
Suitability of Unemployment Benefits in NYC

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Abstract

The state of New York reported the second-largest rate of percent decline in employment compared to October 2020, being down 10.4%, which translates to 1 million fewer jobs. This puts New York at the second place based on the highest total number of jobs lost over the year of any state, behind the 1.37 million lost by California. This spike in unemployment is correlated to the various stay-at-home orders implemented due to the COVID-19 pandemic and other pandemic-related factors. In this study, we will observe unemployment rates across U.S cities over the past decade and specifically analyze the factors influencing unemployment in New York City compared to cities with lower unemployment rates and better handling of the COVID-19 pandemic. We will also analyze how residents of New York City varied in their ideal maximum unemployment benefit amount depending on their borough, economic status, and other factors. Our primary research method will be to conduct a survey of 75 New York City residents to identify trends based on our variables that include borough, the number of people who are unemployed in the participant's immediate community and the amount that they perceive to be a reasonable maximum unemployment benefit amount. We will also observe unemployment benefit policies and how they have affected the unemployment rate in cities before and after implementation to understand whether it is frictional, structural, or cyclical unemployment that is prevalent in New York.

Categories: New York, Unemployment, Welfare

Keywords: Unemployment Benefits, COVID-19, New York City

Background Research

Unemployment has been a relevant statistic in America for decades. It is important to consider the effects of the coronavirus on unemployment, as well as the overall economic health of America. Many people who have been unemployed for a long time, lack the skills to rejoin the workforce. The unemployment rate also fails to recognize discouraged workers, who have given up the search for a job. The addiction to various narcotics affects many workers across all income levels. Current works all seem to point out the fluctuations that occur with unemployment rates, but the overall number has risen to a whole new level. The project at hand focuses on the changes of unemployment rates within New York City while relating it to other large domains; observing the patterns helps one learn about the static, dynamic, and questionable types of movements that take place. In response to factors such as significant fluctuations in stock prices, intriguing presidential debates, employer shortages, etc. within the last decade, unemployment rates have unsurprisingly been quite variable.

The research question at hand dives deep into the complexities of all industries and fields of works. With nearly 11.5% of NYC workers being left unemployed in December 2020, it becomes clear that even in a time where most of the population has adjusted to COVID-19, some people have been left stranded. Previous works have developed theories and ideas tied to unemployment, its factors, and its root causes; this paper will seek the possible reasons for fluctuations in unemployment patterns along with the hard-hitting impact of COVID-19.

To better understand the topic, there should be emphasis on the four main types of unemployment: Frictional Unemployment – This type of unemployment is based almost entirely on the circumstances of the individual. Frictional unemployment arises when a person is seeking or transitioning to a new job and includes individuals new to the workforce (i.e graduates). This type of unemployment is the most common and unlike other types, does not fluctuate during an economic recession. Structural Unemployment - This type of unemployment is the situation in which there is a mismatch between the skills offered and the skills demanded of individuals. Structural unemployment is often caused by technological advances that render several skills obsolete or inadequate. Cyclical unemployment refers to the effect of economic cycles on unemployment. As proven by history, every eight to ten years unemployment rises during economic downturn and decreases during periods of prosperity. There isn't much that can be done to prevent this job loss, but it sometimes has a particular effect on a specific sector. This was exemplified in 2008-2009 when the housing market collapsed after banks gave out high risk loans for a short-term profit. Unsurprisingly, the financial service industry was impacted heaviest. Whether an individual was a banker, business manager, or anything related to money, their job was left under high scrutiny and horrible results due to the recession. Workers affected by seasonal unemployment are not able to get regular unemployment benefits. A good example of this would be snow maintenance workers. When snowfall is quite unlikely to occur during the summer, there is no need to clean the roads or pour salt and thus these maintenance workers are not paid. Often, they need to find a second job.

