



Percentage of workers qualifying for unemployment insurance

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Percentage of unemployed workers in Washington getting unemployment benefits dropped from 45% in 2001 to 36% in 2008

Reasons for the decline examined by researchers

Reciency rate increases during recession

The percentage of unemployed workers who collect benefits is called the *reciency rate*. In 2001, the average rate in the United States was 45 percent; Washington's rate was 49 percent, which was 15th highest in the nation.

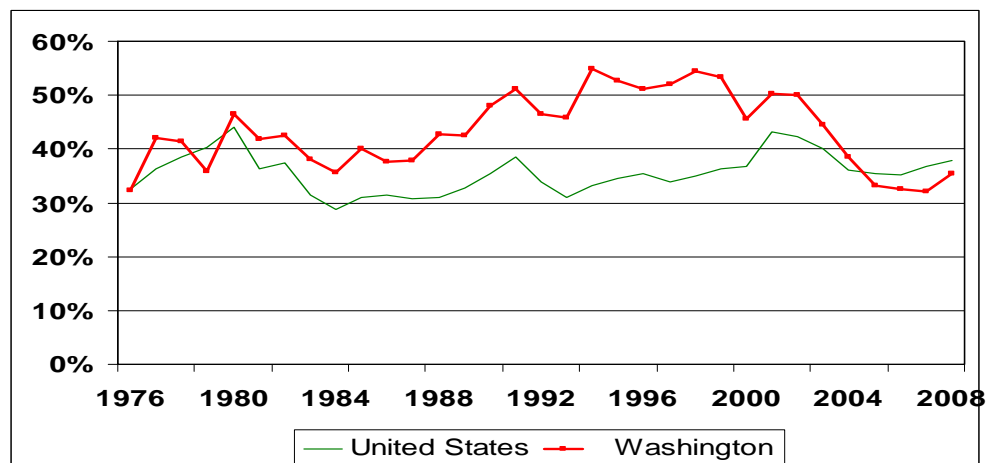
Since 2001, the reciency rate has declined in Washington and across the nation. In 2008, the average reciency rate across the United States was 37 percent, while Washington had dropped to 36 percent – 22nd in the nation.

The unemployment-insurance system is designed to help both individuals and the economy. When people lose their jobs, unemployment benefits help them pay bills while they look for work. In turn, this helps local economies through hard times because unemployed residents still have an income and can spend money in their communities. When the reciency rate drops, people do not get the benefits they need and local economies suffer.

In 2006, the department contracted with Dr. Wayne Vroman of The Urban Institute and with Dr. Robert Chase of Chase Economics to examine Washington's reciency rate. Following is a summary of their conclusions, updated with current information as of March 2009. The complete reports are available online at www.studies.go2ui.com.

Reciency rate in Washington

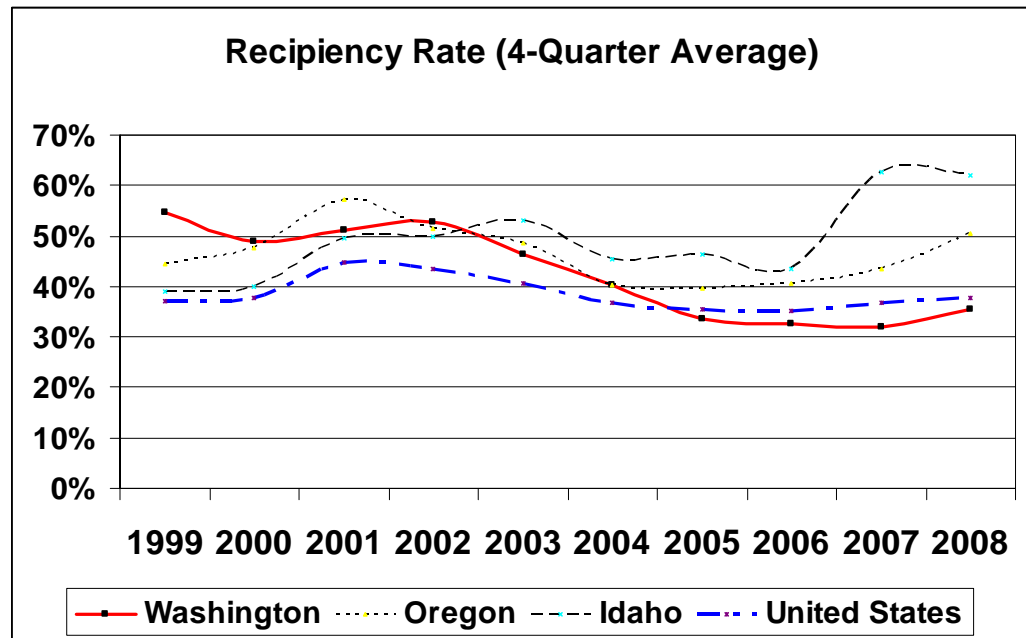
- Beginning in 2005, Washington's reciency rate has been lower than the national average for the first time in 25 years.



- The reciency rate fluctuates with the economy. It is higher during a recession and lower during the recovery period. This is because a higher percentage of people laid-off during a recession are more likely to qualify for benefits.

Beginning in 2003, reciprocity rate in Washington declined faster than U.S.

- Beginning in 2003, Washington's rate declined more dramatically than other Northwest states and the nation. Since 2006, the reciprocity rate began to climb gradually as the 2008 recession approached.



Declines in Washington since 2003

Dr. Vroman and Dr. Chase agree that the reciprocity rate is highly related to the economy, but note that the decline in Washington's rate cannot be attributed to the economy alone. They cite recent changes in law and policy as a factor in the decline:

- Increased focus on making sure that people were able to work and actively seeking work while they collected benefits led to more denials and may have deterred some people from filing for benefits.
- People who voluntarily quit their jobs and those who were fired for misconduct were less likely to receive benefits under the new laws, so fewer people received benefits.

Dr. Vroman estimates that these two factors, which are "not part of some broader nationwide trend," explain about 10 percent of the decline in reciprocity. He further estimates that five times more people were denied benefits for not meeting the stricter work-search laws than for voluntary quits or misconduct.

Legal requirements and accountability measures also affect reciprocity rate in Washington

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