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COVERAGE OF AGRICULTURAL WORKERS UNDER THE UNEMPLOYMENT COMPENSATION AMENDMENT OF 1976

G. Joachim Elterich

ABSTRACT

The "Unemployment Compensation Amendments of 1976" are expected to insure about two-fifths of all hired agricultural workers. Large interstate variations in the proportion of workers insured result from their differing work histories and state's qualifying provisions. Of these insured workers, three-tenths will receive benefits, ranging from about \$250 to \$1,000 depending upon the state benefit schedule and the worker's employment history. Average benefits amount to 14 percent of earnings of the workers which average \$3,613. Nearly one-fourth of the beneficiaries will exhaust their benefit entitlements.

In October 1976, President Ford signed into law PL 94-566, (henceforth the law) which among other items extends Unemployment Insurance (UI) coverage to agricultural workers in establishments employing 10 or more workers for 20 weeks or more or with a high quarter payroll of at least \$20,000 (henceforth, the '10 in 20 or \$20,000' provision). The UI system is a cooperative arrangement between federal and state governments under which states must meet or exceed federal guidelines to qualify for federal assistance in running the program. During 1977, state lawmakers should have passed legislation to comply with the federal law providing, among other things, for agricultural coverage by January 1978. In 1970, the interregional research committee NE-58, entitled "Economic and Sociological Study of Agricultural Labor in the Northeast States," with financial support of the U.S. Department of Labor surveyed agricultural employers and employees in 15 states.¹ Since the resulting studies [Bauder, et al., Seaver, et al.] did not consider the coverage provision stated by the law, it appears imperative to provide some answers to the impact PL 94-566 may have on agriculture and the UI system.

This paper complements another entitled "Impact of PL 94-566 on Agricultural Employers and UI Trust Funds in Selected States" [Elterich and Graham, 1977]. The latter report did not analyze the law's impact on agricultural workers, in particular their UI classifications and their economic well-being as a result of the benefit payments received. Therefore, the objectives of this study are:

- 1) To estimate for the '10 in 20 or \$20,000' provision the percentage of covered and insured workers, beneficiaries and benefit exhaustees.
- 2) To estimate the benefits of insured workers and beneficiaries.
- 3) To determine earnings of agricultural workers.
- 4) To assess the implication of UI benefit payments on economic welfare in relation to earnings of workers involved.

METHODS

The study uses workers' employment histories and their characteristics as of 1969/70 obtained in the NE-58 research, which surveyed a stratified (by payroll) random sample of agricultural employers. The second sampling frame randomly selected their work force completely or proportionately depending upon its size. The sample data were subsequently expanded to population estimates. For more detail on the survey and sampling procedures and methodology, see Bauder, Elterich, Farrish and Holt, [Chapter I and Appendices I-V].

Each worker's 52-week base period, which was also used as benefit period, was analyzed with respect to his UI beneficiary status, i.e., if he was a covered worker and/or insured, and/or beneficiary or benefit exhaustee. Only workers employed by employers included by the provision as defined by PL 94-566 (the 10 in 20 or \$20,000' provision), were considered covered as far as UI is concerned. The state's qualifying and benefit determination status in effect July 1971 was applied.

The tabulations and analyses of the estimated impact of the law on the UI and work force classifications of 14,818 workers in the survey states will relate the relative coverage of their expanded population (148,925 after eliminating workers with incomplete records) due to covered survey employers. Because the study is concerned with farm workers, it includes only those workers of covered employers who did some farm work during the survey period and excludes workers who only by virtue of nonfarm work are already covered by UI. The relevant employment characteristics detail migratory, labor force participation status and type of work. In particular, percentages of covered, insured workers and beneficiaries (with their respective UI benefits) and benefit exhaustees are estimated by state.

Actual benefits would be paid to workers assuming they had the same unemployment experience in the second (benefit) year as in the first (base) year and disregarding extended benefits beyond the state's statutory limit. The analysis disregards seasonality provisions, which are currently still in effect in some states, dependency allowances and any labor supply changes due to the extension of coverage to agricultural workers. Estimates are based on the assumption that workers apply for benefits in the same state in which they were interviewed; such an assumption will not invalidate the estimates.

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¹The survey states are all Northeastern States and Ohio, Florida and Texas.

By choosing this approach and population, this study assumes the same employment and work history of agricultural employers and their employees in 1971 and 1977 since the survey has not been updated. However, it is asserted that any change which may have occurred since then would change the findings of this study only slightly. On average, both workers' taxable wages and the UI benefits have increased approximately proportionately. At the same time, the level of employment has remained constant or increased somewhat in most states, and the number of employers with sufficient employment to qualify for coverage has remained constant or increased resulting in all factors tending to counteract each other. The seasonal employment pattern is judged to remain essentially similar. No way is seen, however, to judge the changes in employment behavior by both employers and employees since 1971. It is maintained, rather, that the estimates of coverage by characteristics are the best possible at this time, until actual employment histories of workers and beneficiaries become available from a special survey of UI claimant files.²

Flow Chart I relates in a simplified form the principles involved in UI coverage (and its statistics) which are also followed in the same order by the text of the paper where the terms are defined. For simplicity, only positive decision points are pursued.

