

Duration of Unemployment Benefits, Benefit Years Ended in 1942*

FOR THE UNEMPLOYED WORKER, the number of weeks he can draw benefits in a year, together with the amount of benefits he draws per week, is of special importance. Duration of benefits is important in determining not only the adequacy of unemployment compensation but also the total cost of benefit payments and hence the solvency of unemployment compensation funds. Consideration of the duration of benefits is therefore of primary importance in planning for the post-war role of unemployment compensation.

Duration of benefits is the product of many factors. A claimant's potential duration is determined by the benefit formula in the law and his base-period earnings. His actual duration is influenced by his potential duration and his employment and unemployment experience during the benefit year. The present data for 47 States¹ relate to actual experience under various combinations of these factors in benefit years ended in 1942. A review of past experience under State laws to analyze the duration of benefits actually obtained by claimants under various combinations of these factors is a necessary preliminary to planning for the future.

Legal Provisions Affecting Duration

The benefit formula in each State law contains specific duration provisions. Two general methods are used to determine the maximum total amount payable to a claimant. Uniform-duration provisions entitle all workers who meet the financial eligibility requirements to receive a specified multiple of the weekly benefit amount in a benefit year. Variable-duration provisions limit the benefits of eligible claimants to the lesser of two amounts—a specified multiple of the weekly benefit amount, or a fraction of the total amount of the worker's earnings in covered employment in the base period.

*Prepared in the Program Division, Bureau of Employment Security.

¹Reports were not received from Alaska and Colorado; the District of Columbia report is not complete; Wisconsin data are not comparable.

Under the variable-duration provisions, potential duration is affected by the interaction of other elements of the benefit formula, such as eligibility requirements and weekly benefit amount. A worker whose base-period earnings entitled him to \$100 in benefits would receive benefits for 10 weeks at a weekly benefit amount of \$10, for 20 weeks at \$5 a week, or for almost 7 weeks at \$15. A qualifying requirement of a large amount of earnings in the base period produces relatively longer average duration than a low earnings requirement, since it eliminates payment of benefits to individuals with low base-period earnings and short potential duration. Under either type of duration provision, duration is affected for some claimants by disqualification provisions, which postpone the receipt of benefits or reduce the amount payable for claimants who are disqualified.

Ten² of the 47 States included in this study provided uniform duration for all eligible claimants whose benefit years ended in 1942; in 3 other

²Kentucky, Mississippi, Montana, New York, North Carolina, Ohio, South Carolina, Tennessee, Utah, West Virginia.

States—Georgia, Hawaii, and North Dakota—uniform replaced variable duration in the course of the year. The number of weeks of benefits provided by these 13 States ranged from 13 to 20; 8 provided 16 weeks; 3 States had more than 16 weeks, and 2 had shorter periods.

Three additional States—Maine, New Hampshire, and South Dakota—provided uniform duration for all claimants except those in the lowest base-period-earnings classes, for whom duration was shorter.³ Because these States make some variation in the potential duration of eligible claimants according to base-period earnings, they are considered, for the purpose of this report, to have variable duration. In the other 31 States, eligible claimants could receive benefits ranging from $\frac{1}{3}$ to $\frac{1}{2}$ of a year's earnings, or from $\frac{1}{6}$ to $\frac{1}{2}$ of 2 years' earnings. The maximum number of weeks of benefits provided by the 34 laws with variable duration ranged from 12 in Missouri during the first 6 months of the year to 26 in Cali-

³In Maine, duration was less than 16 weeks for claimants with annual earnings of \$319.58 or less, and 16 weeks for other claimants; in South Dakota, it was less than 14 weeks for claimants with annual earnings of less than \$500, and 14 weeks for others; in New Hampshire, duration was 14 weeks for claimants with weekly benefit amounts of \$6, \$7, or \$8, and 16 weeks for others.

Table 1.—Duration provisions in effect at end of benefit years ended in 1942, 47 States,¹ by type of provision

[Maximum weeks shown in parentheses]

States with uniform-duration provisions	States with variable-duration provisions limiting benefits to—				
	30 percent or $\frac{1}{4}$ of 1 year's earnings	$\frac{1}{4}$ of 1 year's earnings	$\frac{1}{3}$ or $\frac{1}{2}$ of 1 year's earnings	Fraction of 2 years' earnings	Varying proportions of 1 year's earnings
Ga. (16) ² Hawaii (20) ² Ky. (16) Miss. (14) Mont. (16) N. Y. (13) N. C. (16) N. Dak. (16) ² Ohio (16-18) ² S. C. (16) Tenn. (16) Tnch (20) W. Va. (16)	Ala. (20) Ark. (16) Del. (13) ² Kans. (16) ² Mass. 30% (20) Nebr. (16) Nev. (18) N. Mex. (16) Okla. (16) ² Vt. (14-15) ² Wash. (16)	Idaho (17) Ill. (16) Ia. (20) Md. (20) Mich. (20) ⁴ Va. (16) Wyo. (14)	Conn. $\frac{1}{3}$ (18) ⁵ Ind. 16% (15-16) ⁶ N. J. $\frac{1}{3}$ (18) Oreg. $\frac{1}{3}$ (16) Tex. $\frac{1}{3}$ (16)	Ariz. $\frac{1}{3}$ (14) Fla. $\frac{1}{3}$ (16) Iowa $\frac{1}{3}$ (15) Mo. $\frac{1}{3}$ (16) ⁷ Pa. $\frac{1}{3}$ (13)	Calif. 54-23% (26) Maine 40-17.5% (16) Minn. 35-16% (16) ² N. H. 42-17% (16) R. I. 18-30% (20) S. Dak. 38-16% (14)

¹Alaska, Colorado, District of Columbia, and Wisconsin omitted because data not received or not comparable.

²Duration provisions amended during year; see table 2 for old formula.

³Maximum duration lengthened during year.

⁴Duration provisions amended during year; see table 2 for old formula. Under new provisions, if base-period wages are less than \$800, lesser of 30 percent of base-period wages or \$200; if \$800 or more, $\frac{1}{4}$ of 1 year's earnings.

⁵Law amended before this benefit year, which was transition year during which higher of 2 amounts was paid.

⁶When maximum duration changed from 15 to 16 weeks, allowable wage credits were raised from \$375 to \$400 per quarter.

⁷Duration provisions amended during year. Old formula applied to benefit years ending before June 20, 1942; 16 percent of 8 quarters' earnings, 2-12 weeks; new formula: 20 percent of 8 quarters' earnings, 8-16 weeks.

for California. In 16 States, 16 was the maximum number of compensable weeks of total unemployment; the maximum was less than 16 in 7 States and more than 16 in 11 others (table 1).

