

Characteristics of Illinois UI Claimants During the Covid-19 Pandemic



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June 2021

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Economic Information and Analysis
Illinois Department of Employment Security



THE CHARACTERISTICS OF ILLINOIS UNEMPLOYMENT CLAIMANTS DURING THE COVID-19 PANDEMIC

Introduction

The business closures and layoffs as a result of the COVID-19 pandemic lockdowns and other workplace restrictions produced the highest level of unemployed in Illinois since the 2007-2009 recession and a record number of regular Unemployment Insurance (UI) benefits claims filed in a single year. This report will analyze the characteristics of UI claimants who lived in Illinois during the pandemic reported under all UI programs, including the regular program, the state extended UI benefits program as well new federal UI programs that were enacted by Congress in response to the pandemic. The analysis will also compare the demographic composition of the total UI population prior to and during the pandemic and describe the differences in characteristics among claimants under the various programs. By including both regular and extended benefits program in this analysis, we can track the characteristics of the total Illinois UI population over the course of the pandemic. UI claimant data were available through May 2021 as of this writing.

The Illinois UI claimant population for this analysis includes the number of people who claimed unemployment benefits (or continued claimants) for the week including the 12th in each month, also referred to as the monthly reference week. Once an individual files an unemployment benefits claim, and is found to be eligible for benefits, they must claim or certify their unemployment status for each week they receive benefits. These claims are known as continued claims. The monthly reference week continued claimant population was chosen for analysis as it reflects an unduplicated count of unemployed people and is also the same time period used for reporting official monthly labor force and jobs data. By comparison, total weekly initial claims for UI benefits do not reflect unemployment status for a specific week and they may be duplicative if they include multiple claims filed by individuals during the reporting week.

When an individual files an unemployment claim in Illinois, they are asked to provide a variety of demographic and economic characteristics, which are voluntary. For this report, we will describe the differences in claimant population among the UI programs as it relates to gender, race/ethnicity, age, with additional analysis at the industry sector and occupational group level.

COVID-19 and the expansion of UI benefits programs:

The federal Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law in March 2020 and authorized funding for the Extended Benefits (EB) program, the new Pandemic Emergency Unemployment Compensation (PEUC) extended benefits program as well as a new unemployment benefits program for self-employed individuals, known as the Pandemic Unemployment Assistance (PUA) program, provided they were ineligible for regular or extended unemployment benefits.

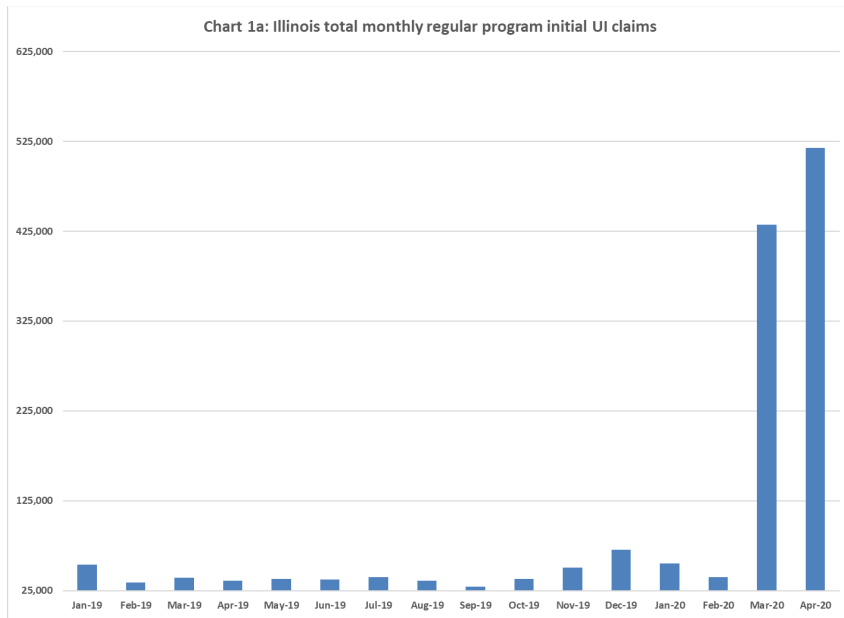
The regular UI program in Illinois allows for a maximum of 26 weeks of benefits. The maximum number of weeks of unemployment benefits one could receive under the PEUC, EB and PUA programs varied over the course of the pandemic due to changes in federal law and the level of the Illinois unemployment rate. Once an individual exhausts their regular UI program benefits, they may be eligible for extended benefits under the PEUC program. The initial authorization of the PEUC program allowed for a maximum of 13 weeks of additional benefits but was later expanded to a maximum of 53 weeks of additional benefits under subsequent legislation. The PEUC program was originally set to expire at the end of 2020 but then was reauthorized as part of the Continued Assistance Act of 2020 to last through mid-March 2021 and then later the American Rescue Plan Act of 2021 and extended through early September 2021. Specifically, under the Continued Assistance Act, an additional 11 weeks of PEUC program benefits were allowed for weeks of benefits paid on or after December 27, 2020. Under the American Rescue Plan Act, another 29 weeks of PEUC benefits were added for weeks of benefits payable starting March 14, 2021.

