



Unemployment Insurance and Economic Impact Payments Associated with Reduced Hardship Following CARES Act

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In response to the economic impact of the COVID-19 pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which the president signed into law on March 27, 2020. The CARES Act expanded eligibility and benefits for unemployment insurance (UI) and authorized one-time direct cash payments to most US households.¹ These provisions were designed to mitigate the impact of job and income losses on people's abilities to pay for basic needs as the nation adopted social distancing practices to slow transmission of the novel coronavirus.² Now, with enhanced UI benefits scheduled to expire July 31, 2020, and the unemployment rate the highest it has been since the Great Depression,³ Congress is considering additional relief legislation.⁴

In this brief, we examine how material hardship and worries about meeting basic needs changed after implementation of the CARES Act for adults whose families lost work or work-related income during the pandemic and sought assistance through the UI program. To do so, we use new longitudinal data from two rounds of a nationally representative survey of nonelderly adults: the first wave of the Urban Institute's Coronavirus Tracking Survey, fielded May 14 through 27, 2020, and Urban's Health Reform Monitoring Survey (HRMS), fielded March 25 through April 10, 2020.⁵ The tracking survey respondents are a subset of the HRMS participants, allowing us to monitor how the pandemic has affected these adults over time. We focus here on adults observed in both surveys who had reported loss of work or income and received or applied for UI as of May.

We compared changes in material hardship and worrying about meeting basic needs between late March/early April, before implementation of the CARES Act's UI provisions and "economic impact payments,"⁶ and mid-to-late May among two groups of adults: (1) those whose families received UI in the 30 days before the May survey and (2) those whose families applied for UI since March 1 but did not receive benefits in the 30 days before the May survey. Our analysis of the association between UI receipt and changes in hardship and worrying about basic needs accounts for differences in observable characteristics between these two groups. We also compared these changes among all UI applicants (both recipients and nonrecipients) who got the economic impact payments⁷ as of May with such changes for applicants who did not get the payments. We find the following changes between March/April and May:

- Food insecurity declined among UI recipients, and medical hardship increased among adults whose families applied for UI but had not received benefits as of May.
 - » Among adults whose families lost work or work-related income because of the pandemic and received UI benefits in the 30 days before the May survey, the share reporting food insecurity declined from 27.1 percent in March/April to 24.1 percent in May. In contrast, there was no decline in food insecurity among adults whose families applied for UI but did not receive benefits as of May. Those adults also reported an increase in unmet needs for medical care because of costs during this period, from 25.4 percent to 34.2 percent.
- Worrying about meeting basic needs in the next month declined for UI recipients.
 - » Between March/April and May, the share of UI recipients worried about paying for five essential expenses (food, rent/mortgage, utility bills, debts, and medical costs) decreased between 6.2 to 17.1 percentage points. We did not find statistically significant declines in worrying about meeting basic needs among adults whose families applied for UI and did not receive benefits as of May.
- Among UI applicants, UI receipt was associated with a 3.7 percentage-point reduction in problems paying utility bills, a 7.3 percentage-point reduction in unmet medical needs because of costs, and reductions of 8.6 to 15.1 percentage points in worrying about meeting basic needs.
- Among UI applicants, economic impact payments were associated with a 13.3 percentage-point reduction in food insecurity and a 7.8 percentage-point reduction in problems paying utility bills, but they did not change how much people worried about meeting basic needs in the next month.

Background

The social distancing measures required to slow transmission of the novel coronavirus have caused a sharp decline in economic activity, resulting in more than 25 million workers losing employment between February and April 2020—with millions more temporarily laid off but misclassified as employed in federal employment survey data.⁸ The share of people working part time for economic reasons more than doubled during this period, and millions of small-business owners have faced declining revenues because of the pandemic (Buffington et al. 2020). To mitigate the negative impact of these losses and stabilize the economy, the CARES Act provided more than \$2 trillion in assistance to households, businesses, hospitals and other health care providers, and state and local governments.

In the CARES Act, the largest sources of assistance for households included expanded UI eligibility, extended weeks of UI benefits, enhanced weekly UI benefit amounts, and one-time economic impact payments. The legislation established the Pandemic Emergency Unemployment Compensation program to extend UI benefits for an additional 13 weeks beyond the maximum duration for regular UI benefits (26 weeks in most states); provided a \$600 weekly benefit supplement under a new Federal Pandemic Unemployment Compensation program; and created the Pandemic Unemployment Assistance program to expand UI eligibility to workers who do not qualify for regular UI benefits, such as those without a long enough work history or who are self-employed. Under current law, the benefit supplement from the Federal Pandemic Unemployment Compensation program expires July 31, 2020, and the other UI provisions expire at the end of 2020. Most US households, including those that did not lose employment or work-related income during the pandemic, have also received the economic impact payments, which provided up to \$1,200 for single adults and \$2,400 for married couples filing taxes jointly, as well as up to \$500 for each qualifying dependent child.⁹

The rollouts of both the enhanced UI and economic impact payments were uneven. Outdated and underfunded state UI systems combined with restrictive state policies and administrative rules to complicate both processing an overwhelming number of claims and accommodating new eligibility and benefit rules, delaying benefits for many applicants (Evermore 2020).¹⁰ The Internal Revenue Service (IRS) sent economic impact payments to all eligible people for whom it had information between April 10 and June 3.¹¹ Tax filers whose refunds are electronically deposited in a bank account received the payment most rapidly, and others received the payment by mail with a delay. Some households did not receive a payment because they were ineligible or because their incomes are too low to require them to file a tax return, and the IRS therefore did not have the information needed to send them the payment, among other reasons. The CARES Act also increased funding for rental assistance, provided small businesses with incentives to keep employees on payroll, and required mortgage forbearance and a temporary moratorium on foreclosures and evictions in properties receiving federally backed financing or participating in federal housing programs. The CARES Act built on the earlier Families First Coronavirus Response Act, which provided new federal funding for paid family and medical leave and increased funding for the Supplemental Nutrition Assistance Program and other federal nutrition programs.¹²

Study Design

Both enhanced UI benefits and economic impact payments could provide financial relief to households struggling to meet their basic needs. In this brief, we examine changes in material hardship and worrying about meeting basic needs following implementation of these CARES Act provisions among adults whose families lost work or work-related income because of the pandemic and who sought assistance through the UI program. A family includes the respondent, their spouse or partner, and any of their children or stepchildren under 19 who live with them. UI and the economic impact payments could affect material hardship and worrying about meeting basic needs differently for several reasons, including because UI benefits are recurring, whereas the economic impact payments were one-time payments, and because of variation in the amount and timing of the benefits or payments received.