The other provisions of the benefit formula which enter into the duration picture are summarized for 32 States in table 2. In most States, a benefit year began for an individual worker when he filed a valid claim or was unemployed for a compensable week. In 14 States, benefit years for all claimants began and ended on fixed dates specified in the law.⁴ In Indiana the benefit year was 52 weeks, or until benefits were exhausted, whichever was the shorter.

In 14 States,⁵ the duration provisions changed during the period studied. Most of the changes lengthened average potential duration, although a few resulted in shorter average potential duration because of changes in other parts of the benefit formula. For example, because the Florida qualifying-earnings requirement was changed from 60 times the weekly benefit amount to \$200, which is only 40 times the minimum weekly benefit amount, workers were eligible on the basis of smaller base-period earnings. As a result, minimum potential duration of eligible claimants was reduced from 10 weeks to 6 weeks with a consequent reduction in average potential benefits. Minnesota adopted a table of weekly benefit amounts and potential benefits based on 17 annual-earnings classes, under which only claimants in the 6 highest

⁴In these 14 States, uniform benefit years ended on the following dates in 1942: New Hampshire, February 28; Illinois, Maine, Maryland, Massachusetts, Rhode Island, South Dakota, Virginia, West Virginia, March 31; Connecticut began June 29, 1941, ended Apr. 4, 1942; New York, May 31 (see below); Arkansas, June 30; Utah, July 6; Oregon, December 31. By an amendment effective in 1942, the ending of the New York benefit year which began Apr. 1, 1941, was extended from March 31 until May 31, 1942. In this report, however, data for New York relate only to benefit experience in the 12-month period ended Mar. 31, 1942.

⁵Delaware, Connecticut, Florida, Georgia, Hawaii, Indiana, Kansas, Michigan, Minnesota, Missouri, North Dakota, Ohio, Oklahoma, South Dakota. See table 1 for comparison of old and new duration provisions in Indiana, Missouri, and Ohio, and table 2 for similar comparison for the other 11 States.

classes could receive the maximum 16 weeks of benefits; this change also resulted in shorter average potential duration.

Claimants in Delaware, Florida, Illinois, Indiana, Maryland, New Hampshire, New York, Pennsylvania, Rhode Island, South Dakota, Utah, and Wyoming may now receive benefits for a longer period than is indicated by table 2.

Economic Conditions Affecting Duration

The base periods for most of the data analyzed here correspond in general to the calendar year 1940, while the benefit years are within the period from January 1941 to December 1942. In States with individual base periods, the latter part of 1939 is included in the base period for some claimants and the first part of 1941 for others, while in the few States with base periods longer than 4 quarters, 1938 is included for some claimants.

On the whole, the base periods and benefit years were characterized by generally rising employment and wage levels. Although 1940 started with a marked drop in employment, the upward swing began again in February and continued without interruption to September 1941. Average monthly covered employment in 1940 was 8 percent higher, while total wages earned in covered employment in 1940 were 12 percent higher, than for 1939. The largest relative gains in employment from December 1939 to December 1940 were in California, Oregon, and Washington, where aircraft and shipbuilding production increased sharply, and in defense centers on the Atlantic seaboard in Connecticut, Delaware, Maryland, and Massachusetts. In every State, employment and wages were higher at the end of 1940 than at the beginning.

The 1941 peak of 28.3 million employed workers, reached in September, was 18 percent above the level of September 1940. Employment decreased, however, during each of the last 3 months of 1941 as a result of material shortages, priority and curtailment orders, and conversion of plant facilities to war production. In spite of the drop, there were 27.7 million workers in covered employment in December 1941, still approximately 13 percent more than in December 1940. As

in the preceding year, every State had a higher level of employment at the end of 1941 than at the beginning. In 17 States, average monthly employment in 1941 was more than 20 percent above that in 1940, and in only 8 States was the increase less than 10 percent; Montana, with an increase of 4.5 percent, gained the least.

In the first quarter of 1942, despite a continued cyclical rise, employment levels again fell slightly during conversion to wartime activities. Covered employment decreased 1.0 percent from December 1941 to February 1942. At the end of February 1942, the total number of covered workers was 27.5 million, 830,000 below the previous peak in September 1941.

Conversion, however, was more rapid than had been generally anticipated, and in March employment began to rise again. A record high of 30.6 million workers in covered employment was reached in September 1942, and the December level was 30.2 million, 8.9 percent above that of the preceding December. All but 5 States⁶ shared in the increase in covered employment between December 1941 and December 1942. Total covered wages in 1942 for the country as a whole (\$54.8 billion) were 30 percent more than the 1941 total and in every State were higher than in 1941.

The generally favorable employment situation in 1942 as compared with the 2 preceding years was reflected in the number of eligible claimants and of beneficiaries. In 1942, the number of eligible claimants—that is, workers who filed valid claims—was 20 percent less than in 1941, and 42 percent less than in 1940. Thus, substantially fewer covered workers claimed benefits in 1942 than in either of the 2 preceding years. However, the number of claimants who remained unemployed for at least a compensable week did not decrease in the same proportion as the number of eligible claimants. The number of beneficiaries in 1942 was only 18 percent less than in 1941, but 46 percent less than in 1940. In other words, a claimant in 1942 was somewhat more likely to draw benefits than a claimant in 1941—that is, was less likely

⁶North Dakota (-4.3 percent), New Hampshire (-0.3 percent), Hawaii (-3.7 percent), District of Columbia (-0.1 percent), Montana (-1.7 percent).

Table 2.—Average potential duration of eligible claimants, and their percentage distribution by potential duration, and significant benefit provisions, 32 variable-duration States,¹ by type of duration provision in effect at end of year and by length of average potential duration, benefit years ended in 1942

