

Online Appendix for "Unintended Consequences of Unemployment Insurance Benefits: The Role of Banks"

Yavuz Arslan
Management School
University of Liverpool

Ahmet Degerli
Federal Reserve Board

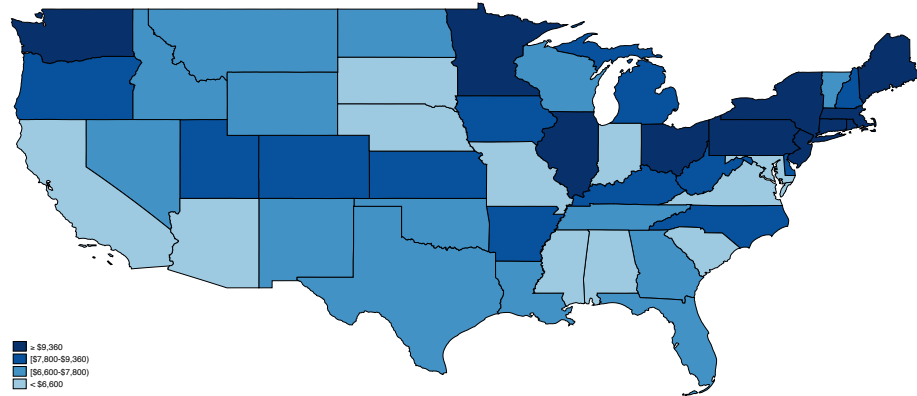
Gazi Kabaş
Tilburg University

December 2023

Figure OA1
UI Benefits in the U.S.

This figure shows the UI benefit distribution across states and its dynamics over time. Panel **a** shows the level of UI benefits across states for a particular year (2000). The states with darker blue have higher level of UI benefits. Panel **b** shows the frequency of changes in state UI benefits during our sample period (1995-2010). The states with darker blue change the level of their UI benefits more frequently.

(a)



(b)

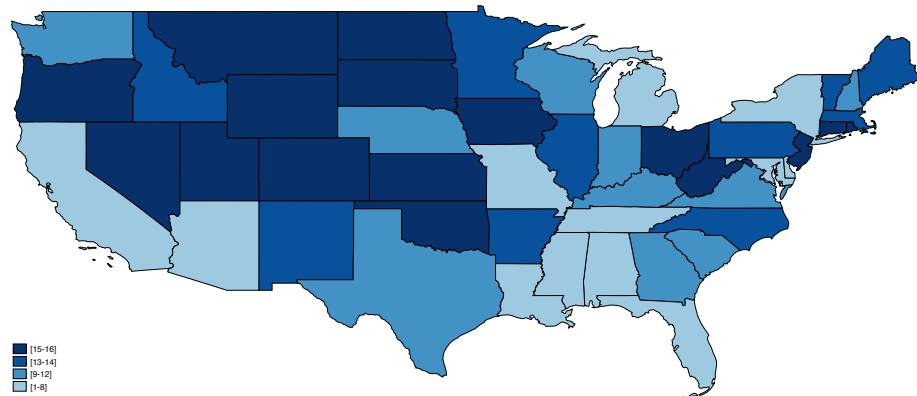
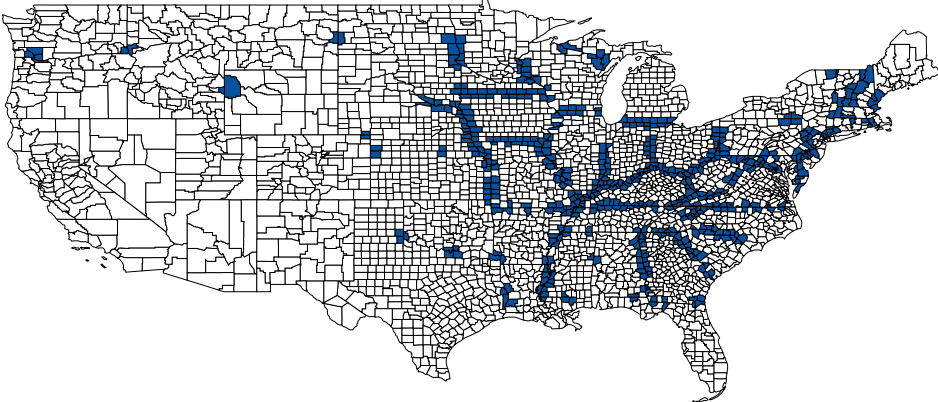


