

Appendices

“How Insured Are Workers Against Unemployment? Unemployment Insurance and the Distribution of Liquid Wealth”

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Appendix 1: SIPP Data and Sample Selection

The Survey of Income and Program Participation (SIPP) is a household-based nationally representative longitudinal survey conducted by the United States Census Bureau with the stated goal of providing comprehensive information on the dynamics of income, employment, household composition, and government-program participation. We chose the SIPP for its over-sampling of lower-income households and its extensive coverage of different aspects of a household’s finances, including their asset portfolio. Despite the sampling difficulties with non-response for the SIPP over the recent years¹ and other challenging aspects of the data (Meyer et al., 2015), we understand our sample has enough numerosity for the calculations. See Appendix 2 for summary statistics at different cuts of our sample.

We utilize data from the five most recent SIPP waves. The 2018 to 2023 SIPP waves cover the reference period of January 2017 to December 2022. The value of variables related to financial assets are taken directly from the SIPP because these data are already annualized and at the worker level, matching our sample level. Measurements of worker income and earnings had to be annualized. This was done by summing the value for each variable and for each month. We use the CPI-U index to adjust all relevant dollar-denominated monthly data to January 2017 dollars. Since the SIPP records all dollar-denominated annual data as of December 31st, we only make inflation adjustments annually for the face value of the wealth-related variables. For a detailed report on wealth data on the SIPP, see Sullivan et al. (2023) or Eggleston et al. (2020).

More specifically, our measurement of annual personal total income is derived from the SIPP-provided TPTOTINC variable. Our measurement of annual-level personal wealth is the TNETWORTH variable. Personal annual liquid wealth is measured by calculating the sum of the following asset variables and follows a similar version used in Birinci (2020): THVAL_BANK, THVAL_BOND, THVAL_OTH, THVAL_STMF, and THVAL_VEH. To calculate net liquid wealth, credit card debt is subtracted from liquid wealth measured by TDEBT_CC.

After selecting for age with variable TAGE and for non-negative earnings with our annualized version of TPEARN, we make the selection for the approximation of the pool of unemployed workers that could be eligible for UI. We first rule out workers who were self-employed in any given month using the EJB1_JBORSE variable. Then we find workers who had been laid off at any given month of the sample using the ENJ_LAYOFF variable. We then select laid-off workers who are either looking for work or received regular government-provided UI or both by using the ENJ_LKWRK and EUC1MNYN variables. We further select UI recipients by keeping only

¹ See one of the Census user notes regarding the recent data at: <https://www.census.gov/programs-surveys/sipp/tech-documentation/user-notes/2019-usernotes/2019-discont-2019-pnl.html>.

regular, government-provided UI benefits with the use of the EUC2MNYN and EUC3MNYN variables. We then reorganize the sample, so each observation is an individual and define recipients and non-recipients of UI with the use of the EUCANY variable. Finally, in a last restriction, we keep in our sample only the UI recipients who report a positive value for the total amount of UI received on the reference year with the use of our annualized version of the TUC1AMT variable.

Appendix 2: Summary Statistics

Table A1: Summary Statistics for the Full Sample by UI Receipt

Variable	Min	Max	Mean	0.25	0.5	0.75
Recipients - N = 1253						
Income	122	444,419	35293	11,679	24,605	42,052
Earnings	-	325,450	26,216	3988	14,672	32,207
Net worth	(223,273)	15,994,253	141,030	-	13,818	99,791
Net liquid wealth	(51,273)	3,605,403	32,328	106	4,686	17,456
Nonrecipients - N = 880						
Income	-	1,012,522	36,422	5501	20,751	43,730
Earnings	-	1,013,683	33,011	865	18,701	39,925
Net worth	(233,461)	4,354,664	136,473	0	7,292	82,758
Net liquid wealth	(42,560)	1,995,000	26,499	-	2,743	15,795

Source: Authors' calculations based on the Survey of Income and Program Participation (SIPP), 2018–2023

Notes: The numbers 0.25, 0.5, and 0.75 denote the first-, second-, and third-quartile cutoffs, respectively, and each is weighted. All data are calibrated in the same way as previously in the text, with the bottom 0.25 percent of personal income respondents trimmed from the sample in addition to workers at the bottom 0.25 percent of the personal net worth distribution. For a detailed report on wealth data on the SIPP, see Sullivan et al. (2023).