State	Average weeks of potential duration	Percent of eligible claimants with potential duration of—					Significant benefit provisions ²			
		Less than 4 weeks	4-7.0 weeks	8-11.0 weeks	12-15.0 weeks	16 weeks or more	Qualifying wages ³ expressed as multiple of wba	Fraction of hq ⁴ used to determine wba	Minimum duration (weeks)	Maximum duration (weeks)
Benefits limited to 30 percent or 1/3 of 1 year's earnings										
Alabama	18.2			6.9	15.7	77.4	30x	1/2	10	20
Massachusetts (30%)	16.8		3.4	14.4	16.7	65.5	25-10x ⁴	1/2-1/3	7+	20
New Mexico	15.1			9.7	22.1	68.2	30x	1/2	10	16
Nebraska	14.7		1.8	14.1	18.8	65.3	30x	1/2	8	16
Nevada	14.5		7.8	21.9	19.1	51.2	(5)	1/2	6+	18
Washington	13.9		7.5	18.4	14.0	59.5	23.0-13.3x ⁴	1/2	6+	16
Vermont	13.8			16.7	83.3	25x	1/2	8+	15	15
Arkansas	11.3	1.7	10.5	21.2	24.3	33.3	22	1/2	4	10
Benefits limited to 1/4 of 1 year's earnings										
Virginia	14.4		3.0	15.5	18.1	62.5	25x	1/2	8	16
Idaho	13.7		1.7	32.5	28.2	37.6	28-52.8x ⁴	(7)	7	17
Illinois	13.6	.7		19.3	27.0	45.2	32.1-14.1x ⁴	1/2	4+	16
Maryland	13.1		18.8	22.0	25.4	32.8	21.4-8.8x ⁴	1/2	4+	20
Louisiana	11.8		30.4	27.4	16.5	25.7	20x	1/2	5	20
Wyoming	11.7	.1	8.7	38.4	52.8	28x ⁴	1/2	7	14	14
Benefits limited to 1/5 or less of 1 year's earnings										
New Jersey ⁵ (1/5)	12.4		21.7	20.2	30.0	21.5	21.4-8.3x ⁴	1/2	5	18
Texas ⁶ (1/5)	11.0	4.0	27.0	22.4	19.0	27.0	15x	1/2	3+	16
Oregon (1/5)	10.2	9.1	29.7	22.4	18.0	20.8	28.0-13.3x ⁴	6%	2	10
Benefits limited to 1/6 or less of 2 years' earnings										
Florida (1/6)	12.6		16.7	25.5	19.9	38.0	(11)	(11)	(11)	10
Pennsylvania (1/6)	10.9	8.1	12.4	11.0	67.6	13x	1/2	1+	13	13
Iowa (1/6)	10.8	6.6	25.0	18.1	40.4	15x	1/2	2+	15	15
Benefits limited to varying percentage of 1 year's earnings										
California (54-25%)	17.5			3.3	8.1	88.6	30-16.7x ⁴	1/2	9	26
Rhode Island (30-18%)	10.2	.4	30.5	35.0	20.3	4.8	10.5-6.25x ⁴	(7)	3+	20
Duration provisions changed during benefit years covered										
Hawaii ¹²	17.6			7.8	10.3	81.0	{ Old 24x New 30x	1/2	{ Old 8 New 20	{ Old 16 New 20
Michigan ¹²	16.7		.1	3.3	33.8	62.8	{ Old 28.6-12.5x ¹³ New 25-12.5x ¹³	1/2	{ Old 8 New 7	{ Old 16 New 20
Georgia ¹²	15.1	3.0	3.6	1.8	3.7	87.0	{ Old 25, 30, 40x New 16x	Old 1/2	{ Old 2 New 16	{ Old 16 New 16
Minnesota ¹²	14.5		.3	14.0	34.0	51.7	{ Old 30x New 28.6-12.5x ⁴	Old 1/2 New annual table	{ Old 10 New 10	{ Old 16 New 16
North Dakota ¹²	14.5	1.0	2.3	14.0	16.0	66.1	30x	1/2	{ Old 10 New 10	{ Old 16 New 16
Connecticut	13.4	1.4	13.8	20.1	26.7	38.0	(11)	(11)	(11)	(11)
South Dakota ¹²	12.7	.2	7.2	16.0	75.7	18-8.4x ⁴	Annual table	(11)	{ Old 14 New 0	{ Old 14 New 14
Kansas ¹²	12.1	5.1	14.3	23.1	17.0	39.6	{ Old 16x ⁷ New (1)	1/2	{ Old 1 New 0+	{ Old 16 New 16
Delaware ¹²	10.5	.6	24.1	21.0	53.4	25-8.3x ⁴	1/2	{ Old 4 New 8	{ Old 13 New 13	
Oklahoma ¹²	10.5	11.1	24.0	21.2	16.2	27.5	{ Old 16x New 22x	Old 1/2 New 1/2	{ Old 2+ New 7	{ Old 16 New 16

¹ Includes Hawaii, Georgia, and North Dakota in which uniform duration was in effect at end of benefit years, but excludes other 10 States with uniform-duration provisions; also excludes Arizona, Indiana, Maine, Missouri, and New Hampshire because potential duration data not available.

² Wba denotes weekly benefit amount; hq denotes high-quarter earnings.

³ Qualifying wages must have been earned in a 1-year base period in all States except Florida and Kansas.

⁴ The qualifying requirement is actually expressed as a single flat dollar amount.

⁵ Until June 30, 1941, \$200; on and after July 1, 1941, greater of \$200 and twice the square of the weekly benefit amount, including 5x wba in 1 quarter other than high quarter.

⁶ Weighted schedule, including \$78 in 1 quarter.

⁷ Weighted table.

⁸ Including \$50 in 1 quarter.

⁹ Benefit years ended July-December 1942.

¹⁰ Benefit years ended Apr. 1, 1941-Mar. 31, 1942. Benefit provisions adjusted to weekly basis; benefits actually figured on a 2-week basis.

¹¹ For benefit years ended prior to June 28, 1942, qualifying wages were 60x wba in 8 quarters, wba was 1/2 hq, minimum duration 10 weeks; on and after June 30, 1942, qualifying wages were flat amount, 40-13.3x wba in 8 quarters, wba was based on table 1/2 to 1/2 hq, minimum 6 weeks.

¹² The ending date of last benefit year to which the "old" formula applied, and the duration provisions under each law are: Delaware—June 30, 1942, "old" duration 1/6 of year's earnings, new 1/3; Georgia—Mar. 29, 1942, old duration 1/6 of 2 years' earnings, new, uniform; Hawaii—May 18, 1942, old duration 1/3 of year's earnings, new, uniform; Kansas—Apr. 18, 1942, old duration 15 percent of year's earnings, new 1/3; Michigan—Mar. 31, 1942, old duration, 1/4 of 1 year, new, 1/4 or, if base-period wages less than \$800, lesser of 30 percent and \$200; Minnesota—June 20, 1942, old duration 1/3 of 1 year's earnings, new, varying, 35-16 percent; North Dakota—June 30, 1942, old duration 1/3 of year's earnings, new, uniform; Oklahoma—June 28, 1942, old duration 1/6 of 1 year's earnings, new, 1/3; South Dakota—June 30, 1942, old duration uniform, new, duration in lowest 8 wage classes 6-13 weeks.

¹³ The qualifying requirement is actually expressed as a single flat dollar amount; old, with \$50 in each of 2 quarters; new, includes some wages in each of 2 quarters.

¹⁴ During transition uniform-benefit year from June 20, 1941, to Apr. 4, 1942, claimants were paid at the higher of the old or new rate, and received in total benefits the larger of the amounts payable under the two formulas. Previous duration was based on a weighted table, 15 1/3-23 percent, of 1 year's earnings, maximum 13 weeks. The new formula varies according to size of fund; for this period, duration was 1/3 of 1 year's earnings, maximum 18 weeks.

