

2

Protecting UI as Earned Benefits for Claimants

Those creating the UI program in the 1930s deliberately decided to tie payment of UI benefits to prior participation in the workforce and to involuntary unemployment. They consciously differentiated UI benefits from needs-based “relief” or “work relief.” They believed that this distinction would create higher levels of public support for UI programs and relieve stigma associated with need-based welfare programs of that era. As a result, the program’s founders made clear that UI benefits were paid as an earned right to jobless workers and not as a handout.

Perhaps the founders of UI should have saved themselves the trouble. In the 21st century a large proportion of the general public and public officials put UI benefits in the same boat as food assistance or “welfare.” Accepting any government safety net assistance is termed “dependence” by critics (although apparently corporate subsidies and tax loopholes do not create similar impacts on corporations and wealthy individuals). Without giving in to the opprobrium heaped upon programs assisting the poor—which are worthy of support and cost far less than most critics believe—defenders of UI programs must address the central questions about the vital role of UI in our labor market. In Chapter 2, we cover four major avenues being used to attack UI’s role as an earned benefit for involuntarily unemployed individuals: rote weekly work-search requirements, expanded disqualification penalties for misconduct, drug testing, and occupational exclusions for seasonal workers, especially employees of private contractors of public educational entities. We also discuss waiting weeks, a common feature that results in paying one fewer week of UI to all claimants who find work before drawing their last week of benefits.

In the current environment, too many public officials and editorial boards favoring limits on UI programs show clearly that they don’t accept that jobless workers have earned UI through their work prior to becoming involuntarily unemployed. These proposals are put forward as “helping” the unemployed, but they do not involve using greater public resources and proven tools to help jobless workers find scarce jobs. Instead, they focus on presumed flaws in the skills or work search efforts of jobless workers by proposing drug testing as well as strict job search or online registration requirements.

In response, we recommend that advocates focus on proven tools that states can use to improve reemployment opportunities as alternatives to flawed approaches that will largely keep claimants from getting UI as opposed to helping them find work. Recent reports by NELP and others offer real answers to helping individuals find reemployment as alternatives to less effective approaches like drug testing. A number of states use state resources to provide job matching assistance for UI claimants. These positive options are discussed along with the arguments against more restrictive proposals. Ultimately the federal government needs to step up and provide greater resources for reemployment services and UI administration if real world help is going to assist jobless workers find work. In the absence of positive measures we can expect the spread of barriers (in the guise of assistance) that will not improve outcomes, but will reduce access to UI.

Resources:

- Rebecca Dixon, “State of Disrepair,” Report, National Employment Law Project (November 2013), <http://www.nelp.org/page/-/UI/2013/NELP-Report-State-of-Disrepair-Federal-Neglect-Unemployment-Systems.pdf?nocdn=1>.
- Rick McHugh, George Wentworth and Claire McKenna, “Getting Real: Time to Invest in the Public Employment Service,” Report, National Employment Law Project (October 2012), www.nelp.org/page/-/UI/2012/NELP-Report-Investing-Public-Reemployment-Services.pdf?nocdn=1.
- Claire McKenna, “The Job Ahead: Advancing Opportunity for Unemployed Workers,” National Employment Law Project, Report (February 2015), <http://www.nelp.org/page/-/UI/Report-The-Job-Ahead-Advancing-Opportunity-Unemployed-Workers.pdf?nocdn=1>.
- Stephen A. Woodbury, “Unemployment Insurance.” Upjohn Institute Working Paper 14-208, W.E. Upjohn Institute for Employment Research (2014), http://research.upjohn.org/up_workingpapers/208.