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Community Development and Engagement

WORKING PAPER

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January 2026

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Keywords: Unemployment Insurance, Public Finance, Social Safety Net

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minneapolisfed.org/community-development-and-engagement/working-papers

Understanding Eligibility and Take-Up in State Unemployment Insurance Programs

Juliet Cramer and Ryan Nunn[1]

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Abstract

Unemployment insurance is the primary policy tool in the United States for addressing and accommodating labor market disruption, but it reaches only a minority of the unemployed. The choices that state policymakers make (within the constraints of the federal-state system) about explicit eligibility rules and implicit access barriers have implications for how many and which workers take up UI. The primary aims of this paper are, first, to illuminate the roles of state benefit duration caps and unemployment composition in determining UI eligibility, and second, to examine factors that limit take-up by eligible workers. We find that declining state duration caps and the rising share of long-term unemployment have both meaningfully reduced aggregate eligibility. Within the population of eligible workers, we find suggestive evidence for a variety of factors including administrative burdens faced by applicants.

Introduction

The labor market is characterized by constant churn: workers leave jobs and take new ones at rates far above the net change in employment. Churn serves an essential economic purpose: by linking available workers to employers, the market makes economic production possible. These linkages are not random, of course. Workers vary greatly in their abilities and preferences, while employers vary greatly in their needs and the opportunities they offer. Because all of these factors shift over time, a well-functioning labor market must sometimes break old linkages and create new ones to achieve highly productive matches.

Unfortunately, the churn that is so vital for productivity and long-run economic growth can be very costly for workers.[2] In 2024 the average unemployment duration of unemployed workers was 21.6 weeks. This amounts to considerable lost wages in the short run, magnified by longer-run losses that are sometimes even larger because laid-off workers suffer persistently lower employment rates and wages (Jacobson, LaLonde, and Sullivan 1993; Couch and Placzek 2010).

[1] The views expressed in this paper are the authors' and not necessarily those of anyone else at the Federal Reserve Bank of Minneapolis or the Federal Reserve System.

[2] Employers also face costs from turnover. Whenever a valuable worker quits, the employer incurs separation and rehiring costs, including the expense of recruitment but also the opportunity cost of the missing employee's output. However, large employers may be able to forecast and manage these costs, building them into their business plans and (in the short run) shifting work across employees. By contrast, a single worker who is laid off will typically have much less scope for adjustment. Unless she has substantial savings, lost wages during a new job search will generally require painful spending reduction. The same labor market frictions that engender employer costs from turnover will also slow the worker's timeline for finding a new job, drawing out the period of reduced income and consumption.

In the United States, the answer to this problem has historically been unemployment insurance (UI). There is much to say—outside the scope of this paper—about the advantages and disadvantages of this approach, as well as the optimal configuration of UI. For our purposes it is sufficient to note that UI largely accommodates labor market churn, focusing on consumption smoothing for affected workers rather than preventing reallocation.[3] UI-eligible workers can apply for benefits that replace a portion of their lost wages (typically between 35% and 55%), up to a maximum duration (often 26 weeks or less), while they search for new employment.

Because of wide differences in the accessibility of state UI programs, relatively few workers receive it. Not all unemployed workers are eligible, but even among those who are, take-up is far from universal. To make matters more complicated, the data and metrics available to make precise statements about these patterns are incomplete and often confusing.

The rest of this paper is an examination of these issues that attempts to clarify them, to the extent possible, using existing data. We demonstrate that non-layoff reasons for unemployment and extended duration of unemployment spell are both important contributors to ineligibility. Over the last two decades, declining benefit duration caps and the rising share of long-term unemployment have both meaningfully reduced aggregate eligibility.

Within the population of eligible workers, we find suggestive evidence for a variety of factors that lower take-up. From surveys of potential claimants, those who believe they are eligible often reported the following as reasons: an anticipated short duration of unemployment spell, a negative view of the program, excessive “hassle” of applying and maintaining eligibility, and lack of information about the program or how to file. Focus groups with recently unemployed workers highlight many of the same factors, further identifying lack of trust as an impediment.

The first section describes the landscape of UI recipiency and eligibility, focusing on how both have varied across states and across time. This section discusses eligibility criteria and introduces eligibility estimates. The second section investigates how eligibility has changed in response to changing policy and shifting labor force composition. The third section considers factors that lead to limited take-up even among eligible workers. Throughout, we build on recent analysis by researchers at the Federal Reserve Bank of Minneapolis (Narayan 2025; Narayan and Nunn 2025; Hogan and Jubara 2025) as well as Nunn and Ratner (2019).

[3] One exception to this statement can be found in the design of experience-rated UI taxes, levied on employers to fund UI benefits. Experience-rated taxes discourage labor market churn (Ratner 2013; Johnston 2021) by charging some employers more when they lay off more of their employees.

The landscape of UI recipiency and eligibility

Within federal guidelines, unemployment benefits are paid out by states according to rules that states determine—and that vary in many ways, big and small—but the rules have some core features that hold true across the country. First, eligibility is generally limited to those who are fired without cause. Some states maintain exceptions to this, but as a general matter workers who quit or who are fired *with* cause will not be eligible for UI. Second, workers must have earned enough during a recent "base period" to satisfy so-called monetary eligibility requirements (DOL 2023a). Third, recipients must adhere to work search requirements until they reach a maximum number of UI benefit weeks, at which point their benefits eligibility will end (DOL 2023b). Within this group of unemployed workers deemed eligible by their respective states, only a fraction actually apply for benefits and become recipients.

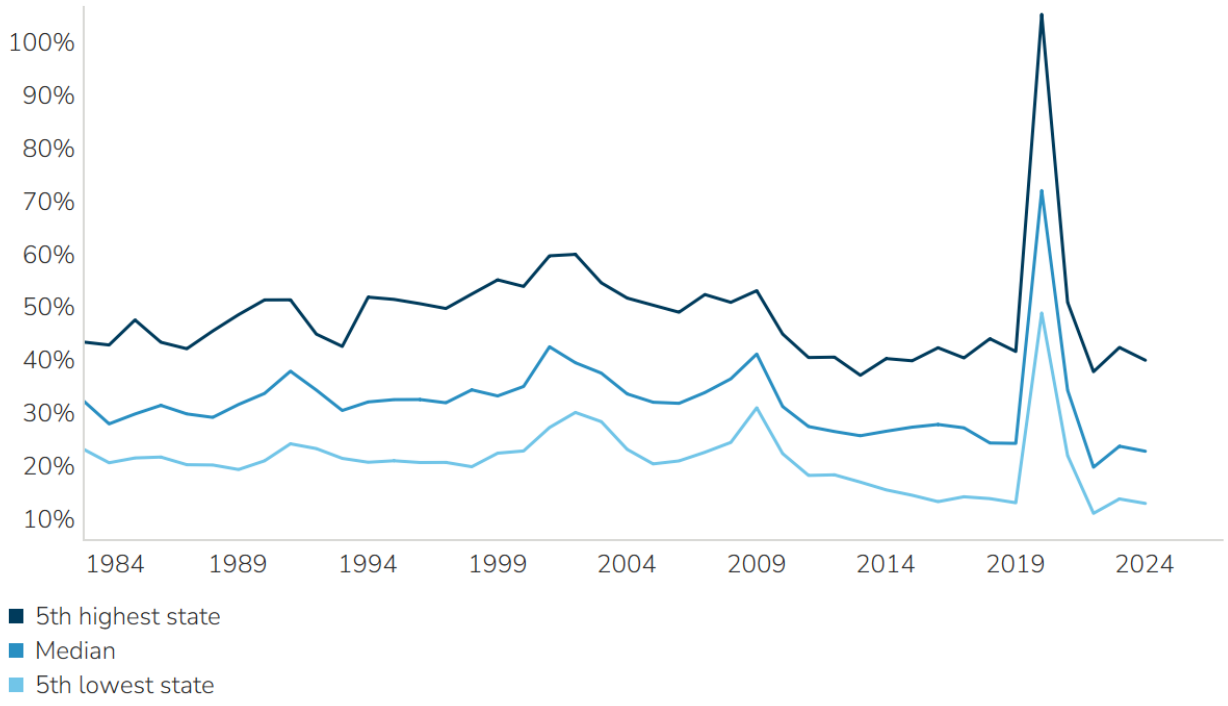
How does UI recipiency vary across the country and over time?

