

Business's Unemployment Compensation Cut-Backs Would Be a Bad Idea for Pennsylvanians

UC Benefits Are Critically Important to Large Numbers of Pennsylvania's Workers

- Pennsylvania's recession continues to deepen. As of February 2009, the state's unemployment rate stood at 7.5%, up from 5.4% in July 2008. In 37 of Pennsylvania's 67 counties, the unemployment rate exceeded 8.0%. In 11 mid-state counties, it surpassed 9.5%.
- In December 2008 through February 2009, more than 191,000 initial claims for UC, on average, were filed.
- From July through December 2008, 208,716 Pennsylvanians filed initial claims for federal Emergency Unemployment Compensation.¹ These persons would have exhausted their state claims in order to file for federal benefits.
- In 2007, 570,091 Pennsylvanians received regular UC benefits.²

Current UC Benefit Payments in Pennsylvania Are Very Modest.

- In 2007, the average weekly UC check in Pennsylvania was \$288.³ By contrast, the Federal Poverty Guideline in 2007 for a family of three was \$330.19 per week. For a family of four, it was \$397.11.⁴
- Although most UC claimants in Pennsylvania are eligible to receive up to 26 weeks of UC benefits, a small percentage exhaust benefits, in normal economic times. In 2007, the average duration of claim in was 16.2 weeks.⁵
- Thus, the average claim paid to an unemployed Pennsylvanian in 2007 was only \$4665.60.

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1 U.S. Dept. of Labor, Employment and Training Administration, 2008 Emergency Unemployment Compensation Summary Data for State Programs, available at <http://workforcesecurity.doleta.gov/unemploy/euc.asp>.

2 Pa. Dept. of Labor and Industry, Center for Workforce Information and Analysis, 2007 Actuarial Evaluation of the Financial Operations of the Pennsylvania Unemployment Compensation Program [hereinafter "2007 Actuarial Evaluation"], at 18, available at http://www.dli.state.pa.us/landi/lib/landi/cwia/actuarial_eval_2007.pdf. Note that this is the most recently available actuarial report on the Pennsylvania UC program.

3 Id. at 34.

4 U.S. Dept. of Health and Human Services, 2007 HHS Federal Poverty Guidelines, available at <http://aspe.hhs.gov/POVERTY/07poverty.shtml>.

5 2007 Actuarial Evaluation, supra note 5, at 34.