California

UNEMPLOYMENT INSURANCE OPPORTUNITY REPORT

Prepared by the American Institute for Full Employment • October 2019

California has the opportunity to save millions of dollars and promote the overall well-being of its unemployed workers by implementing additional best practices in its Unemployment Insurance (UI) program. 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 rarely used. The American Institute for Full Employment has the resources and personnel to help you design and implement innovative UI and workforce programs that make impact. For a comprehensive review and analysis of how to make a difference, please contact us at (800) 562-7752 or info@fullemployment.org.

Effectiveness

On average, UI claimants in California did not find their way off of unemployment insurance for over four months, and nearly one half of all claimants exhausted their benefits. Eight states have < 26 weeks max. eligibility which may impact duration & exhaustion rates.

US Total Jobs & Annual Hires Summary

In an economy of approximately 156 million jobs, US employers made over 69 million hires - more than one hire for every three jobs. Common statistics track only net new jobs, but our dynamic economy creates many more opportunities than just those from net new jobs. Job openings and hiring activity come from a variety of sources normally, including: 1) quits, 2) retirement, 3) moves, 4) firing, 5) total new job creation and other causes.

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 base data used and developed in this report was sourced from the US Department of Labor and the Bureau of Labor Statistics.
Efficiency

Compared with California, the average Best 10 state promoted more employment through a UI tax structure that had 291% less in socialized costs.

Cost

The average UI claim cost in California was 7% more than the US average.

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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