The U.S. Department of Labor regularly publishes data about state and federal UI programs, including the number of recipients at any given time. These administrative data can be broken out by state and, to some extent, by demographic variables. However, to meaningfully address questions about how well UI reaches its target population or the unemployed generally, one must combine recipiency data with survey-based estimates for those two groups.

The official recipiency rate is a standard attempt to do so. Its calculation is simple: the numerator is the number of insured unemployed (i.e., continued claimants in administrative UI data) and the survey-based denominator is the number of unemployed workers. While this measure has important limitations, it is useful as a starting point for understanding how UI receipt varies.

The first thing to observe about UI is that recipiency tended to rise from 1979 through 1999, followed by a decline through the present day. (The COVID-19 pandemic marked a dramatic but short-lived departure from this trend, with temporary policies massively increasing recipiency for a time.) Figure 1 shows how the distribution of recipiency rate has shifted from 1979 through 2024. The 5th-lowest state in any given year had a recipiency rate that fluctuated between 20 and 30% from the 1980s through 2009, falling to 13% in 2024. Similarly, the median state's recipiency fluctuated in the 30-40% range from the 1980s through 2009 before falling to 23% in 2024. The 5th-highest state in any given year had a more pronounced upward trend from the 1980s through early 2000s, rising from just above 40% to 60% in the early 2000s, falling subsequently to 40% in 2024. (In every case, the Pandemic Recession was marked by a very large increase in recipiency that quickly normalized.)

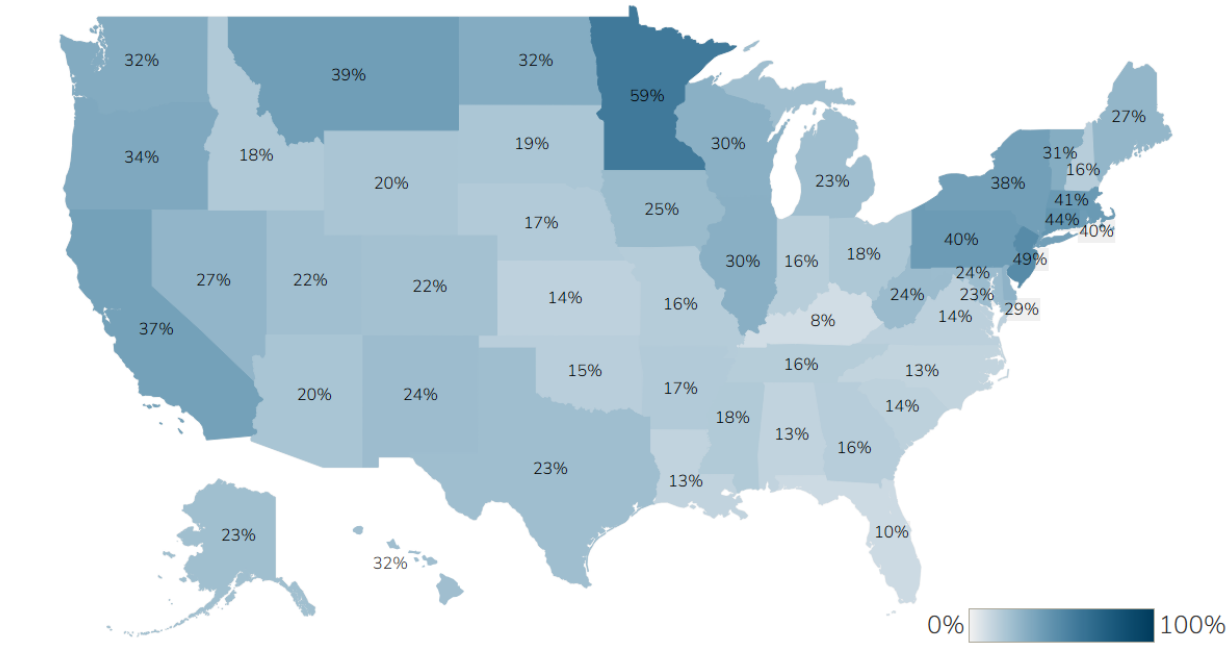
Figure 1. Recipiency rate distribution by state, 1983-2024



Source: U.S. Department of Labor 1983-2024 and authors' calculations.

The variation across states evident in figure 1 is not distributed at random through the country, but tends to cluster by region, as shown in figure 2. As of 2024, states in the southeast and parts of the West had the lowest recipiency rates, while states in the Northeast, upper Midwest, and West coast had the highest rates.

Figure 2. State recipiency rates in 2024



Source: U.S. Department of Labor 2024.

Why are recipiency rates well below 100%?

The recipiency rate is a good answer to certain questions. For example, one might want to know how many of those seeking work are able to smooth their consumption with UI. Or relatedly, one might want to know how many unemployed workers are experiencing a disemployment effect of UI.

However, the recipiency rate is not the right answer to all questions about UI, including questions about access. It has flaws as an indication of whether state UI programs are reaching their target populations. The first issue is that the numerator is drawn from administrative data while the denominator is drawn from worker survey data. Any given UI recipient may or may not answer the Current Population Survey (CPS) in such a way as to be considered “unemployed”. The CPS has a very specific roster of questions about availability for work and active search, both of which are required to count as unemployed in the survey. Because these are typically requirements of state UI programs, one might expect to find few UI recipients who are not counted as unemployed in the CPS. However, state programs vary in exactly how they implement requirements about search and availability for work.