Those who exhaust their PEUC program benefits may be eligible for up to 13 weeks of EB benefits if their state met the standard high unemployment rate trigger criterion of 6.5 percent, during any period the trigger was in effect. However, if their state met the average unemployment rate trigger of 8.0 percent, they would be eligible for up to 20 weeks of EB benefits, during any period the trigger was in effect.

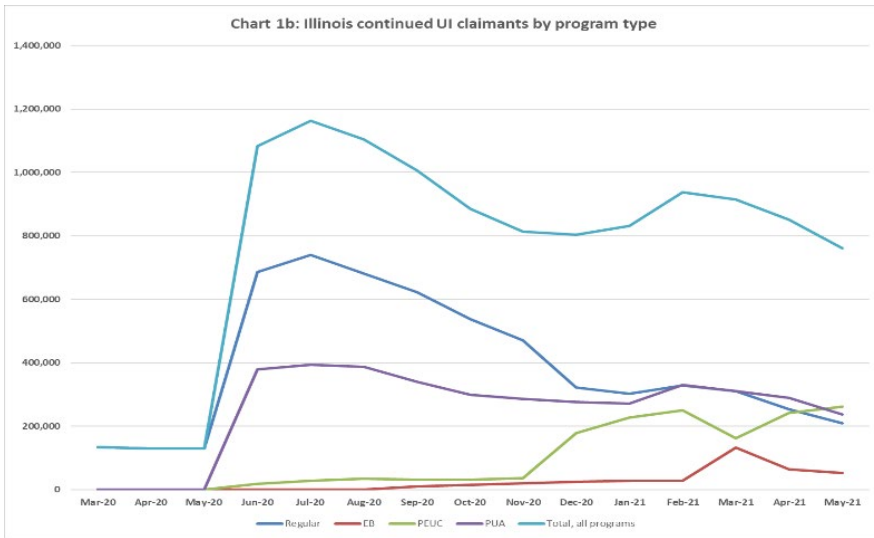
The PUA program was authorized by the CARES Act to provide up to 39 weeks of benefits to individuals, minus any weeks of unemployment benefits they may have previously received under regular or extended benefits programs. The maximum number of weeks of PUA benefits was later expanded over time to 79 weeks under the Continued Assistance Act and the American Rescue Plan Act. Under the Continued Assistance Act, like the PEUC program, another 11 weeks of PUA benefits were allowed for weeks of benefits paid on or after December 27, 2020. Under the American Rescue Plan Act, another 29 weeks of PUA benefits were added for weeks of benefits payable starting March 14, 2021. Also, another seven weeks of PUA benefits were allowed for claimants during any period in which their state met the high unemployment rate trigger of 8.0 percent.