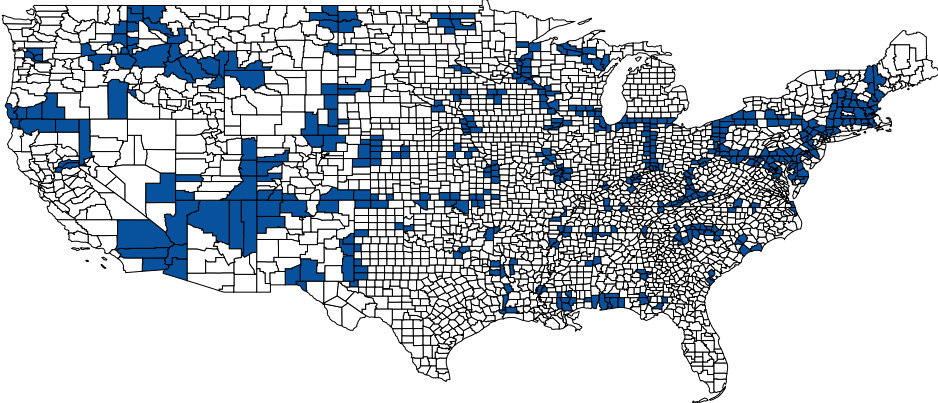
Figure OA2
Border County Subsamples

This figure shows the location of all U.S. border counties used in [Table OA2](#). [Figure OA2a](#) shows the county-pairs for which the distance between the centers of two counties within the pair is less than or equal to 25 miles. [Figure OA2b](#) shows the county-pairs for which the Euclidian distance of industrial compositions of two counties within the pair is less than or equal to the sample tercile value. [Figure OA2c](#) shows the county-pairs where the two counties in a pair have similar deposit market concentration (i.e., similar county deposit market HHI). [Figure OA2d](#) shows the county-pairs for which two counties in the pair are also in the same core-based statistical area.

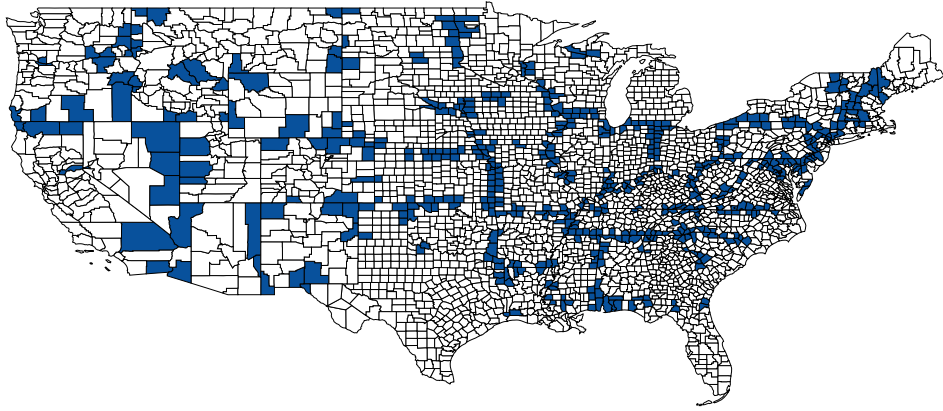
(a)



(b)



(c)



(d)

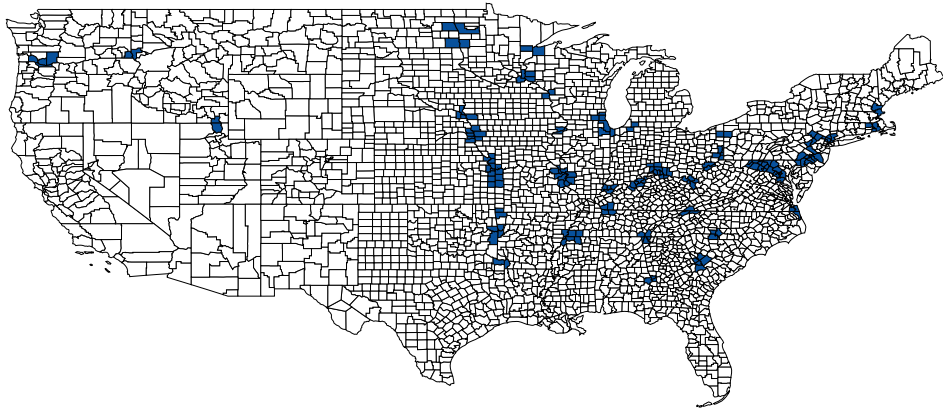


Figure OA3
County Unemployment Benefits Beta

This figure plots the distribution of β_{UI} , which is obtained by regressing county-level change in unemployment rate on state-level UI benefits and a linear time trend for each county separately.