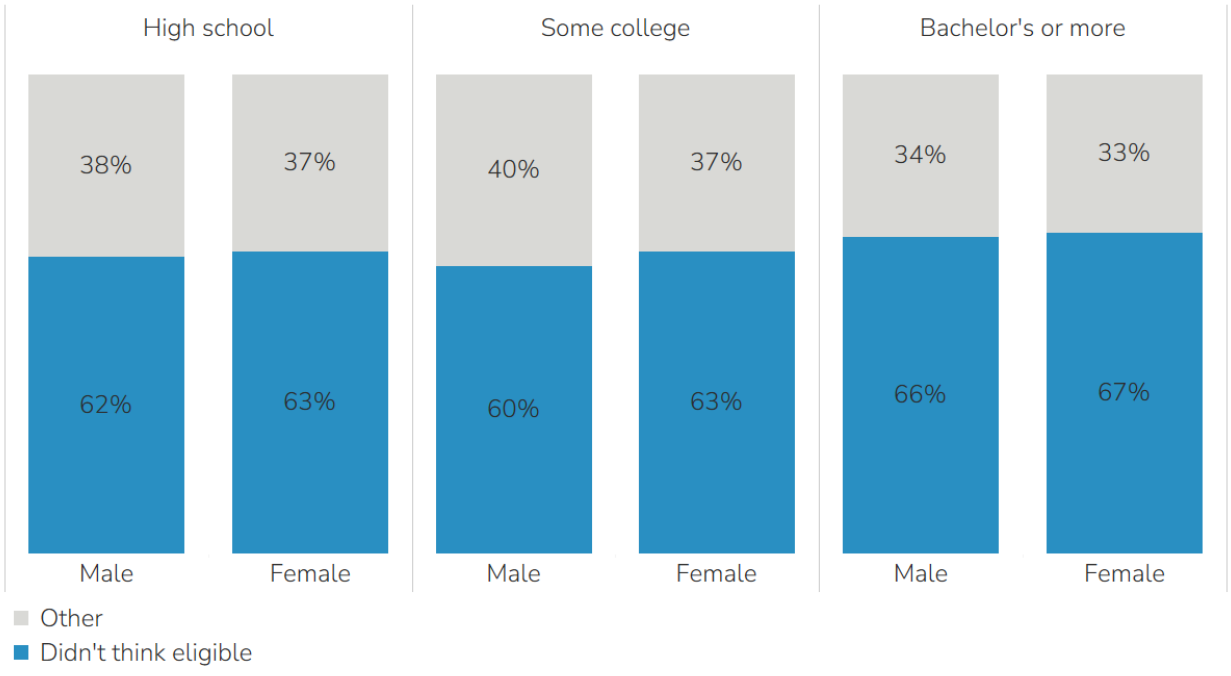
The second issue—almost certainly a larger one—is that states have never treated *all* unemployed workers as eligible for UI. For example, workers who quit their jobs are generally not eligible, though they are counted as unemployed in the Current Population Survey and included in the denominator of the official recipiency rate. Similarly, workers with insufficient prior earnings are ineligible. As such, the recipiency rate is not a measure of program take-up.

Indeed, ineligibility is by far the most commonly cited reason that workers give for not applying for UI. Figure 3 draws on CPS supplements from 2018 and 2022 to show that, out of all

nonemployed workers who had worked in the prior year but *didn't* apply for UI, roughly two thirds believed themselves to be ineligible. This belief could be correct or incorrect, of course, and the survey data do not permit us to explore this further.

The pattern of perceived eligibility is relatively consistent by gender and education, as shown in the figure. (Note that the surveyed group in the figure is distinct from the unemployed, who make up the denominator of the recipiency rate.)

Figure 3. Reason for not applying for UI benefits, by demographic group



Source: Current Population Survey 2018 and 2022 via Narayan (2025).

What are the limits on eligibility for unemployed workers?

Eligibility for UI is defined by state-specific rules that exist within limits established by federal law. Broadly speaking, rules fall into one of two categories: monetary and non-monetary criteria. As the names suggest, monetary criteria pertain to a worker's earnings history, while non-monetary criteria have to do with the nature of the employment separation and the conduct of the worker during a period of benefits receipt. The details of both are complicated and variable, but some common themes running through all or almost all the states.

In general, a successful UI applicant must have earned wages that exceed a minimum threshold during a so-called base period. Take Minnesota, for example. To qualify, a worker must have earned at least 5.3% of the state's annual average wage during the base period, which amounted to $3,500 in 2023. (In Minnesota, the regular base period is the most recent four quarters.)[4] Other states make their minimum thresholds a function of the weekly benefit amount to which they would be entitled and/or of the highest quarter of wages earned in the base

[4] If a claim is filed in the month immediately following the fourth quarter, then the base period starts one quarter earlier.

period. The U.S. Department of Labor publishes detailed annual descriptions of how these rules vary across states (DOL 2023a; 2023b).

UI recipients must also fit within certain *non*-monetary eligibility criteria, which also vary state by state. Key criteria concern the following:

1. reason for unemployment,
2. active labor market search and availability for work, and
3. duration of UI benefits receipt.

Each of these eligibility factors can be complicated. Some apply to the initial application (e.g., reason for unemployment) and some apply to continued receipt (e.g., duration of benefits).

To a rough approximation, workers are only UI-eligible if they have been laid off (i.e., fired without case) or fall into certain special situations, like having experienced workplace harassment or caregiving responsibilities due to a family illness (#1). There is sometimes ambiguity as to whether a given worker has been fired with or without cause, and employers can dispute a UI applicant's characterization of the separation. (See Cohen and Schnorr [2024] for discussion of this margin.)

Once approved for UI, recipients must search for new work and be willing to take a new job that meets specified conditions, including offering sufficient wages (#2). UI benefits can be exhausted if a recipient receives them for the state's allotted maximum number of weeks (#3).[5]

Unfortunately, only some of these situations can be observed in available data. Consider wage records from administrative data held by states. These records do contain information about previous earnings (and in some states, hours), as well as spells of nonemployment, for UI recipients and non-recipients alike. In other words, they clearly specify whether a given worker satisfies monetary eligibility requirements. But they do not distinguish nonparticipation from unemployment, nor do they make clear the reason for loss of employment—all of which are relevant to UI eligibility. Both of these factors are quantitatively important, in the sense that many nonemployed workers are not actively searching and available for work, and many unemployed workers did not begin their unemployment spell with a layoff.

In 2024, 93.7% of the nonemployed were labor force nonparticipants, i.e., individuals without a job who were not actively searching and ready for work. Of the remaining 6.3%, only 2.4 percentage points of the nonemployed were workers whose unemployment spell began with a layoff. Consequently, administrative data cannot realistically identify this small portion of workers who are eligible for UI under its typical non-monetary criteria.

By contrast, worker survey data can shed light on non-monetary eligibility: the CPS specifies whether a nonemployed worker is searching and available for work, her reason for unemployment, and the duration of an unemployment spell (itself a rough proxy for weeks of UI benefits received). The chief limitation of the Current Population Survey for the purpose of assessing eligibility is that it has limited ability to illuminate the earnings history that matters for monetary eligibility.

[5] Making matters more complicated, some states make the maximum number of weeks a function of the claimant's wages earned during the base period. Claimants with lower levels of earnings are sometimes entitled to a shorter duration of benefits.

How have eligibility and recipiency varied over time and across states?