The impact of COVID-19 layoffs on Unemployment Insurance claims and the relationship of UI claims to total unemployed

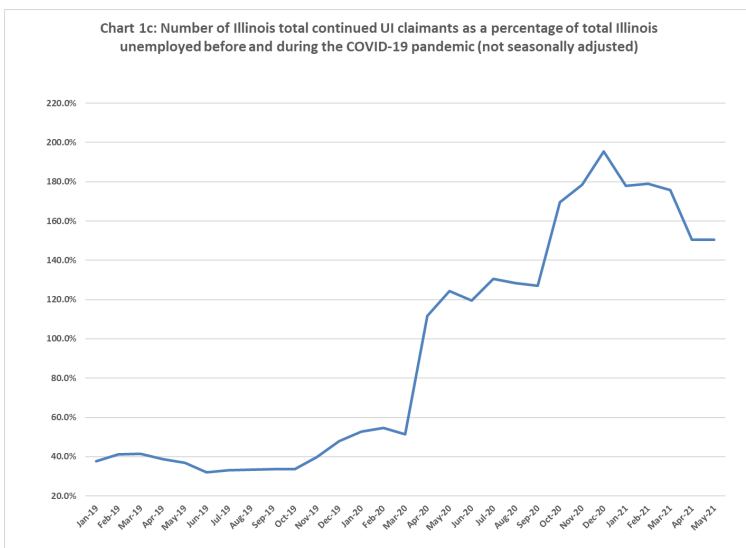
The COVID-19 business lockdowns and restrictions in Illinois began on March 21, 2020. As a result of these changes, nearly a million regular program UI benefits claims were filed in Illinois, from the week ending March 25, 2020 through the end of April 2020.



More than one million continued claimants were reported in April 2020, including regular, PEUC and PUA programs. Thousands of EB continued claimants began to be reported in July 2020, as PEUC continued claimants began to exhaust their benefits. Total continued claimants during the pandemic peaked in May 2020 (1,163,200) with pandemic highs for regular (740,400) and PUA (394,600) continued claimants as well. PEUC continued claimants were at their highest level (269,000) as of May 2021. EB program continued claimants peaked in January 2021 at 132,200 as thousands of PEUC claimants exhausted their benefits starting in late December 2020. As of May 2021, there was a total of 620,800 continued claimants in Illinois with about 31 percent of who were regular program, 44 percent who were PEUC, 26 percent who were PUA and less than one percent who were EB.



Prior to the COVID-19 pandemic, there was a fairly stable relationship between the number of continued UI claimants and the total number of unemployed, with the number of continued claimants typically ranging in-between 30 to 40 percent of total unemployed each month. However, during the pandemic the UI claimant/unemployed relationship changed significantly. As the pandemic related layoffs increased and the PEUC, EB and PUA programs came into effect, total continued UI claimants rose above one hundred percent of total unemployed and peaked at nearly two hundred percent of total unemployed by December 2020.



These large continued claims/unemployed disparities during the pandemic were largely due to changes in UI benefits eligibility criteria. Before the pandemic, continued claimants were required to actively search for work as they collected UI benefits. However, at the beginning of the pandemic, the job search requirement was waived; claimants could claim weekly benefits without certifying that they engaged in a job search.