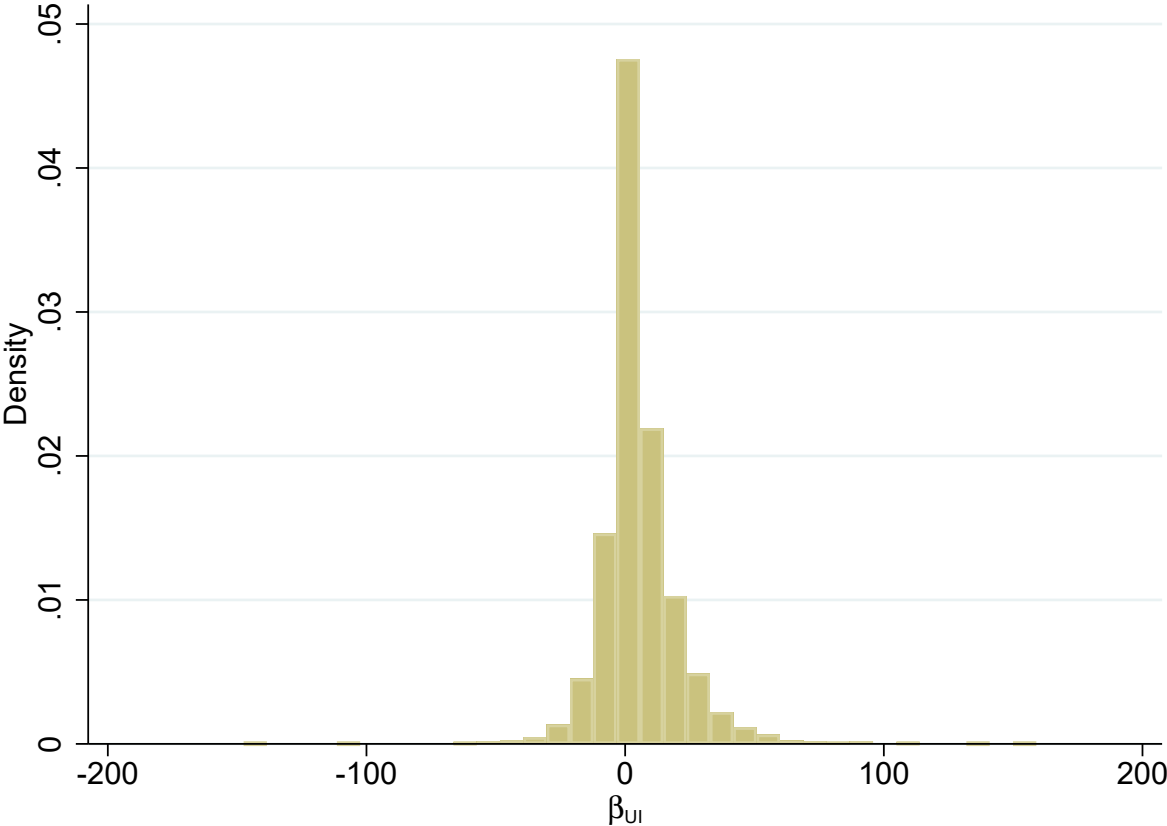


Table OA1: County Comparisons: Pair County vs. State Counties

This table provides the summary statistics of two comparisons. In the first three columns (under the heading of |Pair-County|), we compare the characteristics of two neighboring border counties in a count pair. In the second three columns (under the heading of |Rest-County|), we compare the characteristics of a border county with the rest of the counties in its own state. Comparison is made by calculating the difference between the relevant characteristics of the counties and then taking the absolute value of the difference. In the last column, we calculate the difference between the means of the two comparisons. A negative value in the last column indicates that neighboring border counties are more similar to each other than they are to the rest of the counties in their own state.

	Pair-County			Rest-County			Diff.
	Mean	Med	SD	Mean	Med	SD	- Diff.
log(population)	0.28	0.27	0.17	0.76	0.62	0.45	-0.49***
log(deposit per capita)	0.13	0.10	0.10	0.24	0.16	0.23	-0.11***
log(income per capita)	0.04	0.03	0.04	0.17	0.16	0.06	-0.13***
log(ave. wage)	0.05	0.05	0.04	0.24	0.25	0.10	-0.19***
Unemployment rate (%)	0.42	0.33	0.30	0.70	0.42	0.57	-0.28***
Manufacturing share (%)	3.20	2.63	2.57	1.70	1.50	1.19	1.50***
Herfindahl-Hirschman ind.	0.05	0.05	0.04	0.03	0.03	0.02	0.02***
Rurality	0.48	0.35	0.41	2.19	2.07	0.95	-1.71***
Bachelor's degree (%)	1.39	0.77	1.42	6.74	6.26	2.86	-5.34***
Hispanic (%)	0.99	0.64	1.06	2.23	1.05	3.13	-1.25***
White (%)	2.43	1.39	2.69	5.31	5.24	3.50	-2.88***
Age-65 (%)	0.91	0.72	0.74	2.53	2.15	1.67	-1.63***
Observations	1,092			1,092			2,184