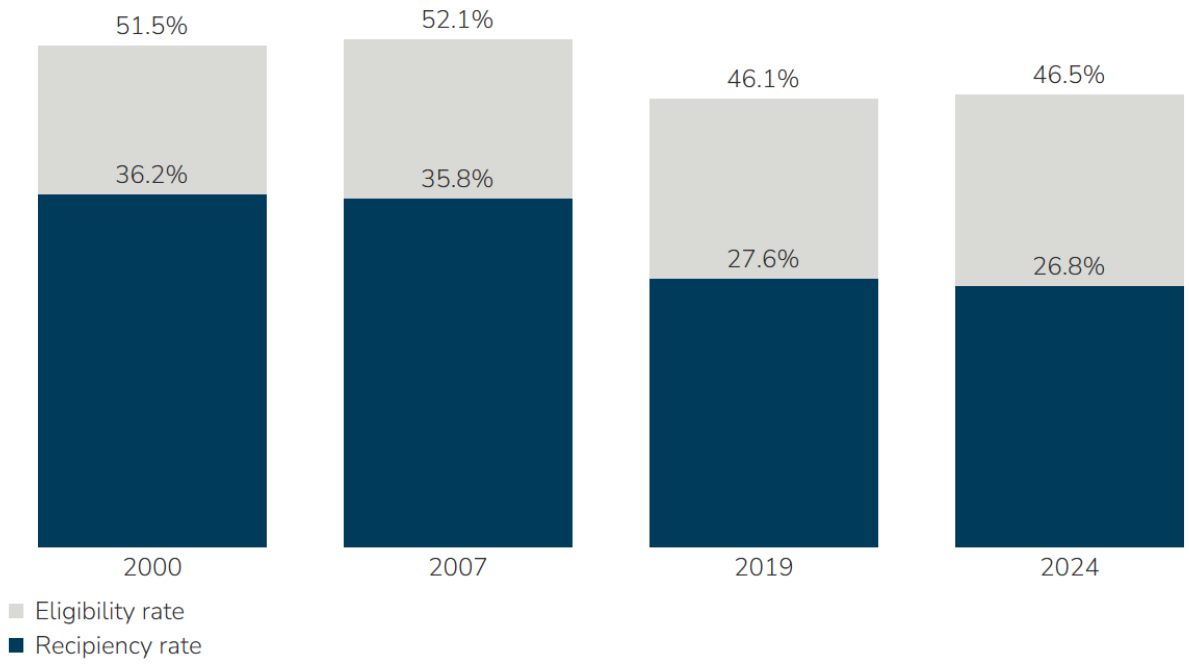
Key non-monetary eligibility criteria—active search/availability, unemployment reason, and unemployment duration—are quantitatively important and can be the basis for a rough determination of worker-level eligibility in CPS microdata.[6] First, we compare each worker's unemployment duration to the maximum durations allowed by that worker's state in the given year. Second, we compare a worker's reason for unemployment to the standard requirements of UI non-monetary eligibility. Workers who began their unemployment spell with a layoff are deemed eligible. Labor force re-entrants are a difficult case because many of them report unemployment durations of more than a month, despite having been categorized as a labor force nonparticipant in the previous month. We assume that unemployed re-entrants with durations between 5 weeks and the state's maximum are eligible for UI. This is likely an overestimate to the extent that such individuals had originally quit their jobs rather than being laid off.

Using this approach, we show average eligibility rates for 2000, 2007, 2019, and 2024 in figure 4 below. These years were chosen for their roughly equivalent macroeconomic conditions: 2000, 2007, and 2019 were all "peak" years immediately preceding a recession. (Data on unemployment duration were not available prior to the 1994 redesign of the CPS.) This figure also displays *recipiency* rates for the same years. The first (top of the bar) is the presumptive eligibility rate using our approach. The second is the recipiency rate (bottom portion of the bar).

Eligibility has declined by roughly 6 percentage points since 2007, while recipiency has fallen by about 9 percentage points over the same time frame. On its face, this suggests that declining eligibility has a role (though not an exclusive one) in recipiency rate decline.

[6] See Nunn and Ratner (2019) for a similar approach to assessing eligibility.

Figure 4. Eligibility and recipiency rates in selected years

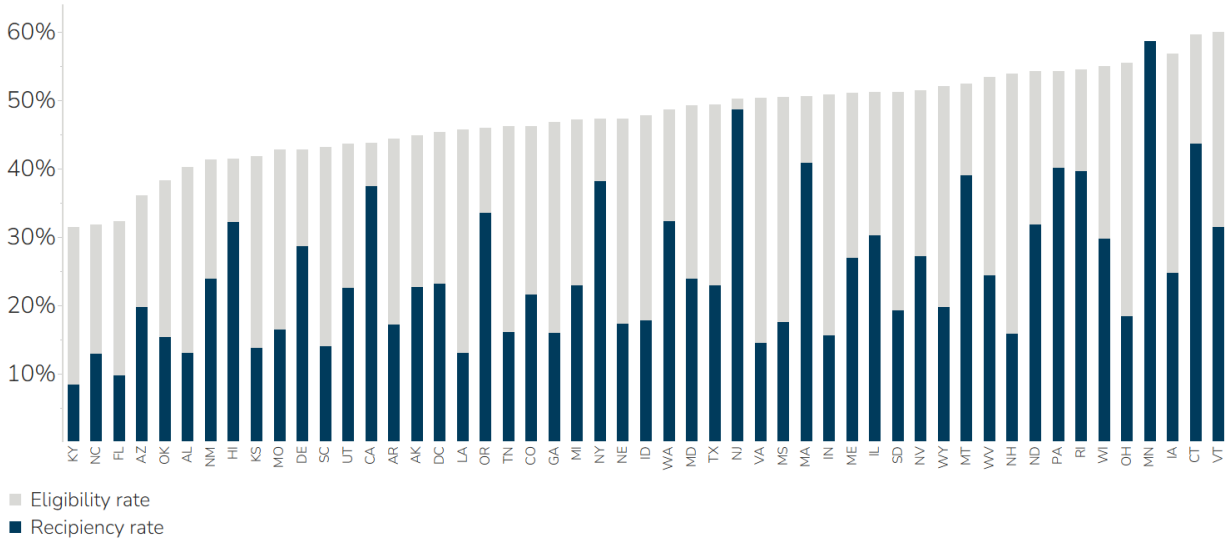


Note: "Eligibility rate" is calculated by the authors as described in the text.
Source: U.S. Department of Labor 2000–2024; Current Population Survey 2000–2024; and authors' calculations.

Having used our estimate of UI eligibility to better understand how the UI system has changed over time, we can now use it to give a rough sense of a) how eligibility varies across states and b) how this pattern contrasts with state variation in recipiency rate. Note that differences in eligibility can be for policy reasons (some states allow more weeks of benefits) or economic reasons (some states have more short-term unemployment and/or a larger share of layoffs among their unemployed). Later in the paper, we will attempt to disentangle these factors.

Figure 5 shows how published recipiency and our estimated eligibility rates line up at the state level in 2024. From left to right, states are in ascending order of their eligibility rates. It is apparent that recipiency rates tend to rise with eligibility, but the association is far from perfect. In a linear regression of state recipiency rate on state eligibility rate, only slightly more than one quarter of the variation in recipiency can be accounted for.

Figure 5. Eligibility and recipiency rates in 2024, by state



Note: "Eligibility rate" is calculated by the authors as described in the text.
Source: U.S. Department of Labor 2024; Current Population Survey 2024; and authors' calculations.

This is very likely a lower bound on the share of variation that is explainable in terms of eligibility variation. Most importantly, our eligibility measure does not embody any information about monetary eligibility; some states might have stricter earnings requirements and/or unemployed populations with earnings that are low relative to those requirements, such that those states have lower eligibility rates than we estimate.

However, other research suggests it is unlikely that variation in monetary eligibility can fully account for state differences in eligibility (Kuka and Stuart 2021; Forsythe and Yang 2021; Wandner 2023). That is not to imply that monetary eligibility rules are uniform across states, however. As detailed by Birini, See, and Gerlach (2025), key aspects of these rules are widely varying. As they note, "In 2023, Hawaii required only $130 in base period wages, while Arizona required $8,103; the median value was $2,500…"

More generally, our approach to estimating eligibility necessarily omits some factors that would drive eligibility lower, but also some factors that could increase it. For example, the exclusion of monetary criteria is likely to bias upwards our estimated eligibility rate, inappropriately designating some of the laid-off unemployed (those with minimal previous earnings) as eligible for UI. On the other hand, subtler issues of misalignment between worker surveys and state UI determinations could work in either direction. For example, a given worker could satisfy state UI requirements, while not being categorized in the CPS as eligible, if she was inappropriately miscoded as not being available for new work or appropriately coded as unavailable (but within a UI-allowed reason). The CPS battery of questions that determine unemployment status is exacting, in the sense that a worker must answer all of the questions in ways that correspond with the BLS unemployment definition.

