he operates in a number of industries or areas, these numbers are indicated to him on a supplementary statistical report form on which he submits the required statistical information for each reporting unit or unemployment compensation account number. Both plans, if properly administered, provide information on an industrial basis rather than on a tax-entity basis.

While the Social Security Board does not at present require the States to report benefit operations—claims received, claims authorized and disallowed, and number and amount of benefit payments—for separate industries, many of the States plan to record such data by industry groups. Moreover, benefit payments will be reported by the States to the Social Security Board by industry groups at a later time.

Additional problems in industrial classification administration will arise as the unemployment compensation program advances. The need for more detailed industrial break-downs in employer reporting than is involved in reporting on the present major industrial groups has already been mentioned. Furthermore, there is the problem of keeping the classification of employers in each State agency up to date, since the type of business carried on by a given employer at a given location does not necessarily remain the same over a period of time. In addition, changes in the pattern of American industry may in time require adjustments in the industrial classification code if it is accurately to portray existing industrial conditions. In the interest of comparability of statistical information and of avoiding complications in administration which may result from frequent changes, it is expected that the number of adjustments in the present code will be kept at a minimum.

STATISTICS OF UNEMPLOYMENT COMPENSATION
Charles A. Pearce *

It has long been recognized that the administrative records of State unemployment compensation agencies would be valuable sources of economic and social data. The agencies' claims and benefit records, and employer reports of contributions and workers' earnings, may be expected to supply information that will shed light on employment trends and wages in various industries, occupations, and sections of the country, as well as on the nature and duration of unemployment.

The efforts of State unemployment compensation agencies during the period of operation prior to payment of benefits have necessarily centered on such matters as the determination of employer liability, the collection of employer contributions, the building up of adequate wage records for covered employees, and the establishment of procedures for handling claims and making benefit payments. The 22 States that began benefit payments in January 1938 are now absorbed in handling an unexpectedly large volume of claims and in paying benefits promptly.

The Reporting Program of the Social Security Board

To carry out its responsibilities under the act, the Social Security Board has established a program of statistical reporting by the States, including at present report on financial transactions; on employer and employee coverage, taxable wages, and contributions; and on benefit operations. The requirements cover the minimum information needed by State agencies and the Board and have been made simple and flexible in recognition of the differences in State laws and the heavy administrative burden of State agencies during the early stages of operation. This reporting program will provide data on a Nation-wide basis through assuring comparable administrative and economic statistics for all States.

Statistics on Financial Transactions

Beginning with August 1937, a monthly report of financial transactions was requested of the States. This report was designed to show the amount of contributions received, the amount of funds transferred by the State Treasurer and placed in State depositories, and the amount of
funds transferred to the unemployment trust fund. Items also were provided for entering withdrawals from the unemployment trust fund and the amount of benefit checks issued, after the beginning of benefit payments. Several months of reporting showed that these requirements were inadequate in a number of respects and troublesome to State accountants. In conjunction with the Committee on Accounts, Records, and Reports of the Interstate Conference of Unemployment Compensation Administrators, the reporting form was revised to provide for the setting up of the information on a strictly accounting basis. The revised form, effective for December 1937, calls for additions, deductions, and end-of-month balances in each of three accounts—the clearing account, the unemployment trust fund account, and the benefit payment account. These data are taken from the accounting records of State agencies. They are reported on a monthly basis and are due in Washington on the 10th day of the month following that covered by the report.

Statistics on Coverage and Contributions

The second type of monthly report required of State unemployment compensation agencies is the “coverage and contributions” report. The items included on this report are: number of reporting units, number of covered workers (i.e., total number of covered workers in the last pay-roll periods of the month), amount of wages subject to contributions by employers, amount of contributions received (a) from employers and (b) from employees. These data are derived from employers’ reports on contributions to State agencies.

A tentative draft of coverage and contributions statistics requirements, announced by the Board in March 1937, was considered at length by the Committee on Research and Statistics of the Interstate Conference of Unemployment Compensation Administrators. The official report requirements of the Board were announced in July 1937, the first report to be made for the pay-roll month of October. These monthly reports on coverage and contributions are due in Washington on the 25th day after the State’s own due date for employer contribution reports. This means that most State reports are not due until the 25th day of the second month following the pay-roll month reported on. Up to the present time it has been impossible for the States to submit complete figures for coverage on these reports, since there is a substantial number of employers in every State who are delinquent in submitting their contributions to State agencies, and who, therefore, are not reflected in the coverage and contributions data reported to Washington; and, because the proportion of delinquent employers changes from month to month, monthly coverage data are not strictly comparable. While State agencies have been requested to submit annual reports of coverage and contributions, adjusted to include delinquent-employer reports, it is hoped that procedures may be worked out to increase the adequacy of current reporting.

Some modification in the current reporting of coverage and contributions statistics will result from a recent decision of the Board to permit quarterly rather than monthly collection of contributions by the States. This change was made to minimize the number of reports required from employers. At the end of November 1937 the Bureau of Internal Revenue of the Treasury Department decided to discontinue its requirement of monthly tax returns under title VIII of the Social Security Act and, after January 1, 1938, to require quarterly rather than monthly tax returns. As a result, the Social Security Board has decided that after January 1, 1938, contributions may be collected quarterly by State unemployment compensation agencies.

Although many States are shifting to a quarterly basis of collecting contributions, the report forms provide for the number of workers and amount of wages subject to contribution in each month of the quarter. Quarterly reports, of course, will be

1 Clearing account is the account in which unemployment compensation funds collected from employers are deposited. Unemployment trust fund account is the account maintained for each State in the U. S. Treasury. Benefit payment account consists of all moneys withdrawn from the State’s account in the unemployment trust fund.