Table OA2: Within-Pair Estimation: County Characteristics

This table estimates the effect of state UI benefits on bank deposits. Each column uses county-level data for the period between 1995 and 2010 and provides the results of a regression model in which the dependent variable is the log change in county total deposits and the main independent variable is the log change in the UI benefits of the state where the county is located. Each column makes a within-pair estimation by using a subset of counties that are more similar to each other along a specific dimension. Column (1) uses only the county pairs for which the distance between the centers of two counties within the pair is less than or equal to 25 miles. Column (2) uses only the county pairs for which the Euclidian distance of the industrial compositions of two counties within the pair is less than or equal to the sample tercile value. Column (3) uses only the county pairs where the two counties in a pair have a similar deposit market concentration (i.e., similar county deposit market HHI). Column (4) uses only the county pairs for which two counties in the pair are also in the same core-based statistical area. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	Dependent Variable: $\Delta \log(\text{County Deposit})$			
	(1)	(2)	(3)	(4)
	Distance	Industry	Banking	CBSA
$\Delta \log(\text{UI Benefit})$,	-0.060**	-0.071***	-0.064***	-0.106***
State	(0.025)	(0.019)	(0.019)	(0.037)
$\Delta \log(\text{Income})$,	0.025	0.005	0.032	-0.124
County	(0.026)	(0.030)	(0.025)	(0.083)
<i>Controls & Fixed Eff:</i>				
Unemp.	Y	Y	Y	Y
cubic(Unemp.)	Y	Y	Y	Y
Pair \times Year FE	Y	Y	Y	Y
County FE	Y	Y	Y	Y
Obs.	12,224	12,218	12,224	4,704
R ²	0.585	0.609	0.598	0.596

Table OA3: Within-Pair Estimation: Excluding Correlated Counties

This table estimates the effect of state UI benefits on bank deposits. Each column uses county-level data for the period between 1995 and 2010 and provides the results of a regression model in which the dependent variable is the log change in county total deposits and the main independent variable is the log change in the UI benefits of the state where the county is located. Column (1) excludes the counties that have a high correlation with their own states. The correlation criterion is county income beta with respect to state income (i.e., the coefficient in the regression of county income growth on state income growth). Column (2) excludes the counties that have 2 percent or more of the state employment level. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	Dependent Variable: $\Delta \log(\text{County Deposit})$	
	(1)	(2)
	Low income beta	Low employment share
$\Delta \log(\text{UI Benefit})$,	-0.075***	-0.044**
State	(0.026)	(0.021)
$\Delta \log(\text{Income})$,	0.036	0.019
County	(0.024)	(0.023)
<i>Controls & Fixed Eff:</i>		
Unemp.	Y	Y
cubic(Unemp.)	Y	Y
Pair \times Year FE	Y	Y
County FE	Y	Y
Obs.	10,528	10,628
R ²	0.578	0.596

Table OA4: Deposits and UI Benefits: Direct Effect through Mediation Analysis

This table performs mediation tests to investigate the channel through which UI benefits reduce deposits via its effect on unemployment rate. Column (1) reports the results of the Sobel-Goodman intermediation test, while Column (2) reports the results of the Acharya-Blackwell-Sen intermediation test. Standard errors are bootstrapped with 1000 repetitions. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta \log(\text{Deposits})$	
	(1) SG Intermediation Test	(2) ABS Intermediation Test
$\Delta \log(\text{UI Benefit}), \text{ State}$	-0.055*** (0.008)	-0.055*** (0.008)
<i>Controls & Fixed Eff:</i>		
$\Delta \log(\text{Income})$	Y	Y
Pair-Year FE	Y	Y
County FE	Y	Y
Obs.	36,596	36,596

Table OA5: Deposits and UI Benefits: County Sensitivity to UI Benefits

This table investigates whether the effect of UI benefits on deposits shows heterogeneity across counties based on county UI beta, β_{UI} , which is obtained by regressing county-level change in unemployment rate on state-level UI benefits and a linear time trend for each county separately. $\mathbb{1}_\beta$ is a dummy variable that takes the value one if β_{UI} has a t-value less than 1 in absolute value. Each column uses county-level data for the period between 1995 and 2010. Column (1) includes all county-pairs and interacts UI benefits with $\mathbb{1}_\beta$. Columns (2) and (3) split the sample into two with respect to $\mathbb{1}_\beta$. Specifically, column (2) includes only the county-pairs if both counties in the pair have a β_{UI} with t-value of less than one in absolute value. Column (3) includes only the county-pairs if both counties in the pair have a β_{UI} with t-value of larger than one in absolute value. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta \log(\text{Deposits})$		
	All county-pairs (1)	β_{UI}	
		Insignificant (2)	Significant (3)
$\Delta \log(\text{UI Benefit}), \text{State}$	-0.054** (0.023)	-0.092*** (0.019)	-0.104** (0.041)
$\Delta \log(\text{UI Benefit}), \text{State} \times \mathbb{1}_\beta$	-0.007 (0.028)		
$\Delta \log(\text{Income}), \text{County}$	0.042* (0.025)	0.042** (0.020)	0.035 (0.039)
<i>Controls & Fixed Eff:</i>			
Pair-Year FE	Y	Y	Y
County FE	Y	Y	Y
Obs.	35,796	16,704	3,744
R ²	0.600	0.601	0.595
Difference		0.012	

