9 p.p. (s.e.: 1.3), indicating that differences in observed characteristics (and their correlates) between Black and white individuals explain 81% of the unconditional receipt gap. Since part of the explained receipt gap could reflect adjustments for eligibility, we also examine the conditional take-up gap among eligible individuals, which is 4.7 p.p. (s.e.: 1.9). Observed variables can explain 66% of the unconditional take-up gap.

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

Earnings and work history account for a significant share of the UI receipt and take-up gaps. The single most important variable is base period wages: Black workers have lower pre-unemployment earnings, which predicts lower receipt and take-up. Base period wages thus account for 48% ( $= 0.047/0.099$ ) of the UI receipt gap and 30% of the take-up gap. The important role of earnings is evident in Appendix Figure A.1, which plots UI receipt and take-up rates for white and Black individuals by decile of base period wages. The figure shows that individuals with higher base period wages are more likely to receive UI benefits. This correlation remains when conditioning on other variables (Table 2) and, combined with Black individuals' lower amount of base period wages, leads to the estimates in Table 3.<sup>17</sup> Similarly, Appendix Table A.3 shows that the vast majority of the explained variation in UI receipt and take-up within racial groups comes from earnings and work history.

Table 3 also suggests that very little of the gap is explained by demographic variables (gender, age,

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<sup>15</sup>We include separate splines for base period and highest quarter wages because the latter matters for eligibility and benefit levels.

<sup>16</sup>Because of these flexible parametrizations, the Table 3 estimates are not simply the product of the Table 2 coefficients and differences in characteristics in Table 1.

<sup>17</sup>Appendix Figure A.1 also shows that there is a gap between the UI receipt rates of Black and white individuals at virtually all income levels, which motivates our inclusion of many other covariates in the decomposition.

marital status, number of children, years of education), potential UI benefits (the replacement rate and benefit weeks), state economic conditions (the unemployment rate and gross state product), state-level UI policies (the simulated eligibility rate, the simulated replacement rate, the maximum UI benefit amount, the share of initial UI claims that are denied, and indicators for whether individuals can file for UI through various means), state-level non-UI policies (AFDC and EITC benefits, plus the minimum wage), and the political party in power in the governor's office and state legislature.<sup>18</sup>

The last set of explanatory variables that we consider in Table 3 are indicators for the region where individuals separate from their job, which explain a sizable share of the unconditional racial gaps. Living in the South, where UI receipt and take-up are lower and Black individuals are more likely to live, accounts for 22% of the racial gap in UI among all job separators and 16% of the gap among eligible individuals. We view these region indicators as capturing broader differences in economic and social characteristics that are not reflected in our observed variables. For example, we cannot observe regional differences in perceptions of UI eligibility, the complexity of UI applications, interactions between unemployed individuals and UI case workers, the extent to which employers contest former workers' UI claims and how such challenges are adjudicated, or historical factors that affect Black individuals' trust in the government.<sup>19</sup> More broadly, the legacy of Jim Crow policies in the South could affect UI take-up today.<sup>20</sup>

The remaining columns of Table 3 show that results are similar when examining the amount of UI benefits received in the 12 months after job separation.

**Robustness** Appendix A describes several robustness checks. We estimate versions of Table 3 that exclude base period wages to show that the limited importance of demographic variables is not driven by correlations between earnings and demographic characteristics. We also estimate specifications that include net worth, which plays little role in explaining racial UI gaps conditional on the other variables in the model (most notably, earnings). Finally, we show that our results are similar when replacing state and year fixed effects with fixed effects for region and year or state-by-year.

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<sup>18</sup>One might worry that the limited explanatory power of demographic variables is due to the high correlation between earnings and demographics. The small standard errors on demographic variables in Table 3 reduce concerns about multicollinearity. In a robustness check described below, we also find that omitting earnings from the decomposition does not increase the explanatory power of other variables by much.

<sup>19</sup>To the extent that these factors do not vary across regions, they could contribute to unexplained racial gaps.

<sup>20</sup>When UI was introduced in 1935, 65% of Black workers were not covered by the UI system, compared to 27% of white workers (DeWitt, 2010). In a different domain, Alsan and Wanamaker (2018) find that government-sponsored discrimination against Black individuals in the South (through the Tuskegee Study) led to decreases in medical trust and reductions in take-up of medical services.