COVERAGE AND BENEFICIARY STATUS

This section presents estimates of workers' UI coverage, beneficiary status and benefits amounts. UI coverage is determined by the employers' employment and payroll characteristics while the workers' benefit rights, i.e., beneficiary status and benefit amounts, depend on their weeks of work and wage experience in covered employment during the base period. However, each state has its own provision for determining the workers' benefit rights.³ The estimates for the covered and insured workers, actual beneficiaries and exhaustees and benefit amounts are given by region or state for different categories such as migratory status, labor force participation and type of work. As far as the following analysis is concerned, the terms agricultural and farm workers are synonymous.

Covered Workers

Covered agricultural workers are those who worked for a covered employer, i.e., employers who hired at least 10 workers in 20 weeks or who have a high quarter payroll of at least \$20,000. Just over half of all hired farm workers of surveyed employers are covered. However, wide variations in coverage exist among states, i.e., less than 20 percent of farm workers are covered in Vermont and Maine, while more than 80 percent are in Florida and Connecticut (Table 1). Workers with nonfarm work only have a greater chance of being

covered (64 percent) than workers with farm work. Of the farm workers, interstate workers have the highest coverage (61 percent). By contrast, less than half of the intrastate farm workers have a chance of being covered (47 percent), while workers with farm work only or those with mixed work have about an equal chance of being covered. It is somewhat surprising that farm workers in the labor force part of the year are marginally more likely to be covered than those in the labor force all year. This phenomenon may only be explained by the fact that farmers with pronounced seasonal employment are more likely to be covered by the provision than farmers with a smaller work force but year-round employment. However, the proportion of covered workers in the labor force all year is larger than for workers employed part of the year in the Mid-Atlantic states because of the characteristics of the workers in New York and Pennsylvania.

With the exception of Texas, all states under study have a higher proportion of interstate workers covered than intrastate workers. In a number of the states, interstate workers have double the probability of being covered than intrastate workers; the latter group is partly comprised of housewives and students who are in the labor force only part of the year. The proportion of intrastate workers ranges from less than 20 percent in Vermont and Maine to more than 70 percent in Connecticut and Florida with most states having between 30 and 49 percent. For interstate workers, the proportion ranges from 25 percent in Texas to 94 percent in Florida. Within a particular state, the differences in the proportions of covered farm workers with farm work and those with mixed work are small. However, the differences in the proportions among states are large, ranging from less than 20 percent in Vermont and Maine to 88 percent or more in Florida.

In Delaware, Connecticut and Florida, about 90 percent of the workers with nonfarm work only are covered, while less than 30 percent are covered in Maine and Rhode Island.

Insured Workers

Insured workers or potential beneficiaries are those covered workers who have sufficient employment and/or earnings to be insured for UI purposes, i.e., become monetarily eligible for UI benefits in case of bonafide UI employment. Over four-fifths of the covered workers qualify as insured workers for the study area (Table 2). Large variations exist among states. In Ohio only 53 percent and in Connecticut 60 percent are insured due to either stringent qualifying requirements or shorter duration of employment and lower wages. The proportions are larger than 90 percent in Florida, Maryland and Texas due to higher wages and longer unemployment.

Covered farm workers who are in the labor force all year have the highest proportion of insured workers (94 percent), while those in the labor force part of the year have the lowest proportion (64 percent). The range of the proportions is narrow among states for workers in the labor force all year (86-99 percent), while it is rather wide for workers in the labor force part of the year (29-90 percent).

The difference in the proportion of insured workers between the interstate (82 percent) and intrastate (88 percent) farm workers is small. Because intrastate workers are predominantly seasonal in more states, their proportions are smaller than for interstate workers. Both groups display wide variations among states (52 to over 90 percent).

²There is evidence that in New Jersey, changes in farming have taken place away from labor intensive crops to labor extensive crops. Furthermore, private communication indicates that in that state the average duration of agricultural workers has increased substantially, which may render the estimates for this state less reliable for today's conditions and subject to revision after current data are available.

³Since the treatment of the qualifying provisions and benefit schedules of workers in different states would repeat an earlier study, reference is made to the discussion by Elterich and Graham [1975].

Figure 1. Flow Chart for Eligibility for Unemployment Insurance Coverage and Benefit Determination Under PL 94-566, 15 State Study Area

TABLE 1.