When looking at unemployment benefits, it is crucial to note that unemployment insurance benefits only apply to those who are not unemployed at their own fault. This includes bankruptcy of a company, unreasonable employment release, natural disasters, pandemics, etc. Currently, NYC unemployment benefits are maximum \$504 per week. Typically, the range for NYC

unemployment benefits is between \$100-\$500 per week and can be extended for up to 20 extra weeks through Extended Benefits (EB) programs, as stated by Access NYC Government website. However, there is an eligibility requirement for those who receive unemployment benefits. Every state has their own requirements for the number of hours worked, needed to receive the benefits. At Careeronestop, there is a clear outline in which one can search for information regarding their state and receive detailed guidelines on the respective state government website, regarding eligibility. In NYC, “self-employed, independent contractors, farmers, workers with limited work history, and others” are not eligible for unemployment benefits. Eligibility also does not apply to teleworkers and those receiving paid sick leave or other paid benefits.

Those receiving unemployment benefits are also required to be searching for a job. As the article “Unemployment Job Search and Work Requirements”, The Balance Careers, outlines, those receiving unemployment benefits are typically asked to report on job search activity to their state unemployment department. This allows the state to regulate who is in need of the benefits, and use the government aid, and those who are not actively searching for jobs.

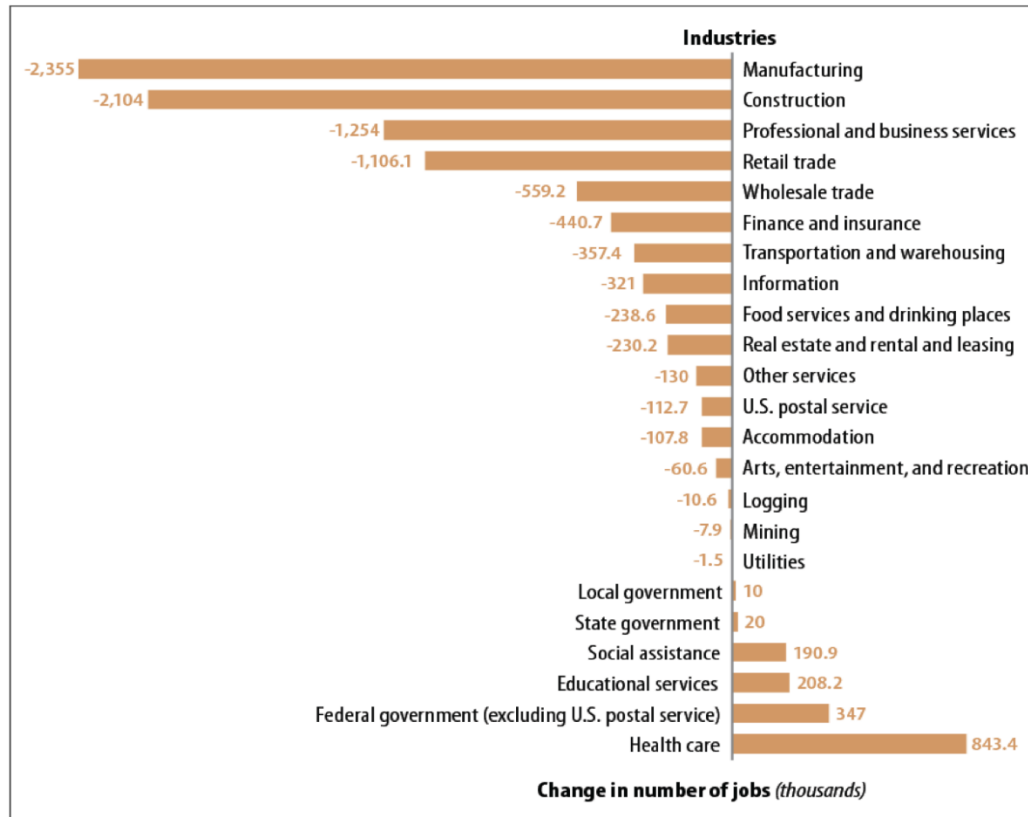
The boroughs of NYC are divided by several factors pertaining to the way of living. Tied to the proposal of unemployment, we have chosen to review in detail the cost of housing within the five boroughs in order to understand the actual level of rent/mortgages. Starting off in Manhattan, the part of the city that was significantly impacted by the 9/11 attacks in 2001, the beginning of the 21st century saw a drastic boom in house prices. Average rent per month in the 2000’s came out to about \$3,800 per month, which is more than double the \$1,800 per month that rent cost in the 1980’s. Obviously, several fluctuations impacted the average cost of housing in this decade, including the terrorist attacks, the financial market meltdown, and the housing boom. The start of the next decade (2010’s) actually saw a drop in average rent price by \$300, coming out to \$3,500 per month and taking into account factors like Quick Rebound and Tax Credit. Now, however, the price of renting an apartment in Manhattan is just over \$4,300 indicating continuation of the significant increase in prices that occurred before the 2010’s. With the median apartment price of over a million dollars, it seems safe to assume that Manhattan is a very expensive area. The Bronx, being another important borough, has also experienced changes and shifted its former housing prices. From the years ranging between 2000 and 2019, a total 135.24% appreciation was observed along with a 4.21% increase in average annual rates. A quick couple facts for you: the average cost of a home in the Bronx in the year 2000 was \$236,000, the average rose to \$330,000 in the year 2010, and rose heavily once again to \$450,000 in the year 2019. This quite simply shows a drastic increase in housing pricing, even in what is regarded as the “poorest” borough, with an average income shy of \$35,000 annually. Brooklyn, however, saw an even greater rise in prices from 2000 to 2010 to 2019. From 2010 to 2019 alone, the median house cost saw a \$340,000 increase, indicating negative effects to house buyers, yet positive for infiltrating more and more money. Brooklyn is indeed one of the bigger attractions, with sports giants in the Brooklyn Nets and Brooklyn Dodgers. Queens used to be the second cheapest area to buy a home within the main boroughs, apart from the Bronx. However, its emphatic rise from \$345,000 to \$600,000 as the median price makes it clear that its prices saw a significant increase. Ultimately, Queens transformed from the second cheapest to the third most expensive, which out of a list of five doesn’t seem like much, but definitely does matter when considering outside factors. Reaching the final borough, Staten Island comes into the conversation. Not conventionally known as the best locational borough to reside in, Staten Island still boasts several attractive features and one of them is the median house cost of around \$550,000. When considering the rest of NYC’s boroughs costs, only the Bronx has a lower current cost. The importance of housing costs and its