We define material hardship as reporting at least one of the following difficulties in the 30 days before the survey:

- household food insecurity¹³
- not paying the full amount of the rent or mortgage or being late with a payment because the household could not afford to pay (hereafter called “problems paying rent or mortgage”)
- being unable to pay the full amount of the gas, oil, or electricity bills (hereafter called “problems paying utility bills”)
- the respondent or a family member having unmet needs for medical care because of costs

We also focus on the share of adults reporting being very or somewhat worried they or their family will have difficulty with the following needs in the next month:

- having enough to eat
- paying the rent or mortgage
- paying utility bills
- paying debts
- paying for medical costs

We assessed changes in hardship and worrying between late March/early April, after millions of families lost employment because of the pandemic (Acs and Karpman 2020) but before CARES Act provisions were broadly implemented, and mid-to-late May, following implementation of the CARES Act provisions. We consider two groups of adults surveyed in both March/April and in May: those whose families received UI in the 30 days before the May survey and those whose families had applied for UI since March 1 but did not receive benefits in the 30 days before the May survey. Because of the eligibility expansions in the CARES Act, most applicants who had not received benefits were likely eligible for UI benefits but still waiting for their claims to be processed. Reasons for being ineligible include quitting jobs for reasons not directly related to COVID-19, being able to work from home, receiving paid leave, and being unauthorized to work in the US (e.g., for undocumented

workers; NELP 2020). In addition, most applicants did not go without benefits because they found new jobs: only 8.2 percent reported that they or someone in their family found a new job because of the pandemic (data not shown).

We first present changes in self-reported hardship and concerns about meeting basic needs between March/April and May among UI recipients and among UI applicants who had not received benefits. We then compare how these outcomes changed between March/April and May for people who received UI benefits versus for those who did not receive them, after accounting for differences between the demographic, socioeconomic, and geographic characteristics of the two groups.¹⁴ We also account for differences between the two groups in receipt of the economic impact payments (which may confound the associations between UI receipt and hardship and worrying, because many people received both benefits).¹⁵

We conduct a similar two-period, difference-in-differences analysis for estimating the association between economic impact payments and hardship and worrying about meeting basic needs, accounting for differences in observable characteristics and UI receipt among those who did and did not get the economic impact payments.

These analyses provide important insights into the relationship between emergency assistance and families' experiences of material hardship and worrying about meeting basic needs. Though the associations are clear, additional data and analyses will be necessary to determine the extent to which such assistance directly contributed to reduced hardship and worrying about meeting basic needs. We provide further detail on the methods and limitations of this analysis at the end of this brief.

Results

Food insecurity declined among UI recipients, and medical hardship increased among adults whose families applied for UI but had not received benefits as of May.

Between March/April and May, household food insecurity among adults whose families lost work or work-related income during the pandemic but had received UI benefits as of May fell by 3.0 percentage points, from 27.1 to 24.1 percent (table 1). This group did not report statistically significant changes in other hardship measures.

Estimated changes in hardship for UI recipients contrast with the changes for adults whose families applied for UI during the pandemic but had not received benefits as of May. Among adults in families that had not received benefits, food insecurity remained unchanged (29.3 percent in March/April and 29.7 percent in May), but unmet needs for medical care because of costs rose by 8.7 percentage points (25.4 percent to 34.2 percent). This increase in unmet need for care contributed to a 5.4 percentage-point increase in the share of such adults reporting one or more of the material hardships shown in table 1 (39.8 percent to 45.2 percent).

TABLE 1

Material Hardship Reported by Adults Ages 18 to 64 Whose Families Lost Work or Work-Related Income Because of the Pandemic, by Family Receipt of Unemployment Insurance, March/April and May 2020

	Received UI			Applied for but Did Not Receive UI		
	March/ April 2020 (%)	May 2020 (%)	Percentage- point change	March/ April 2020 (%)	May 2020 (%)	Percentage- point change
Any hardship	37.5	37.7	0.2	39.8	45.2	5.4**
Food insecurity	27.1	24.1	-3.0*	29.3	29.7	0.3
Problems paying rent or mortgage	14.4	16.9	2.5	14.9	17.8	2.9
Problems paying utility bills	15.4	12.7	-2.6	19.1	20.4	1.3
Unmet need for medical care in family because of costs	23.2	25.6	2.4	25.4	34.2	8.7***

Sources: May estimates are from the Urban Institute Coronavirus Tracking Survey, wave 1, and March/April estimates are from the Urban Institute Health Reform Monitoring Survey.

Notes: UI is unemployment insurance. "Received UI" includes adults whose families received UI in the 30 days before the May survey. "Applied for but did not receive UI" includes adults whose families had applied since March 1, 2020, but had not yet received benefits by the May survey. Material hardship is reported for the 30 days before the survey. Any hardship is one or more of the hardships shown in the table. The Coronavirus Tracking Survey was fielded May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20. The March/April Health Reform Monitoring Survey (HRMS) was fielded March 25 through April 10, 2020, and 74.5 percent of respondents completed the survey by March 31. The tracking survey respondents are a subsample of the March/April HRMS respondents. The table sample consists of 694 adults whose families lost work or work-related income because of the coronavirus outbreak and either received unemployment insurance benefits in the 30 days before the May survey or had applied for such benefits since March 1 but had not received them by the May survey.

