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Number of Workers Exhausting Unemployment Insurance Benefits Sets Record Level for a December

New data from the U.S. Department of Labor show that the number of workers exhausting their regular unemployment insurance benefits without qualifying for additional benefits was larger in December 2001 than in any other December on record. In recent months, the number of unemployed workers who have exhausted their regular unemployment insurance benefits has climbed sharply.

- In December 2001, some 300,000 workers exhausted their regular unemployment insurance benefits, an increase of 129,000 — or 75 percent — from the December 2000 level. (The approach followed here is to compare figures in the same months of the year; this is necessary since the Labor Department data on the number of workers exhausting benefits are not seasonally adjusted.) At the time that these workers exhausted their unemployment benefits in December, no state provided additional weeks of assistance.¹ These workers lost the income they had been receiving from unemployment insurance without having secured jobs.
- In no other December on record (with data back to 1973) did so many workers exhaust their regular benefits and not qualify for additional unemployment benefits. In Decembers of previous recessions, when the numbers of individuals exhausting their regular benefits reached levels roughly comparable to that reached in December 2001, temporary federal unemployment insurance programs were in place to provide additional weeks of assistance.² But with no such program currently in place, none of the workers who exhausted their regular unemployment benefits in December 2001 qualified for additional unemployment assistance under either the extended benefits program (which is a partially state-funded program) or a temporary federal program. The number of workers exhausting their regular unemployment benefits without qualifying for additional benefits consequently was higher in December 2001 than in any December in the previous four recessions.

¹ Exhaustees in Oregon and Washington who have not found jobs became eligible during the second week of January for additional weeks of benefits through the “extended benefits program,” which is partially state-funded. Exhaustees in most other states will remain ineligible for extended benefits, unless the unemployment rate in their state rises to substantially higher levels *and* their state legislature acts to liberalize state law regarding the level of unemployment that must be reached for extended benefits to be paid.

² The December in which the number of unemployed workers who exhausted their regular unemployment benefits reached its highest level was in 1982. The number of workers exhausting their regular benefits exceeded 400,000 in December 1982, a higher level than in December 2001. But most of those workers qualified for additional weeks of benefits under a temporary federal program that was then in place. As a result, the number of workers exhausting benefits without securing any additional benefits was higher in December 2001 than in December 1982.

- In the fourth quarter of 2001, nearly 860,000 unemployed workers exhausted their regular unemployment benefits. None of them qualified for additional unemployment aid.
- The number of workers exhausting their unemployment benefits has climbed sharply in recent months. The number of exhaustees was 19 percent greater in the second calendar quarter of 2001 than in the second quarter of 2000. In the third quarter of 2000, the number of exhaustees was 42 percent greater than in the third quarter of 2000. The number of exhaustees was 70 percent greater in the fourth quarter of 2001 than in the fourth quarter of 2000.

A portion of the increase in the number of workers exhausting their unemployment benefits, as compared to the number that exhausted benefits in previous recessions, reflects an increase in the number of workers in the labor force. Yet even after this factor is taken into account, the number of exhaustees in December 2001 remains strikingly high. Measured as a share of the labor force, the percentage of workers who exhausted their regular benefits and did not qualify for additional benefits was higher in December 2001 than in any other December on record, with the sole exception of December 1981, a month in which the unemployment rate stood at 8.5 percent. The number of workers who exhausted their regular unemployment benefits but did not qualify for additional benefits was 246,000 in December 1981; this was less than the 300,000 workers who exhausted benefits in December 2001. Measured as a share of the labor force, however, the percentage of workers exhausting benefits in December 1981 without qualifying for additional benefits was marginally higher than the percentage that exhausted benefits in December 2001.

Since December 2001, as unemployment has continued to rise, two states — Oregon and Washington — have reached their state “triggers” for providing “extended unemployment benefits.” Starting on January 6, 2002, these states provide an additional 13 weeks of benefits to workers whose regular unemployment insurance benefits have run out. Oregon and Washington are among a small number of states that have adopted criteria for the provision of extended unemployment benefits that are less restrictive than the criteria other states use. In most states, unemployment is unlikely to reach the state’s trigger for providing extended benefits in the months ahead even if the unemployment rate continues to rise.