Proportion^a of Covered Workers Due to Employers' Coverage Under the '10 in 20 or \$20,000' Provision in Relation to Universal Coverage by Migratory Status, Labor Force Participation, Type of Work and States

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
	—percent—							
Study Area	46.7	61.3	52.2	49.0	50.2	49.7	63.5	51.0
Mid-Atlantic								
Delaware	40.2	41.4	47.9	36.9	46.3	31.8	94.0	42.6
Maryland	25.8	72.1	39.7	38.0	33.5	53.2	28.4	37.9
New Jersey	42.7	61.0	55.5	50.4	52.4	49.9	41.6	51.1
New York	31.6	59.9	33.1	42.2	39.2	37.8	61.7	40.3
Pennsylvania	33.3	67.9	33.0	40.8	38.2	37.2	49.3	38.4
West Virginia	32.1	40.0	35.7	32.2	32.7	37.3	69.8	34.6
New England								
Connecticut	77.9	86.8	84.5	71.7	78.3	83.9	91.9	80.8
Maine	18.3	27.4	15.3	23.7	18.8	19.2	24.0	19.5
Massachusetts	48.8	60.7	51.2	49.7	54.7	25.0	30.5	48.4
New Hampshire	34.1	35.3	32.9	35.3	37.6	27.5	30.2	33.3
Rhode Island	40.7	82.6 ^b	46.3	43.3	45.0	40.9 ^b	25.0 ^b	43.6
Vermont	8.4	34.6	14.0	9.0	10.0	10.3	32.9	11.2
Florida	87.2	94.1	94.7	86.9	89.2	88.0	89.8	89.0
Ohio	43.2	49.7	48.4	40.8	46.2	39.5	43.7	44.7
Texas	33.8	24.6	40.7	30.2	31.3	37.5	53.6	33.2

^aProportions are based on the corresponding number of workers for each classification under the universal coverage.

^bNumber of covered workers is less than 50.

The interstate differences between the classifications should be attributed to both the qualifying requirements and the work histories of workers (i.e., duration of work and earnings). In Florida and Ohio stringent qualifying requirements (earnings and/or work force participation) could result in consistently lower proportions of insured workers; however, the proportion is high in Florida, due to high wages and long employment. The composition of the workers in the labor force part of the year seems to be influenced by housewives and students in Ohio, West Virginia and most New England states. This is evident from the small proportion of insured workers, (due to low earnings and short spans of work) despite relatively lower qualifying requirements.

The differences in the proportion of insured workers between those performing farm work only, and those performing mixed work are virtually nonexistent for the study area. Wide differences exist, however, among states between categories. Less than 60 percent of the workers with farm work only are insured in Ohio and Connecticut while more than 90 percent are insured in Florida, Texas and Rhode Island. Likewise, less than 62 percent of the workers with farm and nonfarm work are insured in Vermont, Massachusetts and Ohio, while the proportion exceeds 90 percent in Maryland, Delaware, Pennsylvania, Texas and Florida. The proportion of insured workers with farm work only exceeds that of workers with mixed work in New York, Florida and most New England states.

In the study area, 71 percent of the covered workers performing nonfarm work only are insured, the proportions ranging from 34 percent in Ohio to about 90 percent in Rhode Island, Delaware and Maryland.

Actual Beneficiaries

Actual beneficiaries are insured workers who have at least one spell of compensable unemployment and hence should receive UI benefits. For the study area, about three out of ten insured workers would receive UI benefits (Table 3). Again, wide variations exist among states, ranging from less than 20 percent in Maryland, Vermont and Massachusetts to over 40 percent in Delaware, Connecticut and Rhode Island. The latter states have highly seasonal operations—such as vegetable, tobacco and miscellaneous farms—resulting in more workers having periods of UI unemployment.⁴

The proportion of actual beneficiaries is highest for insured farm workers in the labor force part of the year (78 percent) and lowest for those in the labor force year-round (14 percent). The proportion exceeds 80 percent for insured workers in the work force part of the year in Vermont, Rhode

⁴UI unemployment is defined in monetary and nonmonetary terms. A worker has to qualify monetarily, by showing "substantial attachment" to the covered labor force as measured in a sufficient number of weeks of employment or its equivalent in covered earnings. A worker must also be willing and able to work, i.e., must not be discharged for good cause, or have left work voluntarily (nonmonetary terms).

TABLE 2.
Insured Workers as a Percent of Covered Workers Under the '10 in 20 or \$20,000' Provision by
Migratory Status, Labor Force Participation, Type of Work and State.

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
			—percent—					
Study Area	82.1	87.6	63.6	93.7	83.5	84.2	71.1	82.5
Mid-Atlantic								
Delaware	72.6	97.4	75.8	94.3	83.1	94.6	89.0	86.6
Maryland	84.4	97.4	60.7	98.6	88.4	96.1	94.2	91.1
New Jersey	61.3	92.1	45.9	92.2	76.4	87.7	80.8	79.3
New York	72.6	84.7	56.9	86.5	78.2	74.2	77.8	77.4
Pennsylvania	84.1	89.1	65.2	94.5	83.5	91.5	75.1	84.9
West Virginia	73.9	73.3	41.1	88.3	72.1	85.9	77.5	74.1
New England								
Connecticut	52.0	80.3	42.4	92.9	54.9	68.6	66.9	59.6
Maine	74.1	80.3	54.2	94.3	70.3	86.3	74.7	75.9
Massachusetts	82.6	95.7	57.3	94.1	86.4	58.6	84.2	84.3
New Hampshire	82.5	78.8	76.6	85.6	86.6	68.0	87.6	83.2
Rhode Island	93.2	86.8 ^a	89.5	95.2	94.0	85.2 ^a	100.0 ^a	93.1
Vermont	81.9	51.7	31.6	92.2	84.2	44.1	60.6	73.1
Florida	94.6	93.6	90.1	96.0	94.8	92.6	74.0	92.2
Ohio	51.9	62.4	29.2	87.1	53.2	61.5	34.3	53.4
Texas	94.1	84.4	84.1	95.5	92.7	93.3	65.2	90.6

^aNumber of covered workers is less than 50.

