

*Updated June 23, 2021*

## 4.7 Million Workers Face Premature Cutoff of Pandemic Unemployment Programs

*Three-quarters of people receiving unemployment in 22 states will be left with no jobless aid at all.*

*New estimate of Georgia's unreported PEUC claims shows a total of 218,434 Georgians will lose all benefits June 26.*

In March of 2021, after unemployed workers around the country led a hard-fought campaign to extend jobless aid, Congress enacted the American Rescue Plan Act (ARPA), reauthorizing the **pandemic unemployment programs created by the CARES Act** through September 6, 2021.

These programs have helped tens of millions of people and their families get through the worst economic crisis in over a century. In a single week last June, more than 33 million people received family-sustaining relief via federal pandemic unemployment programs.

### Premature Cutoffs

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Although the United States has come a long way toward recovery since last June, the crisis is far from over. As of May 29, 2021, more than 14.8 million people still needed some form of unemployment benefit—nearly twice the number who received payments when the pandemic programs began in late March 2020.<sup>1</sup>

The May jobs report showed 9.3 million people unemployed, another 5.3 million only working part-time but wanting full-time work, and the economy still down 7.6 million jobs (or 5%) from pre-pandemic February 2020. Despite the still pressing need to support unemployed workers and their families, 26 governors—all but one of them Republican—are unilaterally ending pandemic unemployment payments early.

Although media attention has been focused on the cessation of the \$300 weekly Federal Pandemic Unemployment Compensation (FPUC) supplement, it is especially critical to

emphasize that 22 of the governors are cutting off *all* pandemic unemployment programs, including **Pandemic Emergency Unemployment Compensation (PEUC) and Pandemic Unemployment Assistance (PUA)**.

While these premature, ill-advised, and cruel cessations of benefits will harm all workers who need them, the brunt of the impact will be felt by Black, Latinx, Indigenous, and other people of color. Although states do not report demographic information on recipients of PEUC and PUA, over 46% of unemployment insurance (UI) recipients in the states ending the programs early are people of color, and we can reasonably assume that they also make up a disproportionate share of those receiving pandemic unemployment benefits.

NELP presents this data brief to demonstrate the depth and breadth of the havoc that these governors will wreak on their constituents with their unilateral actions. Although these governors have chosen to downplay the effects of their choices, **three in four recipients of unemployment benefits will be prematurely and totally cut off from Congressionally authorized payments in the 22 states ending all pandemic programs early.**

In this update, we include a first-ever estimate of 114,820 for the number of people in Georgia currently receiving federal Pandemic Emergency Unemployment Compensation (PEUC) who will be cut off completely. Our estimate is based on an analysis of available data of federal funding to states for pandemic unemployment programs' benefit payments.<sup>2</sup> We add the estimated 114,820 Georgians who will lose PEUC to the 103,614 Georgians who will lose Pandemic Unemployment Assistance (PUA) payments, and we arrive at a total of **218,434 Georgians will be left with no jobless aid as of June 26.**

Georgia and Florida are the only two states that do not report PEUC claims and payments data to the U.S. Department of Labor. Florida, which has also not reported PUA data since last September, announced it will end the \$300 weekly Federal Pandemic Unemployment Compensation (FPUC) supplement June 26, but maintain PUEC and PUA benefits **“for the time being.”** Our first-ever Florida estimates show 541,216 people currently receiving PEUC payments, and another 197,051 receiving PUA. Added to the 102,328 Floridians currently receiving regular state jobless aid, these estimates bring to **840,595 the total number of Floridians who will have their unemployment assistance cut by \$300 per week.**

We focus on the impact on unemployed workers and their families, but it is also worth noting that by refusing an estimated \$22 billion in funds, these governors will also hamper their states' economic recoveries by removing one of the best forms of economic stimulus available. Main Street businesses will also pay the price of these reckless and politically motivated actions.

## Impact on Workers and Communities

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- **Over 4.7 million workers will lose the weekly \$300 FPUC supplement in the 26 states ending the enhanced benefits early.**
  - 4,713,148 people receiving unemployment payments as of May 29 will be affected—all of them losing the \$300 weekly FPUC benefit supplement, and more than half (50.7%) abruptly losing *all* unemployment benefits.