¹⁵ \$200 in 4-quarter base period, or \$100 in 2 quarters of base period.

to become reemployed during the waiting period—but somewhat less likely to draw benefits than in 1940.

Characteristics of Claimants Affecting Duration of Benefits

The duration data reveal nothing of the personal characteristics or occupational background of the claimants whose benefit experience is represented. A little information on the characteristics of claimants in this period is revealed by surveys made during August and September 1942, in 8 States⁷ in labor-market areas where the demand for workers exceeded the supply.

These surveys revealed that more than half of all claimants were women, though only about one-fourth of the labor force, working and not working, were women, according to the Bureau of the Census. Many claimants were in the older age brackets, were in bad health, or were physically handicapped. These factors may have made reemployment more difficult for some groups of claimants, while the imminence of induction into the armed forces may have had a similar effect for the younger men. Claimants also included some workers from seasonal industries who claim benefits every year.

If workers who are relatively difficult to place or who are unemployed each year for extended periods had constituted the bulk of the claimants in 1942, duration experience for that period would have little value as an indicator of the adequacy of the duration provisions in State laws for a more normal period. The lower earnings of such workers would tend to depress average potential duration, while their longer periods of unemployment would tend to increase actual duration and exhaustion ratios. Not all workers who became unemployed and began benefit years in 1941 fell into these categories, however.

Many workers with records of steady employment were laid off during 1941 as a result of raw material shortages and priority orders.⁸ Lay-

⁷ California, Connecticut, Illinois, Maryland, Massachusetts, Ohio, Virginia, Washington.

⁸ The North Carolina Unemployment Compensation Commission has estimated that more than 25,000 skilled and semi-skilled hosiery workers were laid off in that State alone as a result of the silk embargo declaration in the summer.

offs were general throughout the country during the last quarter of 1941, as the transition to a war economy got under way. The conversion process had its greatest impact on the benefit rolls during the first quarter of 1942, when heavy industry tooled up for war production. Hence the workers whose benefit experience is being studied were a heterogeneous group, displaced in a dynamic period of preparation for defense and war. For many, reemployment opportunities were good. In Massachusetts, for example, 50 percent of the eligible claimants drew no benefits. There were 7 other States⁹ where more than one-third of the eligible claimants drew no benefits.

For these reasons, it is fair to say that the experience reported here is significant in evaluating the degree of protection afforded by the existing program to workers who may become unemployed in the post-war period, when reemployment opportunities may not be so good.

Duration Experience

*Potential duration of benefits in 42 States.*¹⁰—In States with variable duration, a claimant's potential duration of benefits is obtained by dividing the maximum amount of money he can receive in a benefit year by his weekly benefit amount. The resulting figure is the number of weeks of total unemployment during which he may receive benefits in the given benefit year. Thus a claimant entitled to \$100 in benefits within a benefit year at a weekly benefit amount of \$10 is said to have a potential duration of 10 weeks. If he draws the \$100, he is said to have had an actual duration of 10 weeks, although in fact he may have received benefits in more than 10 weeks as a result of reduced weekly

⁹ Alabama, New Hampshire, Ohio, Oregon, South Carolina, Virginia, Washington.

¹⁰ This section on potential duration is confined to 42 of the 47 States studied. Potential duration could not be computed in Arizona and Missouri, which redetermined some claimants' benefit rights each quarter during the benefit year. No data on potential duration are available from Indiana. Since the available figures on potential duration for Maine and New Hampshire do not show the effect of reduction of duration for claimants with low weekly benefit amounts, these 2 States have also been omitted.

payments because of partial or partial unemployment.

The average period of total unemployment during which claimants were protected by benefit rights varied widely between States. The 10 uniform-duration States provided a longer period of protection for a larger proportion of the claimants than did the variable-duration States. All eligible claimants in New York could receive benefits for 13 weeks, in Utah, for 20 weeks, and in the others, for intermediate periods. In 14 of the 32 variable-duration States, the average potential duration was less than 13 weeks.

Although, in variable-duration States, potential duration is computed from base-period earnings, for the period studied the benefit formula appears to have been more significant in limiting claimants' duration than economic and employment conditions in the base period. When the States are grouped by type of duration provisions, average potential duration in those States using $\frac{1}{3}$ of a year's earnings as the limiting fraction is, except in Arkansas, at least a week longer than that in the States using $\frac{1}{2}$ or less of a year's earnings or a fraction of 2 years' earnings (table 2). Arkansas' short average potential duration probably reflects the duration of many workers with low earnings who would not have been eligible in the other States, since in Arkansas anyone who had earned more than \$66 in 1940 was eligible for some benefits.¹¹

The averages may conceal wide variations in the proportion of eligible claimants with given potential durations. In Vermont and Washington, both of which use the $\frac{1}{2}$ fraction to determine duration, average potential duration of benefits was almost the same—13.8 and 13.9 weeks respectively. Yet in Vermont no eligible claimant was entitled to less than 8 or more than 15 weeks of benefits, while 7.5 percent of the Washington claimants were entitled to less than 8 weeks and 59.5 percent to 16 weeks of benefits.

Actual duration of benefits.—Potential duration of benefits measures the protection offered by the unemployment compensation laws to eli-

¹¹ The eligibility requirements are 22 times $\frac{1}{20}$ of high-quarter earnings, with a \$3 minimum weekly benefit amount.

Table 3.—Average potential and actual duration, ratio of actual to potential duration, and percent of beneficiaries exhausting rights, 47 States, benefit years ended in 1942