tie to unemployment is clear; shelter is crucial to life and in order to get shelter you most likely need a sustainable source of income. If left unemployed, unemployment money will unfortunately probably not be able to cover even a fraction of the cost to continue living in a New York area home. Thus, it becomes evident that the saying “NYC is one expensive place to live in” is accurate. Research and studies done in the past suggest a national increase in unemployment since as early as 2007. However, each study concludes different causes and examines varying forms of unemployment. A study called, “Disentangling policy effects using proxy data: Which shutdown policies affected unemployment during the COVID-19 pandemic?” reviewed the COVID-19 pandemic as a major cause of unemployment in the US.

The impact it has had on unemployment rates in the past year are seen in the following research, “We find that between March 14 and 28, restaurant and bar limitations and non-essential business closures can explain 6.0% and 6.4% of UI claims respectively, while the other NPIs did not directly increase own-state UI claims.” (Kong, Prinz 2020) The study identified the closing of non-essential businesses and limitations on dining, including bars and restaurants, having substantially increased unemployment rates. The COVID-19 pandemic has proven to drive business to bankruptcy beyond the US, however. This would be seen as cyclical unemployment, caused by a worldwide detriment to the economy. Specifically, in the study titled, “Do Extended Unemployment Benefits Lengthen Unemployment Spells?”, data is collected specifically for long term unemployment. Ideally, unemployment for a longer duration of time occurs only due to frictional unemployment and difficulty finding an occupation. However, staggering data reveals that the increase in unemployment benefits could heavily impact the increased time of unemployment. As written, “Despite these small estimates, extended benefits can account for a substantial share of the increase in long-term unemployment.” (Farber, Valletta 2014) This research paper explores the possibility that long-term unemployment rates have increased across the nation due to leniency in unemployment benefits. The paper studies outside the scope of general unemployment, but rather finds trends in government unemployment effects.