- In the 22 states ending participation in all of the pandemic programs, more than 2.3 million people, who represent 74.7% of those receiving unemployment benefits in those states, will be left with no state or federal unemployment aid at all.
- Black, Latinx, Indigenous, and other people of color are nearly half (46.4%) of UI recipients in the states ending pandemic unemployment programs early.<sup>3</sup>
- Of the 26 states cutting pandemic unemployment payments, 12 of them have 40% or higher workers-of-color UI recipients, and nine have 50% or higher.
- Nationally, for the week ending May 29, 2021, 76.0% of all unemployment recipients were PUA or PEUC recipients. That is similar to the 74.7% in the 22 states cutting all the pandemic programs and the 77.5% in the 26 states cutting one (FPUC) or more of the pandemic programs.
- For the 12 states that ended pandemic unemployment programs between June 12 and June 19:
  - 715,838 people are affected.
  - 11 states cut off **all** federal pandemic jobless aid (Alabama, Idaho, Indiana, Iowa, Mississippi, Missouri, Nebraska, New Hampshire, North Dakota, West Virginia, and Wyoming).
  - In those 11 states, 455,662 people lost all jobless aid (63% of all unemployment recipients).
  - Alaska ended the weekly \$300 FPUC supplement, affecting 32,724 workers and their families. Forty-three percent of UI recipients in Alaska are Indigenous or other people of color.
- For the 10 states that are ending pandemic unemployment programs June 26-27:
  - 3,137,786 people will be affected.
  - 8 states will cut off **all** pandemic jobless aid (Arkansas, Georgia, Montana, Oklahoma, South Dakota, South Carolina, Texas, and Utah).
  - In those 8 states, 1,408,561 people will lose all jobless aid (44.8%), including 955,615 in Texas (83.1%) and an estimated 218,434 in Georgia (62.9%).
  - Florida and Ohio will end the weekly \$300 FPUC supplement only, affecting an estimated 840,595 people in Florida and 455,379 people in Ohio.
- Below are data for the 10 states with the most workers affected.

10 states with most people affected by pandemic unemployment cutoffs			
State	Total Affected	% Losing All Benefits	% of UI Recipients who are BIPOC
Texas	1,149,892	83.1%	59.3%
Florida* ***	840,595	*	50.1%
Ohio *	455,379	*	25.4%
Georgia **	347,442	**62.9%	51.8%
Maryland	304,013	84.7%	58.7%
Indiana	225,433	76.2%	32.9%

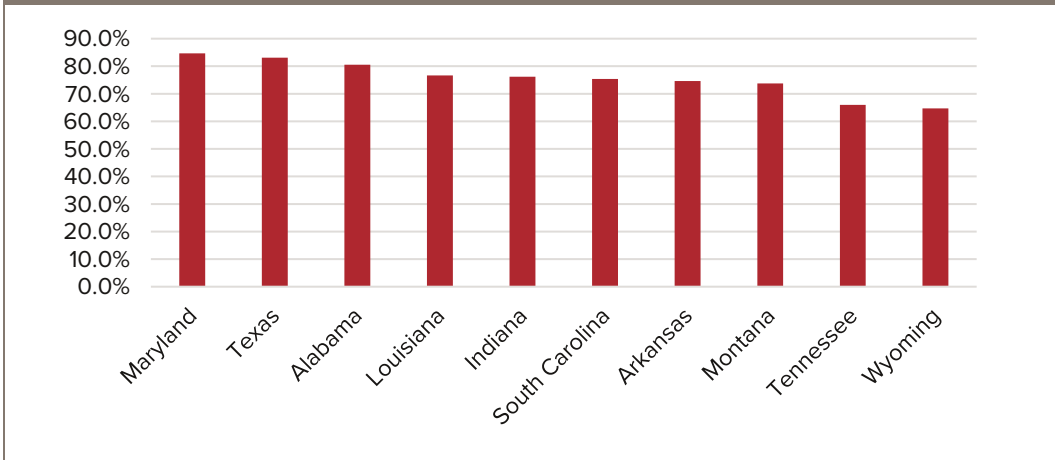
Louisiana	215,121	76.7%	65.7%
Arizona	184,393	*	57.3%
Tennessee	155,997	66.0%	43.6%
Missouri	146,439	61.1%	35.2%

\* Ending \$300 FPUC supplement only.