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

Several factors suggest that our results are not driven by differential reporting biases between Black and white individuals. Our sample excludes individuals for whom UI receipt and benefit amounts are imputed. Because prior work identifies imputations as a major source of reporting errors (e.g., Meyer, Mittag and George, 2020; Celhay, Meyer and Mittag, 2021), this reduces the scope for measurement error. In addition, our focus on a 12-month period after job loss means that our results are less sensitive to misreporting of the specific month when individuals receive UI. Finally, Figure 1C–1D shows that multiple measures of racial gaps in UI receipt are stable over time. By comparison, Meyer, Mok and Sullivan (2015) document that measurement error of UI benefit dollars in the SIPP and other surveys has increased substantially over time. These two facts suggest that the racial UI gap is not an artifact of imperfect survey quality.

Unfortunately, prior work provides limited quantitative predictions about the extent of measurement error in UI receipt between Black and white individuals in our sample. Our primary interest in this paper is the unconditional gap in UI receipt, and we are not aware of papers that have estimated this gap in comparable survey and administrative data.<sup>21</sup> Reassuringly, recent work on food stamps and cash welfare finds that coefficients almost always have the same signs in survey and administrative data (Meyer, Mittag and George, 2020; Celhay, Meyer and Mittag, 2021). In sum, while household surveys do not measure UI receipt with complete accuracy, we do not believe that our estimates of the racial UI gap are driven by measurement error.

## 4 Conclusion

This paper shows that Black individuals are less likely than whites to receive UI benefits after job loss, and that the vast majority of this gap in UI receipt is due to lower take-up of UI benefits among those who are

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<sup>21</sup>Synthetic SIPP data contain administrative measures of earnings and many types of program receipt, but not UI.

eligible for UI. Statistical decompositions indicate that Black individuals' lower average amount of pre-unemployment earnings can account for nearly 50% of racial gaps in UI receipt and 30% of racial gaps in UI take-up. The other key factor is that Black individuals are more likely to live in the South, where UI receipt and take-up are lower.

Racial gaps in UI receipt are sizable. Among individuals that are eligible for UI, raising the Black take-up rate to the white level would lead to a 14 percentage point increase in the share of individuals that receive UI and a \$1,299 increase in mean UI benefits. To put the size of this gap in perspective, Black individuals that are eligible for UI earn an average of \$28,055 per year, \$12,657 less than whites on average. Thus the UI gap is equal to 5% of Black individuals' yearly earnings and 10% of the Black-white earnings gap.<sup>22</sup> Important directions for future work include examining whether the racial gap in UI receipt can be closed, as well as studying differences in receipt and take-up for other disadvantaged groups and social insurance programs.

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<sup>22</sup>When focusing on individuals that are unemployed but not necessarily eligible for UI, the UI gap is 8% of the earnings gap (=871/10,931).