Cornell University performed a study titled, “The Increase in Unemployment Since 2007: Is It Cyclical or Structural?”. In this research paper, data is collected on different industries between 2007 and 2012. The paper argues, “The unemployment rate greatly increased after the onset of the latest recession in December 2007, when it measured 5.0%. The rate peaked at 10.0% in October 2009, four months after the recession’s official end in June 2009. More than three years into the recovery,

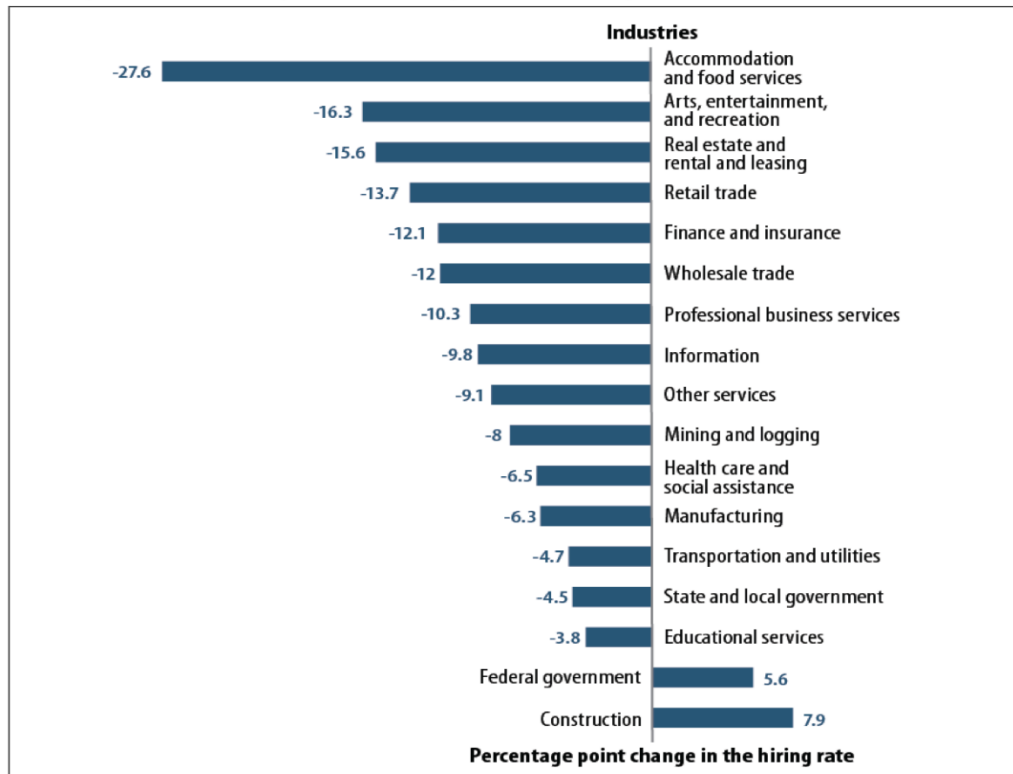
Figure 1. Change in the Number of Jobs by Industry, 2007-2010



Source: Created by CRS from the total number of nonfarm jobs in 2007 and 2010, according to U.S. Bureau of Labor Statistics data from the Current Employment Statistics program.

Based on our data collection, if we find that NYC unemployment rates have been increasing in the past decade, we will cross reference the data regarding dates of unemployment and cause. This will help set a trend for the type of unemployment. As seen from the Cornell study, the number of jobs available or opportunities for employees vary across different industries. This is characteristic of structural unemployment. However, if our data were to point to cyclical unemployment, then we are addressing a systemic economic issue of varying degrees. Seen in other research done over the previous decades, regarding the unemployment rate averaged 8.1% in 2012.” (Levine 2013) Cornell University’s study has shown that unemployment rates across the nation have been rising since 2007. The question at hand is whether it is cyclical or structural unemployment.

Figure 3. Percentage Point Change in the Hiring Rate by Industry, 2007-2010



Source: Created by CRS from the hiring rate in 2007 and 2010 according to U.S. Bureau of Labor Statistics data from the Job Openings and Labor Turnover Survey.

Notes: The hiring rate is the number of hires during the entire year as a percent of annual average nonfarm employment.

Unemployment on a national scale, it is likely that our data will reveal a combination of frictional and cyclical unemployment, mostly due to COVID-19. The paper aims to create graphs displaying data collected by the survey, for each question. This includes years unemployed, status of employment, cause of initial unemployment. The data collected about the years of unemployment would display the possibility, similar to that in Cornell University’s study, of increased unemployment benefits impacting the increase in long-term unemployment. The graph displaying data regarding the status of employment aims to reveal the difficulty finding a new job. This will set a standard for the hiring rates of different industries in NYC. The cause of initial unemployment will display trends occurring over the past decade, in hopes of preventing economic recessions in the future. The new laws created make the first \$10,200 of benefits tax-free for people with less than \$150,000 and only applies to 2020 only. Both benefits programs, the Pandemic Unemployment Assistance and Pandemic Emergency Unemployment will extend to Sept. 6.