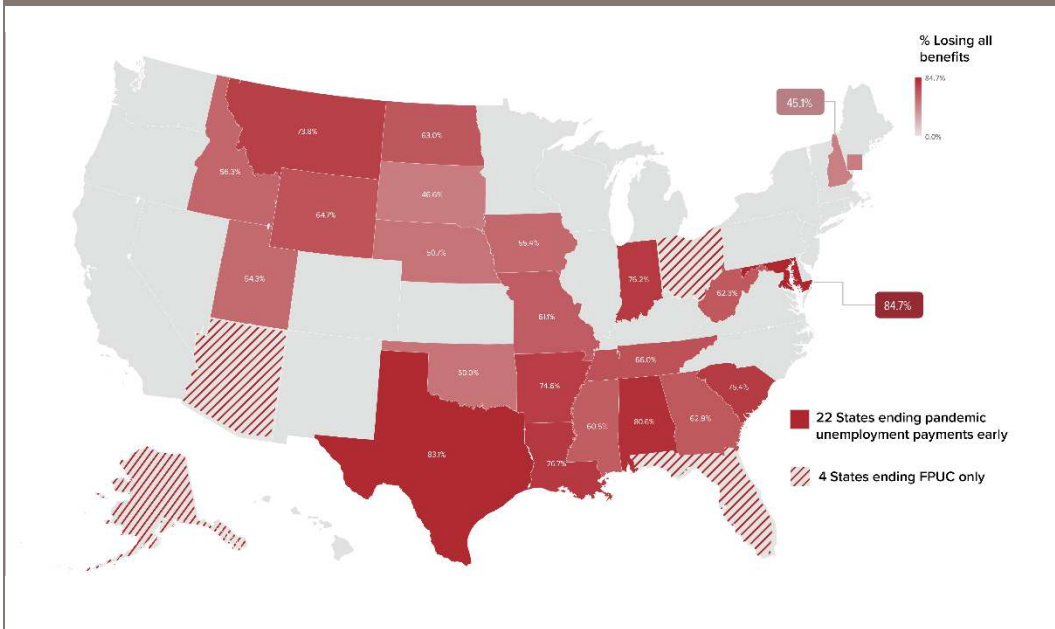
\*\* Includes newly estimated, unreported PEUC continued claims.

\*\*\* Includes newly estimated, unreported PEUC and PUA continued claims.

**Figure 1: 10 states with the highest share of unemployment recipients losing all benefits**



**Figure 2: States ending pandemic unemployment payments early with shares of unemployment recipients losing all benefits**



## Conclusion

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The immediate crisis for 4.7 million unemployed workers and their families is being driven by politically motivated attacks on the success of the CARES Act and ARPA pandemic unemployment insurance programs. But it need not have come to this.

For decades, it has been clear that the unemployment insurance program was in desperate need of reform. Wage replacement levels are wholly inadequate, and particularly paltry in far too many states. Many states have cut duration of benefits below the 26-week standard—a move that **unfairly and disproportionately affects workers of color**—and there are countless barriers to eligibility that don't take into account the modern workforce or the growing share of low-wage work in our economy.

Congress must reauthorize the pandemic unemployment programs for as long as people need them, but even more important, it must make comprehensive UI reform a top priority this year—including enacting uniform national standards to address benefit adequacy, benefit duration (at least 26 to 30 weeks), and expanded eligibility so that more workers, including those too-long excluded, will be able to receive UI in good economic times and bad.

The ability of 26 governors to unilaterally shut down the very programs that were created to counteract the inadequacies of state UI programs should serve as powerful impetus to enact these reforms—and Congress cannot pass up the opportunity to do so this year.

## Endnotes

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<sup>1</sup> <https://oui.doleta.gov/unemploy/docs/allprograms.xlsx>.

<sup>2</sup> [https://oui.doleta.gov/unemploy/docs/cares\\_act\\_funding\\_state.html](https://oui.doleta.gov/unemploy/docs/cares_act_funding_state.html)

<sup>3</sup> <https://oui.doleta.gov/unemploy/chariu.asp>.