

THE BEST 10 STATES

UNEMPLOYMENT INSURANCE

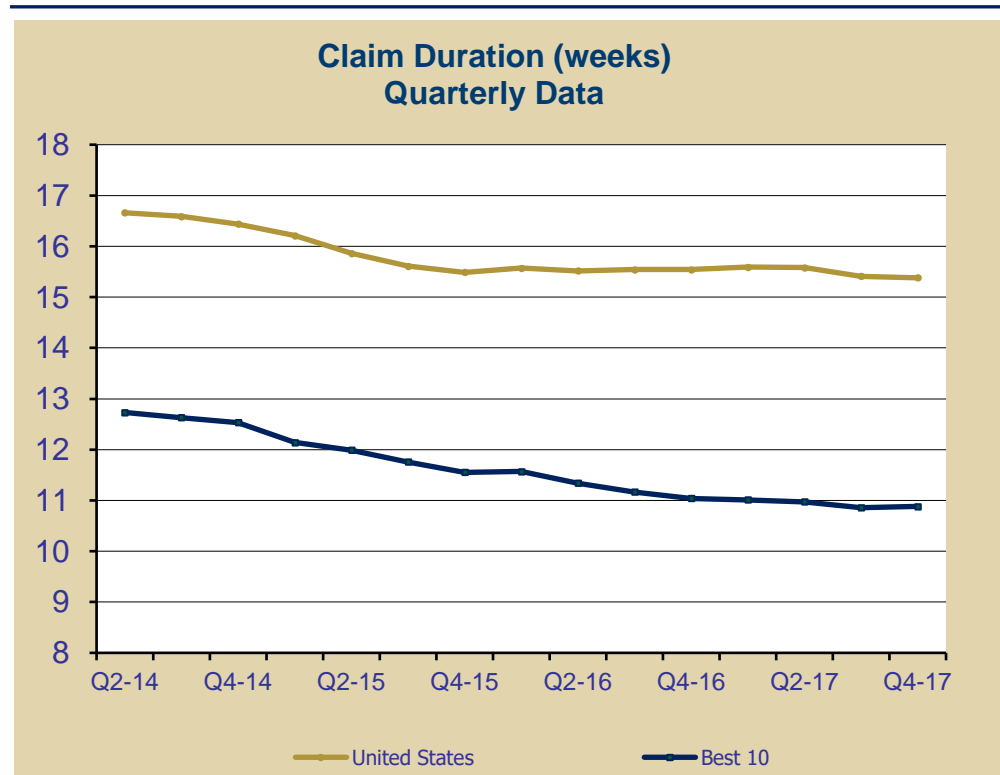
OPPORTUNITY REPORT

Prepared by the American Institute for Full Employment • July 2018

States have the opportunity to save millions of dollars and promote the overall well-being of their unemployed workers by implementing best practices in their Unemployment Insurance (UI) programs. UI is an often overlooked, yet critical program for employers and employees. UI policy decisions involve not only significant expenditures in the economy, affecting the business climate and economic development, but also the financial, mental, and physical well-being of the unemployed. In designing their UI programs, federal law allows states substantial flexibility that is too rarely used. This report surveys the Best Ten states' performance and highlights common areas for evaluation for all states. Rankings and individual state analyses can be found at www.fullemployment.org. For a more detailed policy or program review, please contact Bill Starks, Unemployment Insurance Project Director at 801-556-2942 or bills@fullemployment.org.

Fairness

On average, unemployment insurance claimants in the Best 10 states 1) found their way off of unemployment insurance nearly one month faster and 2) exhausted their benefits at almost half the rate of the average state.