Table OA6: Deposits and UI Benefits: County Layoff Ratio

This table estimates the effect of state UI benefits on bank deposits. Each column uses county-level data for the period between 1995 and 2010 and provides the results of a regression model in which the dependent variable is the log change in county total deposits and the main independent variable is the log change in the UI benefits of the state where the county is located. Columns (1) and (2) split the sample into two subsamples based on the median value of the county layoff ratio. The county layoff ratio is measured as the ratio of workers who experience extended mass layoffs to total county employment (BLS, Mass Layoff Statistics). Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	Dependent Var: $\Delta \log(\text{County Deposit})$	
	(1) County Layoff Rate, Low	(2) County Layoff Rate, High
$\Delta \log(\text{UI Benefit})$, State	-0.019 (0.026)	-0.051*** (0.017)
$\Delta \log(\text{Income})$, County	0.040* (0.020)	0.006 (0.027)
<u>Controls & Fixed Eff:</u>		
Unemp.	Y	Y
cubic(Unemp.)	Y	Y
Pair \times Year FE	Y	Y
County FE	Y	Y
Obs.	11,572	11,552
R ²	0.603	0.590

Table OA7: Household Deposit Holdings

This table provides summary statistics for household deposit holdings (i.e., transaction accounts). The data are from the PSID for the period between 1994 and 2009. Rows (1) through (5) report the deposit holdings for the following households: (1) all households, (2) households in which the head of household has at least one unemployment spell, (3) households in which the head of household has at least one unemployment spell and is currently employed, (4) households in which the head of household or spouse has at least one unemployment spell, (5) households in which the head of household or spouse has at least one unemployment spell and is currently employed. The statistics are weighted by using the family weights provided in the PSID.

	Mean	SD	25 th perc.	Median	75 th perc.	Obs.
Households						
(1) All	27,822	118,612	262	3,556	16,748	54,007
Households						
(2) Head with unemp. exp.	15,462	94,906	0	1,052	7,115	19,509
Households						
(3) Head with unemp. exp., currently emp.	16,491	100,705	0	1,231	8,131	16,318
Households						
(4) Head/Spouse with unemp. exp.	18,807	98,602	0	1,525	10,164	25,072
Households						
(5) Head/Spouse with unemp. exp., currently emp.	20,120	104,427	11	1,964	10,668	21,139

Table OA8: Deposits and UI Benefits: Matching Exercise-Bank Level

This table estimates the effect of bank UI exposure on bank deposits and deposit interest rate. Each column uses bank-year-level data from Call Reports for the period between 1995 and 2010 and provides the results of a regression model in which the dependent variable is either the log change in bank total deposits (in columns (1)-(3)) or the change in bank deposit rates (in columns (3)-(6)), and the main independent variable is the log change in UI exposure of the bank. Each pair consists of one treated and one control bank. A bank is treated if its UI exposure is above the median value in a given year and in the control group if its UI exposure is below the median value in a given year. The sample excludes the banks with an estimated propensity score above 0.8 or below 0.2. The sample also excludes the bank pairs if the difference between the estimated propensity scores is above 0.034, which is one-fourth of the standard deviation of the estimated propensity score in the sample. Matching is done with replacement. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at bank and year level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta \log(\text{Deposits}), \text{Bank}$			$\Delta(\text{Int. Exp./Deposits}), \text{Bank}$		
	(1)	(2)	(3)	(4)	(5)	(6)
$\Delta \log(\text{UI Exposure}), \text{Bank}$	-0.109*	-0.109*	-0.092*	0.003*	0.003*	0.003*
	(0.057)	(0.056)	(0.047)	(0.002)	(0.002)	(0.002)
$\Delta \log(\text{Inc. Exposure}), \text{Bank}$	0.120***	0.121***	0.113***	-0.001*	-0.001*	-0.001*
	(0.010)	(0.010)	(0.009)	(0.001)	(0.001)	(0.001)
<i>Controls & Fixed Eff:</i>						
Unemp. Exp.	No	Yes	Yes	No	Yes	Yes
Bank Controls	No	No	Yes	No	No	Yes
Bank Pair x Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Obs.	96,618	96,602	94,906	81,088	81,072	81,072
R ²	0.509	0.509	0.533	0.720	0.720	0.724