Island, Delaware and Florida and is less than 67 percent in Maine, Massachusetts, Pennsylvania and New Jersey. In contrast, the percentage of farm workers in the labor force all year ranges from less than ten percent in Vermont, New Hampshire, Massachusetts, Texas and Maryland to more than 29 percent in New Jersey, Rhode Island and Delaware.

Insured intrastate farm workers have a lower incidence of actual beneficiaries (26 percent) than interstate workers (42 percent). The proportions exceed one-third for intrastate workers in Rhode Island, Connecticut, New Hampshire and New Jersey, while it is lower than one-fifth in Massachusetts, Vermont, Pennsylvania and Texas. For interstate workers, proportions over 60 percent are found in Connecticut, Maine and Delaware and proportions below 20 percent in Vermont, Massachusetts, Maryland and New Hampshire.

Workers performing farm work only, and those doing mixed work have an incidence exceeding 40 percent and 50 percent, respectively, of actual beneficiaries in Delaware, Connecticut and Rhode Island. The proportions are below 18 percent in Vermont, Massachusetts and Maine. Workers doing mixed work have little chance of being actual beneficiaries in Massachusetts, Vermont and Maryland. The significant differences among states within any worker classification can be explained by the differing proportions of farm workers with weeks of UI unemployment.

Exhaustees

Benefit exhaustees are defined as beneficiaries whose weeks of unemployment equal or exceed the potential duration of their benefits. Their proportion is based on the number of beneficiaries and is only available by state. In the study area about one out of four beneficiaries exhausts his/her benefits (Table 4). The incidence of exhaustees tends to be lower on average in the Mid-Atlantic states (usually less than 17 percent) and Ohio, while higher in some New England states, Texas and Florida (29 percent and higher). As with other statistics regarding beneficiaries, the interstate differences cannot be explained by the state statutes alone. They also are determined by the differences in the employment histories of the workers in a state, particularly the duration of UI unemployment. However, the duration of UI unemployment would affect, to a higher degree, workers in states such as Florida and Texas. Compared with the other states, their provisions allow only relatively short durations of potential benefits.

TABLE 3.
Actual Beneficiaries as a Percent of Insured Workers Under the '10 in 20 or \$20,000' Provision by
Migratory Status, Labor Force Participation, Type of Work and State

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
			—percent—					
Study Area	25.9	41.5	78.3	14.2	28.6	37.8	31.1	30.5
Mid-Atlantic								
Delaware	32.3	61.8	86.8	29.2	50.6	51.3	53.6	51.0
Maryland	20.3	15.9	73.1	9.3	23.0	8.7	38.3	18.5
New Jersey	35.5	40.3	66.4	33.4	37.4	42.5	29.6	38.3
New York	17.9	41.6	76.4	14.0	25.8	37.7	43.3	29.6
Pennsylvania	16.8	45.3	65.3	10.9	20.2	35.7	37.7	24.5
West Virginia	20.8	34.0	73.0	12.7	19.2	47.0	33.7	23.8
New England								
Connecticut	37.8	64.9	80.0	15.5	41.5	57.0	57.3	47.8
Maine	21.9	61.9	56.2	13.3	17.3	41.1	46.6	29.8
Massachusetts	13.3	14.2	50.1	5.3	14.2	0	5.9	13.0
New Hampshire	35.2	19.2	78.3	2.9	38.9	10.6	34.5	33.4
Rhode Island	47.2	54.5 ^a	89.7	30.0	46.8	56.5 ^a	0 ^a	47.0
Vermont	14.1	0	100.0	0	13.9	0	41.9	16.0
Florida	31.0	36.3	84.5	13.8	32.0	33.8	20.5	31.3
Ohio	26.8	57.8	77.3	19.0	34.6	43.3	46.5	36.9
Texas	19.4	49.9	74.1	9.2	19.8	42.1	37.0	24.0

^aNumber of covered workers is less than 50.