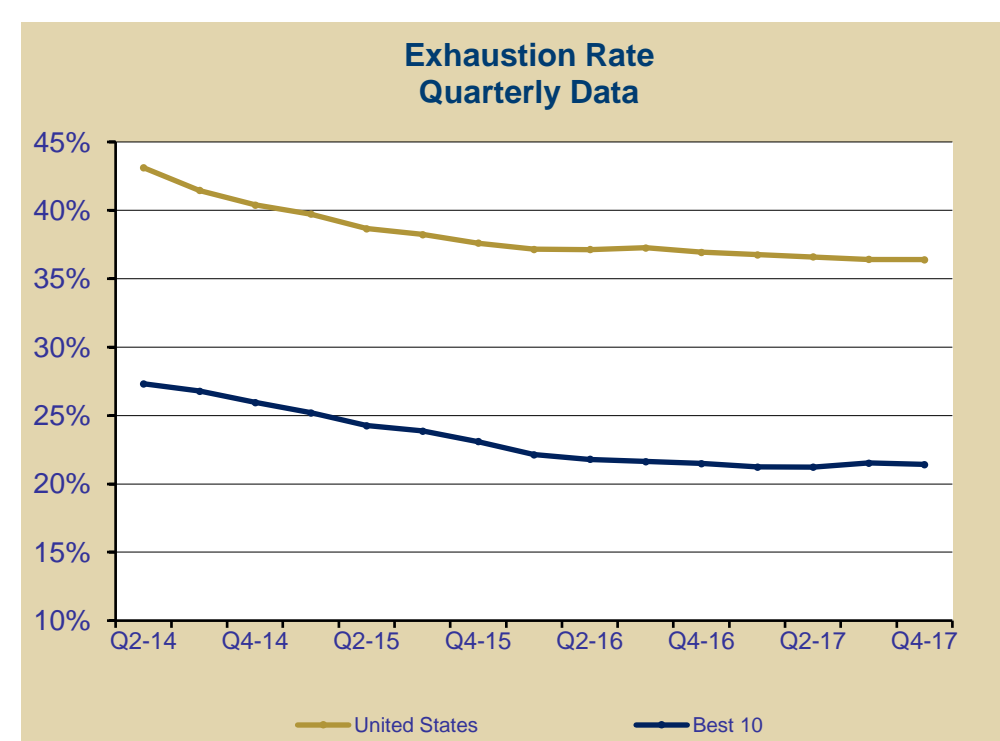
Best 10 States - Duration

January 2017 - December 2017

Average number of weeks a claimant receives benefits during a claim

Rank	State	12 Mo. Ave
1	Georgia *	8.4
2	North Carolina *	9.3
3	Florida *	9.2
4	Kansas *	11.2
5	Idaho	11.0
6	Nebraska	12.2
7	South Carolina *	11.8
8	Missouri *	12.1
9	Michigan *	12.0
10	Tennessee	13.1
Best 10 Average		11.0
United States Average		15.4

* State currently has less than 26 weeks maximum eligibility



Best 10 States - Exhaustion Rate

January 2017 - December 2017

Percentage of UI claimants who exhaust their benefits

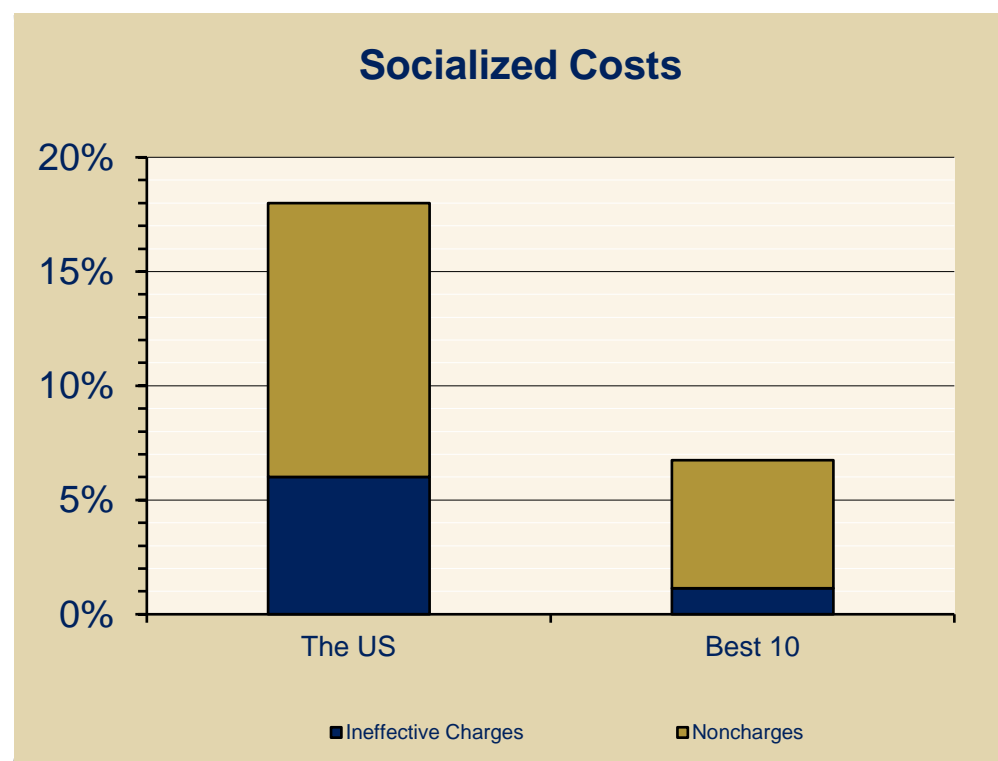
Rank	State	12 Mo. ave
1	South Dakota	14.3%
2	Vermont	14.8%
3	Wisconsin	16.0%
4	New Hampshire	17.9%
5	Indiana	20.7%
6	Ohio	25.4%
7	Iowa	25.4%
8	Maine	25.9%
9	Utah	26.7%
10	Nebraska	26.9%
Best 10 Average		21.4%
United States Average		36.4%

* State currently has less than 26 weeks maximum eligibility

For the purposes of this report, "States" include the 50 US states plus the District of Columbia, the Virgin Islands and Puerto Rico. "Rank" is from 1 to 53, with 1 being the best performance per category. All data for this report was provided by the US Department of Labor.