Specific Aims

New Yorkers were more likely than adults nationwide to live in a household that lost employment income since the start of the COVID-19 pandemic. An average family of four living in New York City has an estimated monthly cost of \$4,943.96 without rent. Although the current maximum

unemployment amount of \$504 is set to relieve these issues, there is still debate behind what the ideal amount should be set to. Depending on socioeconomic status and location of residence, there is bound to be differences among residents on the ideal amount. We seek to confirm this theory and understand the unemployment crisis and how New Yorker's believe it can be addressed through the maximum unemployment amount.

The study intends to understand how New Yorkers today think about the unemployment benefits in New York City. If they are dissatisfied with the result, we intend to evaluate how much is enough for them considering living expenses. We hypothesize that most unemployed New Yorkers are dissatisfied with the results and expect at least may sway the opinions of most people on whether the unemployment benefits are sufficient, some people may say that unemployment benefits may be enough/more than enough due to the stimulus check and how much they already receive from the stimulus check. However, the unemployment benefits are still very low, with the maximum amount per week a little less than \$500. The CARES Act bumps the benefits to \$600. Other stimulus check laws bump up the unemployment benefits; regardless, these may sway the general population to better unemployment benefits. \$800 in terms of unemployment benefits. We also hypothesize that the prolonged unemployment rate is due to numerous factors. One major factor is the coronavirus pandemic's impact and how companies must furlough employees to maintain their business. Another factor is structural unemployment, which is caused when the unemployed workers' skill sets do not match the demanded skills; this is important due to the rapid pace in technological advantages today. A third factor is frictional unemployment where the employee is either unemployed or is undergoing job changes. A final factor is cyclical unemployment, which is when periods of unemployment occur every couple of years. We will examine these rates by surveying unemployed graduates and small businesses in New York City. After conducting this survey, we will analyze the data we have received and use it to evaluate the patterns of employment in New York City. Afterward, we will use preceding surveys in other U.S. cities and their rate of unemployment to compare them with that of New York City. Finally, we will use all the information gathered to evaluate our hypothesis and use it to help create better unemployment rates. We also want to understand the correlation between unemployment insurance benefits and unemployment rates. A popular debate that currently consumes Congress today as they debate over Biden's proposed 1.9T stimulus bill is: how much unemployment insurance is best? We guess that some number of benefits helps workers get back to work because it provides them with the funds for their daily needs.

Materials and Methods

For this study we are analyzing and determining the causes and effects of unemployment benefits. We will be looking for qualitative data, asking NYC residents about the current amount of unemployment benefits. We will be creating a survey for NYC residents, asking about unemployment, and if they are comfortable, the reason for it. In the study – The independent variables are : Borough (in New York City), "Have you (or anyone you know) ever been unemployed in the past 20 years (pre-Covid)?" Boroughs are being used to narrow down this data to certain areas of New York City, as well as for background information. In the google form, the "Have you(or anyone you know) ever been unemployed in the past 20 years (pre-Covid), is going to be used as background as well. This question is vital to the ethos of this study and portrays proper data in which people have first-hand experience on the issue at hand. For this question, we decided to have 2 answers choices - yes and no. The dependent variable in the study is: "The maximum unemployment benefit in NYC today is \$504 a week, do you believe that is 1,

2, or 3?”. The response for this question is meant to give people a perspective on unemployment benefits and be able to share needs so they can focus on finding new jobs. However, at the same time we recognize that too much insurance could possibly discourage people from returning to work because they can live more comfortably by remaining unemployed. To answer this question, we hope to isolate the changing unemployment rates in New York and understand how much of their deviation can be attributed to the simultaneously changing amount of unemployment benefits offered by the state. their thoughts. We placed 3 possible answer choices - (1) Not enough to live comfortably, (2) right amount, and (3) more than enough to live comfortably. The substance of this question lies beneath the realization of how unemployment benefits affect people in various communities. Through giving people a ballpark estimate of the amount unemployed individuals receives through benefits, we are trying to figure out whether or not the quantity should be altered.