*/**/*** Percentage-point change between March/April and May 2020 differs significantly from zero at the 0.10/0.05/0.01 level, using two-tailed tests.

In May, adults receiving UI were less worried about meeting basic needs in the next month than they had been in March/April. Among adults whose families applied for UI but had not received benefits as of May, we did not find statistically significant changes in worrying about meeting basic needs.

Though material hardship in the past month declined modestly between March/April and May among adults whose families received UI benefits in the 30 days before the May survey, we found much larger declines in the share of UI recipients worried about paying for basic needs in the next month. The share very or somewhat worried about having enough to eat in the next month fell 12.4 percentage points, from 31.9 percent in March/April to 19.5 percent in May (table 2). We also found declines in the shares reporting being worried about paying the rent or mortgage (17.1 percentage points), utility bills (14.8 percentage points), debts (13.5 percentage points), and medical costs (6.2 percentage points). Worries about paying for these needs did not change significantly for adults whose families had applied for UI since March 1 but had not received benefits in the 30 days before the May survey.

TABLE 2

Worries about Meeting Basic Needs Reported by Adults Ages 18 to 64 Whose Families Lost Work or Work-Related Income Because of the Pandemic, by Family Receipt of Unemployment Insurance, March/April and May 2020

	Received UI			Applied for but Did Not Receive UI		
	March/ April 2020 (%)	May 2020 (%)	Percentage- point change	March/ April 2020 (%)	May 2020 (%)	Percentage- point change
Having enough to eat	31.9	19.5	-12.4***	30.0	28.5	-1.5
Paying rent or mortgage	48.4	31.3	-17.1***	41.4	39.0	-2.5
Paying utility bills	45.0	30.2	-14.8***	42.9	39.8	-3.1
Paying debts	54.3	40.7	-13.5***	49.5	48.6	-0.9
Paying for medical costs	43.5	37.3	-6.2**	35.7	37.4	1.7

Sources: May estimates are from the Urban Institute Coronavirus Tracking Survey, wave 1, and March/April estimates are from the Urban Institute Health Reform Monitoring Survey.

Notes: UI is unemployment insurance. "Received UI" includes adults whose families received benefits in the 30 days before the May survey. "Applied for but did not receive UI" includes adults whose families had applied since March 1, 2020, but had not yet received benefits by the May survey. Respondents reported being very or somewhat worried about meeting the specified basic needs in the next month. The Coronavirus Tracking Survey was fielded May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20. The March/April Health Reform Monitoring Survey (HRMS) was fielded March 25 through April 10, 2020, and 74.5 percent of respondents completed the survey by March 31. The tracking survey respondents are a subsample of the March/April HRMS respondents. The table sample consists of 694 adults whose families lost work or work-related income because of the coronavirus outbreak and either received unemployment insurance benefits in the 30 days before the May survey or had applied for such benefits since March 1 but had not received them by the May survey.

*/**/*** Percentage-point change between March/April and May 2020 differs significantly from zero at the 0.10/0.05/0.01 level, using two-tailed tests.

Among UI applicants, UI receipt was associated with reductions in problems paying utility bills, unmet medical needs because of costs, and worrying about meeting basic needs.

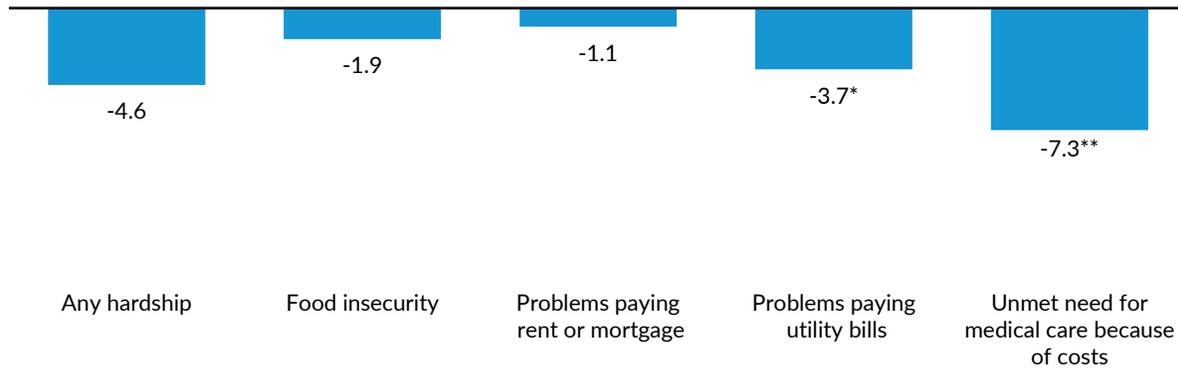
Figure 1 shows changes in material hardship and worrying about meeting basic needs among UI recipients relative to such changes among applicants who did not receive UI, after accounting for differences in observable characteristics and receipt of economic impact payments between the two groups. UI receipt was associated with a 3.7 percentage-point reduction in problems paying utility bills and a 7.3 percentage-point reduction in unmet needs for medical care between March/April and May.

We also observed large, statistically significant regression-adjusted differences in the changes between March/April and May in worrying about meeting each need examined here. Among UI applicants, UI receipt was associated with an 11.0 percentage-point reduction in worrying about having enough to eat, as well as large reductions in worrying about paying the rent or mortgage (15.1 percentage points), utility bills (11.3 percentage points), debts (11.6 percentage points), and medical costs (8.6 percentage points).