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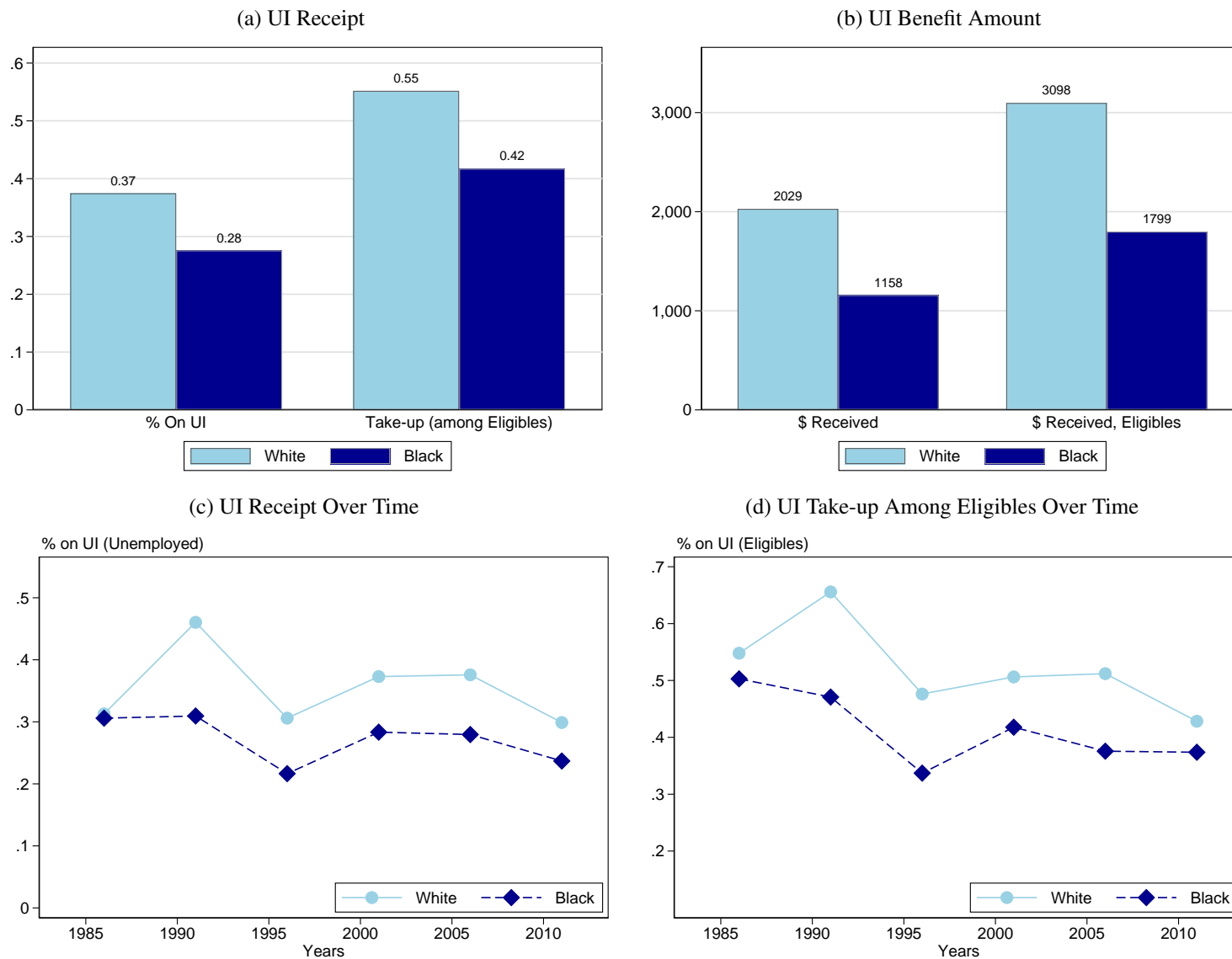
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Figure 1: Unemployment Insurance Receipt and Take-up among White and Black Individuals



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

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

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

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

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

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

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

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

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

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

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

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

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

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

# Online Appendix

## A Details on Robustness Checks

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

In Appendix Table A.5, we explore the additional explanatory power of household net worth. Net worth is only recorded in certain SIPP waves, which reduces the available sample size by 20%.<sup>23</sup> Nonetheless, the unconditional gaps among the sample of individuals with observed net worth are similar to those in Table 3. Net worth explains little of the Black-white gap in UI receipt, conditional on the other explanatory variables in our model.<sup>24</sup> While Ganong et al. (2020) find that wealth can account for differences between white and Black individuals in the *consumption* response to job loss, wealth apparently plays little role in explaining differences in *UI receipt and take-up*. A natural explanation for this difference is that UI receipt and take-up depends on interactions with government agencies, where stigma and imperfect information can play a larger role.

Several other results underscore the robustness of our findings. Appendix Table A.6 shows that estimates in Table 3 are similar when dropping the region fixed effects,<sup>25</sup> while Appendix Table A.7 shows that results for the individual-level variables are similar when we use state-by-year fixed effects.