We also aim to review the data collected by the Bureau of Labor Statistics on the unemployment services offered by New York. We will create a line graph depicting the different amounts of unemployment benefits offered at a certain time and chart a line of linear regression on top to understand at what times the state deviated the most from the mean. Then, we will compare this data to our chart on unemployment rates in New York and describe any correlations that we find. At the same time, we will research extensively the time periods where we find the deviations to ensure that our data can be isolated from other world events that may be associated with the changing unemployment rate more so than the changing amount of unemployment benefits.

Data

Descriptive Statistics:

Figure 1:

	<u>Have you (or anyone you personally know) been unemployed within the past 20 years (pre-Covid)?</u>
<u>Valid</u>	<u>71</u>
<u>Missing</u>	<u>8</u>
<u>Mean</u>	<u>1.423</u>
<u>Std. Deviation</u>	<u>0.497</u>
<u>Minimum</u>	<u>1.000</u>
<u>Maximum</u>	<u>2.000</u>

Figure 1 is a descriptive model that demonstrates the breakdown of the responses to the question, “Have you (or anyone you personally know) been unemployed within the past 20 years (pre-Covid)?”. In the table, 1 represents those who answered “Yes” and 2 those who answered “No”.

Frequency Tables:

Figure 2.1:

Frequencies for Have you (or anyone you personally know) been unemployed within the past 20 years (pre-Covid)?

<u>Have you (or anyone you personally know) been unemployed within the past 20 years (pre-Covid)?</u>	<u>Frequency</u>	<u>Percent</u>	<u>Valid Percent</u>	<u>Cumulative Percent</u>
<u>1</u>	<u>41</u>	<u>51.899</u>	<u>57.746</u>	<u>57.746</u>
<u>2</u>	<u>30</u>	<u>37.975</u>	<u>42.254</u>	<u>100.000</u>
<u>Missing</u>	<u>8</u>	<u>10.127</u>	-	-
<u>Total</u>	<u>79</u>	<u>100.000</u>	-	-

Figure 2.1 is a frequency table of the question, “Have you (or anyone you personally) been unemployed within the past 20 years (pre-Covid)?”. In this model, 1 represents those who answered “Yes” and 2 those who answered “No”. 41 out of 71 participants answered that they have, or know someone who has been, unemployed in the past 20 years. 30 of the 71 participants selected that they have not, or do not know anyone who has been, unemployed in the past 20 years. This is 57.75% and 42.25% respectively.

Figure 2.2:

Frequencies for Borough

<u>Borough</u>	<u>Frequenc y</u>	<u>Percent</u>	<u>Valid Percent</u>	<u>Cumulative Percent</u>
<u>Bronx</u>	<u>10</u>	<u>12.658</u>	<u>14.085</u>	<u>14.085</u>
<u>Brooklyn</u>	<u>6</u>	<u>7.595</u>	<u>8.451</u>	<u>22.535</u>

<u>Manhattan</u>	<u>12</u>	<u>15.190</u>	<u>16.901</u>	<u>39.437</u>
<u>Queens</u>	<u>35</u>	<u>44.304</u>	<u>49.296</u>	<u>88.732</u>
<u>Staten Island</u>	<u>8</u>	<u>10.127</u>	<u>11.268</u>	<u>100.000</u>
<u>Missing</u>	<u>8</u>	<u>10.127</u>	-	-
<u>Total</u>	<u>79</u>	<u>100.00</u> <u>0</u>	-	-

Figure 2.2 displays the frequencies for the varying boroughs of the participants. In this table, 10 people responded from the Bronx, 6 from Brooklyn, 12 from Manhattan, 35 from Queens, and 8 from Staten Island, for a total of 71 participants. This can also be represented as 14.09%, 8.45%, 16.9%, 49.3%, and 11.27% respectively.

ANOVA:

Figure 3.1:

ANOVA - The maximum unemployment benefit in NYC today is \$504 a week, do you believe that is

<u>Cases</u>	<u>Sum of Squares</u>	<u>df</u>	<u>Mean Square</u>	<u>F</u>	<u>p</u>
<u>Have you (or anyone you personally know) been unemployed within the past 20 years (pre-Covid)?</u>	<u>1.347</u>	<u>1</u>	<u>1.347</u>	<u>4.30</u> <u>1</u>	<u>0.04</u> <u>2</u>
<u>Residuals</u>	<u>21.611</u>	<u>6</u> <u>2</u>	<u>0.313</u>		.

