

Unemployment Insurance and Spending

Marco Chau and Chyna Hui

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1 Introduction

Unemployment insurance (UI) is a crucial social welfare institution that is, although mandated by the federal government in the United States, administered on a state-by-state basis. UI walks a tightrope of free-market ethics; on the one hand it must help the unemployed stay afloat financially and provide a buffer as they look for new employment, and on the other hand it cannot be so abundant that it incentives individuals to stay unemployed. Differences in valuation between these two factors have resulted in differences in payment amount and duration in UI policies between different states.

Peter Ganong and Pascal Noel’s article, “Consumer Spending During Unemployment: Positive and Normative Implications”¹, compares the effects of different UI policies between different states using anonymous banking information from JPMorgan Chase Institute (JPMCI).

¹Ganong and Noel (2019)

1.1 Literature Review

2 Data

2.1 Source and Methodology

2.2 Data ethics

2.3 Tables

Table 1: Spending Change at Unemployment Insurance Exhaustion

Spending Type	Category	Pre-UI	During UI	Post-UI	Dollar Change Post a
Durable	Home Improvement	48.7	46.5	37.2	
Other ND	Discount Stores	57.7	58.1	47.1	
Other ND	Department Stores	19.4	16.5	13.6	
Durable	Miscellaneous Durables	27.1	26.3	21.8	
Other ND	Other Retail	148.0	137.0	114.4	
Strict ND	Food Away from Home	193.4	164.3	138.2	
Strict ND	Groceries	302.3	293.7	247.4	
Other ND	Drug Stores	39.5	35.4	30.0	
Durable	Retail Durables	48.3	43.3	36.7	
Nondurable	Cash	703.7	584.1	495.9	
Other ND	Medical Copay	35.4	29.3	25.3	
Durable	Entertainment	29.4	27.0	23.4	
Durable	Auto Repair	40.4	36.3	31.6	
Other ND	Online	42.6	38.8	34.1	
Strict ND	Transportation	155.6	127.6	114.0	
Durable	Hotels and Rental Cars	27.0	21.4	19.2	
Strict ND	Professional & Personal Services	55.4	50.0	45.0	
Strict ND	Telecom	111.6	106.6	97.4	
Strict ND	Utilities	190.1	182.4	173.3	
Strict ND	Flights	32.5	24.5	23.5	
Nondurable	Miscellaneous Nondurables	308.6	NA	268.5	
Durable	Insurance	151.6	NA	154.6	
Other Bank Account Outflows	NA	NA	NA	NA	
NA	Transfer to External Account	356.1	271.6	237.3	
NA	Uncategorizable Electronic	635.2	485.4	441.9	
NA	Paper Checks	1057.6	968.9	923.7	
NA	Non-Chase Credit Card Bill	436.8	365.2	351.1	
NA	Installment Debt	380.9	348.7	335.3	

Table 2: Spending Change at Unemployment Insurance Exhaustion Organized by Spending Type

Spending Type	Category	Pre-UI	During UI	Post-UI	Dollar Change Post a
Durable	Home Improvement	48.7	46.5	37.2	
Durable	Miscellaneous Durables	27.1	26.3	21.8	
Durable	Retail Durables	48.3	43.3	36.7	
Durable	Entertainment	29.4	27.0	23.4	
Durable	Auto Repair	40.4	36.3	31.6	
Durable	Hotels and Rental Cars	27.0	21.4	19.2	
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Other ND	Department Stores	19.4	16.5	13.6	
Other ND	Other Retail	148.0	137.0	114.4	
Other ND	Drug Stores	39.5	35.4	30.0	
Other ND	Medical Copay	35.4	29.3	25.3	
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##Graphs