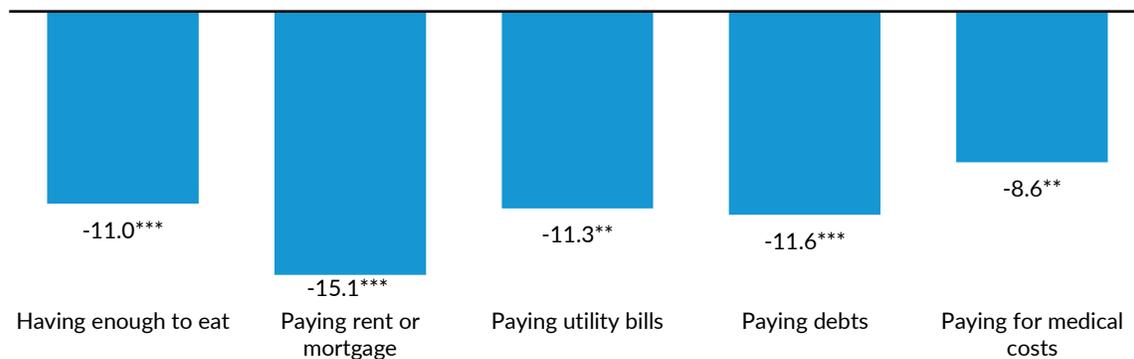
FIGURE 1

Percentage-Point Difference between Changes in Hardship and Worrying about Meeting Basic Needs between March/April and May 2020 for Adults Whose Families Received UI Benefits Relative to Those Who Applied for but Had Not Received UI Benefits

Reported material hardship in the last 30 days



Worried about meeting basic needs in the next month



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Sources: May estimates are from the Urban Institute Coronavirus Tracking Survey, wave 1, and March/April estimates are from the Urban Institute Health Reform Monitoring Survey.

Notes: UI is unemployment insurance. Any hardship is one or more of the hardships listed. The Coronavirus Tracking Survey was fielded May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20. The March/April Health Reform Monitoring Survey (HRMS) was fielded March 25 through April 10, 2020, and 74.5 percent of respondents completed the survey by March 31. The tracking survey respondents are a subsample of the March/April HRMS respondents. The figure sample consists of 694 adults whose families lost work or work-related income because of the coronavirus outbreak and either received unemployment insurance benefits in the 30 days before the May survey or had applied for such benefits since March 1 but had not received them by the May survey. Estimates are regression adjusted.

*/**/** Percentage-point difference in the change between March/April and May among adults whose families received unemployment insurance benefits relative to adults whose families applied for benefits but had not received them differs significantly from zero at the 0.10/0.05/0.01 level, using two-tailed tests.

Among UI applicants, economic impact payments were associated with reduced food insecurity and problems paying utility bills.

Adults whose families lost work or work-related income and sought assistance through the UI program are likely among those hit hardest by the COVID-19 pandemic's economic fallout. In addition to seeking UI benefits, these families may also have received an economic impact payment between the two survey periods, which could have helped reduce hardship independently of UI.

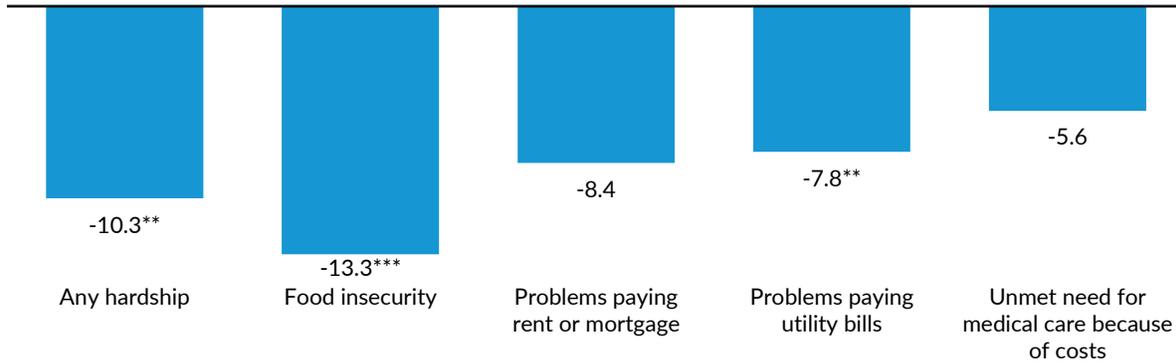
Using the same approach taken in figure 1, we estimate percentage-point differences in the changes in hardship and worrying about meeting basic needs between March/April and May for UI applicants (both those receiving and not receiving UI as of May) whose families got the economic impact payment by mid-to-late May relative to those who did not get the payment (figure 2). We again account for differing characteristics and UI receipt between those who got the payments and those who did not. Among these UI applicants, receipt of the economic impact payment was associated with decreased food insecurity (13.3 percentage points), problems paying utility bills (7.8 percentage points), and one or more of the material hardships examined in this brief (10.3 percentage points).

In contrast to the findings on UI receipt, we did not find statistically significant associations between receipt of the economic impact payments and changes in worrying about meeting basic needs in the next month, perhaps because adults whose families got the economic impact payments used them to cover missed bill payments or debts and were aware the economic impact payments would not reoccur.