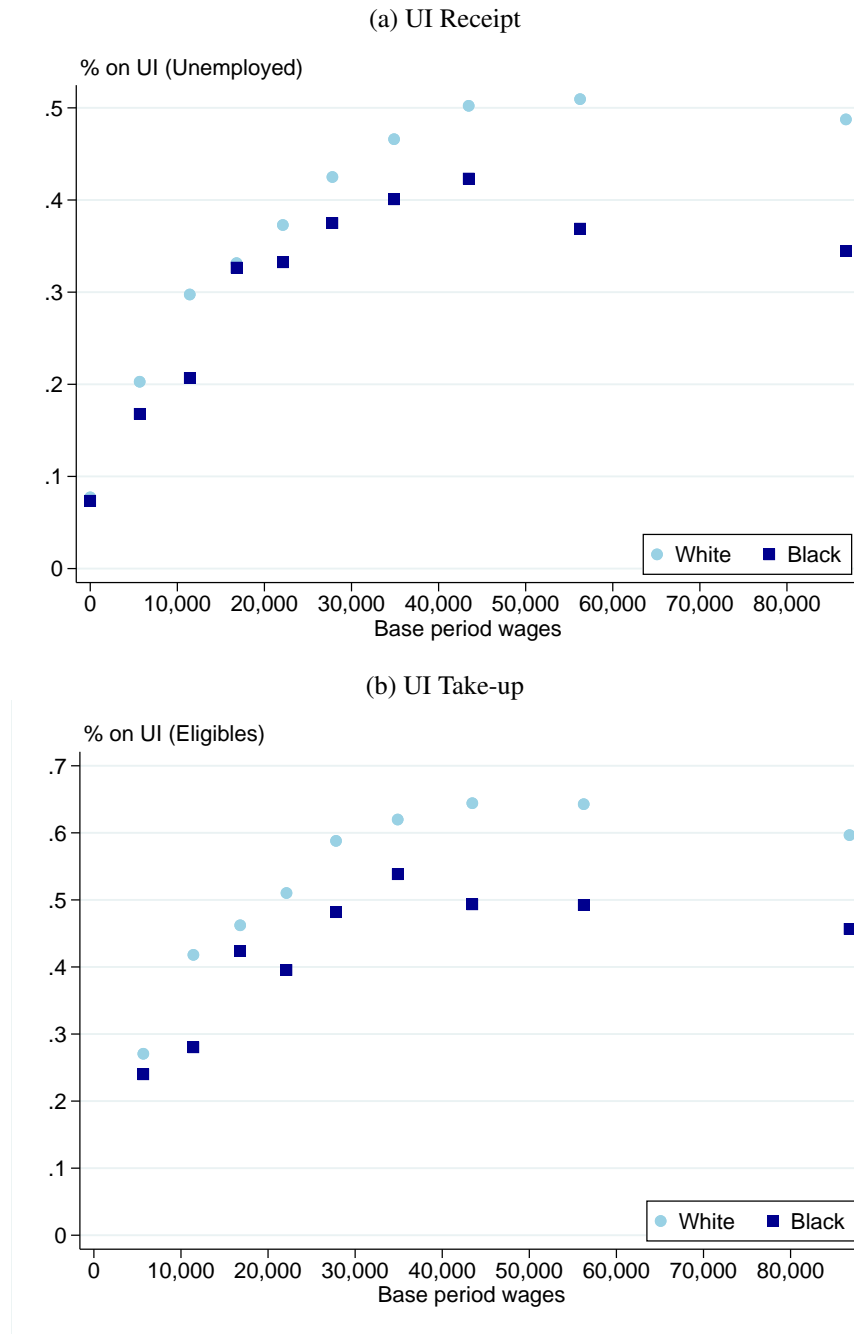
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<sup>23</sup>We use net worth if it is recorded at any point during the 12 months before job separation.

<sup>24</sup>When excluding all other explanatory variables, controlling for net worth as in Appendix Table A.5 leads to an explained gap of  $-0.013$ , which is 65% as large as the gap explained by only log base period wages ( $-0.020$ ). Thus, we emphasize that net worth has little explanatory power net of the variables already in the model.

<sup>25</sup>When excluding region fixed effects, state UI rules and non-UI policy rules explain a greater share of the observed gaps.

Figure A.1: Unemployment Insurance Receipt and Take-up among White and Black Individuals – By Base Period Wages



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

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

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

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

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



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

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

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

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

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

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

Notes: Table reports the *R*<sup>2</sup> and adjusted *R*<sup>2</sup> from OLS regressions with the indicated covariates. We use the same functional forms for these covariates as in Table 3.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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