Drivers of declining UI eligibility

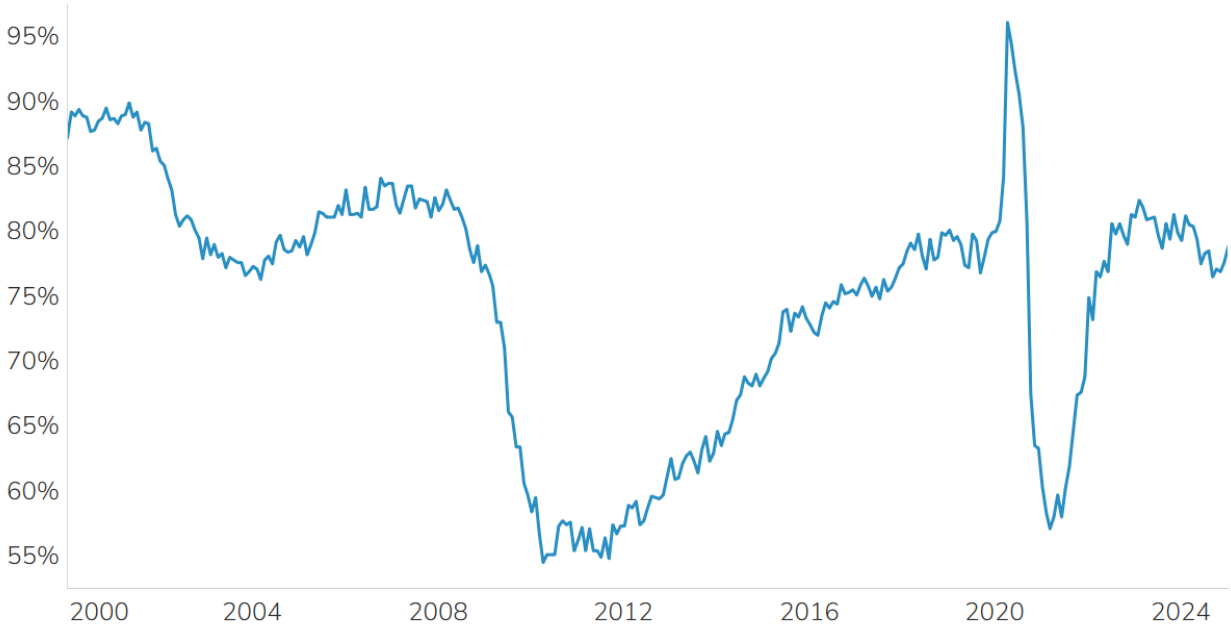
Eligibility and recipiency rates have both declined substantially in recent decades. Though many other factors matter as well, eligibility is a key determinant of recipiency, and this section explores the drivers of falling eligibility.

Policy changes or labor force composition?

By construction, shifts in our estimated eligibility rate reflect changes in three types of factors: changes in public policy (e.g., the maximum number of benefit weeks) and shifts in labor force composition (e.g., the share of unemployed who were laid off and who remain short-term unemployed). Some states have recently reduced the maximum number of benefit weeks available to UI recipients, as discussed later in this section. But it is useful to disentangle the role of this type of policy shift from how the labor force is evolving. For instance, if unemployment has tended to become longer-term—i.e., relatively fewer short spells of unemployment—this will reduce aggregate eligibility (and consequently recipiency) even in the absence of any policy changes.

Indeed, the share of short-term (26 weeks or less) unemployment in the United States has tended to decline since 2000. Figure 6 shows that this share has fallen by about 12 percentage points.

Figure 6. Short-term unemployment as a share of total unemployment, 2000-2024

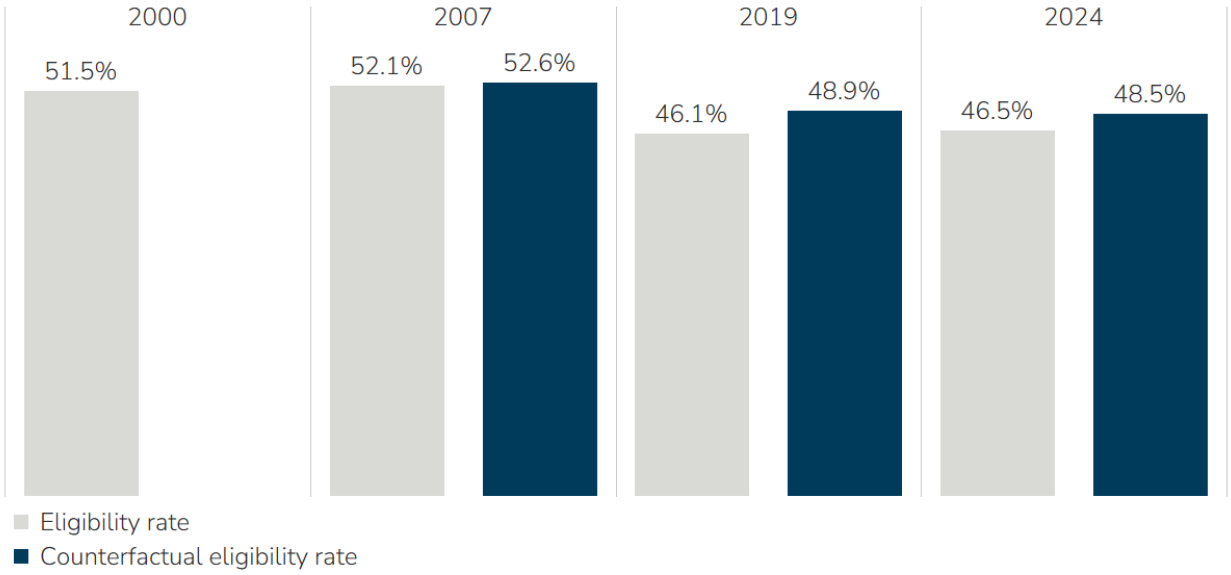


Note: Short-term unemployment consists of all unemployed with durations at or below 26 weeks.
Source: Current Population Survey 2000-2024 and authors' calculations.

The share of workers whose unemployment spell began with a layoff has also shifted. Since 2000, that share has risen about 3 percentage points, driving eligibility upwards and partially offsetting the decline in short-term unemployment share.

What does this all mean for UI eligibility? One way to understand its role is to hold constant the distributions of both unemployment duration and layoff status. Figure 7 below shows the results of reweighting the 2024 CPS sample of unemployed workers to have the same distributions of those variables that prevailed in 2000. (We implement a DiNardo, Fortin, and Lemieux reweighting.) Shifting composition can account for 2.4 percentage points of the roughly 9 percentage point eligibility decline from 2000 to 2024. In the counterfactual that holds labor force composition fixed at its 2000 levels, eligibility falls only to 48.9% of unemployment, by contrast to its actual 2024 rate of 46.5%.