State	Average weeks of potential duration, eligible claimants	Average weeks of actual duration, beneficiaries	Ratio (percent) of actual to potential duration	Percent of beneficiaries exhausting benefit rights
States with uniform duration:				
Utah.....	20.0	11.0	55.0	25.1
Ohio ¹	18.8	9.7	57.7	24.3
Kentucky.....	16.0	11.0	68.8	46.0
Montana.....	16.0	10.5	65.6	32.0
North Carolina.....	16.0	10.0	62.5	43.7
South Carolina.....	16.0	9.3	58.1	35.8
Tennessee.....	16.0	10.9	68.1	42.7
West Virginia.....	16.0	9.9	61.9	31.0
Mississippi.....	14.0	9.9	70.7	43.0
New York.....	13.0	9.4	72.3	46.0
States with variable duration:				
Alabama.....	18.2	11.5	63.2	39.7
Hawaii.....	17.6	7.6	43.2	14.1
California.....	17.5	10.8	61.7	33.4
Massachusetts.....	16.8	11.1	66.1	47.2
Michigan.....	16.7	8.0	53.3	26.0
Georgia.....	15.1	10.2	67.5	46.2
New Mexico.....	15.1	0.7	61.2	35.2
Nebraska.....	14.7	9.3	63.3	36.4
Nevada.....	14.5	9.3	61.1	37.3
Minnesota.....	14.5	9.6	66.2	42.6
North Dakota.....	14.5	9.6	66.2	38.7
Virginia.....	14.4	7.7	53.5	24.3
Washington.....	13.9	6.5	46.8	17.3
Vermont.....	13.8	8.5	61.6	37.0
Idaho.....	13.7	8.6	62.8	33.3
Illinois.....	13.6	7.0	51.5	30.1
Connecticut.....	13.4	5.8	43.3	22.5
Maryland.....	13.1	7.7	58.8	44.0
South Dakota.....	12.7	8.9	70.1	45.0
Florida.....	12.0	8.9	70.6	52.7
New Jersey ²	12.4	7.2	58.1	39.7
Kansas.....	12.1	7.8	61.5	47.0
Louisiana.....	11.8	9.2	78.0	74.8
Wyoming.....	11.7	5.9	50.4	21.5
Arkansas.....	11.3	7.0	61.9	46.2
Texas ³	11.0	7.7	70.0	57.3
Pennsylvania.....	10.9	5.6	51.4	36.5
Iowa.....	10.8	6.6	61.1	46.7
Delaware.....	10.5	6.7	63.8	50.2
Oklahoma.....	10.5	7.2	68.6	56.7
Rhode Island.....	10.2	6.6	61.7	52.6
Oregon.....	10.1	4.6	45.5	29.0
Arizona.....	(4)	7.4	(4)	44.6
Missouri.....	(4)	7.7	(4)	41.4
Indiana.....	(3)	7.8	(3)	35.8
Maine.....	(3)	7.1	(3)	21.9
New Hampshire.....	(3)	7.1	(3)	18.4

¹ Ohio duration changed from 16 weeks to 18 weeks, effective Oct. 1, 1941.

² Benefit years ended July-December 1942.

³ Benefit years ended Apr. 1, 1941-Mar. 31, 1942.

⁴ Since State law provided big-quarter redeterminations of benefit rights, potential duration could not be determined. A claimant is considered as

having exhausted his benefit rights if at any time during his benefit year he had received all benefits to which he was entitled at the time, notwithstanding the fact that additional benefits may have become available to him when redetermination was made at the beginning of a subsequent quarter.

⁵ Data on potential duration not available.

gible individuals. Actual duration of benefits is a partial indicator of the utilization of that protection, although short actual duration may result from either brevity of unemployment or brevity of potential duration. Actual duration in 1942 was shortest in Oregon and longest in Alabama. Among the variable-duration States, these two also had the shortest and longest average potential duration (table 3), although the actual duration was probably determined also by other factors, such as economic conditions.

Adequacy of benefit rights is meas-

ured also by the ratio of actual duration to potential duration (table 3), which shows the extent to which potential benefits were paid. A given number of weeks of actual duration may represent quite different proportions of the potential weeks of benefits. For example, the average beneficiary drew 8.9 weeks of benefits in Florida, Michigan, and South Dakota; that figure represented almost three-fourths of the potential weeks available to the average claimant in South Dakota or Florida, but only a little more than half of those available in Michigan. Less than one-third of all

potential benefit rights were unused in as many as 10 of the 42 States for which potential duration can be determined. The unused portion was less than half the total in all but 4 States.

Exhaustion of benefit rights.—In considering the duration experience, the most important question is whether the potential benefits of individual workers cover the period of unemployment which they actually experience. This is indicated by the proportion of beneficiaries who drew all the benefits to which they were entitled. It might be expected that, in the period of relatively full employment reflected in this study, few beneficiaries would exhaust their rights. However, in 32 of the 47 States more than one-third of all beneficiaries exhausted their rights; in 6 variable-duration States, more than half exhausted their rights, and in 1 of these, nearly three-fourths (table 3). Average potential duration in these 6 States was 3.1 weeks shorter than in 5 of the 7 variable-duration States in which less than one-fourth of the beneficiaries exhausted their benefits.

In States with variable duration, the full extent of unprotected unemployment is concealed by the exhaustion ratio for the State as a whole. As would be expected, the proportion of claimants who drew all the benefits to which they are entitled rises as the length of their potential duration of benefits declines. Among eligible claimants entitled to at least 16 weeks of benefits the proportion who exhausted their rights ranged from 2.1 percent in Oregon to 33.6 percent in Georgia, while among claimants with potential duration of from 4 to 8 weeks the proportion ranged from 24.6 percent in Virginia to 100 percent in Michigan. The proportion of claimants with less than 4 potential weeks of benefits who exhausted their benefit rights, ranged in 14 States from 26.1 percent in Arkansas to 100 percent in Wyoming (table 4).

While the number of claimants who exhausted benefits at different potential-duration intervals is important in measuring adequacy of duration, the statistical significance of the exhaustion ratio for any group of claimants is affected by the size of the group (table 4). For example, Wyoming's

100 percent exhaustion ratio for claimants entitled to fewer than 4 weeks of benefits applied to only 2 individuals. At the other extreme, in Oregon, which had the lowest exhaustion ratio at 16 weeks, only 20.8 percent of the claimants had as many as 16 potential weeks of benefits, while in Georgia, with the highest ratio, 87.9 percent of the claimants had a potential duration of 16 weeks. There were 13 States in which more than half the claimants were entitled to at least 16 weeks of benefits. The exhaustion ratios for such claimants ranged from 4.2 percent in Washington to 33.6 percent in Georgia; it was between 20 and 25 percent in 5 of these States.

*Weekly benefit amount and duration experience.*¹²—When both weekly benefit amount and total benefits are determined from past earnings, as they are in States with variable duration, low weekly benefit amounts are naturally accompanied by short potential duration. With only minor deviations, claimants with low weekly benefit amounts were entitled to shorter duration, and proportionately more of these claimants exhausted their benefit rights (table 5). On the average, the potential duration of claimants with weekly benefit amounts of \$15 or more was 3.6 weeks longer than that of claimants with weekly benefit amounts of less than \$5; the greatest difference was 9.5 weeks in Oklahoma; the least, 1.2 weeks in Florida and New Mexico.

Even where the difference in potential duration was small, as in Florida and New Mexico, the difference in exhaustion ratios was substantial. In Florida, 58.1 percent of the claimants with weekly benefit amounts of less than \$5 exhausted their benefit rights and only 37.7 percent of those with weekly amounts of \$15. For New Mexico, the proportions were 31.2 percent and 18.6 percent.

The higher exhaustion ratio of claimants with low weekly benefit amounts was not due entirely to their

shorter potential duration. Exhaustion ratios vary inversely with the weekly benefit amount even in States where all eligible claimants have the same potential duration. The variation was greatest in North Carolina, where almost two-thirds of the claimants with weekly benefit amounts of \$5 or less, but only about one-sixth of those entitled to \$15 per week, drew all the benefits to which they were entitled.