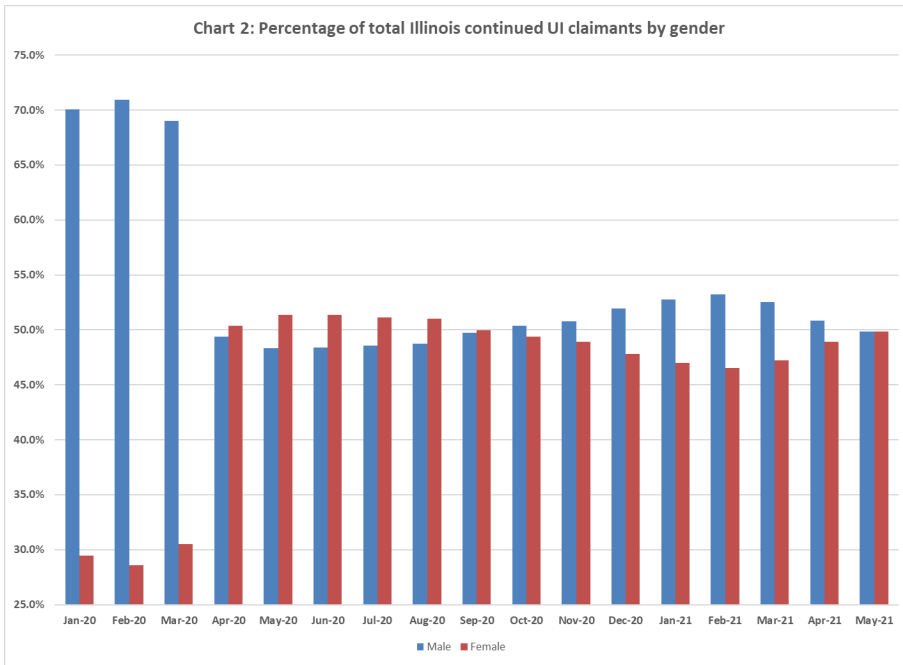
Persons classified as officially unemployed by Census Bureau in its household survey, known as the Current Population Survey (CPS), must be able and available to work, and actively looking for work. Individuals who report in the CPS that they are without a job but were not looking for work are classified as not in the labor force. In addition, even if one indicates in the CPS that they want a job but are laid off temporarily, they must provide a date for returning to their job or report that they have been given some indication from their employer that they will return to their job within six months. These individuals would be classified in the CPS as not in the labor force persons if they could not either provide a return to work date or indicate they would be recalled by their employer within six months.

Changes in the demographic and economic characteristics within the UI continued claimant population during the pandemic

We can shed some light on which groups saw the largest increases in unemployment relative to other groups by analyzing the characteristics of the continued UI claimant population prior to and during the pandemic.