TABLE 4.
Proportion of Exhaustees as of Actual Beneficiaries by
Region or State

State	Percent
Study area	23.4
Mid-Atlantic	
Delaware	6.8
Maryland	16.7
New Jersey	16.8
New York	5.1
Pennsylvania	4.4
West Virginia	18.6
New England	
Connecticut	30.0
Maine	30.6
Massachusetts	53.0
New Hampshire	15.9
Rhode Island	13.0
Vermont	0
Florida	28.9
Ohio	14.4
Texas	31.0

BENEFITS

Potential Benefits

Potential benefits are the maximum amount to which an unemployed insured worker is entitled, based on his work history during the base period. They are the product of the weekly benefit amount computed from the worker's past wages, and the potential duration⁵ computed according to the state law. Extended benefit and dependency allowances are disregarded in this analysis.

Average potential benefits per insured worker amount to \$1,066 in the study area, ranging from about \$900 in West Virginia and Florida to over \$1,400 in Massachusetts and Rhode Island (Table 5). These large variations are due partly to the different employment characteristics of workers from state to state, but mostly to differing weekly benefit amounts and duration formulae for the states.

Classifying potential beneficiaries by migratory status shows that intrastate workers qualify for slightly higher benefits than interstate workers (\$1,071 vs. \$1,035). Workers

⁵In variable duration states, the potential duration is the lesser of a specified fraction of base period employment or wages or a multiple of the weekly benefit amount. In uniform duration states it is a multiple of the weekly benefit amount. The multiple represents the maximum number of weeks for which a beneficiary can receive his weekly benefit amount under state law.

TABLE 5.

Average Potential Benefits per Insured Worker by Migratory Status, Labor Force Participation, Type of Work and State.

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
			—dollars—					
Study area	1,071	1,035	832	1,138	1,056	1,075	1,141	1,066
Mid-Atlantic								
Delaware	973	1,097	908	1,139	997	1,172	947	1,047
Maryland	1,183	1,069	902	1,155	1,161	1,047	962	1,115
New Jersey	1,376	1,150	1,105	1,245	1,242	1,172	1,255	1,225
New York	1,323	1,076	1,054	1,265	1,234	1,145	1,227	1,217
Pennsylvania	1,386	1,329	1,157	1,441	1,369	1,384	1,326	1,371
West Virginia	855	850	697	886	853	861	1,076	871
New England								
Connecticut	1,265	1,213	941	1,532	1,281	1,176	1,321	1,255
Maine	1,104	1,150	811	1,253	1,087	1,146	1,058	1,104
Massachusetts	1,404	1,398	610	1,576	1,420	1,080	1,758	1,425
New Hampshire	1,222	1,391	839	1,512	1,190	1,450	1,653	1,336
Rhode Island	1,531	967 ^a	1,197	1,556	1,471	1,225 ^a	2,366 ^a	1,459
Vermont	1,186	1,300	915	1,242	1,190	1,211	1,204	1,201
Florida	898	943	707	979	897	960	1,067	922
Ohio	1,126	914	886	1,135	1,059	1,062	826	1,050
Texas	1,069	806	768	1,110	1,038	1,020	1,128	1,037

^aNumber of covered workers is less than 50.

performing nonfarm work only qualify for the highest benefits of \$1,141, while those doing farm work only qualify for \$1,056 in benefits. Workers in the labor force all year qualify for larger benefits than those in the labor force part of the year (\$1,138 vs. \$832 respectively).

Variations of potential benefits within a classification are much larger among states than within a state. Differences among groups within a state are due to variations in earnings only.

Actual Benefits

Actual benefits are the sum of all the benefits an unemployed insured worker is paid in a benefit year, limited by his potential benefits. Average actual benefits per beneficiary amount to \$386 in the study area, ranging from \$322 in Florida to \$762 in Rhode Island (Table 6).

Actual benefits result from the weekly benefit amount and duration of weekly claims for benefits. The weekly benefit amount is determined by a worker's wages based on the state's provisions. Since states also limit the duration of weekly claims, a significant interaction results between state provisions and a worker's employment history.

Comparing average weekly benefit amounts and average durations among states will shed light on the origin of the variation among states. For example, Florida's and Texas' low average actual benefits might be partly attributed to low weekly benefit amounts, but are largely due to very restrictive

provisions on benefit duration. West Virginia has a relatively long duration but has the lowest weekly benefit amounts. On the other hand, Rhode Island's and New Jersey's high average actual benefits are due mainly to higher weekly benefit amounts. Vermont is an example where the high benefits are due mainly to uniform duration in spite of low weekly benefit amounts. For a discussion of the interrelationships see Elterich & Graham [1975, pp. 33-72].

Agricultural workers with nonfarm work only have higher actual benefits compared to farm workers even though the duration is smaller (9.3 weeks) because of a higher weekly benefit amount (\$45.60), since they have higher earnings. Interstate farm workers have fewer weeks of actual duration leading to lower benefits as compared to intrastate farm workers.

The group of farm workers who are in the labor force all year, and those who do both farm and nonfarm work have slightly higher weekly benefit amounts, compared to their respective complementary group, but a lower actual duration. The actual benefits are the result of the counteracting variables.

To summarize this section, within a classification the variation in benefits among states is greater than the variation among classifications within a state. The differences among classifications within a state can be attributed to the different workers' employment histories. When making interstate comparisons, these variations are compounded by the states' benefit provisions.