Efficiency

Compared with the average state, the average Best 10 state promoted employment through a UI tax structure that had a third less in socialized costs.



Best 10 States - Socialized Costs *

Significant Measures 2017

Rank	State	2017
1	Indiana	1.6%
2	District Of Columbia	2.6%
3	Nevada	5.4%
4	Georgia	5.9%
5	South Carolina	7.5%
6	Arizona	7.9%
7	Colorado	8.1%
8	Connecticut	9.3%
9	Rhode Island	9.6%
10	Missouri	9.6%
Best 10 Average		6.8%
United States Average		18.0%

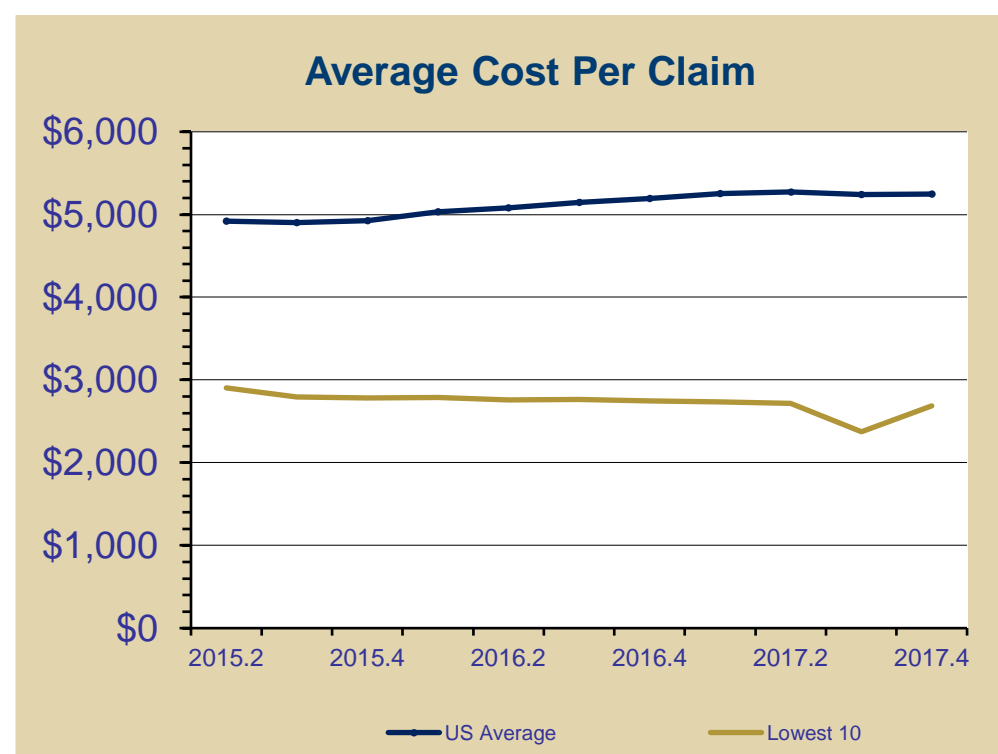
* Socialized Costs - The percentage of benefit costs not charged to responsible employers, but instead socialized as:

1) Noncharges - the total amount of benefit payments not charged to individual employer experience rating accounts. They often shift to the UI tax system social program costs; such as payments to workers who voluntarily quit and

2) Ineffective Charges - the yearly amount of benefit charges assigned to individual employers that exceed the amount of contributions paid by those same employers in the following year. These charges tend to lessen some employers' responsibility to pay the full cost of their claims, due to e.g. a maximum tax rate that is too low or an otherwise less responsive tax structure. The levels of both noncharges and ineffective charges are largely within the control of state policy makers and affect the state's unemployment rates by raising or lowering: 1) the cost of employing a worker and 2) the cost of laying off a worker.

Cost

The lowest 10 states spend significantly less on UI claims as the average state.



Lowest 10 States - UI Cost Per Claim

January 2017 - December 2017

The average annual amount of regular benefits paid per first payment.

Rank	State	12 Mo. Ave.
1	Puerto Rico	\$1,779.55
2	Florida	\$2,223.16
3	Georgia	\$2,336.83
4	North Carolina	\$2,354.68
5	Mississippi	\$2,833.33
6	Alabama	\$3,002.44
7	Missouri	\$3,063.26
8	South Carolina	\$3,063.74
9	Tennessee	\$3,066.51
10	Arkansas	\$3,116.77
Lowest 10 Average		\$2,684.03
United States Average		\$5,240.02

* State currently has less than 26 weeks maximum eligibility

How We Can Assist Your State in Improving Performance

- Analysis of claimant information flow between agencies and job sources
- Evaluation of performance measures and incentives
- Examination of coordination of all agencies involved with UI claimant
- Integration of claimant work search rules, incentives and assistance
- Analysis of a subsidized wage program for employers willing to train UI claimants

For a more detailed evaluation contact our consultants at

800-562-7752

or visit us on the web at fullemployment.org

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