Department of Labor Summer Data Challenge on Equity and Underserved Communities

SUMMARY

In 2021, the Chief Evaluation Office (CEO) held the Department of Labor's first Summer Data Equity Challenge competition and awarded between $10,000 and $30,000 to researchers from the University of California (California Policy Lab), the University of Illinois Urbana-Champaign, American University, the University of Minnesota, and Dartmouth College. The teams' statistical and descriptive data analyses aim to analyze how federal labor policies, protections, and programs reach traditionally underserved communities. Populations of interest include those traditionally underserved due to race, gender identity, sexual orientation, ethnicity, income, geography, immigrant status, veteran status, and disability status, among others. The five analyses use data to illuminate meaningful gaps in knowledge and, ideally, propose practical solutions to fill those gaps.

KEY TAKEAWAYS

Disparities in Access to Unemployment Insurance During the Covid-19 Pandemic: Lessons from U.S. and California Claims Data Researchers from the University of California used public data from the DOL Employment and Training Administration (ETA) and the Current Population Survey (CPS) and non-public data from the California Employment Development Department (EDD). They performed descriptive and correlational analyses to discover disparities across U.S. states and across counties within California in the receipt of UI benefits during the COVID-19 pandemic.

- **Across the U.S., reduced access to unemployment insurance (UI) benefits was correlated with lower socioeconomic status or the presence of disadvantaged social groups**. UI recipiency and first payment rates were lower in states with a higher share of Black residents, while benefit exhaustion rates were higher in those states. In addition, states with lower average incomes had lower UI recipiency rates.
- **Compared to the U.S. average, California's UI system performed relatively equitably**. The state had the fourth highest recipiency rate nationwide, and performed above the U.S. average on two measures regarding the first payment rate and the benefit exhaustion rate.

Understanding Disparities in Unemployment Insurance Recipiency Researchers from the University of Illinois used data from the CPS, the Census Pulse Survey, and the Understanding America Survey to measure disparities in UI eligibility, claiming behavior, and recipiency between demographic groups before and during the COVID-19 pandemic under the CARES Act. They also estimate the causes of recipiency gaps.

- **Disparities in self-reported receipt of UI benefits for historically marginalized groups are caused in large part by beliefs about their ineligibility**. As UI application rejection rates are low, (about 2% in 2018 and 6% in 2020) the main reason for any eligible worker not receiving benefits is nonapplication. The primary reasons individuals did not apply for benefits during

the Covid-19 period are because they believed they were ineligible or that their employer made them ineligible. While the share of likely-eligible workers not applying due to perceived ineligibility fell by nearly half (32% in 2018 to 19% in 2020), many of those 19% of workers may be mistaken about their ineligibility. Researchers observed that union members and individuals living in states with historically higher UI recipiency rates appeared less likely to be misinformed. The team also found disparities between demographic groups, with lower recipiency rates among racial and ethnic minorities, young workers and less educated workers. No evidence was found to show that these gaps narrowed during the pandemic when compared with the pre-pandemic data.

Can We Use Local Outreach to Improve Equity in Federal Oversight? A Case Study with the H-2A Visa Program Researchers from Dartmouth College partnered with Texas Rio Grande Legal Aid (TRLA) to (1) compare employers investigated by DOL Wage and Hour Division (WHD) and those investigated by TRLA, (2) investigate the feasibility of predicting which employers are likely to come under WHD investigation, and (3) test whether text from employer-drafted job addenda can explain or predict future investigations or violations. They used DOL data on H-2A job certificates and compliance actions, TRLA case data, and data from the American Community Survey.

- **In oversight of possible labor issues among employers in the H-2A visa program, WHD and a community advocacy organization flagged different employers**. Federal oversight often relies on complaints submitted by workers and advocates, but workers can face barriers to bringing complaints to federal officials. This finding indicates that both avenues are important to identifying potential issues requiring investigation.

FMLA Eligibility of Underserved Communities Researchers from American University used data from the CPS from 2011 to 2018 to study the extent to which underserved communities are excluded from FMLA benefits and, using simulated FMLA eligibility and testing quasi-experimental methods, identified the potential outcomes for these communities under conditions of expanded eligibility.

- **Marginalized communities, such as low-income workers and non-citizens, have below-average FLMA eligibility rates**. For example, workers with low wage incomes have eligibility rates about 21 percentage points (41%) below average. For those living below the poverty line, the rate falls to approximately 34 percentage points (65%) below average.
- **Alternative eligibility criteria would increase eligibility most for disadvantaged communities**. If FMLA eligibility thresholds lowered to include employees of smaller firms (reduced from 50 employees to 10) and those who worked fewer hours (reduced from 1,250 hours to 1,000), overall eligibility rates would increase by 12 percentage points (24%). For those living below the poverty line, eligibility would increase by as much as 59%.

The Role of Labor Market Polarization in Disability among Working-Age Americans A researcher from the University of Minnesota used data from the Integrated Public Use Microdata Series National Health Interview Survey, the U.S. Census Bureau's County Business Pattern data, and the University of Kentucky Center for Poverty Research National Welfare data to study the rising rates of disability among working-age Americans and any association with changing US labor market conditions from 1980 - 2017.

- **Labor market conditions, defined as the percentage of goods-producing and service-producing businesses in a county, were associated with disability at the county level**: higher shares of goods-producing businesses were associated with lower disability rates, while higher shares of services-producing businesses were associated with higher disability rates. This pattern holds for the period between 1997 and 2017, but not for an earlier period (1980-1996), when labor market conditions were not associated with disability. Associations held after controlling for county-level sociodemographic characteristics (e.g., education, income, Gross Domestic Product, marital status and sex).

SEE FULL STUDY

TIMEFRAME: June 2021-November 2021
DATE PREPARED: February 2022

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