TABLE 6.

Average Actual Benefits per Beneficiary by Migratory Status, Labor Force Participation, Type of Work and State

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
			—dollars—					
Study area	395	365	387	374	379	393	421	386
Mid-Atlantic								
Delaware	351	339	398	244	343	345	248	334
Maryland	609	339	471	491	481	479	888	503
New Jersey	562	510	434	560	501	577	549	525
New York	471	379	441	364	416	398	407	409
Pennsylvania	428	391	379	474	370	486	476	416
West Virginia	348	285	354	308	325	356	360	336
New England								
Connecticut	514	519	494	611	575	431	385	502
Maine	370	553	430	412	429	420	522	446
Massachusetts	495	443	477	510	488	b	132	481
New Hampshire	300	1,048	315	975	311	844	525	394
Rhode Island	818	472 ^a	749	774	805	436 ^a	a,b	762
Vermont	733	b	733	b	733	b	172	547
Florida	342	243	339	258	322	273	445	322
Ohio	462	429	425	480	425	500	276	433
Texas	375	314	375	318	335	417	392	361

^aNumber of covered workers is less than 50.^bNo beneficiaries in this category.

EARNINGS

Average annual earnings of the covered workers in the sample amounted to \$3,613 compared to \$3,270 under the universal coverage (Table 7). This puts this group close to poverty income although a sizable proportion of the workers worked only part of the year. If one considers only workers in the labor force all year the annual average increases to \$4,383 (\$4,147) while those in the labor force part of the year have less than half the average earnings. The figures in parentheses indicate the comparable statistics for the all inclusive coverage.

Intrastate workers with \$3,676 (\$3,220) have \$300 higher earnings than interstate workers (\$3,430), which is reversed from universal coverage [Seaver, et al., 1976, pp. 41f]. Classifying interstate and intrastate workers further by year round or part of the year labor force participation, intrastate workers in the labor force all year had the highest earnings, \$4,665 (\$4,280), followed by their interstate counterparts \$3,702 (\$3,790). Interstate workers with time out of labor force earned only \$2,550 (\$2,590), while their intrastate counterparts trailed the list with \$1,840 (\$1,410).

For the study area, covered workers with nonfarm work only earn on average \$3,822, while those with farm work only and those with farm and nonfarm work earned \$220 and \$260 less, respectively.

Intrastate workers who are in the labor force all year with farm and nonfarm work had high average earnings of \$4,643 (\$5,010). This is due to longer periods of employment and

higher weekly wages which seems to put them into a class of skilled workers most likely not experiencing unemployment.

Average earnings of all covered workers varied considerably in the geographic dimension. Distributing average earnings by state, 4 states fell below \$3,000 (Connecticut, New Jersey, West Virginia, and Ohio) and 6 states exceeded \$4,000 (Massachusetts, New Hampshire, Rhode Island, Vermont, New York and Pennsylvania). The composition of interstate and intrastate workers obviously influences the earnings of those groups within a state. In most states, intrastate workers had the highest earnings but their earnings were significantly lower than those of interstate workers in New Hampshire, Delaware, West Virginia and New Jersey. The appreciable differences among states can be attributed in part to the number of the casual workers and their duration in the work force. Workers performing farm work only earn between \$2,391 and \$4,827 while the range is even wider for workers with nonfarm work only (\$1,216 to \$8,320). The average earnings of workers in Florida and Texas who are in the labor force all year are about one and a half times as large as the earnings of those in the labor force part year. In the New England and Mid-Atlantic states, workers in the labor force all year have on average four and two times, respectively, the earnings of workers in the labor force part of the year.

TABLE 7.
Average Annual Earnings for Covered Workers by Migratory Status, Labor Force Participation,
Type of Work and State

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
			—dollars—					
Study area	3,676	3,374	2,006	4,383	3,601	3,564	3,822	3,613
Mid-Atlantic								
Delaware	2,775	3,241	1,958	3,809	2,843	3,516	2,752	3,020
Maryland	3,318	3,000	1,548	3,567	3,260	2,959	4,064	3,183
New Jersey	2,659	2,946	1,591	3,300	2,813	2,860	3,014	2,834
New York	4,274	3,679	2,133	4,925	4,167	3,578	3,820	4,026
Pennsylvania	4,176	3,602	2,163	4,891	4,089	3,875	3,361	4,010
West Virginia	2,831	3,250	1,348	3,606	2,814	3,473	3,887	2,972
New England								
Connecticut	2,421	2,475	1,162	4,887	2,391	2,551	3,373	2,513
Maine	3,292	3,252	1,522	4,761	3,074	3,662	3,040	3,252
Massachusetts	4,204	4,297	1,343	5,176	4,236	3,819	5,742	4,296
New Hampshire	3,695	4,906	2,153	5,150	3,607	4,670	6,100	4,347
Rhode Island	5,049	2,594	3,016	5,427	4,827	3,480	8,320	4,741
Vermont	4,186	4,101	1,039	5,407	4,704	2,337	3,160	4,017
Florida	3,807	3,888	2,678	4,271	3,792	3,996	4,362	3,886
Ohio	2,790	2,291	1,212	4,450	2,588	2,963	1,216	2,558
Texas	4,119	2,966	2,606	4,399	3,953	4,049	3,519	3,934