Figure 7. UI eligibility rate and counterfactual eligibility rate with 2000-era labor force composition, selected years

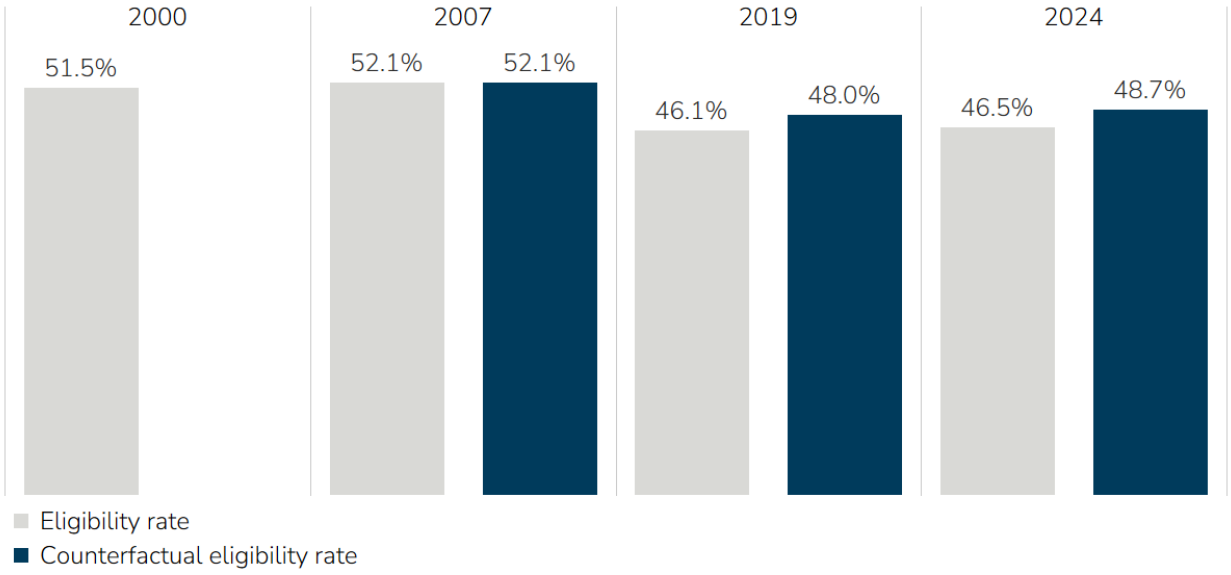


Note: "Eligibility rate" is calculated by the authors as described in the text. Counterfactual eligibility rates are constructed using DiNardo, Fortin, and Lemieux reweighting on duration of unemployment, layoff status, and an interaction of the two variables.
Source: Current Population Survey 2000-2024 and authors' calculations.

A similar exercise can be undertaken to understand the quantitative importance of changes in state policy. Figure 8 below isolates the role of changing state maximum benefit weeks by contrasting actual eligibility with a counterfactual that holds state maximums constant at their 2000 levels.[7] 2.2 percentage points of the roughly 9 percentage point 2000–24 decline in eligibility rate can be accounted for with these policy changes.

[7] Implicitly, this assumes that the duration distribution of unemployment would be unchanged in a counterfactual scenario of higher maximum UI duration. To the extent that higher-duration benefits encourage slightly longer unemployment spells, this dynamic could slightly lower eligibility.

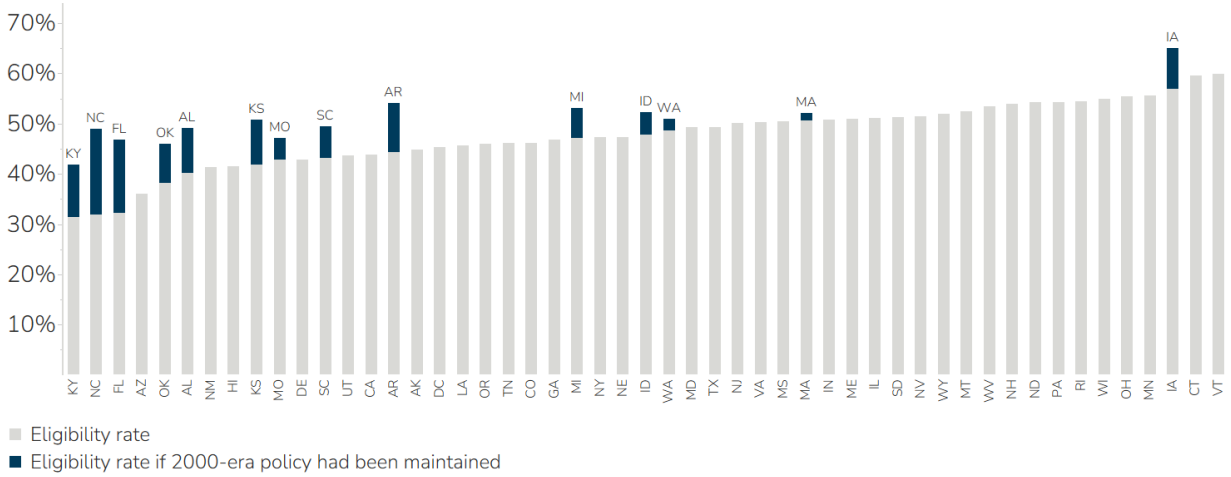
Figure 8. UI eligibility rate and counterfactual eligibility rate with 2000-era UI policy, selected years



Note: "Eligibility rate" is calculated by the authors as described in the text. Counterfactual eligibility rates are constructed by replacing a given year's actual state-specific benefit duration maximums with the corresponding state-specific maximums from the year 2000.
Source: Current Population Survey 2000-2024 and authors' calculations.

This overall impact appears especially substantial when one considers that only a minority of states have reduced their maximum number of benefit weeks. This is easy to see in figure 9 below, which plots the estimated eligibility rate in 2024 (gray bars) against a counterfactual that assumes 2000 policy (dark blue bars). Most states have not changed their duration thresholds, but for the subset that have, eligibility is substantially lower as a result.

Figure 9. UI eligibility rate and counterfactual eligibility rate with 2000-era UI policy, by state in 2024



Note: "Eligibility rate" is calculated by the authors as described in the text. Counterfactual eligibility rates are constructed by replacing a given year's actual state-specific benefit duration maximums with the corresponding state-specific maximums from the year 2000.
Source: Current Population Survey 2000-2024 and authors' calculations.

The analysis above is not meant to imply that changes in states' maximum benefits duration are the only relevant policy shifts. As discussed below, other state decisions—in particular, those concerning the administration and accessibility of the UI program—are plausibly important for understanding UI recipiency patterns.

Recent changes in UI programs

A full history of state unemployment insurance programs—now 90 years old—is well beyond the scope of this paper. However, it is useful to briefly describe key recent policy changes and other developments that matter for UI eligibility and recipiency. For the purpose of this paper, recent UI policy changes can be grouped into a) reductions in the maximum weeks of benefits, b) inflation-adjusted declines in the maximum weekly benefit amount and other parameters of benefits formulas, and c) inflation-adjusted deterioration in the taxable UI base.

A central consideration in this paper is the maximum number of weeks that UI claimants may receive benefits in any given state. We use this value throughout our analysis to approximate the UI-eligible population and explore how that has changed over time and across the country. As recently as the 2000s, nearly all states offered 26 weeks of benefits to fully qualifying claimants (i.e., those with sufficient earnings history). In years since then, several states have reduced their maximums. As of Spring 2025, three states (Florida, Kentucky, and North Carolina) provide only 12 weeks of benefits, with eight more states providing less than 26 weeks. As shown above, these reductions have reduced estimated eligibility for the U.S. and increased inequality in recipiency rates across states.

Weekly benefit amounts are another key feature of the UI system that has changed as a result of policy. As with the maximum number of weeks provided, some states have held their maximum weekly benefit amount constant in nominal terms—and thus declining in real terms—during the 2010s (Wandner 2023). Along with changes in other benefit parameters, this has caused state replacement rates to become more dispersed in the recent past. In turn, this may matter for access to UI insofar as recipiency and replacement rates are positively correlated (Narayan and Nunn 2025).

Closely connected to both of the aforementioned policy changes is the deterioration in the taxable UI wage base. Wandner (2023) points out that only 19 states index their taxable UI wage base to inflation. A narrow tax base contributes to weak UI trust fund finances, especially in the aftermaths of economic downturns, which then puts pressure on state policymakers to either raise revenues or reduce benefit payouts. Some states have chosen to take the latter course, ultimately reducing either the recipiency rate or the benefits paid per recipient. While not the focus of this paper, changes in UI funding have downstream implications for worker access.

