

**STUDY TO DETERMINE IMPACT OF WELFARE REFORM  
ON THE UNEMPLOYMENT INSURANCE (UI) SYSTEM**

U.S. Department of Labor, Employment and Training Administration, Office of Workforce Security

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**Project Summary:** With TANF caseloads rapidly declining across the nation and many TANF recipients entering the workforce, this study examined the extent to which the unemployment insurance (UI) system provides a safety net for former welfare recipients who lose their jobs. The main objectives of this study were to: (1) assess the experience of former TANF recipients who have applied for temporary income support and related assistance from selected state UI programs; (2) determine the probable impact of welfare reform on UI programs' workload, benefits, reemployment services, and trust fund-balances; (3) estimate the potential impact of a recession on receipt of UI benefits by former TANF recipients; and (4) inform the development of policy and program options responsive to the needs of former recipients.

A critical component of this study involved obtaining background characteristics and Unemployment Insurance wage record data and claims data for a sample of TANF leavers in 1998. Data were obtained from two states: South Carolina and Wisconsin. Staff from Capital Research Corporation focused on the South Carolina case study. Analyses were conducted determine the extent of monetary eligibility and actual receipt of UI within the sample of TANF leavers. For example, analyses were conducted of patterns of earnings and monetary eligibility to receive UI over a three-year period following TANF exit.

**Reports:**

D. Sanford, Jr., M. Ye, W. Sullivan, Jr., L. Coffey, L. Chimerine, and J. Trutko, *The Unemployment Insurance System and TANF Leavers: Case Studies of Wisconsin and South Carolina*, Coffey Communication, LLC, prepared for Employment and Training Administration, U.S. Department of Labor, September 2004.

J. Trutko, *Assessment of the Extent to Which Unemployment Insurance Serves as a Safety Net for Former TANF Recipients: Evidence from South Carolina*, Working Paper, prepared by Coffey Communication for U.S. Department of Labor, Employment and Training Administration, August 2003.

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