Table A2: Summary Statistics for UI Recipients by Income Quartiles

Variable	Min	Max	Mean	0.25	0.5	0.75
First income quartile - N = 381						
Income	122	14,187	6,980	3,543	6,692	10,436
Earnings	-	13,293	2,950	-	579	5,529
Net worth	(120,703)	3,156,838	59,542	(284)	2,585	39,724
Net liquid wealth	(46,384)	514,092	12,716	-	1,764	9,820
Second income quartile - N = 486						
Income	14,219	35,810	24,369	19,058	24,325	29,557
Earnings	-	35,202	15,943	9,357	16,181	22,919
Net worth	(133,495)	15,994,253	85,411	-	8,323	62,518
Net liquid wealth	(41,869)	676,892	18,107	189	4,270	15,133
Third income quartile - N = 245						
Income	35,908	67,118	48,816	40,205	45,851	58,030
Earnings	-	65,170	36,234	28,760	37,633	48,871
Net worth	(123,069)	5,702,811	168,986	-	33,061	119,695
Net liquid wealth	(35,458)	1,810,266	39,005	1111	7,566	19,474
Fourth income quartile - N = 139						
Income	67,495	444,419	122,541	80,706	93,747	137,726
Earnings	6,722	325,450	104,043	66,960	83,496	127,335
Net worth	(223,273)	7,293,303	491,149	34,787	165,700	507,978
Net liquid wealth	(51,273)	3,605,403	119,447	4,232	20,306	71,039

Source: Authors' calculations based on the Survey of Income and Program Participation (SIPP), 2018–2023

Notes: The numbers 0.25, 0.5, and 0.75 denote the first-, second-, and third-quartile cutoffs, respectively, and each is weighted. All data are calibrated in the same way as previously in the text, with the bottom 0.25 percent of personal income respondents trimmed from the sample in addition to workers at the bottom 0.25 percent of the personal net worth distribution. For a detailed report on wealth data in the SIPP, see Sullivan et al. (2023).