What accounts for limited UI recipiency among eligible workers?

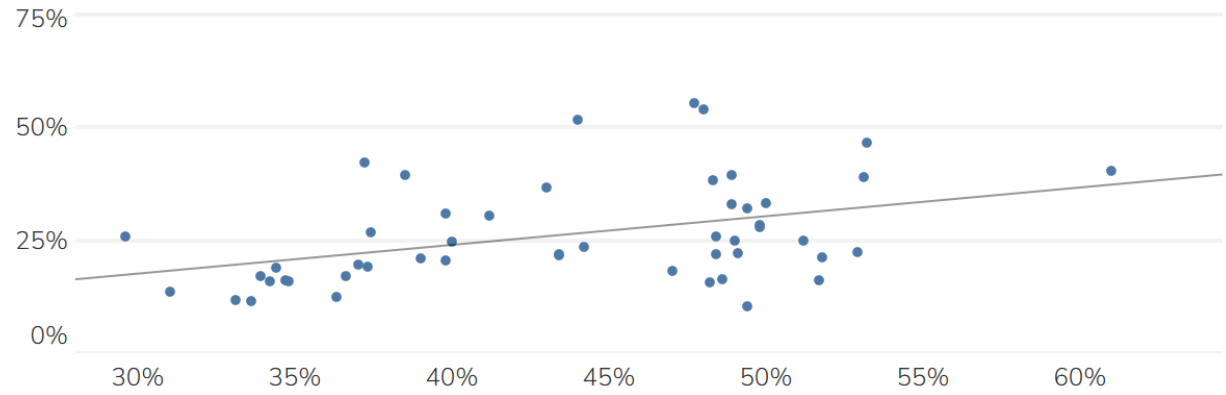
To complete the analysis of recipiency, we look within the eligible population and distinguish who does and doesn't receive UI. Many eligible unemployed workers do not take up UI, for varied reasons that are not entirely understood. In this section, we outline some of those reasons and provide relevant evidence where possible.

The role of benefits

Why might an eligible unemployed worker not receive UI benefits? One class of explanations centers on the benefits of UI receipt. Given the time and information costs of applying, one might expect the magnitude of the potential return to be a determinant of UI access. Anderson and Meyer (1997) focus on the role of benefit generosity, finding that when after-tax UI benefits were cut, UI take-up declined.

In recent data, we find an association in line with that finding: states with less-generous benefits tend to have lower recipiency. This is shown in figure 10 for states in 2023, drawn from Narayan and Nunn (2025). Those authors observe that the association has strengthened since the Great Recession. However, it is not possible to say (based only on this evidence) that an increase in benefit generosity would increase a state's recipiency rate. The same states that provide higher benefits may also be taking unrelated steps to make their UI systems more accessible to workers, or to raise the share of workers who are eligible in the first place.

Figure 10. State recipiency and replacement rates in 2023



Source: Narayan and Nunn (2025).

The role of costs

Another class of explanations centers on the costs of becoming a UI recipient. Here there are several distinct types of burden that must be considered. For example, simply submitting an application can be difficult. The UI application could be too confusing, time-consuming, or inaccessible because of language barriers. The portals through which an application is received could be in some way inaccessible, as when a website is nonfunctional or UI staff are not immediately available on the phone.[8] Identity verification, while clearly critical to preventing fraudulent payments, can be a barrier for some workers (Traub, Hertel-Fernandez, and Pinto 2025).

A related explanation is that workers could have incorrect or incomplete information about applying for UI, including their own eligibility status. Eligible workers may believe that they are ineligible, as appeared to be particularly the case during the Pandemic Recession (Forsythe and Yang 2021).

Employers are also part of the story of limited take-up. One paper finds that employers differ in their workers' claim and appeal rates (Lachowska, Sorkin, and Woodbury 2023). Moreover, employers that are exposed to stronger incentives (through steeper experience-rated UI taxes) respond in the expected way, appealing UI claims more often.

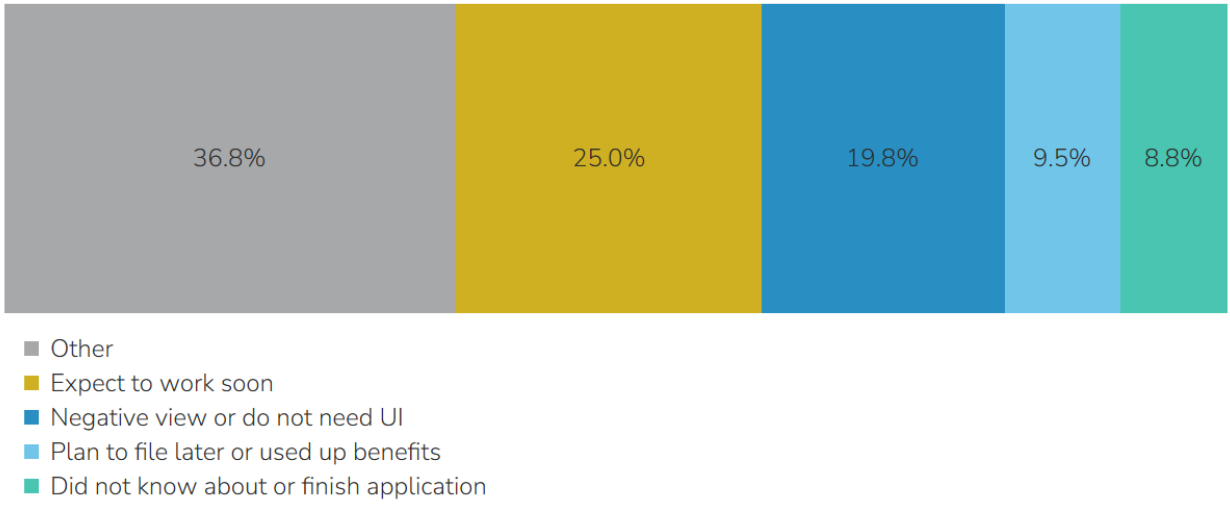
Other explanations center on the cost of maintaining eligibility for UI. A state's search requirements, including mandated re-employment services, could be prohibitive for some potential claimants.[9] A worker might have a preference not to apply for UI, as when it is perceived to be a welfare program with attached stigma. Particularly when a worker expects a short duration of unemployment or low benefits, the costs of applying and maintaining eligibility could be a sufficient deterrent to application.

Unfortunately, evidence is often scarce for assessing these potential explanations. One of the few surveys that directly addresses some of them is the Current Population Survey non-filers supplement, collected most recently in 2022. It cannot settle all questions about barriers to participation in UI, but it does tell us what workers say is dissuading them from applying.

Figure 11 shows workers' answers to a question about their main reason for not applying. The sample for this question consists of nonemployed workers who had worked at some point during the prior 12 months but had not applied for UI. Here we exclude workers who said they believed themselves to be ineligible, focusing on other reasons for non-application. (Figure 11 is a slight modification of a figure in Narayan 2025.) 25% of this group expects to return to work soon, which leaves open the question of which costs of UI exceed the minimal benefit they perceive. 20% take a negative view of UI, perhaps because of stigma, or believe they do not need UI or "do not want the hassle". 9% say they didn't know about UI or do not know how to file.

[8] Though note that one study finds that the rise of phone- and web-based applications was not associated with significantly higher take-up (Ebenstein and Stange 2010).
[9] See Toohey (2015) for a discussion of state variation in search requirements and their effects on worker search intensity.