2 Or the month preceding the twelfth month after the effective date of the State’s unemployment compensation law, whichever date is later. Thus, October reports were due from 18 States, November and December reports from 38 States, and January reports from 35 States.
less useful than monthly reports in indicating current trends in employment, but they nevertheless will provide monthly data necessary for conducting such essential studies as those relating to unemployment, seasonality, merit rating, and solvency of State funds.

Statistics on Benefit Operations

A third phase of the Board's reporting program covers claims and benefits statistics. A tentative draft of benefit-statistics requirements was submitted to State agencies in September 1937, and was considered by the Committee of Research and Statistics of the Interstate Conference of Unemployment Compensation Administrators in October. As a result of the suggestions of this committee, and further exploration of the problem, a revised draft was prepared. This was cleared with the committee and officially released by the Board to the States in January.

Four reports of benefits statistics are requested. The first is a monthly report on claims for benefits. It includes the number of initial and continued claims received for total unemployment and for partial unemployment; the number of claims disposed of by the agency of first disposition; the number of claims pending disposition at the end of the month; the number of payable-claim accounts opened and closed during the month, together with the number of accounts open at the end of the month. It also provides entries for the number of claims received and disposed of by the appeals bodies of State agencies.

The second report provides for recording the number of initial and continued claims received during the month at each employment office of the State, as well as the number of claims received through the itinerant service of the State agency.

The third report calls for numbers and amounts of benefit payments issued for total and partial unemployment. Payments for total unemployment and for partial unemployment will be reported separately and classified in dollar intervals according to the amount of payment.

The fourth report provides for a record of the number of weeks that elapse between the end of the first compensable week and date of first payment.

The Board's present benefit statistics requirements have been limited primarily to basic operating data. Data on claims pending, received, disposed of, and closed will indicate the administrative load occasioned by benefit payments, and, together with data on time-lapse, will provide a rough measure of the ability of State agencies to keep current their processing of claims. The report on the number and amount of benefit payments will provide not only a measure of the volume of benefit payments but a detailed picture of the amount of weekly benefit checks paid to workers. Aside from these values, the reports may throw some light on the characteristics of unemployment. Fluctuations in the number of weekly claims for benefits will supplement existing information on unemployment trends; and the break-down of initial and continued claims and benefit payments according to whether for total or partial unemployment not only will indicate the administrative and financial burden of compensating workers for partial unemployment but also will afford some measure of the importance of partial unemployment in important industries. It must always be kept in mind, however, that the value of these data in measuring unemployment is limited by the fact that they relate to workers in covered industries only, and only to those weeks of unemployment for which such workers receive benefits.

After the regular reporting of basic data on benefit operations has been effectively established, it is expected that the Board's requirements will be extended to provide a more intimate picture of administrative processes and general social and economic data. Thus reports may be requested on reasons for claim disallowance, disqualification, withdrawal, and termination; parties to and issues involved in appealed cases; benefit payments classified by industry of the worker's last employer; and duration of benefit payments.

Other Statistics Compiled by State Agencies

Many States are compiling unemployment compensation statistics that are much more comprehensive than those reported to the Social Security
Board. Statistics on delinquent reporting by employers, and on progress in posting employer reports to bookkeeping ledgers, have been necessary for efficient operation. Many States now tabulate numbers of reporting units and covered employees by industry and locality, and in some instances by industries within locality, or localities by industry. Several States have had available in their contribution reports, and have compiled, statistics on types of remuneration other than cash wages. In the field of benefit statistics, most benefit-paying States are planning to maintain a statistical record of the progress of claims through various stages of processing, and to show reasons for claim disallowance, disqualification, withdrawal, and termination. 4 Several States will tabulate reasons for workers' separations from jobs. All States will record the industries in which claimants were employed, and many are planning to obtain such additional information as the occupation, age, sex, color, and marital status of the claimants. Several States have made specific provision for tabulating statistics on duration of benefit payments, and frequency with which workers change from a status of total to partial, and partial to total unemployment.

Several unemployment compensation agencies already have made important contributions to the economic data of their States, particularly with respect to the industrial pattern of the various localities. In addition, more comprehensive data than have hitherto been available, covering trends of employment and pay rolls, have been compiled.

4 The Wisconsin agency has for many months compiled detailed statistics on benefit payments, claim receipts, claim dispositions and reasons therefor, and cases of appeal.

A few agencies are now preparing current indexes of employment in major industries, and several others have indicated their intention of engaging in such statistical activity.

There is one important source of information respecting the wage earner which thus far has been little used for statistical purposes by the States. This is the employer's report of wages earned by each of his workers during the quarter. The form of these reports and amount of detailed information required on them vary somewhat from State to State. Some States, for instance, require separate reporting of cash wages and other remuneration; others ask for total wages only. 5 The purpose of these pay-roll reports is to enable the State unemployment compensation agency to establish earnings records for each worker on the basis of which his eligibility for benefits and his benefit amount may be determined. Most States have not had the occasion or the facilities, or been in an operating position to use these records for statistical purposes. While intensive study of the records in a majority of cases undoubtedly will be on a sample basis, many States will wish regularly to obtain from them a count of the number of different workers who received wages during the quarter.

A comprehensive summary, on a national basis, of unemployment compensation statistics must await a more stabilized operating condition in State agencies. It is expected that detailed claims and benefit statistics will soon be available for a number of States and that such tabulations will be included in future numbers of this periodical.

5 See article on following page.