Figure 3.1 is an ANOVA test comparing responses to the questions, “Have you (or anyone you personally know) been unemployed within the past 20 years (pre-COVID)?” and “The maximum unemployment benefit in NYC today is \$504 a week, do you believe that is 1, 2, or 3?” in which 1 represents those who believe the current maximum benefits are not enough to live comfortably, 2 is for those who believe that it is enough, and 3 for those believe it is more than enough to live comfortably. Question 1, regarding having been, or knowing anyone who has been, unemployed, is the independent variable. Question 2, regarding opinions on the current maximum unemployment benefit, is the dependent variable. The p-value for the ANOVA test is 0.042, > 0.05.

Figure 3.2:

ANOVA - The maximum unemployment benefit in NYC today is \$504 a week, do you believe that is

<u>Cases</u>	<u>Sum of Squares</u>	<u>df</u>	<u>Mean Square</u>	<u>F</u>	<u>p</u>
<u>Borough</u>	<u>2.122</u>	<u>4</u>	<u>0.531</u>	<u>1.680</u>	<u>0.165</u>
<u>Residuals</u>	<u>20.836</u>	<u>66</u>	<u>0.316</u>		.

Figure 3.2 is an ANOVA test that compares the boroughs of the participants with responses to the question “The maximum unemployment benefit in NYC today is \$504 a week, do you believe that is 1, 2, or 3?”. The p-value for the ANOVA test is 0.165, < 0.5.

Linear Regressions:

Figure 4.1:

ANOVA

<u>Mode</u> <u>l</u>		<u>Sum of Squares</u>	<u>df</u>	<u>Mean Square</u>	<u>F</u>	<u>p</u>
<u>H₁</u>	<u>Regression</u>	<u>1.352</u>	<u>1</u>	<u>1.352</u>	<u>4.73</u> <u>2</u>	<u>0.03</u> <u>5</u>
	<u>Residual</u>	<u>13.424</u>	<u>47</u>	<u>0.286</u>		
	<u>Total</u>	<u>14.776</u>	<u>48</u>			

Note: The intercept model is omitted, as no meaningful information can be shown.

Figure 4.1 is the ANOVA test in a linear regression between the questions, “The maximum unemployment benefit in NYC today is \$504 a week, do you believe that is 1, 2, or 3?” and “What would you set the maximum unemployment benefit to (realistically considering NYC living expenses) ? (write only the number)”. In this regression test, the dependent variable remains the same, and the question asking participants to set their own maximum unemployment rate, serves as the covariates. The p-value for this ANOVA test is 0.035, > 0.05.

Figure 4.2:
Coefficients

<u>Mode</u> <u>l</u>		<u>Unstandardize</u> <u>d</u>	<u>Standard</u> <u>Error</u>	<u>Standardize</u> <u>d</u>	<u>t</u>	<u>p</u>
<u>H₀</u>	<u>(Intercept)</u>	<u>1.327</u>	<u>0.079</u>		<u>16.73</u> <u>7</u>	<u>≤</u> <u>.001</u>
<u>H₁</u>	<u>(Intercept)</u>	<u>1.549</u>	<u>0.128</u>		<u>12.12</u> <u>8</u>	<u>≤</u> <u>.001</u>
-	<u>What would you set the maximum unemployment benefit to (realistically considering NYC living expenses) ? (write only the number)</u>	<u>-2.219e -4</u>	<u>1.020e -4</u>	<u>-0.302</u>	<u>-2.175</u>	<u>0.035</u>

Figure 4.2 provides the coefficients for the regression test. The standard and unstandardized error are displayed for each value, as well as their respective p-values.