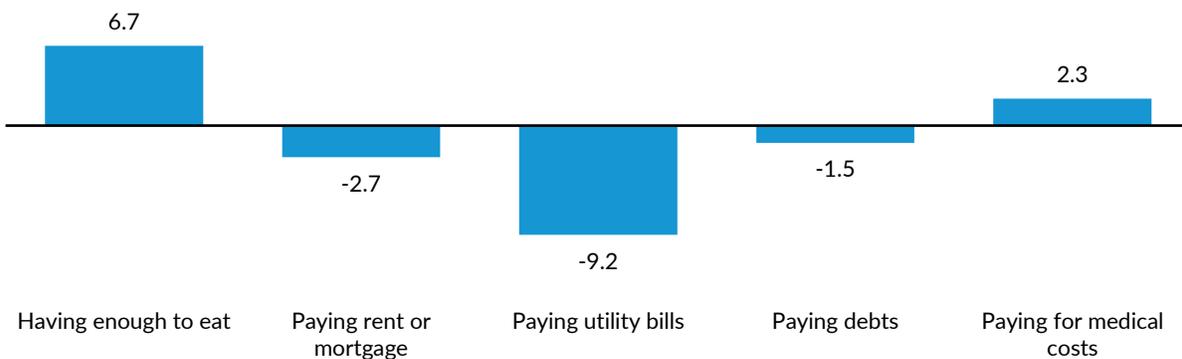
FIGURE 2

Percentage-Point Difference between Changes in Hardship and Worrying about Meeting Basic Needs between March/April and May 2020 for UI Applicants Whose Families Received Economic Impact Payments Relative to Those Who Did Not Receive Economic Impact Payments

Reported material hardship in the last 30 days



Worried about meeting basic needs in the next month



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Sources: May estimates are from the Urban Institute Coronavirus Tracking Survey, wave 1, and March/April estimates are from the Urban Institute Health Reform Monitoring Survey.

Notes: UI is unemployment insurance. Any hardship is one or more of the hardships listed. The Coronavirus Tracking Survey was fielded May 14 through 27, 2020, and 93.1 percent of respondents completed the survey by May 20. The March/April Health Reform Monitoring Survey (HRMS) was fielded March 25 through April 10, 2020, and 74.5 percent of respondents completed the survey by March 31. The tracking survey respondents are a subsample of the March/April HRMS respondents. The figure sample consists of 694 adults whose families lost work or work-related income because of the coronavirus outbreak and either received unemployment insurance benefits in the 30 days before the May survey or had applied for such benefits since March 1 but had not received them by the May survey. Of this group, 575 adults reported receiving the economic impact payments and 119 did not. Estimates are regression adjusted.

*/**/** Percentage-point difference in the change between March/April and May among adults whose families received economic impact payments relative to adults whose families did not receive the payments differs significantly from zero at the 0.10/0.05/0.01 level, using two-tailed tests.

Discussion

Between March/April and May, following implementation of the CARES Act, adults whose families lost work or work-related income because of the COVID-19 pandemic and received UI as of May reported a modest decline in food insecurity and substantial reductions in worrying about having enough to eat and paying the rent or mortgage, utility bills, debts, and medical costs in the next month. During this period, adults whose families sought UI benefits but did not get them experienced increased difficulty affording medical care and did not experience reductions in other forms of hardship or worrying about paying for basic needs.

In addition, adults who received UI benefits and/or the economic impact payments as of May saw larger relative declines in difficulty meeting basic needs than adults whose families did not get such assistance. UI recipients reported larger decreases between March/April and May in problems paying utility bills, unmet needs for medical care because of costs, and worrying about covering basic expenses in the next month than did nonrecipients. And adults who received economic impact payments reported greater reductions in food insecurity and problems paying utility bills than adults who did not get the payments. Though more rigorous quasi-experimental methods are needed to assess the causal effects of CARES Act provisions, this analysis finds that hardship eased, or at least did not worsen, among adults receiving UI and economic impact payments, and worries about covering essential expenses in the future were significantly alleviated among UI recipients between March/April and May.

Large reductions in worrying about the next month and more modest declines in hardship in the past month among adults whose families received UI may partially reflect the difference between when respondents received benefits and when they completed the survey. About three-quarters of the March/April HRMS respondents completed the survey between March 25 and 31, and nearly all respondents to the May Coronavirus Tracking Survey completed the survey between May 14 and 20. Many adults facing employment losses in March therefore completed the HRMS before rent and mortgage payments were due April 1. Had they completed the survey after April 1, the share of adults reporting problems paying the rent or mortgage in the last 30 days may have been higher in the HRMS. At the same time, some families may not have received UI until May because of claims processing delays. Had they received benefits earlier, the share of adults reporting problems paying the rent or mortgage in the last 30 days (i.e., for payments due May 1) may have been lower in the May survey. Public assistance could also reduce worrying and uncertainty even if hardships still exist, especially if the assistance is recurring, like UI.

Though previous research provides limited evidence about the role of UI and other safety net assistance in reducing hardship during recessions (Pilkaukas, Currie, and Garfinkel 2012), the findings in this brief align with other studies' findings that UI reduced poverty during the Great Recession (Gabe and Whittaker 2012; Vroman 2010)¹⁶ and that UI and economic impact payments have reduced poverty in the current recession (Han, Meyer, and Sullivan 2020). By helping protect people from food insecurity and other hardships during the current economic crisis, UI and other emergency assistance

can help mitigate the harmful effects of the crisis on children's and adults' long-term health and well-being (Coleman-Jensen, McFall, and Nord 2013; Seeman et al. 2018).

With the enhanced UI benefits under the Federal Pandemic Unemployment Compensation program scheduled to expire July 31, 2020, and the expanded eligibility for and duration of benefits expiring at the end of 2020, Congress is now considering additional relief legislation. The Health and Economic Recovery Omnibus Emergency Solutions, or Heroes, Act passed by the House would extend the enhanced UI eligibility and benefit provisions in the CARES Act until January 31, 2021, and allow people receiving extended benefits through the Pandemic Emergency Unemployment Compensation or Pandemic Unemployment Assistance programs to continue receiving benefits for any remaining weeks until March 31, 2021 (Stone 2020). The Heroes Act would also provide economic impact payments with larger benefits for dependent children and would include adult dependents and immigrants who use individual taxpayer identification numbers to file taxes, two groups excluded from receiving the economic impact payments in the CARES Act.¹⁷ Additional provisions would expand rental and homeowner assistance. Stimulus legislation in the Senate has yet to materialize, and formal negotiations are not expected to begin until late July.¹⁸