IMPACT OF UI PAYMENTS ON ECONOMIC WELFARE

In the previous section the annual earnings of covered workers were discussed. Those earnings differ substantially from those of beneficiaries due to a longer period of employment. From a welfare point of view the prime concern here is about the combined income resulting from earnings and UI benefit payments of those workers who experience periods of compensable unemployment. The overall average earnings of beneficiaries in the study area amount to \$2,843 (as compared to \$3,613 for covered workers) with a range between \$2,020 and \$3,515 (Table 8). Interstate workers earn about \$400 more than intrastate workers (\$2,625). Intrastate workers with farm and nonfarm work earn about \$370 more than those with farm work only, while these differences are small among interstate workers. On the average, the Mid-Atlantic states show the highest earnings while the New England states and Ohio have the lowest due to differences in the duration of work, but wide variations exist among states.

The earnings of beneficiaries in the study area are augmented by 13.6 percent from UI benefits (Table 9). Due to shorter durations of benefits in Florida, these workers will only add about 11 percent to their earnings, while their colleagues in Massachusetts add nearly 24 percent to their earnings (Table 6, \$322 vs. \$481). Again, intrastate workers show a greater relative improvement of their earnings than interstate workers (15 vs. 12 percent or \$395 vs. \$365).

To compare the proportion of benefit payments in relation to the largest possible benefit payments, the proportion of average *actual* benefits of beneficiaries as of the average

potential benefits of *insured workers* was analyzed.⁶ The latter is considered the upper limit of the benefits that can be drawn by insured workers. Only 36 percent of the maximum possible benefits are collected by beneficiaries in the study area. As expected, beneficiaries who are in the labor force part of the year draw nearly half of the potential benefits of insured workers, while those in the labor force all year draw only one-third. However, wide variations in the proportion of potential benefits that could be collected occur among states. The differences among states result from differences in the work history of workers in the states as reflected by the proportion of actual beneficiaries and the duration of unemployment, aside from UI qualifying and benefit requirements.

The proportion of actual benefits to potential benefits of *beneficiaries* amounts to only 45 percent for the study area. Intrastate workers collect the largest proportion of their potential benefits (51 percent) while interstate workers collect the smallest (38 percent) due to their differences in the duration of unemployment.

SUMMARY AND CONCLUSIONS

This paper deals with the impact of the section in the "Unemployment Compensation Amendments of 1976" pertaining to the coverage of agricultural employment. The law applies only to those establishments employing at least 10 workers for 20 weeks or more or with a \$20,000 high quarter

⁶Detailed estimates by state for these proportions are available upon request from the author.

TABLE 8.
Average Annual Earnings of Beneficiaries by Migratory Status, Labor Force Participation,
Type of Work and State

State	Farm Workers						Nonfarm Work Only	Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work		
			—dollars—					
Study area	2,625	3,049	2,718	2,931	2,724	3,002	3,452	2,843
Mid-Atlantic								
Delaware	1,665	2,886	2,379	2,984	2,358	3,116	2,237	2,569
Maryland	2,362	3,166	2,237	3,377	2,628	3,322	4,373	2,839
New Jersey	2,949	2,729	2,819	2,789	2,857	2,661	2,606	2,793
New York	3,093	3,562	3,325	3,500	3,464	3,192	4,268	3,515
Pennsylvania	2,693	3,184	2,815	3,168	2,908	2,949	2,891	2,918
West Virginia	2,676	3,791	2,996	2,027	2,742	3,477	4,743	3,151
New England								
Connecticut	2,039	2,469	2,152	2,646	2,112	2,413	2,942	2,318
Maine	2,472	3,071	2,310	3,331	1,853	3,127	4,196	2,963
Massachusetts	2,078	1,349	1,871	2,168	1,967	b	4,142	2,020
New Hampshire	2,624	3,120	2,646	2,821	2,603	3,196	4,340	3,049
Rhode Island	3,135	2,620 ^a	3,018	3,092	3,162	2,244 ^a	a, b	3,050
Vermont	2,204	b	2,204	b	2,204	b	4,128	2,837
Florida	2,600	3,305	2,771	2,881	2,721	3,179	3,162	2,825
Ohio	2,835	2,214	2,566	2,471	2,513	2,570	3,007	2,556
Texas	2,786	3,095	2,783	3,067	2,660	3,410	3,699	2,941

^aNumber of covered workers is less than 50.

^bNo beneficiaries in this category.

payroll. The study of the impact of the law is based on a sample of workers—surveyed in 1971 in 15 states—whose agricultural employers are subject to the provisions of the law. The workers' UI coverage and benefits were analyzed for states, based on employment and migratory characteristics.