Table OA9: Deposits and UI Benefits: Matching Exercise-Balance Table

This table presents the summary statistics of the variables that are used in the matching exercise for the treated, control, and full samples. The variables are log(assets), equity ratio, liquidity ratio, bank-level deposit market HHI, cash ratio, banks' exposure to county-level log(income), unemployment rate, and log(wage) where these exposures are weighted averages of these variables weighted by banks' deposit amounts in these counties. *Diff.* is calculated as the variable's mean value for the *Treated* sample minus the variable's mean value for the *Full (Control)* sample. *Norm. Diff.* stands for normalized difference, which is calculated as the differences between the mean values of two groups divided by the square root of the average variances of the two groups. The last column is the percentage change in normalized differences that the matching procedure yields. A negative value means improvement. A bank is treated if its UI exposure is above the median value in a given year. A bank is in the control group if its UI exposure is below the median value in a given year. The sample excludes the banks with an estimated propensity score above 0.8 or below 0.2. The sample excludes the bank pairs if the difference between the estimated propensity scores is above 0.034, which is one-fourth of a standard deviation of the estimated propensity score in the sample. Matching is done with replacement.

	Treated		Full		Diff.	Norm. Diff.	Control		Diff.	Norm. Diff.	% Change in Norm. Diff.
	Mean	SD	Mean	SD			Mean	SD			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
log(Assets)	11.59	1.34	11.56	1.35	0.03	0.02	11.61	1.30	-0.02	-0.01	-49.08
Equity(%)	10.71	4.77	10.75	5.54	-0.04	-0.01	10.76	4.95	-0.05	-0.01	19.65
Liquidity(%)	30.64	14.65	31.41	15.58	-0.77	-0.05	29.99	14.75	0.65	0.04	-15.95
HHI, Bank	0.20	0.12	0.23	0.14	-0.03	-0.27	0.22	0.13	-0.02	-0.16	-64.63
Cash(%)	5.44	4.98	5.85	5.59	-0.41	-0.08	5.58	5.04	-0.14	-0.03	-176.35
log(Income), county	14.70	1.91	14.49	1.97	0.21	0.11	14.59	1.91	0.12	0.06	-79.65
Unemp. Rate, county	5.37	2.19	5.59	2.51	-0.22	-0.09	5.47	2.33	-0.09	-0.04	-123.66
log(wage), county	20.51	2.21	20.21	2.31	0.30	0.13	20.30	2.25	0.21	0.09	-43.38
N	52949		57255				25920				

Table OA10: Deposits and UI Benefits: Controlling for Other Policies

This table estimates the effect of state-level policies on bank deposits. Each column uses county-level data for the period between 1995 and 2010 and provides the results of a regression model in which the dependent variable is the log change in county total deposits and the main independent variables are the log change in UI benefits, log change in the minimum wage, log change in health insurance payments, change in union coverage, log change in aggregate non-UI transfer payments, right-to-work laws, average state income tax, and top state income tax. These variables are for the state where the county is located. The sample includes all U.S. border counties. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$\Delta \log(UI Benefit)$,	-0.057***	-0.056***	-0.057***	-0.056***	-0.055***	-0.063***	-0.063***	-0.064***
<i>State</i>	(0.015)	(0.015)	(0.015)	(0.015)	(0.014)	(0.018)	(0.018)	(0.018)
$\Delta \log(Min. Wage)$,	0.008							0.009
<i>State</i>	(0.007)							(0.008)
$\Delta \log(Health Insurance)$,		0.010						0.006
<i>State</i>		(0.007)						(0.009)
$\Delta Union Coverage$,			-0.055					0.069
<i>State</i>			(0.057)					(0.076)
$\Delta \log(non - UI Transfers)$,				-0.013				-0.014
<i>State</i>				(0.012)				(0.014)
<i>Right to Work laws</i> ,					-0.557			1.076
<i>State</i>					(0.583)			(0.799)
<i>Ave. Income Tax</i> ,						-0.186		-0.401
<i>State</i>						(0.279)		(0.639)
<i>Top Income Tax</i> ,							-0.057	0.176
<i>State</i>							(0.151)	(0.347)
<i>Controls & Fixed Eff:</i>								
County Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Pair x Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
County FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Obs.	36,596	36,596	36,596	36,596	36,596	25,068	25,068	25,068
R ²	0.601	0.601	0.601	0.601	0.601	0.623	0.623	0.623