The findings in this brief highlight reduced worrying about basic needs and material hardship among adults and their families following receipt of CARES Act assistance. But these challenges could return if the enhanced UI benefits under the Federal Pandemic Unemployment Compensation program are allowed to expire at the end of July. Abruptly withdrawing support could put families under much greater strain, while millions of Americans remain out of work and food banks face unprecedented demand.¹⁹ The Congressional Budget Office projects that the unemployment rate will be above 9 percent on average throughout 2021 (CBO 2020), suggesting heightened demands for federal assistance over a prolonged period. Given the uncertainty surrounding the economic recovery—particularly because the pandemic has not yet subsided—some lawmakers have proposed tying UI eligibility, duration, and benefits to the unemployment rate.²⁰ Other proposals have focused on shifting funds from the \$600 weekly benefit supplement toward a “return to work” bonus to reduce incentives to remain on UI, particularly when benefits are larger than workers' previous earnings.²¹ But this approach assumes a substantial number of workers have jobs to return to and that the benefit supplement is deterring them from doing so.

With more than 45 million new claims for UI since the pandemic began,²² decisions about extending CARES Act assistance and efficiently targeting public funds toward financially vulnerable households negatively affected by the recession will profoundly affect the well-being of families across the country and the strength of the economic recovery. As Congress considers the next phase of relief legislation, it will be critical to ensure unemployed workers and their families have assistance sufficient to protect them from food insecurity, homelessness, and deteriorating health.

Data and Methods

This brief uses data from the first wave of the Urban Institute's Coronavirus Tracking Survey, a nationally representative, internet-based survey of nonelderly adults designed to assess the impact of the COVID-19 pandemic on adults and their families and how those impacts change over time. A total of 4,352 adults ages 18 to 64 participated in the first wave, which was fielded May 14 through 27, 2020, with 93.1 percent of respondents completing the survey between May 14 and 20. The respondents were sampled from the 9,032 adults who participated in the most recent round of the Health Reform Monitoring Survey (HRMS), which was fielded March 25 through April 10, 2020. Analyzed together, the surveys create a two-period, longitudinal dataset. The HRMS sample is drawn from Ipsos's KnowledgePanel, the nation's largest probability-based online panel. The panel is recruited from an address-based sampling frame covering 97 percent of US households and includes households with and without internet access. Participants can take the survey in English or Spanish.

The tracking survey includes an oversample of non-Hispanic Black and Hispanic HRMS participants. Survey weights adjust for unequal selection probabilities and are poststratified to the characteristics of the national nonelderly adult population based on benchmarks from the Current Population Survey and American Community Survey. The margin of sampling error, including the design effect, for the full sample of adults in the first wave of the tracking survey is plus or minus 1.9 percentage points for a 50 percent statistic at the 95 percent confidence level. The second wave of the tracking survey will be fielded in the summer of 2020. Additional information about the March/April 2020 HRMS and the questionnaires for the HRMS and first wave of the Coronavirus Tracking Survey can be found at hrms.urban.org.

This brief focuses on a longitudinal sample of 694 adults whose families lost work or work-related income because of the pandemic and either received UI in the 30 days before the May survey (442 adults) or sought such assistance since March 1 but had not received benefits in the 30 days before the May survey (252 adults). The sample includes adults who reported losses of work or work-related income in both March/April and May and those who only reported losses in May. We exclude from the analysis a small number of respondents who reported losses in March/April but not in May. We also exclude adults whose families lost work or work-related income but did not apply for UI, who were more likely than UI applicants to have faced reduced work hours rather than losing or being laid off from a job and whose loss of work or income may not have been severe enough to apply for benefits. Though comparing UI recipients with UI applicants who did not get benefits partially mitigates the selection issues that emerge when comparing outcomes for benefit recipients and nonrecipients (i.e., because people who self-select into applying for government programs have different characteristics than people who choose not to apply), the findings in this brief should not be interpreted as causal effects, which require more rigorous, quasi-experimental methods to assess.

Under ideal experimental conditions, the effects of UI and other government benefits could be tested by randomly assigning applicants to the treatment group (receiving benefits) or a control group (not receiving benefits) so the average characteristics of both groups would likely be the same, and any

differences in outcomes between the two groups could be explained by the treatment. Such randomization has informed evaluations of the impact of other programs, such as the Oregon Health Insurance Experiment Medicaid evaluation.²³ Without randomization and amid the COVID-19 pandemic, various reasons may affect why some UI applicants had received benefits and others had not as of May.

External factors, such as state administrative problems, may have delayed claims processing for some applicants. Other factors potentially leading to differences in UI receipt could relate to differences in application timing or applicants' characteristics. However, neither factor appears to explain the differences in the changes in hardship by UI receipt found in this brief. Approximately 16 percent of adults whose families received UI in the 30 days before the May survey also reported receiving benefits in the year before the March/April survey (though we do not know if benefit receipt occurred before or during the pandemic). Excluding these adults from the analysis and thereby limiting the sample to adults applying for benefits between March and May affected results minimally. Notably, we also find that worrying about basic needs and medical hardship increased more among adults who had applied for UI recently (fewer than five weeks before the May survey) and had not received benefits than among those who applied five or more weeks ago and had not received benefits. Those who have been waiting for benefits longer may be more confident their claims will soon be processed or may have had more time to find other coping mechanisms.