Effect of disqualifications on duration.—Disqualification provisions of State laws also affect the duration of benefits. In all States, certain actions of the claimant, such as voluntarily leaving work without good cause, will at least postpone his receipt of benefits. Obviously, the postponement influences the duration experience of disqualified claimants. A claimant who because of a disqualification must be unemployed for

10 weeks before he receives a benefit check must have a longer spell of unemployment to exhaust his benefit rights than a claimant with the same benefit rights who receives his first check after 2 weeks of unemployment. If a substantial portion of the claimants in a State are disqualified, or if the disqualifications are for lengthy periods, the average actual duration of all claimants will be shortened. Thus, short actual duration can result from disqualifications as well as from short periods of unemployment and short potential duration. No data are available to indicate the effect of such disqualifications on duration experience.

In an increasing number of States, however, a disqualification not only postpones receipt of benefits but also reduces the amount which the disqualified worker could otherwise have received in that benefit year. These disqualifications have an even greater

Table 4.—Percentage distribution of eligible claimants by potential-duration intervals and percent exhausting benefit rights at each interval, 32 variable-duration States,¹ benefit years ended in 1942

State	Eligible claimants with potential duration of—									
	Less than 4 weeks		4-7.0 weeks		8-11.0 weeks		12-15.9 weeks		16 weeks or more	
	Percent of all claimants	Percent exhausting rights	Percent of all claimants	Percent exhausting rights	Percent of all claimants	Percent exhausting rights	Percent of all claimants	Percent exhausting rights	Percent of all claimants	Percent exhausting rights
Alabama.....					0.0	44.6	15.7	35.8	77.4	10.1
Arkansas.....	1.7	20.1	16.5	65.2	24.2	47.5	24.3	30.4	33.3	20.3
California.....					3.3	43.0	8.1	40.8	88.6	25.0
Connecticut.....	1.4	74.0	13.8	34.7	20.1	23.8	26.7	9.8	38.0	8.0
Delaware.....	.6	72.0	24.1	71.0	21.9	48.3	63.4	24.2		
Florida.....			15.7	73.5	25.6	60.1	10.0	46.1	38.0	20.4
Georgia.....	3.0	83.5	3.0	60.7	1.8	47.7	3.7	45.3	87.0	33.6
Hawaii.....			1.7	62.2	7.8	17.0	10.3	25.4	81.0	6.8
Idaho.....			7.8	67.9	32.5	45.4	28.2	26.2	37.6	15.1
Illinois.....	.7	60.7			10.3	40.8	27.0	20.6	45.2	19.0
Iowa.....	6.0	62.8	25.0	62.7	18.1	40.3	40.4	17.6		
Kansas.....	5.1	85.5	14.3	69.1	23.1	48.1	17.0	34.8	30.6	27.0
Louisiana.....			30.4	76.0	27.4	66.2	10.6	40.6	25.7	32.1
Maryland.....			18.8	59.8	22.0	48.0	26.4	28.7	32.8	17.8
Massachusetts.....			3.4	35.1	14.4	38.0	16.7	30.2	65.5	18.1
Michigan.....			.1	100.0	3.3	43.7	33.8	40.8	62.8	18.5
Minnesota.....			.3	73.7	14.0	56.0	34.0	42.4	51.7	23.0
Nebraska.....			1.8	56.1	14.1	44.7	18.8	32.7	65.3	21.7
Nevada.....			7.8	66.7	21.9	40.7	10.1	37.6	51.2	24.0
New Jersey.....			21.7	64.4	20.2	38.3	36.6	22.7	21.5	14.4
New Mexico.....					9.7	40.8	22.1	33.2	68.2	22.8
North Dakota.....	1.0	78.9	2.3	61.0	14.0	51.3	16.6	36.7	66.1	21.0
Oklahoma.....	11.1	70.9	24.0	63.7	21.2	49.5	10.2	33.1	27.5	27.2
Oregon.....	8.1	43.0	20.7	33.2	22.4	17.1	18.0	4.4	20.8	2.1
Pennsylvania.....			12.4	62.6	11.9	46.7	67.6	24.0		
Rhode Island.....	.4	58.0	30.5	53.2	15.0	37.4	29.3	25.0		
South Dakota.....	.2	0	7.2	59.5	18.0	47.0	75.7	31.4	4.8	16.0
Texas.....	4.0	77.7	27.6	68.5	22.4	54.7	10.0	33.3	27.0	32.0
Vermont.....					16.7	43.0	53.3	21.3		
Virginia.....			3.9	21.6	15.5	21.8	18.1	16.4	62.5	0.7
Washington.....			7.5	25.0	18.1	21.5	14.0	12.4	59.5	4.2
Wyoming.....	.1	100.0	8.7	48.3	33.4	35.5	52.8	12.5		

¹ Includes Hawaii, Georgia, and North Dakota in which uniform duration was in effect at end of benefit years, but excludes other 10 States with uniform-duration provisions; also excludes Arizona,

Indiana, Maine, Missouri, and New Hampshire because potential duration data not available.

² Benefit years ended July-December 1942.

³ Benefit years ended Apr. 1, 1941-Mar. 31, 1942.

¹² This section is based on the benefit experience of all eligible claimants, including those who actually receive no benefits, rather than beneficiaries, except as noted in table 6. Hence, in most States, average actual duration and exhaustion ratios are somewhat lower than the statistics previously cited for beneficiaries.

effect on the duration of benefits of those affected workers who exhaust their benefits. Limited data are available on the effect of such disqualifications on disqualified claimants who exhausted their benefit rights.

In South Carolina, because potential duration of benefits is uniform, it is possible to determine the number of disqualified claimants who exhausted their benefit rights, and the extent of the reduction which they experienced. Disqualifications reduced the

benefit rights of 976 claimants, 10 percent of those who exhausted benefits. Instead of 16 weeks these claimants had an average actual duration of 10.8 weeks of benefits.

In duration reports submitted by the States, weeks of disqualification are counted as weeks of potential benefits. Consequently, for States in which the disqualification provisions reduce benefit rights, average potential duration, as the term has been used, overstates the amount of benefit

protection which was actually available to claimants. Because of recent amendments to many State laws providing for disqualifications under a greater variety of circumstances, claimants' potential duration will overstate to an even greater degree the amount of their available protection in the future.