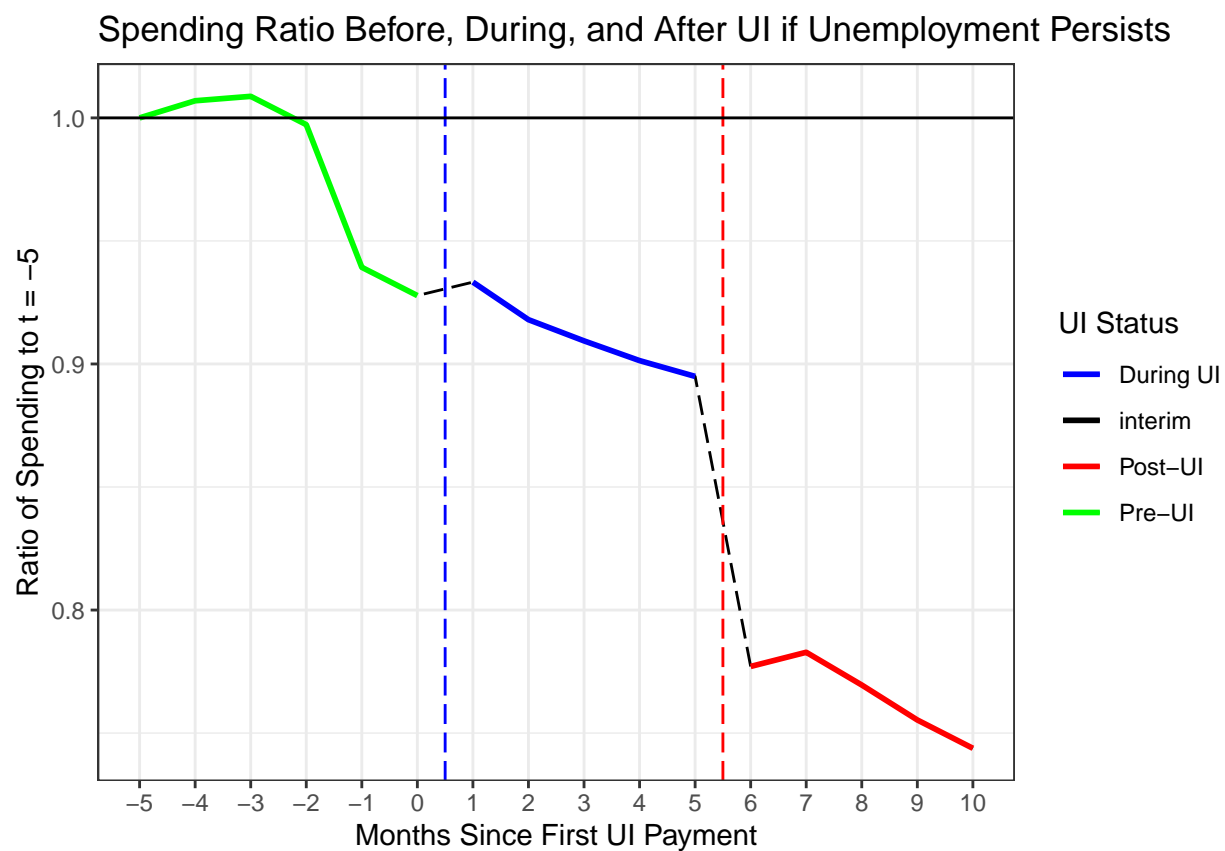


Figure 1: Spending Patterns Before, During, and After UI



Figure 2: Income Stream Before, During, and After UI

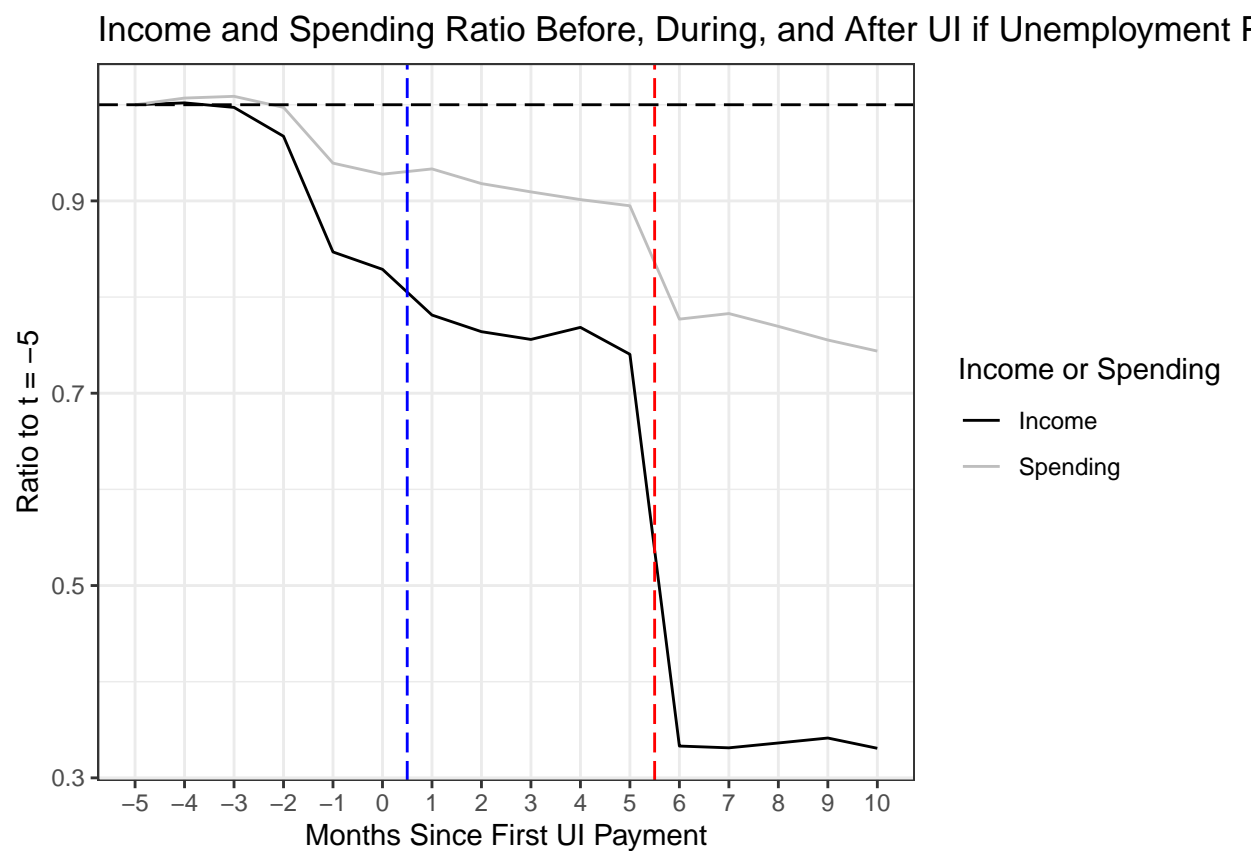


Figure 3: Income and Spending Before, During, and After UI

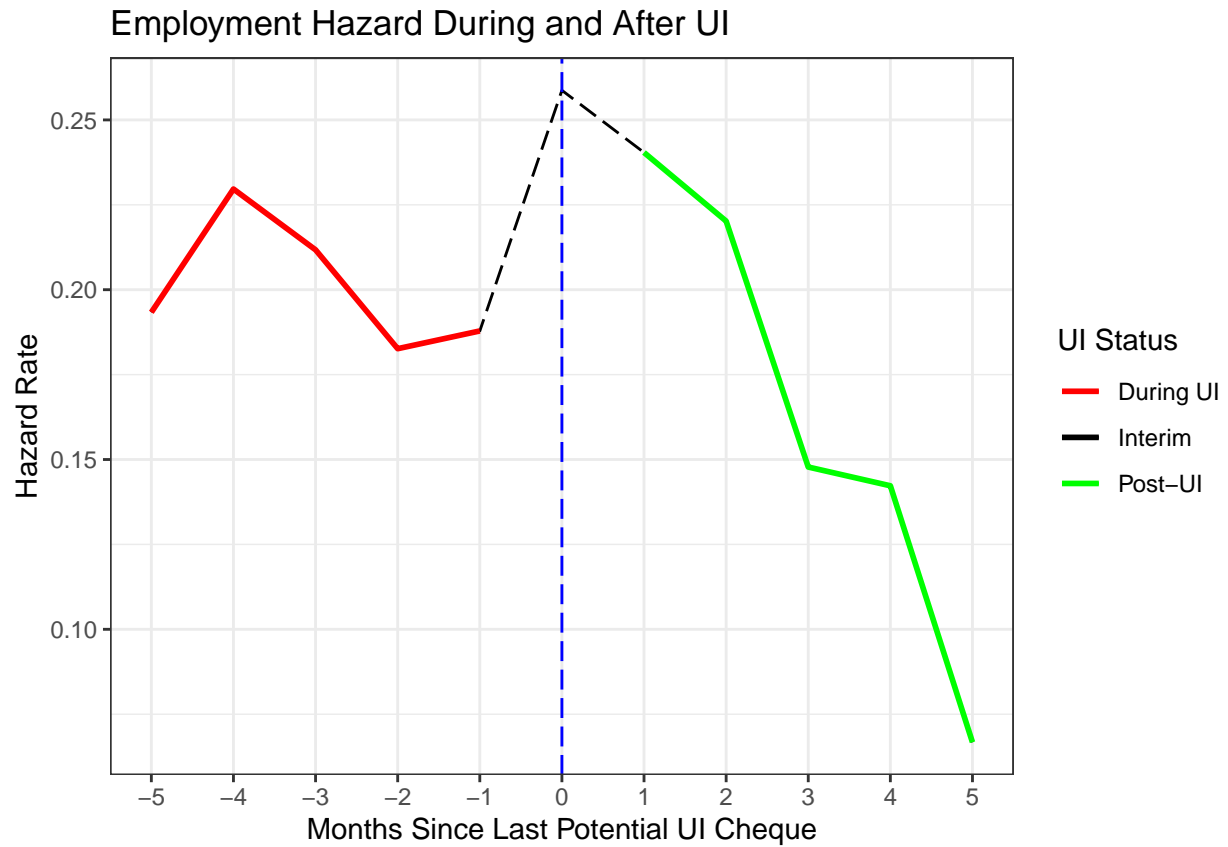


Figure 4: Employment Hazard Rate During and Post-UI

#Results Results go here

#Discussion Discussion goes here

Ganong, Peter, and Pascal Noel. 2019. "Consumer Spending During Unemployment: Positive and Normative Implications." *American Economic Review* 109 (7): 2383–2424. <https://doi.org/10.1257/aer.20170537>.