Though changes in hardship and worrying about basic needs could be affected by differences in UI recipients' and nonrecipients' characteristics, the data do not support this explanation. Applicants' characteristics determine which UI assistance they are eligible for: Workers who do not qualify for regular UI benefits, such as those without a long enough work history or who are self-employed or gig workers, can instead qualify for the Pandemic Unemployment Assistance program, which states have had much more difficulty rolling out. These workers may have been more disadvantaged before the pandemic and would therefore be expected to face greater hardships after a job loss. However, we find few significant differences in the characteristics of UI recipients and adults whose families applied for UI but did not get benefits, and the same share of adults in each group reported being self-employed (9.1 percent; data not shown). In addition, hardship and worrying about basic needs did not differ significantly between the two groups as of March/April, except for worrying about paying for medical costs, which was lower among nonrecipients. Moreover, as noted in the background section, the broad-based UI eligibility expansions under the CARES Act make it unlikely that nonrecipients did not receive benefits because they were ineligible, and very few nonrecipients reported that someone in their family found a new job.

As noted earlier, when analyzing the difference in changes in hardship and worrying about basic needs between March/April and May among UI recipients and nonrecipients, we account for differences in the following demographic, socioeconomic, and geographic characteristics of these two groups, which may be correlated with the likelihood of both receiving benefits and experiencing hardship in the face of job loss: age, gender, race/ethnicity, educational attainment, family income as a percentage of the federal poverty level, homeownership status, primary language, marital/partner

status, presence of children under 19 in the family, family citizenship status, urban/rural residence, census region, and internet access at home. We also account for receipt of economic impact payments to avoid confounding the association between UI receipt and changes in hardship and worrying about basic needs. However, we cannot rule out other unobserved differences between UI recipients and nonrecipients that may bias our estimates.

Using this two-period, difference-in-differences analysis, we also estimate regression-adjusted differences in the changes in hardship and worrying about basic needs among all adults who lost work or income and sought assistance from UI, based on whether their families received the economic impact payments, after accounting for differences in characteristics and receipt of UI between adults who did and did not receive the economic impact payments. The characteristics of recipients and nonrecipients of the economic impact payments differ for several reasons: Eligibility for the payments phases out at high incomes and excludes certain groups, such as immigrants who file taxes with an individual taxpayer identification number and older children and adults claimed as dependents on their parents' tax returns. Some nonrecipients may not have received the benefits because they lacked a bank account (and therefore would receive benefits more slowly by mail), or because their incomes were too low to require filing a tax return. The regression adjustment likely reduces, but does not eliminate, the effect of these differences in characteristics on the association of payment receipt with hardship and worrying about basic needs. In addition, the share of adults whose families applied for UI and did not get the economic impact payments is relatively small (119 adults), giving us less confidence in the magnitude of the difference in changes in hardship and worrying about basic needs between payment recipients and nonrecipients.

Notes

- ¹ [Coronavirus Aid, Relief, and Economic Security \(CARES\) Act](#), Pub. L. No. 116-136.
- ² Jennifer Kates, Josh Michaud, and Jennifer Tolbert, "Stay-at-Home Orders to Fight COVID-19 in the United States: The Risks of a Scattershot Approach," Henry J. Kaiser Family Foundation, April 5, 2020, <https://www.kff.org/coronavirus-policy-watch/stay-at-home-orders-to-fight-covid19/>.
- ³ Eli Rosenberg and Heather Long, "Unemployment Rate Drops and 2.5 Million Jobs Added, after States Reopened," *Washington Post*, June 6, 2020, <https://www.washingtonpost.com/business/2020/06/05/may-2020-jobs-report/>.
- ⁴ [The Heroes Act](#), H.R. 6800, 116th Cong. (2020).
- ⁵ Of the 4,352 respondents to the first wave of the tracking survey, 93.1 percent completed the survey between May 14 and 20. Of the 9,032 respondents to the March/April 2020 HRMS, 74.5 percent completed the survey between March 25 and 31.
- ⁶ The US Department of Labor published guidance on the Federal Pandemic Unemployment Compensation program, which provides a \$600 weekly supplement to regular UI benefits, on April 4, 2020, and several states began paying the initial benefits around April 9. See US Department of Labor, Unemployment Insurance Program Letter 15-20, regarding Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020—Federal Pandemic Unemployment Compensation (FPUC) program operating, financial, and reporting instructions, April 4, 2020, https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=9297; Mississippi Department of Employment Security, "Among the 1st in the Nation to Pay Claimants Federal Pandemic Unemployment Compensation," news release, April 10, 2020, <https://mdes.ms.gov/news/2020/04/10/among-the-1st-in-the->

nation-to-pay-claimants-federal-pandemic-unemployment-compensation/; Alabama Department of Labor, “ADOL Begins Paying Federal \$600 Stimulus Benefit,” news release, April 9, 2020, https://labor.alabama.gov/news_feed/News_Page.aspx?id=219.

As of April 8, only seven states were paying for extended weeks of UI benefits under the Pandemic Emergency Unemployment Compensation program to workers who had exhausted their regular UI benefits. See Mark Bocchetti, “States Begin Payment of New Unemployment Benefits,” *Roll Call*, April 13, 2020, <https://www.rollcall.com/2020/04/13/states-begin-payment-of-new-unemployment-benefits/>.

At the end of April, most states were still not paying for benefits under the Pandemic Unemployment Assistance program, which expands UI eligibility to workers not covered under the regular UI program. See Rebecca Rainey, “Millions of Gig Workers Are Still Waiting for Unemployment Benefits,” *Politico*, April 30, 2020, <https://www.politico.com/news/2020/04/30/millions-of-gig-workers-are-still-waiting-for-unemployment-benefits-225844>.

The IRS began sending economic impact payments on April 10. See Internal Revenue Service, “A Message from the Commissioner—Economic Impact Payments: IRS Helping 150 Million Americans One Payment at a Time,” news release, April 14, 2020, <https://www.irs.gov/newsroom/a-message-from-the-commissioner-economic-impact-payments-irs-helping-150-million-americans-one-payment-at-a-time>.