Table OA11: Deposits and UI Benefits: Alternative UI Generosity Measures

This table uses UI replacement rate as an alternative measure for UI generosity. Each column uses county-level data for the period between 1995 and 2010 and provides the results of a regression model in which the dependent variable is the log change in county total deposits and the main independent variable is UI replacement rate. Each column uses a different UI replacement rate. UI replacement rate_{s,w} is the maximum amount of UI benefits an unemployed person can receive divided by the *state-level* average wage. UI replacement rate_{c,w} is the maximum amount of UI benefits an unemployed person can receive divided by the *county-level* average wage. UI replacement rate_{c,inc} is the maximum amount of UI benefits an unemployed person can receive divided by the *county-level* average income. UI replacement rate_{c,cps} uses the reported UI benefits and wages in CPS. Take-up rate is the share of the unemployed in a state who actually receive unemployment benefits. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta \log(\text{County Deposit})$				
	(1)	(2)	(3)	(4)	(5)
UI replacement rate _{s,w}	-0.081** (0.037)				
UI replacement rate _{c,w}		-0.065** (0.029)			
UI replacement rate _{c,inc}			-0.057* (0.030)		
UI replacement rate _{s,cps}				-0.015* (0.008)	
UI replacement rate _{s,cps} × Take-up rate _{s,cps}					-0.037** (0.016)
<i>Controls & Fixed Eff:</i>					
cubic(Unemp.)	Y	Y	Y	Y	Y
Pair-Year FE	Y	Y	Y	Y	Y
County FE	Y	Y	Y	N	N
Obs.	36,596	36,294	35,796	36,596	36,596
R ²	0.601	0.602	0.599	0.560	0.560

Table OA12: Deposits and UI Benefits: Assessing the Regional Cyclical Sensitivity

This table assesses whether the effect of UI benefits on deposits interacts with regional cyclicity. Regional cyclicity is proxied by two measures. Columns (1)-(3) consider income cyclicity, β_{GDP} , which is obtained by regressing county-level income on national-level GDP and a linear time trend. Columns (4)-(6) consider unemployment rate cyclicity, β_{urate} , which is obtained by regressing county-level unemployment rate on national-level unemployment rate and a linear time trend. Each column uses county-level data for the period between 1995 and 2010. Columns (1) and (4) interact UI benefits with respective β s. Columns (2)-(3) and (5)-(6) split the sample into two with respect to respective β s. High (Low) refers to county-pairs, where both county's β s are higher (lower) than the sample median. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	β_{GDP}			β_{urate}		
	(1) All	(2) Low	(3) High	(4) All	(5) Low	(6) High
$\Delta \log(UI \text{ Benefit}), State$	-0.049** (0.024)	-0.064** (0.027)	-0.066*** (0.021)	-0.044** (0.019)	-0.044* (0.023)	-0.050** (0.021)
$\Delta \log(UI \text{ Benefit}), State \times \beta_{GDP}$	-0.013 (0.031)					
$\Delta \log(UI \text{ Benefit}), State \times \beta_{urate}$				-0.023 (0.029)		
<i>Controls & Fixed Eff:</i>						
County controls	Y	Y	Y	Y	Y	Y
Pair-Year FE	Y	Y	Y	Y	Y	Y
County FE	Y	Y	Y	Y	Y	Y
Obs.	36,596	12,928	10,202	36,596	13,236	12,672
R ²	0.601	0.588	0.611	0.601	0.598	0.607
Difference		-0.002			-0.006	

Table OA13: Other Financial Assets and UI Benefits: Bonds

This table estimates the effect of state UI benefits on county interest income. Interest income does not include interest payments from deposits. All columns use county-level data for the period between 1995 and 2010 and provide the results of a regression model in which the dependent variable is the log change in county interest income and the main independent variable is the log change in the UI benefits of the state where the county is located. The sample includes all U.S. border counties. To calculate deposit interest payments, the interest expense of each bank is calculated using Call Reports data. Then, for each county-bank-year, the calculated interest expense is multiplied by the deposit amount. Finally, estimated interest income from deposits is subtracted from total interest income. The data source is the IRS SOI. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta \log(\text{County Interest Income})$				
	(1)	(2)	(3)	(4)	(5)
$\Delta \log(\text{UI Benefit})$,	-0.005	-0.011	-0.023	-0.023	-0.024
State	(0.064)	(0.069)	(0.069)	(0.069)	(0.069)
$\Delta \log(\text{Income})$,			0.369***	0.363***	0.376***
County			(0.082)	(0.081)	(0.082)
<i>Controls & Fixed Eff:</i>					
Unemp.	N	N	N	Y	Y
cubic(Unemp.)	N	N	N	N	Y
Pair \times Year FE	Y	Y	Y	Y	Y
County FE	N	Y	Y	Y	Y
Obs.	35,020	35,020	35,020	35,020	35,020
R ²	0.650	0.658	0.659	0.659	0.659