About half of all hired workers of survey employers are covered by the law. Proportions range from 11 to 89 percent among the states with similar variations among subgroups of workers. These differences can be attributed to varying employment histories. Over four out of five covered workers are insured for the study area with interstate variations ranging from 53 to 93 percent. In addition to the employment history, states' qualifying provisions influence the proportions.

Somewhat less than one out of three insured workers is an actual beneficiary, ranging from 13 to 51 percent in individual survey states. Nearly one out of four beneficiaries exhaust the entitlements, with interstate differences ranging from zero to 53 percent. Average potential and actual benefits per insured worker amount to \$1,066 and \$386, respectively, with interstate variations of \$871 to \$1,459 and \$322 to \$762, respectively. The variations in proportions and amounts can be explained by work histories and benefit schedule provisions.

For the study area, the covered worker's average annual earnings amount to \$3,613, and range from about \$2,500 to \$4,700 among states. Workers in the labor force all year earn more than twice (ca \$4,400) what those in the labor force earn part of the year. Other subclassifications of workers earn close

to the overall study area average. Annual earnings of beneficiaries average only \$2,843 with smaller differences among subgroups than among states.

The actual benefits as a proportion of annual earnings of beneficiaries indicates the impact of UI on the economic well-being of these workers; the benefits amount to 14 percent of their earnings, with large interstate variations but small deviations from this average among worker subgroups.

Many additional questions may be raised concerning the impact of the legislation on agricultural workers.

1. While the extension of UI to some agricultural labor will make such work more attractive to workers now covered, it will also make it more expensive to the employers and ultimately to the consumer. This may very well result in employers cutting some workers, especially the least productive ones, from the payroll by speeding up mechanization. One may speculate on the exact magnitude of the cut back, but it will be a marginal adjustment.

2. Will the law influence the migrant streams? Informal reports indicate that New England employers (especially the shade tobacco growers) turn away from hiring the more expensive Puerto Ricans for their crop and increasingly substitute local pupils and housewives and nonlocal high school students for them. The region's apple growers may have to go a similar route when off-shore migrants (British West Indies) are not certified to enter the U.S. or become economically less attractive.

TABLE 9.
Actual Benefits as Proportion of Annual Earnings for Beneficiaries by Migratory Status, Labor Force Participation, Type of Work and State

State	Farm Workers							Total
	Intrastate	Interstate	In Labor Force Part Year	In Labor Force All Year	Farm Work Only	Farm & Nonfarm Work	Nonfarm Work Only	
	—percent—							
Study area	15.0	12.0	14.2	12.8	13.9	13.1	12.2	13.6
Mid-Atlantic								
Delaware	21.1	11.7	16.7	8.2	14.5	11.1	11.1	13.0
Maryland	25.8	10.7	21.1	14.5	18.3	14.4	20.3	17.7
New Jersey	19.1	18.7	15.4	20.1	17.5	21.7	21.1	18.8
New York	15.2	10.6	13.3	10.4	12.0	12.5	9.5	11.6
Pennsylvania	15.9	12.3	13.5	15.0	12.7	16.5	16.5	14.3
West Virginia	13.0	7.5	11.8	15.2	11.8	10.2	7.6	10.7
New England								
Connecticut	25.2	21.0	23.0	23.1	27.2	17.9	13.1	21.7
Maine	15.0	18.0	18.6	12.4	23.2	13.4	12.4	15.1
Massachusetts	23.8	32.9	25.5	23.5	24.8	a	3.2	23.8
New Hampshire	11.4	33.6	11.9	34.6	11.9	26.4	12.1	12.9
Rhode Island	26.1	18.0	24.8	25.0	25.5	19.4	a	25.0
Vermont	33.3	a	33.3	a	33.3	a	4.2	19.3
Florida	13.2	7.4	12.2	9.0	11.8	8.6	14.1	11.4
Ohio	16.3	19.4	16.6	19.4	16.9	19.5	9.2	16.9
Texas	13.5	10.1	13.5	10.4	12.6	12.2	10.6	12.3

^aNo beneficiaries.

3. The possibility exists that workers eligible for high UI benefits will prefer to be laid off rather than continuing to work. However, stricter enforcement of the "able and willing to work" clause in qualifying for benefits by local and state agencies, caused by low or deficit fund balances and the recent initiative by the administration to move toward a work incentive program, may mitigate any widespread abuses in the future.

Comparisons of UI statistics, such as weekly benefit amount, potential and actual duration of benefits, and proportion of exhaustees as of beneficiaries for the survey agricultural worker population with the population of workers already covered by UI in 1970 indicate that agricultural workers tend to have somewhat lower values for these UI statistics than nonagricultural workers.

The variations among states in a number of the data presented are indicative of differences in the work histories (depending upon the mix of farm types) and the states' qualifying and benefit schedule provisions. Changes in any one of these determinants may influence the results of the analyses. Therefore, caution is advisable in interpreting these results and further studies should be undertaken as soon as new data become available to confirm or update the estimates.

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