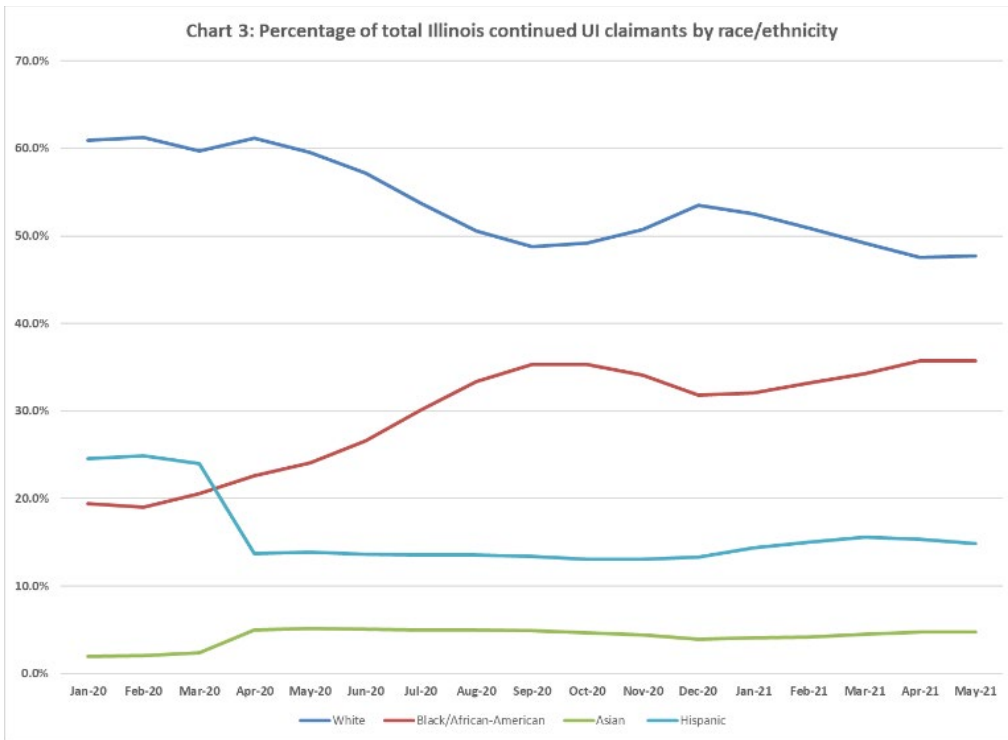
Gender

Immediately prior the pandemic (January-March 2020) men averaged about 70 percent of total continued claimants. However, beginning in April 2020, the percentage of female total continued claimants rose to about 50 percent and remained about equal to the percentage of male continued claimants through May 2021, only dropping slightly below 50 percent starting in October 2020. The percentage of regular program UI continued claimants who were men fell below 50 percent starting in April 2020 but rebounded to more than 60 percent by January and February 2021. But the PEUC and EB program or total extended benefits continued claimant data show that women continue hold a relatively large share of long-term unemployed, as compared to their experience before the pandemic. In October 2020, the percentage of PEUC and EB program continued claimants who were women rose to about 52 percent and remained in the 52 to 54 percent range through May 2021. In the PUA program, men represented a slight majority of continued claimants (ranging from 51 to 54 percent) throughout the pandemic.



Race/Ethnicity

Just prior the pandemic, about 61 percent of all continued claimants were white, 20 percent were Black or African American, 2 percent were Asian and about 25 percent were Hispanic. But starting in April 2020, the racial composition of the total UI continued claimant population shifted, with a larger percentage of the population comprised of racial minorities. The percentage of the total continued claimants who were white dropped steadily during the pandemic, falling to about 48 percent as of May 2021. In contrast, the percentage of total UI continued claimants who were Black rose steadily during the pandemic, reaching about 35 percent in September 2020 and maintaining that percentage through May 2021. The percentage of Asian continued claims also increased during the pandemic, reaching about five percent in April and holding at about that percentage as of May 2021. The percentage of continued claimants who were Hispanic declined during the pandemic falling below 20 percent in April 2020 and at about 15 percent as of May 2021. However, it should be noted that race and ethnicity categories are not mutually exclusive. Hispanic Origin is considered an ethnicity and not a race; Hispanics can be of any race, including white.

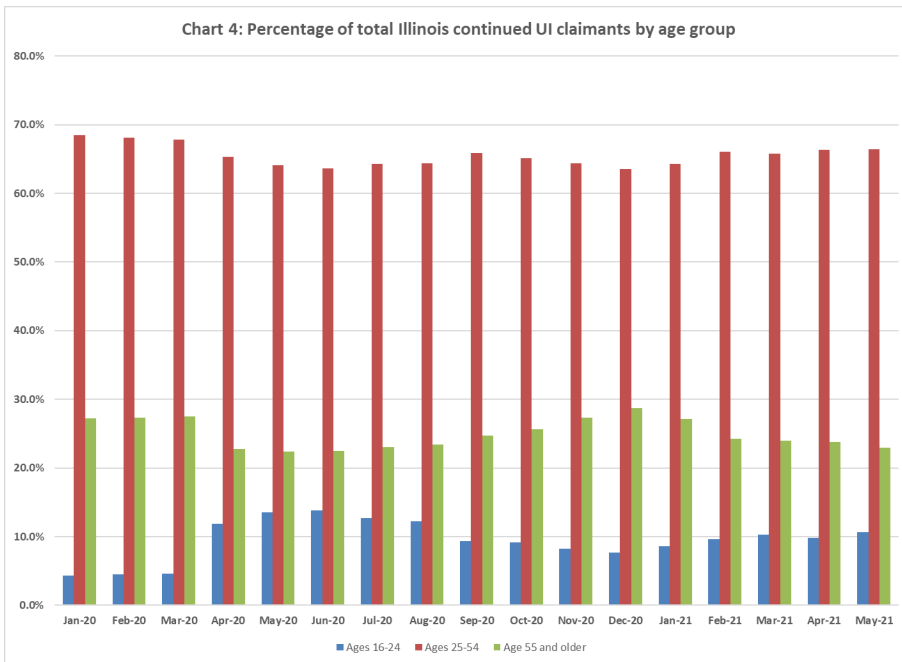


Age group

As was the case with gender and race/ethnicity, the age group composition of the continued claimant population in Illinois changed during the pandemic. In January-March 2020, about five percent of the total continued claimant population fell within the youth age group (ages 16-24). The prime working age group (ages 25-54) averaged about 68 percent of the continued claimant population and the older age group (ages 55 and older) about 27 percent. Beginning in April 2020, the share of the total continued claimant population in the youth age group more than doubled to 11 percent. Claimants in the prime working age group saw their numbers decline to about 60 percent and those in the older age group saw their percentage rise slightly to 29 percent in April 2020.