- ⁷ Though the IRS uses the term “economic impact payments,” the CARES Act calls them recovery rebates, and the media often call them stimulus checks or payments. See Janet Holtzblatt, “What Should We Call Those COVID-19 Recovery Rebates?” *TaxVox* (blog), Urban-Brookings Tax Policy Center, April 22, 2020, <https://www.taxpolicycenter.org/taxvox/what-should-we-call-those-covid-19-recovery-rebates>.
- ⁸ Bureau of Labor Statistics, “The Employment Situation—April 2020,” news release, May 8, 2020, https://www.bls.gov/news.release/archives/empisit_05082020.pdf.
- ⁹ The economic impact payments begin phasing out at \$75,000 in adjusted gross income for single adults, \$150,000 for married couples filing joint tax returns, and \$112,500 for head of household filers. Other ineligible groups include children and adults ages 17 and older who could be claimed as dependents on someone else’s tax return, people who file their tax returns using an individual taxpayer identification number rather than a Social Security number, and immigrants who are not qualifying residents. See “Economic Impact Information Center,” Internal Revenue Service, accessed June 23, 2020, <https://www.irs.gov/coronavirus/economic-impact-payment-information-center>.
- ¹⁰ Patricia Cohen, “Jobless Numbers Are ‘Eye-Watering’ but Understate the Crisis,” *New York Times*, April 23, 2020, <https://www.nytimes.com/2020/04/23/business/economy/unemployment-claims-coronavirus.html>; Ella Nilssen, “Getting Unemployment Has Been a Nightmare for Millions of People across the Country,” *Vox*, April 20, 2020, <https://www.vox.com/2020/4/20/21220931/unemployment-insurance-coronavirus-websites-crashing>; Don Lee, “How Budget Cuts and Restrictive Policies Hobbled the Unemployment Insurance System,” *Los Angeles Times*, April 30, 2020, <https://www.latimes.com/politics/story/2020-04-30/unemployment-benefits-budget-cuts>.
- ¹¹ US Department of the Treasury, “Treasury, IRS Announce Delivery of 159 Million Economic Impact Payments,” press release, June 3, 2020, <https://home.treasury.gov/news/press-releases/sm1025>.
- ¹² US Department of Agriculture, “USDA Increases Monthly SNAP Benefits by 40%,” press release, April 22, 2020, <https://www.usda.gov/media/press-releases/2020/04/22/usda-increases-monthly-snap-benefits-40>.
- ¹³ Our estimate of household food insecurity is based on the six-item short form of the US Department of Agriculture’s Household Food Security Survey Module and uses a 30-day reference period. Respondents with two to four affirmative responses are defined as having low household food security, and respondents with five to six affirmative responses are defined as having very low household food security. These groups are jointly defined as being food insecure. Affirmative responses include reporting that it was often or sometimes true that the food the household bought just didn’t last, and the household didn’t have money to get more; it was often or sometimes true that the household could not afford to eat balanced meals; adults in the household ever cut the size of meals or skipped meals because there was not enough money for food; meals were cut or skipped for 3 or more of the last 30 days; the respondent ate less than they felt they should

because there wasn't enough money for food; and the respondent was ever hungry but didn't eat because there wasn't enough money for food.

- ¹⁴ We account for differences between the two groups in the following characteristics: age, gender, race/ethnicity, educational attainment, family income as a percentage of the federal poverty level, homeownership status, primary language, marital/partner status, presence of children under 19 in the family, family citizenship status, urban/rural residence, census region, and internet access at home.
- ¹⁵ Of the adults whose families applied for UI, a weighted 55.4 percent received both UI and economic impact payments, 26.3 percent received the economic impact payments but not UI, 9.7 percent received UI but not the economic impact payments, and 8.6 percent received neither UI nor the economic impact payments.
- ¹⁶ Gregory Acs and Molly Dahl, "Unemployment Insurance Benefits and Family Income of the Unemployed," Congressional Budget Office blog, November 17, 2010, <https://www.cbo.gov/publication/25115>.
- ¹⁷ *The Heroes Act*, H.R. 6800, 116th Cong. (2020).
- ¹⁸ Kayla Tausche, "White House, GOP Push Coronavirus Relief Talks to Late July, Sources Say," CNBC, June 11, 2020, <https://www.cnbc.com/2020/06/11/white-house-gop-push-coronavirus-relief-talks-to-late-july-sources-say.html>.
- ¹⁹ Feeding America, "Feeding America Network Faces Soaring Demand, Plummeting Supply Due to COVID-19 Crisis," press release, April 8, 2020, <https://www.feedingamerica.org/about-us/press-room/soaring-demand-plummeting-supply>.
- ²⁰ Jessica Smith, "Wyden Pushes for Unemployment Benefits Tied to Unemployment Rates amid Coronavirus Pandemic," Yahoo! Finance, May 7, 2020, <https://finance.yahoo.com/news/wyden-pushes-for-unemployment-benefits-tied-to-unemployment-rates-amid-coronavirus-pandemic-194338055.html>; "The Worker Relief and Security Act," Office of Representative Don Beyer, accessed June 23, 2020, https://beyer.house.gov/uploadedfiles/worker_relief_and_security_act_specs.pdf.
- ²¹ Greg Iacurci, "Trump Administration Wants to Replace \$600 Unemployment Benefit with Back-to-Work Bonus," CNBC, June 15, 2020, <https://www.cnbc.com/2020/06/15/trump-wants-back-to-work-bonus-instead-of-600-unemployment-benefit.html>.
- ²² US Department of Labor, "Unemployment Insurance Weekly Claims," news release, June 18, 2020, <https://oui.doleta.gov/press/2020/061820.pdf>.
- ²³ "The Oregon Health Insurance Experiment," National Bureau of Economic Research, accessed June 23, 2020, <https://www.nber.org/oregon/#:~:text=The%20Oregon%20Health%20Insurance%20Experiment%20is%20a%20landmark%20study%20of,Medicaid%20in%20the%20United%20States>.

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