

Eco361: Labor Economics

Unemployment Insurance and Welfare Analysis

1. Content:

This paper requires a comparison of the labor supply incentives of two different state unemployment insurance or welfare programs. At the end of this document is a list of team assignments describing team composition, a set of states to choose from, and whether they are assigned to unemployment insurance or welfare.

The paper should contain the following:

- a. A detailed description of the program in words along with the web links from which the information was collected. The description should include the following:
 - i. The requirements for eligibility in the program.
 - ii. The formula used for determining the benefit received.
- b. A comparison of the budget constraints created in each of the two states for:
 - i. A single adult (2 children) who would earn \$10 per hour if employed.
 - ii. A single adult (2 children) who would earn \$30 per hour if employed.
If additional assumptions are required to construct the budget constraint (e.g. household income), be sure to provide details on those assumptions.
- c. A discussion of how a switch from one state's budget constraint to the other would affect the labor supply behavior of the people described in (b). This discussion should discuss the likely effect of the change on
 - i. Labor force participation
 - ii. Hours worked

The discussion should also be very clear about the likely income and/or substitution effects of switching from one program to the other and whether these effects depend upon how much the person would have worked under the original state's system.

2. Grades: Assuming that team members are not identified as "free riders" by their team mates, each member of the team will receive the same grade on the paper. Should anyone be identified as a free rider by team mates, I reserve the right to give differential grades.

Grades will be based upon the clarity and organization of the writing, the accuracy with which the state programs are portrayed in words and via the budget constraints drawn, and the quality of the economic analysis regarding the effect of switching from one state's program to the other.

If a team member is not being helpful on the assignment, do not hesitate to let me know in advance of the deadline so that I may intervene.

3. Any graphs or tables should be attached to the end of the paper, numbered consecutively, with reference to that numbering system in the text. For example, figure 1 illustrates the unemployment insurance system in Ohio.

Deadlines:

- a. 10/15 at 5 p.m.: Each team provides the source (web links) for the two states that they will examine. Send one email per team with the subject line of "Team x state choices". 5 percentage point penalty for each day late.
 - b. 10/27 at 5 p.m. : Electronic copies of paper submitted via turn-it-in. 5 percentage point penalty for each day late.
4. Organization.
 - a. The final paper should have the following structure:
 - i. Title page (excluded from page count)
 1. Title of Paper
 2. Names of each team member
 3. Date
 - ii. Introduction
 - iii. Verbal description of state programs
 1. State 1
 2. State 2
 - iv. Budget lines created by the two state programs.
 1. Figure 1 -- \$10 per hour
 2. Figure 2 -- \$25 per hour
 - v. Predicted effects of changing from state 1 to state 2's program.
 1. Labor force participation
 2. Hours worked.
 5. Length and format:
 - a. There is no constraint on the length of the paper, though I would expect it to be 5-10 pages, not counting the tables and figures that you add. Your paper should be double-spaced, 12 point font, 1" margins.

<p>Team 1 (Unemployment Insurance)</p> <p>Adamson, Tanner W Bellman, Jacob M Beshara, Sable L Capasso, Michael J</p>	<p>Team 2 (Welfare)</p> <p>Dailey, Kara E Donaldson, Scott G Duggan, Michael J Eckard, Katrina R</p>
<p>Team 3 (Unemployment insurance)</p> <p>Fox, Jordan A Geisler, Seth D Gershenson, Michael Hartman, Thomas W</p>	<p>Team 4 (Welfare)</p> <p>Hughes, Meghan C Kilgore, Andrew J Kleykamp, Gregory P Krammes, Curtis D</p>
<p>Team 5 (Unemployment insurance)</p> <p>Ladley, Ross L Lewallen, Meghan C Mezzadri, Jonathan S Mijatovic, Dragana</p>	<p>Team 6 (Welfare)</p> <p>Milan, Peter J Sehnoutka, Jonathan E Shader, Brett C Silver, Kevin D Smith, Adam J</p>
<p>Team 7 (Unemployment insurance)</p> <p>Thompson, Jeffery D Umpleby, Oliver G Walsh, Kelcey C Walsh, Lisa M Wu, Lu</p>	

State assignments

Teams 1-2	Teams 3-4	Teams 5-6	Team 7
11 - Maine	34 - Michigan	55 - West Virginia	81 - Montana
12 - New Hampshire	35 - Wisconsin	56 - North Carolina	82 - Idaho
13 - Vermont	41 - Minnesota	57 - South Carolina	83 - Wyoming
14 - Massachusetts	42 - Iowa	58 - Georgia	84 - Colorado
15 - Rhode Island	43 - Missouri	59 - Florida	85 - New Mexico
16 - Connecticut	44 - North Dakota	61 - Kentucky	86 - Arizona
21 - New York	45 - South Dakota	62 - Tennessee	87 - Utah
22 - New Jersey	46 - Nebraska	63 - Alabama	88 - Nevada

23 - Pennsylvania 31 - Ohio 32 - Indiana 33 - Illinois	47 - Kansas 51 - Delaware 52 - Maryland 53 - District of Columbia 54 - Virginia	64 - Mississippi 71 - Arkansas 72 - Louisiana 73 - Oklahoma 74 - Texas	91 - Washington 92 - Oregon 93 - California 94 - Alaska 95 - Hawaii
---	---	--	---