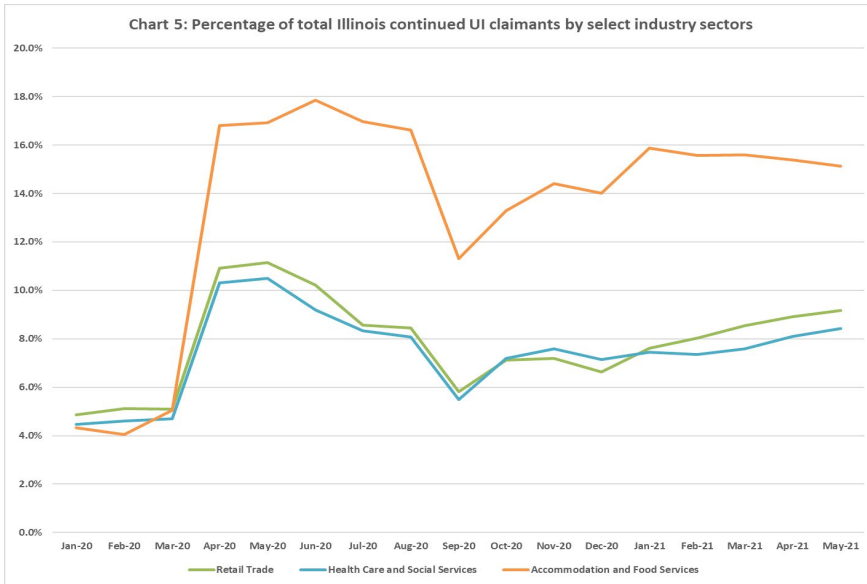
Throughout the pandemic, continued claimants in the youth age group never fell below nine percent of total continued claimants. The youth age group also saw their largest representation in the PUA program, peaking at nearly 14 percent of all PUA continued claimants in October 2020 and never falling below 10 percent.

The prime working age group saw their percentage of total continued claimants gradually climb during the pandemic and almost return to about pre-pandemic levels in May 2021, at about 66 percent. The percentage of the older age group among total continued claimants varied only slightly throughout most of the pandemic (ranging from 27-29 percent) and fell to about 24 percent as of May 2021.



Industry sector

The industry sectors which saw the largest increases in continued claimants during the pandemic included Accommodation and Food Services, Retail Trade and Health Care and Social Assistance. The percentage of total continued UI claimants who were employed in the Accommodation and Food Services sector rose from just under five percent in the three months just prior to pandemic and peaked at about 18 percent in June 2020. The percentage of Accommodation and Food Services claimants steadily declined after June 2020, falling to about 11 percent in September 2020 before increasing in October 2020 as larger numbers of continued claims exhausted regular program benefits and transitioned to the PEUC program. As of May 2021, about 15 percent of all continued claimants had been employed in Accommodation and Food Services sector.



The percentage of total continued claimants in Retail Trade sector doubled at the beginning of the pandemic, increasing from about five percent to eleven percent between March and April 2020. The percentage of total continued claimants in the Retail Trade sector remained in double-digits until August 2020 but then declined and fell to six percent in September 2020 before rising again in October 2020 as regular program benefits were exhausted and claimants moved to PEUC. As of May