Comparison of Duration Experience in 1940, 1941, and 1942

Comparison of the duration experi-

Table 5.—Average potential and actual duration and percent of claimants exhausting benefit rights, by weekly benefit amount, 47 States, benefit years ended in 1942¹

State	Weekly benefit amount												
	Less than \$5.00			\$5.00-9.99			\$10.00-14.99			\$15.00 or more			
	Average duration in weeks		Percent of claimants exhausting benefit rights	Average duration in weeks		Percent of claimants exhausting benefit rights	Average duration in weeks		Percent of claimants exhausting benefit rights	Average duration in weeks		Percent of claimants exhausting benefit rights	
Potential	Actual	Potential		Actual	Potential		Actual	Potential		Actual			
States with uniform duration:													
Kentucky ²	16.0	12.3	54.6	16.0	11.2	47.5	16.0	10.0	38.8	16.0	9.5	32.3	
Mississippi	14.0	7.2	30.2	14.0	7.6	32.7	14.0	7.0	35.5	14.0	8.2	37.3	
Montana				16.0	9.2	31.4	16.0	8.9	27.1	16.0	7.4	19.6	
New York				13.0	6.6	31.4	13.0	6.7	31.4	13.0	6.4	29.8	
North Carolina ²	16.0	12.8	62.9	16.0	10.3	44.0	16.0	6.6	23.0	16.0	5.4	16.9	
Ohio ²	16.0	10.3	29.8	16.4	9.8	26.2	16.9	8.4	21.2	17.2	7.2	16.2	
South Carolina	16.0	8.1	31.9	16.0	5.9	23.2	16.0	3.8	13.4	16.0	6.9	22.9	
Tennessee	16.0	8.9	23.2	16.0	7.0	31.9	16.0	7.3	28.0	16.0	7.8	27.5	
Utah				20.0	9.9	28.8	20.0	9.1	22.4	20.0	7.4	13.4	
West Virginia ²				16.0	10.4	35.1	16.0	9.7	29.2	16.0	8.8	22.8	
States with variable duration:													
Alabama	16.6	8.2	20.3	18.2	7.8	27.3	19.1	4.5	14.7	18.5	5.5	10.8	
Arizona ²	(³)	10.0	55.6	(³)	8.1	53.1	(³)	7.4	45.7	(³)	6.7	35.9	
Arkansas	9.0	5.2	46.5	11.8	5.8	35.6	12.5	5.7	20.0	13.2	5.7	28.3	
California							16.5	9.8	30.5	18.1	8.1	21.3	
Connecticut				12.3	4.1	19.6	13.8	4.3	15.8	14.7	4.2	11.3	
Delaware				9.6	8.5	48.7	11.2	5.7	35.2	12.3	5.2	21.0	
Florida	13.1	9.5	58.1	11.8	7.7	55.1	12.9	7.9	41.4	14.3	8.7	37.7	
Georgia	13.0	7.7	48.1	15.2	8.4	37.6	15.7	7.5	30.8	15.8	8.1	28.6	
Hawaii				17.1	5.8	10.0	18.3	3.2	7.2	18.8	4.3	10.0	
Idaho				11.6	7.5	44.0	14.0	7.4	25.8	15.0	7.4	15.0	
Illinois ²				12.3	7.3	38.3	12.6	6.9	35.4	14.5	6.0	21.5	
Indiana	(³)	10.4	62.2	(³)	8.0	42.3	(³)	7.5	38.9	(³)	7.9	20.7	
Iowa	4.8	2.5	48.0	9.8	4.9	40.1	11.8	4.7	27.8	12.5	4.7	21.2	
Kansas				10.8	6.5	51.7	12.7	7.0	37.7	14.2	7.2	28.9	
Louisiana	10.2	6.5	61.2	11.7	7.2	60.5	12.8	7.1	50.0	12.1	7.2	55.6	
Maine				(³)	5.2	16.9	(³)	4.0	8.8	(³)	6.1	18.2	
Maryland				10.8	6.2	49.4	12.6	6.3	37.9	15.7	5.6	20.9	
Massachusetts				15.0	5.7	26.0	17.1	5.9	23.8	17.8	4.9	18.5	
Michigan				11.8	8.7	41.5	14.6	9.1	41.9	17.3	8.9	23.0	
Minnesota				13.3	8.0	44.1	14.6	8.0	35.2	15.7	7.0	23.0	
Missouri ²	(³)	5.9	60.6	(³)	7.6	46.1	(³)	7.7	37.0	(³)	8.2	33.1	
Nebraska				14.7	7.6	31.5	11.3	6.4	25.5	15.3	6.8	20.7	
Nevada				13.1	9.0	41.4	12.6	9.0	49.0	15.7	8.0	28.8	
New Hampshire				(³)	5.2	14.7	(³)	3.4	7.3	(³)	2.0	4.6	
New Jersey ²				10.0	5.4	41.3	11.8	5.7	32.8	14.2	5.7	21.2	
New Mexico				15.0	7.9	30.0	15.3	7.3	21.8	15.5	6.4	18.6	
North Dakota	14.3	7.2	31.2	13.8	7.0	36.8	15.1	7.5	25.9	15.5	8.2	25.6	
Oklahoma				8.9	5.5	54.8	11.9	6.3	40.6	13.9	7.0	32.5	
Oregon	4.4	2.8	58.7				6.0	2.9	36.4	11.5	2.9	13.2	
Pennsylvania ²				0.2	6.5	50.5	11.4	5.6	31.8	12.4	4.6	18.5	
Rhode Island							4.7	47.9	10.3	5.0	37.7	12.7	4.0
South Dakota	(³)	8.5	48.6	(³)	6.8	39.2	(³)	6.8	21.4	14.0	0.1	17.0	
Texas ⁴				10.0	6.0	55.9	12.6	7.3	42.0	14.0	7.0	31.4	
Vermont	11.6	5.9	37.5	13.7	6.1	39.9	13.0	5.4	20.4	14.1	5.0	16.4	
Virginia	11.8	4.9	19.3	14.1	5.0	16.3	15.1	3.6	10.8	15.3	2.9	6.1	
Washington				12.2	5.3	25.0	12.2	4.1	15.0	15.0	3.4	4.7	
Wyoming				10.5	6.1	28.1	11.3	6.0	28.9	12.1	5.7	22.0	

¹ Unless otherwise indicated, actual duration and exhaustion ratios relate to all eligible claimants, rather than to beneficiaries as in table 3.

² Data relate to beneficiaries rather than to eligible claimants; for Ohio, excludes 39,770 eligible claimants under the old law who drew no benefits and consequently did not begin a benefit year. Ohio duration of 16 weeks was extended to 18, effective Oct. 1, 1941; new law minimum was \$5.

³ Lag-quarter redeterminations provided; potential duration not computed.

⁴ Potential duration not available.

⁵ Benefit years ended July-December 1942.

⁶ Benefit years ended Apr. 1, 1911-Mar. 31, 1942.

