Strategies to Support Families Confronting the End of their Unemployment Benefits

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Rebecca Dixon, Policy Analyst
National Employment Law Project
rdixon@nelp.org/202-887-8202, ext. 363
The Crisis of Long-Term Unemployment

Figure 1. Long-Term Unemployment Has Affected Larger Portions of Unemployed Than Ever Before, and Remains Alarmingly High

For nearly 2 years, over 40% of the jobless have been counted as long-term unemployed.
The Profile of Workers Still Unemployed After 99 Weeks of Searching for Work

- Men and women equally likely to be unemployed over 99 weeks (7.9% and 7.6%, respectively)
- Older workers more likely than younger workers to be out of work over 99 weeks (10.7% of workers 45 and older, versus 6.0% younger than 35).
- All educational levels equally likely to be unemployed over 99 weeks
- Unemployed African Americans more likely than Whites to be unemployed over 99 weeks (9.9% compared to 7.3%).

The Hardship of Long-Term Joblessness & Limited Access to Government Benefits

- Rutgers Heldrich Center survey reports 36% of unemployed surveyed express “cataclysmic effects of the Great Recession,” meaning they experienced a major change in their financial situation which they expect to be permanent.

- Congressional Research Service study found that nearly a third of those unemployed more than six months (31%) lived in a household below the poverty line in 2008 (versus 23.5% of all unemployed).

- One in five of the long-term unemployed (20.3%) collected SNAP benefits (versus 15.7% of all unemployed).

- 15.5% of the long-term unemployed received Medicaid (versus 12.1% of all the unemployed)
Limited National Data on the Millions of Workers Exhausting UI Benefits

- The number of people exhausting their federal benefits is not collected nationally, thus it’s necessary to rely on estimates.
- In 2010, NELP estimates 3.9 million workers exhausted their benefits.
- Chicago Federal Reserve study (July 2011) found that the volume of people exhausting benefits rose from 400,000 to over 600,000 a month in 2010.
Key First Step – States Track and Monitor Exhaustees

- Critical first step to support workers exhausting UI benefits is to track and monitor them with the active participation of the state UI agency.

- State UI agencies not funded to serve unemployed workers after they exhaust benefits, thus they have to share lists with other social service agencies and provide detailed information before benefits end.

- Selected states (CO, CT, NY, PA, ME, WA) have maintained data on exhaustees and some conducted published surveys (CT, WA) documenting their reemployment rates and barriers to employment.

- Other states have conducted direct outreach to UI exhaustees (PA especially) to connect them with SNAP and other social services.
Helpful Next Steps - Collaborate Across Government to Maximize Access to Programs

- Share UI lists with SNAP agencies and other social service providers to provide targeted follow-up to UI exhaustees.
- Draft 211 flyers summarizing the range of social services and benefits available to UI exhaustees (MA, CA examples), distribute to UI exhaustees and implement local hotlines.
- Broadly publicize services and agency collaborations targeting UI exhaustees to maximize access to state and federal programs.
USDOL Website Publicizes Resources to Workers Running Out of UI

http://www.careeronestop.org/ReEmployment/
Key Services and Government Benefits

- **WIA** – Maximize access to needs-related payments and support services to DOL workers, relaxing enrollment deadlines (e.g., OH and MN have used WIA funds to fund limited COBRA benefits).

- **SNAP** – Maximize SNAP flexibility to expedite access to benefits for workers who exhaust UI benefits (USDA issued limited waiver to Massachusetts expedite SNAP enrollment).

- **Medicaid** – State UI and Medicaid agencies should set up data sharing arrangements to access UI income information to verify Medicaid eligibility and target outreach to exhaustees.
Mortgage and Housing Assistance

- Job loss and reductions in income contribute to half of all mortgage defaults.
- Home Affordable Unemployment Program (UP) allows unemployed workers a temporary reduction or suspension of mortgage payments for at least three months.
- UP is not available if mortgage is held by Fannie Mae and Freddie Mac, but both have their own forbearance arrangements for unemployed homeowners.
- Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (HHF) is 7.6 billion in housing assistance targeted at the 18 hardest hit states and DC.
- HHF programs vary by state but may include payment assistance for the unemployed, principal reductions, and removal of second liens.
Targeted Job Creation and Training Programs

• Expand federal and state support for subsidized jobs and model job creation programs for workers exhausting unemployment benefits (e.g., Connecticut’s “Platform to Employment” program).

• Maximize WIA “on the job training” (OJT) programs to target the long-term unemployed (e.g., increasing the federal reimbursement rate of the participant’s wage, from 50% to 90%).

• DOL should exercise its authority to waive the prohibition against “public service employment” (PSE) with WIA funds, which could help fund state and local programs targeting those who exhaust UI.