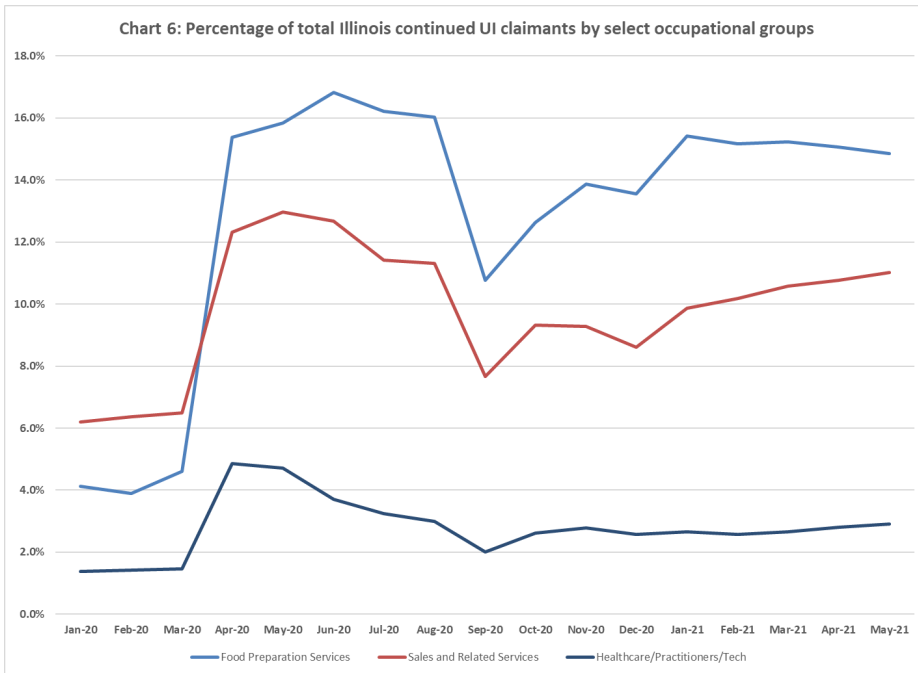
2021, nearly ten percent of all continued claimants had been employed in the Retail Trade sector.

Health Care and Social Assistance represented less than five percent of continued claimants in January-March 2020 but jumped to more than ten percent in April 2020. The percentage of claimants who were formerly employed in Health Care and Social Assistance sector gradually dropped, plateauing at about six percent in September 2020. The transition of many claimants to PEUC in October 2020 pushed the percentage slightly higher to about seven percent. As of May 2021, approximately eight percent of all continued claimants had been laid-off in the Health Care and Social Assistance sector.

Occupational group

We found that the occupational groups that reported the largest increases in percentages of total continued claimants during the pandemic were Food Preparation and Serving Related Occupations, Sales and Related Occupations and Health Care Practitioners and Technical Occupations. Before the pandemic, Food Preparation and Serving Related Occupations claimants averaged about four percent of total continued claimants but then rose sharply to 15-16 percent during April-June 2020, before dropping in September to roughly 11 percent. As of May 2021, the percentage of total continued claimants who had been employed in Food Preparation and Serving Related Occupations had returned to about 15 percent. The percentage of total continued claimants employed in Sales and Related Occupations nearly doubled between March and April 2020, up from slightly more than six percent to 12 percent. This percentage began to gradually fall throughout the remainder of 2020 before rising to about 11 percent as of May 2021. Claimants previously employed in Health Care Practitioners and Technical Occupations saw their percentage of total continued claims increase from less

than two percent before the pandemic to a high of about five percent in April and May 2020. As of May 2021, approximately three percent of total continued claimants had been employed in Health Care Practitioners and Technical Occupations.



Conclusion/Summary

The number of total continued claimants in Illinois had dropped by nearly fifty percent from their peak level in May 2020. However, the non-regular UI programs, set to expire in September 2021, including EB, PEUC, and PUA, comprised about 70 percent of total continued claimants as of May 2021.

The characteristics data obtained from continued UI claimant records show that the job losses in Illinois as a result of the COVID-19 business restrictions were disproportionately felt by women, African-Americans and younger workers, in relation to their pre-pandemic employment status. Not surprisingly, the Accommodation and Foods Services and Retail Trade sectors, both deemed non-essential industry sectors, saw the largest increases in continued claimants. Among occupational groups, Food Preparation and Serving Related

Occupations, Sales and Related Occupations saw the largest increases in continued claims within the Accommodation and Foods Services and Retail Trade sectors, respectively. The Health Care and Social Assistance sector, and the Health Care Practitioners and Technical Occupations also saw a relatively large share of continued claimants during the pandemic as hospitals and other medical providers laid-off their workers after elective and other non-emergency medical services were temporarily suspended. However, the percentage of health care related continued claimants decreased over time as medical providers resumed their services after pandemic restrictions were eased.