Table 6.—Comparison of selected duration data for 12 States in which benefit provisions did not change during benefit years ended in 1940, 1941, and 1942

State ¹	Average potential duration for eligible claimants, benefit years ended in—			Average actual duration for beneficiaries, benefit years ended in—			Percent of beneficiaries exhausting rights, benefit years ended in—		
	1940	1941	1942	1940	1941	1942	1940	1941	1942
Benefits limited to 1/2 of 1 year's earnings									
Minnesota ²	15.2	14.8	14.7	11.4	11.2	9.8	56.0	55.0	40.2
Nebraska.....	15.0	14.0	14.7	11.7	10.0	9.3	54.0	49.2	39.4
New Mexico.....	15.1	15.0	15.1	11.6	11.0	9.7	54.8	47.9	35.2
Washington.....	13.7	13.8	13.0	10.2	9.3	6.5	54.2	48.1	17.3
Benefits limited to 1/4 or less of 1 year's earnings									
Illinois (34).....	13.3	13.3	13.6	8.1	8.1	7.0	40.4	40.4	30.1
Texas (38).....	10.8	10.8	11.0	8.6	8.6	7.7	66.2	60.1	57.3
Oklahoma ² (36).....	9.0	8.8	8.5	7.4	6.6	6.0	73.8	69.7	63.0
Benefits limited to 1/6 or less of 2 years' earnings									
Arizona (36).....	(3)	(3)	(3)	9.1	8.7	7.4	64.1	53.0	44.6
Pennsylvania (36).....	11.4	10.1	10.8	8.9	7.4	5.6	59.0	57.5	36.5
Uniform duration									
Montana.....	16	16	16	13.1	13.1	10.0	59.4	60.0	37.0
New York.....	13	13	13	10.1	10.1	9.4	54.7	54.7	46.6
North Carolina.....	16	16	16	10.0	10.1	10.0	41.2	42.5	43.7

¹ Where States with different duration provisions are grouped together, duration fraction follows State name.

² 1942 figures based on benefit years ending January-June 1942, rather than whole year as in other

tables, to exclude experience under amended duration provisions.

³ Potential duration not determinable because of long-quarter redeterminations.

ence of 12 States using the same benefit provisions in 1940, 1941, and 1942¹² indicates that average potential duration of benefits remained about the same, but average actual duration and the proportion of beneficiaries who exhausted their benefits decreased (table 6).

The base periods represented are in general 1938, 1939, and 1940. The year 1938 was characterized for the most part by depressed employment conditions, 1939 by general economic improvement, and 1940 by sharp employment increases in industries producing durable goods and continued expansion in construction. Wages increased relatively more than covered employment from 1938 to 1939, and again from 1939 to 1940. Average potential duration of benefits might have been expected to increase from

1940 to 1942 because of higher earnings and more regular employment. Actually, however, the average potential duration of benefits of eligible claimants varied only slightly during the 3 years in most of these States. In fact, the 1 State in which the difference was more than one-half week was Pennsylvania, in which the potential duration in 1940 was 1.3 weeks longer than in 1941, and 0.6 weeks longer than in 1942.

The reasons for this similarity in average potential duration of benefits in successive benefit years are not clear from available data. There may be several contributing factors. The claimant group in each of the 3 years may have included recurrently unemployed workers with substantially the same pattern of employment and unemployment from year to year. The wages of many skilled workers were already high enough to provide maximum duration, so that any increase in their earnings could have no effect on potential duration of benefits. Moreover, in many States, potential duration is derived from the relationship between high-quarter earnings and annual earnings. As wages rise,

so do high-quarter earnings and weekly benefit amounts. In all 12 of these States, the proportion of payments at the higher weekly benefit amounts did actually increase from 1940 to 1942. Until the weekly benefit amount reaches the maximum, potential duration will increase only if the increase in annual earnings is relatively greater than in high-quarter earnings. For example, consider an Illinois worker in 1940, with 1938 high-quarter earnings of \$140 and annual earnings of \$324, giving him a weekly benefit amount of \$7 and a resultant potential duration of 13 weeks. If in 1939 his high-quarter earnings increased to \$180, which would give him a weekly benefit amount of \$9, his annual earnings would have had to be more than \$468 to give him a greater potential duration in 1941 than in 1940.

Average actual duration of benefits and the proportion of beneficiaries who drew all the benefits to which they were entitled decreased each year in 7 of the 12 States. In 2 others, actual duration of benefits and exhaustion ratios were the same in 1940 and 1941, and lower in 1942. In 1940, at least 40 percent of the beneficiaries exhausted their rights in all 12 States, and in 10 of these at least half the beneficiaries did so. In 1942, there were only 2 States where the exhaustion ratio was more than 50 percent, and 6 where the proportion was less than 40 percent.

Summary

Even in 1942, a year of relatively high employment levels, the duration of benefits available to claimants in many States was so low that a considerable proportion exhausted their rights before again finding work. In 32 of the 47 States whose experience is reported here, more than one-third of the beneficiaries were still unemployed when they received their final check. In 6 States, more than one-half the beneficiaries exhausted their benefit rights, and in 1 State, nearly three-fourths. In all but 4 of the 42 States for which data on potential duration of benefits are available, more than half the weeks of potential benefits available to beneficiaries were actually drawn, and in 10 States, more than two-thirds.

(Continued on page 52)

¹² In Nebraska and North Carolina, slight changes were made in 1942. Nebraska's qualifying-earnings requirement was changed from 30 times the weekly benefit amount to a flat \$200, changing minimum duration from 10 to 8 weeks. North Carolina raised the minimum weekly benefit amount from \$1.50 to \$3, retaining the same qualifying-earnings requirement of \$130.

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hospital service associations—statistics of personal accident and health business only for five years ending January 1, 1943."

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"The White Paper." *British Medical Journal*, London, Feb. 26, 1944, pp. 293-295.

(Continued from page 23)

In several States the maximum duration of protection was rather short. In 9 States, no claimant could receive benefits for as many as 16 full weeks. On the other hand, although there were 15 States where some eligible claimants were entitled to less than 4 weeks of benefits, in only 7 of these States did this group represent as much as 2 percent of all claimants.

There were 10 States which provided uniform duration of benefits for all eligible claimants, ranging from 13 weeks in New York to 20 weeks in Utah. By contrast, there were 10 States with variable duration

in which the average potential duration of benefits was less than 12 weeks.

In States with variable duration of benefits, potential duration was, of course, shortest for the claimants with low weekly benefit amounts. Yet even in States with uniform duration, these claimants had the highest exhaustion ratios, indicating that they experienced the longest periods of unemployment.

This experience indicates that, even in a period of high and rising employment such as the years 1941-42, the duration of benefit payments was not sufficient to carry many claimants through their period of unemploy-

ment. The meager information available as to the characteristics of the claimants does not indicate that they were predominantly a marginal group of workers whose experience could not be considered typical. In fact, these claimants included large numbers of workers laid off during the conversion of the Nation's factories to war production. In the reconversion period, longer periods of unemployment may be expected for more workers. A very high proportion of all claimants, therefore, may find the duration of unemployment compensation too short to bridge the gap from war to peacetime production.