

# Unemployment Insurance Certification

ideas

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Making the certification process easier to follow

**Unemployment insurance is an important safety net program, but many people don't successfully complete the certification process to claim their benefits.**

## Summary

Unemployment insurance (UI) provides workers with valuable protection against earnings losses due to loss of employment.<sup>1</sup> To claim UI benefits, workers initially submit an application following a job loss, and then provide follow-up information each week as part of their continuing claim. For both initial and continuing claims, workers must certify their eligibility by providing information about themselves, their earnings, and status and attesting to their willingness and ability to return to work.<sup>2</sup>

Not all claimants certify successfully. Anecdotal evidence, combined with evidence from related programs, suggests that even some eligible claimants may be deterred from certifying due to the associated hassles and frictions. This means people may not receive unemployment benefits not because they aren't eligible, but because of administrative hurdles.

ideas42 worked with a New England state's Employment Department to redesign materials in order to increase the rate of successful certifications among eligible UI claimants.

## Make the process easier to follow

We aimed to make the process of applying for and recertifying UI benefits clearer and easier to follow. We also focused on increasing the use of online certification, which can save claimants time and allow for increased flexibility in recertifying.

To do this, we redesigned the UI instructions mailer sent to initial claimants and created a new set of Frequently Asked Questions. The new mailer included an insert encouraging claimants to file online by providing clear action steps as well as a planning prompt.<sup>3</sup>

To generate a comparison group for the purposes of evaluating the relative effectiveness of the new mailer, the version of the mailer sent to claimants alternated non-randomly between the new and old materials each week for a period of 12 weeks between July and October 2017.

### Highlights

- ▶ Unemployment insurance is a valuable benefit for eligible workers, but some may not receive it due to administrative hurdles.
- ▶ Encouraging uptake of online systems can help save claimants time and allows flexibility to recertify.

<sup>1</sup> Gruber, "The consumption smoothing benefits of unemployment insurance," *American Economic Review* (1997).

<sup>2</sup> For more information on UI, see: <https://workforcesecurity.doleta.gov/unemploy/uifactsheet.asp>

<sup>3</sup> Milkman et al., "Using Implementation Intentions Prompts to Enhance Influenza Vaccination Rates," *PNAS*, (2011).

## Potential for online certification

With initial data we were able to look at the propensity of claimants to certify either online or over the phone, but we weren't able to examine the rates of successful certifications across treatments. The initial data suggested that receiving the new mailer may have had a positive effect on claimants' likelihood of completing their weekly certification online rather than over the phone—45% of claimants from the initial data receiving the new mailer certified online, compared with 37.6% of claimants in the control weeks. These averages are conservative in that they include clients who were manually paid benefits and thus would not have been able to use the online system.<sup>4</sup> With the manual payments removed, 59% of claimants' receiving the new mailer certified online, compared with 49% of claimants in the control weeks.

These differences are notable, however we cannot entirely rule out factors beyond the online insert that might have contributed to the differences because the individual applicants were not randomly assigned to treatment and control conditions. It is also important to note that our initial dataset included only those who certify on Sunday and Monday. While this captures roughly 90% of claimants, we are not able to observe outcomes for those who certify at less-common times of the week.

Figure 1: Online Certification Insert

## Continue building evidence

While the strength of the conclusions from this study are qualified in important ways, together with results from work on other government programs or issues of take-up, it contributes to a growing set of studies suggesting that bringing a behavioral economics perspective to UI programs can potentially influence claimant behavior.<sup>5</sup> We should continue to build evidence by designing and testing innovative solutions to help more people access the benefits programs they need and are eligible for.

<sup>4</sup> 23.8 percent of claimants who received the new brochure were manually paid, versus 23.4 percent of those who received the old brochure.

<sup>5</sup> ideas42, "Unemployment Insurance Claiming in Colorado," 2018 project brief; Forehand & Greene, "Nudging New Mexico," *Deloitte Review* (2016).