

# **COBOLing Together UI Benefits: How Delays in Fiscal Stabilizers Affect Aggregate Consumption**

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# Question, Methods and Findings

- Did insufficient state UI administrative capacity result in reduced fiscal stabilization during the Covid19 Pandemic?
- Proxy for state UI administrative capacity: COBOL
- Use DOLETA data to measure delays in UI payments and Economic Tracker data to measure consumption spending
- Yes: consumption in COBOL states was lower between February and December 2020 (4.1 to 2.4 percent, on average)

# Discouraged Filers

- Not clear if COBOL only delayed UI pay outs or also discouraged filers
  - Could indicate that true delay effect is smaller
  - Makes it difficult to think about suggested mechanism linking UI benefits and consumption (dampened multiplier)
- Can use traditional data (CPS) to assess if COBOL states had “fewer” UI recipients?
  - E.g. impute eligibility and compare to submitted claims

# Endogeneity of COBOL status

- Considered using instrumental variable?
  - Adoption date?
  - Joint procurement of some non-COBOL states?
- Additional controls for state characteristics:
  - Share of owners/renters
  - State tax and transfer progressivity

# Clarifications & Suggestions

- Are DOLETA data for COBOL states less accurate?
- For other pandemic transfers: currently show average by state group. What about timing of payout? (esp. SNAP)
- Discuss role of UI uncertainty earlier and more comprehensively. Pre-cautionary motive?
- Currently use only intra-state UI claims but migration shot up during Covid Pandemic. How does COBOL status affect out-of-state claim processing?

# Great paper!

- Addresses important but hard-to-answer question using non-traditional data
- Impressive expertise on state UI systems
- Very-well written: clear and concise
- Stimulates to think about follow-up questions e.g. how to get states to invest in administrative capacities?