Figure 11. Reason for not applying for UI benefits among those not citing eligibility concerns



Source: Current Population Survey 2018 and 2022 via Narayan (2025).

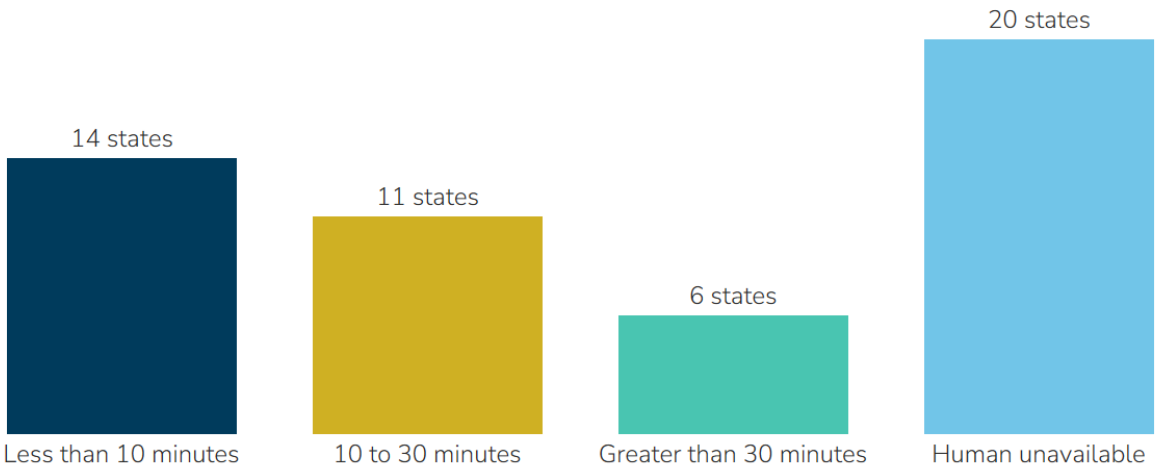
Connecting these results to the candidate explanations above is not straightforward. It is clear enough that those who said that they did not know about UI, or struggled to file their application, are impeded by some combination of limited information and administrative burden. But other responses leave more open to interpretation. For example, a negative view of UI related to its "hassle" (as opposed to its stigma) is likely connected to the cost of applying and maintaining eligibility.

One indication of this possibility comes from focus groups with Twin Cities-area women who had been recently unemployed. These conversations revealed a variety of concerns with UI, from confusion about eligibility restrictions to the demands of eligibility maintenance to limited availability of UI agency staff (Hogan and Jubara 2025). Interviewees tended to assess their UI experiences within the context of their broader experience of the safety net: for example, some described it as "stressful" and unwelcome when they received requests for similar information from administrators of different programs. These experiences could produce the "negative view" response in figure 10, but are ultimately caused (at least in part) by administrative burdens that are imposed on applicants.

How states vary in UI accessibility

For many of the factors described just above, we can observe differences across states that affect the accessibility of UI. For example, Narayan (2025) attempted to contact all 50 state UI agencies and observed widely different response times. Reproduced from that article, figure 12 shows this variation. Eligible workers who struggle with their applications may be especially likely to abandon them when help is not quickly forthcoming.

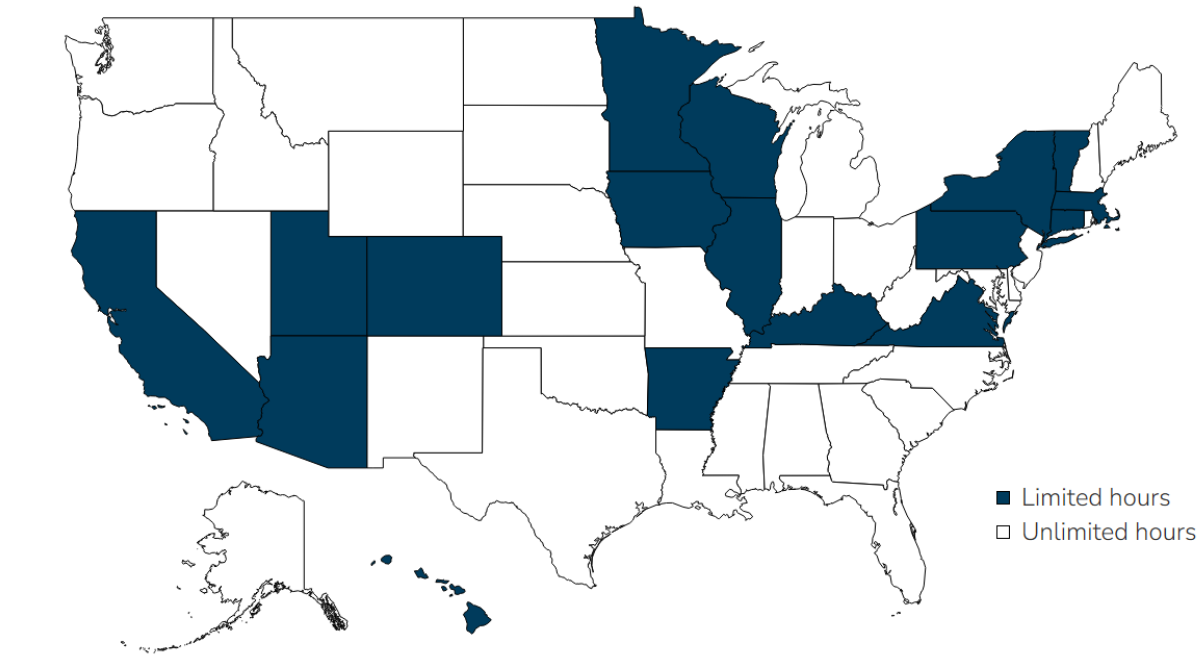
Figure 12. Time elapsed before receiving human assistance at state UI agencies



Source: Narayan (2025).

In some states, UI website portals are only accessible during limited hours, as Narayan (2025) observes (reproduced in figure 13). This too can limit workers' ability to successfully submit an application.

Figure 13. State UI agencies with limited hours for their claims websites



Source: Narayan (2025).

Conclusion

Unemployment insurance is the primary policy tool for addressing and accommodating labor market disruption, but it reaches only a minority of the unemployed: just under one third of unemployed Americans in recent years. This share has persistently varied across states. Aside from temporary upticks during recessions, recipiency rates across the states have tended to decline over the last forty years.

The reasons for low and variable recipiency rates are multiple. Some of these reasons relate to underlying economic conditions. Surveys of potential claimants and examination of worker microdata are consistent with a majority of unemployed being ineligible under their state rules. Other reasons are due to the choices that state policymakers make about eligibility rules that have implications for how many and which workers take up UI. Over the last two decades, declining state duration caps and the rising share of long-term unemployment have both meaningfully reduced aggregate eligibility.

Within the population of potentially eligible workers, we find suggestive evidence for a variety of factors. From surveys of potential claimants, those who *didn't* have eligibility concerns often reported the following as reasons for not applying: an anticipated short duration of unemployment spell, a negative view of the program, and lack of information about the program or how to file. Some of these responses are shaped, at least in part, by state practices. Recent study of UI programs reveals large variation in how accessible they are to applicants, including on simple dimensions like the time required to reach human assistance at the agency.

Acknowledgments

The authors are grateful to Ayushi Narayan, Brendan Price, and Steve Wandner for thoughtful feedback on an earlier draft. Any errors and all views expressed remain the authors' alone.

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