Table A3: Summary Statistics for Non-Recipients by Income Quartiles

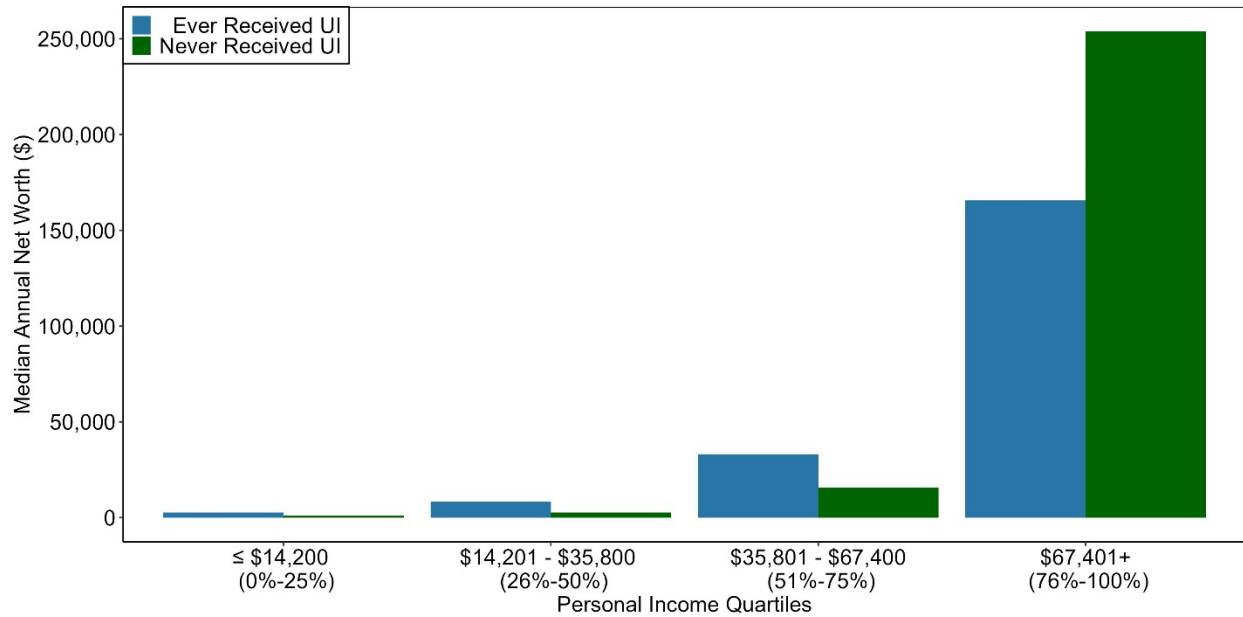
Variable	Min	Max	Mean	0.25	0.5	0.75
First income quartile - N = 378						
Income	-	14,154	4,150	-	2,326	8,248
Earnings	-	14,134	3,181	-	-	6,450
Net worth	(231,207)	1,845,339	38,346	-	946	22,247
Net liquid wealth	(40,210)	685,131	9,399	-	479	5,374
Second income quartile - N = 248						
Income	14,259	35,756	24,470	18,712	24,088	29,587
Earnings	-	35,763	22,168	17,613	22,709	28,532
Net worth	(233,461)	2,285,310	77,189	(1,730)	2,604	24,846
Net liquid wealth	(41,804)	1,995,000	19,714	-	2,175	9,001
Third income quartile - N = 130						
Income	35,858	66,670	49,256	42,186	48,471	56,510
Earnings	-	66,197	46,538	39,675	47,193	54,947
Net worth	(228,370)	3,072,589	131,493	(829)	15,690	133,650
Net liquid wealth	(42,560)	335,973	21,154	144	8,039	21,330
Fourth income quartile - N = 124						
Income	67,719	1,012,522	133,449	79,783	104,351	131,551
Earnings	2,246	1,013,683	121,462	73,636	90,476	125,379
Net Worth	(68,029)	4,354,664	526,177	50,288	253,931	665,383
Net liquid wealth	(18,456)	1,110,561	90,914	10,290	32,828	84,286

Source: Authors' calculations based on the Survey of Income and Program Participation (SIPP), 2018–2023

Notes: The numbers 0.25, 0.5, and 0.75 denote the first-, second-, and third-quartile cutoffs, respectively, and each is weighted. All data are calibrated in the same way as previously in the main text, with the bottom 0.25 percent of personal income respondents trimmed from the sample in addition to workers at the bottom 0.25 percent of the personal net worth distribution. For a detailed report on wealth data on the Survey of Income and Program Participation (SIPP), see Sullivan et al. (2023)

Appendix 3: Additional Graph

Figure 4: Median Net Worth of Previously Unemployed Workers by UI Receipt along the Quartiles of the Income Distribution.



Source: Authors' calculations based on the Survey of Income and Program Participation (SIPP), 2018–2023

Notes: The figure shows median personal net worth for each quartile of the personal income distribution. The sample excludes individuals at the bottom 0.25 percent of the personal income and personal net worth distributions. These quartiles are based on annualized personal income. The quartile ranges on the x-axis labels are rounded to the nearest hundred dollars.

Appendices References

- Birinci, Serdar. 2020. "Unemployment Insurance and Vulnerable Households During the COVID-19 Pandemic." *Economic Synopses* 2020 (33). <https://doi.org/10.20955/es.2020.33>.
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- Meyer, Bruce D., Wallace K. C. Mok, and James X. Sullivan. 2015. "Household Surveys in Crisis." *Journal of Economic Perspectives* 29 (4): 199–226. <https://doi.org/10.1257/jep.29.4.199>.
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