State-by-state Comparisons

As the table on the next page indicates, the change between the fourth quarter of 2000 and the fourth quarter of 2001 in the number of workers exhausting their unemployment benefits varies across states, but the number of exhaustees has risen sharply in most states.

- In seven states — Colorado, Georgia, Maine, Missouri, North Carolina, Ohio, and South Carolina — the number of workers exhausting benefits more than doubled from the fourth quarter of 2000 to the fourth quarter of 2001.

- In nearly three-quarters of the states, the number of workers exhausting benefits in the fourth quarter of 2001 was at least 50 percent greater than the number exhausting benefits in the fourth quarter of 2000.
- In California alone, 132,000 workers exhausted their unemployment benefits in the last three months of 2001, an increase of 58 percent over the number exhausting benefits in the last three months of 2000. In Texas, 69,000 workers exhausted their benefits in the last quarter of 2001, an increase of 78 percent.

**Number of Workers Who Exhausted
Regular Unemployment Insurance Benefits, by State
Fourth Quarter 2000 and 2001**

	4th Quarter 2000	4th Quarter 2001	Change	Percent Change
Alabama	7,069	9,910	2,841	40%
Alaska	3,851	4,094	243	6%
Arizona	5,146	9,172	4,026	78%
Arkansas	5,386	8,354	2,968	55%
California	83,726	131,992	48,266	58%
Colorado	4,871	10,996	6,125	126%
Connecticut	5,917	10,247	4,330	73%
DC	1,795	2,324	529	29%
Delaware	1,390	1,674	284	20%
Florida	24,538	36,509	11,971	49%
Georgia	10,365	24,470	14,105	136%
Hawaii	1,540	2,165	625	41%
Idaho	2,264	3,622	1,358	60%
Illinois	22,521	42,299	19,778	88%
Indiana	8,982	16,543	7,561	84%
Iowa	3,967	5,596	1,629	41%
Kansas	4,223	4,955	732	17%
Kentucky	4,507	8,291	3,784	84%
Louisiana	6,042	6,899	857	14%
Maine	1,480	3,513	2,033	137%
Maryland	5,885	8,914	3,029	51%
Massachusetts	12,098	23,400	11,302	93%
Michigan	17,967	34,054	16,087	90%
Minnesota	6,773	12,206	5,433	80%
Mississippi	4,195	6,610	2,415	58%
Missouri	6,467	14,093	7,626	118%
Montana	1,550	1,932	382	25%
Nebraska	2,045	3,213	1,168	57%
Nevada	4,958	7,742	2,784	56%
New Hampshire	n/a	n/a	n/a	n/a
New Jersey	25,468	39,497	14,029	55%
New Mexico	1,864	2,813	949	51%
New York	42,746	73,241	30,495	71%
North Carolina	10,099	24,496	14,397	143%
North Dakota	914	882	(32)	-4%
Ohio	11,947	24,416	12,469	104%
Oklahoma	2,904	4,865	1,961	68%
Oregon	8,304	16,261	7,957	96%
Pennsylvania	23,929	39,067	15,138	63%
Puerto Rico	13,010	16,149	3,139	24%
Rhode Island	2,825	3,880	1,055	37%
South Carolina	6,021	12,633	6,612	110%
South Dakota	175	333	158	90%
Tennessee	12,383	18,961	6,578	53%
Texas	38,570	68,804	30,234	78%
Utah	2,833	4,560	1,727	61%
Vermont	580	994	414	71%
Virginia	4,644	9,045	4,401	95%
Washington	12,700	21,657	8,957	71%
West Virginia	1,894	2,358	464	24%
Wisconsin	9,155	15,637	6,482	71%
Wyoming	506	492	(14)	-3%
U.S. Total	504,989	856,830	351,841	70%

Note: Data for New Hampshire are not comparable to other states because New Hampshire uses a uniform benefit year.