Table OA14: Other Financial Assets and UI Benefits: Stocks

This table estimates the effect of state UI benefits on county dividend income. Interest income does not include interest payments from deposits. All columns use county-year-level data for the period between 1994 and 2010 and provide the results of a regression model in which the dependent variable is the log change in county dividend income and the main independent variable is the contemporaneous log change in the UI benefits of the state where the county is located. The sample includes all U.S. border counties. The data source is the IRS SOI. Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at state and border segment level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta \log(\text{County Dividends})$				
	(1)	(2)	(3)	(4)	(5)
$\Delta \log(\text{UI Benefit})$,	0.035	0.046	0.037	0.037	0.037
State	(0.042)	(0.045)	(0.045)	(0.045)	(0.045)
$\Delta \log(\text{Income})$,			0.251***	0.252***	0.252***
County			(0.072)	(0.072)	(0.072)
<i>Controls & Fixed Eff:</i>					
Unemp.	N	N	N	Y	Y
cubic(Unemp.)	N	N	N	N	Y
Pair \times Year FE	Y	Y	Y	Y	Y
County FE	N	Y	Y	Y	Y
Obs.	35,776	35,776	35,776	35,776	35,776
R ²	0.754	0.759	0.760	0.760	0.760

Table OA15: Household Awareness, Google Trends

This table documents the relationship between Internet Search and UI. Internet search information is taken from Google Trends. The query that is used in this table is "Unemployment Benefits." Google Trends provides a trend index of search queries at the state level. The index value is between 0 and 100 where the highest value is normalized to 100. Each column uses state-level data for the period between 2004 and 2010 and provides the results of a regression model in which the dependent variable is the change of Google trends and main independent variable is the state-level contemporaneous log change of UI benefits. The control variables are contemporaneous log change of nominal income, change of unemployment rate, log change of real GDP at the state level, and state fixed effects. Standard errors are clustered at state level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	$\Delta Web Search$				
	(1)	(2)	(3)	(4)	(5)
$\Delta \log(UI Benefit)$,	4.901**	8.468***	9.443***	5.081***	4.505**
State	(2.247)	(2.825)	(2.115)	(1.834)	(1.769)
$\Delta \log(Income)$,			-26.589***	4.646	8.305*
State			(1.957)	(3.787)	(4.188)
$\Delta(Unemp. Rate)$,				106.413***	96.874***
State				(11.543)	(10.560)
$\Delta \log(GDP, Real)$,					-12.412***
State					(3.374)
<i>Controls & Fixed Eff:</i>					
State FE	N	Y	Y	Y	Y
Obs.	294	294	294	294	294
R ²	0.009	0.042	0.337	0.566	0.581

Table OA16: Small Business Lending and Bank UI Exposure: Bank Heterogeneity

This table estimates the effect of bank UI exposure on bank small business lending for a specific subsample. Each column uses county-bank-year-level data from the CRA for the period between 1996 and 2010 and provides the results of a regression model in which the dependent variable is the log of new small business lending originated by a bank in a county and the main independent variable is bank UI exposure. Bank UI exposure is a weighted average of the UI level of the states where the bank raises deposits using the deposits of the bank in those states as weights. We exclude the bank-county observations from the sample if the bank raises deposits in the county. Columns (1) and (2) split the sample of banks into two subsamples based on their equity ratios. Columns (3) and (4) split the sample of banks into two subsamples based on their small deposit ratio. Bank controls: size, equity ratio, liquidity ratio, wholesale funding ratio, share of loans in total assets, net income ratio, and interest expense ratio. Bank exposure variables are the economic conditions and the policy environment of the state where the bank raises deposits: exposure to deposit/loan market concentration, exposure to income, unemployment rate, and state-level policy variables (i.e., minimum wage, health insurance payments, union coverage, non-UI transfers). Control variables and fixed effects are indicated at the bottom of each column. Standard errors are two-way clustered at bank and county level and reported in parentheses. * $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

	Dependent Variable: $\log(\text{new lending})$			
	Equity Ratio		Small Deposit Ratio	
	(1)	(2)	(3)	(4)
	Low	High	Low	High
$\Delta \log(\text{UI Exposure}),$ Bank	-0.039*** (0.011)	-0.000 (0.007)	0.011 (0.007)	-0.029* (0.017)
<i>Controls & Fixed Eff:</i>				
Bank controls	Y	Y	Y	Y
Bank exposures	Y	Y	Y	Y
County \times Year FE	Y	Y	Y	Y
County \times Bank FE	Y	Y	Y	Y
Obs.	166,735	157,170	95,712	97,241
R ²	0.745	0.704	0.729	0.817