Data Analysis

The relationship between participants' experience with unemployment, and their opinion on the current maximum unemployment benefits in NYC is significant. With a p-value of 0.042, the data can be considered correlational. Considering the data, it is evident that those who have experienced, or know someone who has experience, unemployment is inclined to believe that the current maximum benefits in NYC are not sufficient, to support their living expenses. The relationship between the borough of the participants and their evaluation of the current maximum benefits proved insignificant, with a p-value of 0.165. However, this indicates that there are people in the same borough who find that the current maximum benefits in NYC would and would not accommodate their living expenses. The study can be redesigned to evaluate the opinions, regarding the maximum unemployment benefits in NYC, based on specific neighborhoods. This would provide more accurate information concerning the maximum benefits' support for living expenses, based on location.

The data shows that Queen's residents are more likely to know someone who is unemployed, considering this, unemployment policies would probably focus on queens over other boroughs. This poses the question of why unemployment is so unevenly distributed. Considering Queens has such a low cost of living, in most neighborhoods, it may be manageable for people to live solely off of unemployment. In one of the borough's various housing projects, an applicant can rent a three-bedroom apartment for \$500/month. People on unemployment benefits are given that much in a week. In combination with food stamps, there is no need to look for a job.

Conclusion

When it comes to unemployment, the questions are endless; one could be asked about the skilled vs. unskilled, specific distribution of benefits, how a larger population may react to unemployment, etc. In seeking for those answers, we have observed other policies that have been employed in an effort to see what NYC could potentially utilize. First off, can jobs be provided to everyone? One would think that the most optimal solution would simply be to create an area in which everyone is employed, but this simply is not viable, nor would it allow a society to properly function. Rather, the goal should be to form job openings in which true workers can show their passion.

According to a study conducted by UMass Amherst, building mass transit is frankly the most cost-effective solution to unemployment. The formation creates approximately 20,000 job openings and costs about 1 billion dollars to create. This solution may be broad but reaches a scope that NYC has already shown to take decent advantage of. Several other ideas could be utilized in order to create job openings and other regulatory factors. One main objective could eventually shift into getting homeless off the streets. 1 out of every 106 people in NYC is homeless, totally out to near 80,000. These large numbers could be a turning factor in terms of employment, unemployment, benefits, etc. Compared to its neighboring state, New Jersey, NYC's problem of homelessness is quite severe. New Jersey boasts diverse populations, high incomes, and low unemployment rate (around 3% in 2019). The sheer skill of laborers excels those of many other states and policies in the works look to further impact the area.

Regarding unemployment benefits, it can be observed that a dollar of benefits eventually translates into 1 dollar and 64 cents of Gross Domestic Product (GDP). This is caused by a ripple effect. If one were to purchase an apple for one dollar at the grocery store, this apple is for eating, while the dollar you pay gets infiltrated into paying for the store employees' salaries: the transporter of the apple's salary, the farmer who planted the apple's salary, etc. It becomes evident that unemployment benefits are indeed improving the economy bit by bit, but as seen in the data, the value can be considered too high or too low, to accommodate living expenses. A solution, as utilized in several states around the world, is to enforce stricter requirements in order to gain benefits. If the cost of living is exceeded by the benefits an unemployed individual would not be inclined to search for a new job. By enforcing stricter regulations, benefit amounts can be regulated more evenly. Several other ideas such as funding for education, forming a maximum hour limit, etc. have been suggested as policies, but no immediate results have been displayed.

After analyzing this study's results, there is a clear relation between NYC resident's experience with unemployment and their opinions on the suitability of the current maximum benefits. We initially believed this to be the case as typically those with lower income and higher living expenses will prefer a higher benefit amount especially if they have been unemployed. Our survey and data pointed to this as well as our ANOVA test pointed towards a strong correlation between the borough of the participant and whether they believed the current unemployment benefit amount of 504\$ was not enough to live comfortably or enough comfortably from a scale of 1-3. Although there are factors limiting our study, specifically only 75 participants and a strong skew towards Queens's residents, we still believe a larger sample will reflect this trend. Unemployment has always been prevalent across NYC and as living expenses and financial instability occur throughout NYC; we can only expect a greater demand for higher unemployment benefit amounts. Although we can neither confirm nor deny the effectiveness of higher or lower unemployment benefits with this paper, it is important to note the difference in need across varying communities. These results only highlight the income disparity and severe effects unemployment has had across NYC. More importantly, we believe the results of our study can provide insight into what New Yorker's expect the government to provide and how New Yorker's perceptions towards unemployment policy and benefit amounts are affected by their unique circumstances.

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