

# Why Unemployment Insurance Matters to Working Women and their Families

## An Important Tool in the Work-Family Balance



The nation's unemployment insurance programs pumped \$70 billion into the US economy during the recession of 2001-2003. In addition to keeping jobless workers out of poverty and shoring up local economies, UI can be a vital tool to help families balance work and family responsibilities.

State unemployment insurance nets are being reformed to better serve working women. Reforms are coming from advocacy by women's groups and labor organizations that understand working women's contributions to the American economy, where sixty-five percent of mothers with children under the age of six and 78 percent of women with children age six to 13 are in the labor force. These working mothers carry a dual load, providing vital income to their families while still doing the lion's share of household duties.

The important reforms adopted acknowledge that when a woman unexpectedly loses a job, the loss of income and stability

reverberates through her family. Unemployment benefits can provide crucial economic stability during these rocky periods, providing for basic needs during a search for a new job and, if needed, time to resolve family issues that may have contributed to her job loss.

However, unemployment insurance is not universally available to women who work part-time or who must leave a job because of family responsibilities. In fact, in many states, unemployment insurance programs are failing today's working women.

### Improving Women's Access to UI Benefits

- ❖ In many states, a worker forced to quit her job because of illness, child care conflicts, or the relocation of a spouse is entitled to receive UI benefits, as long as she is able to work at another job.
- ❖ In twenty seven states, a worker who must leave her job due to domestic violence may receive UI benefits, as long as she is able to work.
- ❖ In thirteen states, a UI check includes an additional amount for the worker's dependents.
- ❖ In twenty-three states, workers who leave a part-time job or who are only available for part-time work qualify for UI benefits.

### Women Still Shut Out of State Unemployment Programs

- ❖ **In forty-one states, men are more likely to receive unemployment insurance benefits than are women. In some states, the "gender gap" is as high as 17 percentage points.**
- ❖ **Part-time work:** Women are four times more likely than men to be working part-time during their prime earning years, often choosing this strategy as a way to balance work and family responsibilities. Twenty-four states categorically deny UI benefits to part-time workers based on state rules. Part time workers are denied support, despite the fact that their wages are subject to UI taxes and even if they have years of experience.
- ❖ **Women forced to leave a job because of work-family conflicts.** Women are much more likely than men to have quit a job because of urgent personal issues: such as a spouse being transferred to another city, an abusive husband stalking them at work, or the loss of child care. While all states provide UI benefits to workers who quit as a reasonable response to an action taken by their employer, only fifteen states provide benefits to workers who quit for equally compelling family circumstances. Thus, women who must leave their jobs are 32 percent less likely to receive UI benefits than are men.





**In 41 states, men are more likely to receive unemployment benefits.**



**The unemployment rate of single heads of households, was 8.3 percent in August 2004 up from their boom time low of 5.7 percent.**

**77% of unemployed women with children report cutting spending on their kids; 66% report having to cut spending on medical and dental care.**

**The recession of March to November 2001 inaugurated the only period of sustained job loss for women in the last forty years. During the slump, the information industry lost 347,000 jobs for women, retail lost 367,000 jobs for women, and manufacturing lost over one million jobs for women.**

- ❖ The standard UI eligibility procedure (known as a base period year) does not credit jobless workers for up to six months of their most recent earnings. With low-wage workers more likely to have fluctuating earnings, many workers who have earned enough to qualify don't because of the timing of their wages. One way to make sure that low-wage working women get UI is to make sure all of their recent earnings count on their UI applications. A reform known as the alternative base period counts those more recent earnings.

## Low-income working women are especially impacted by the lack of UI support.

Most low-income women are working in low-wage service sector jobs—like health care, hospitality, education and retail—now at the heart of our economy.

Not only do low-wage jobs provide inferior benefits (like health care, sick and vacation leave), but workers laid off from these jobs are far less likely to receive jobless pay (up to 44% less). Why? The jobs are more likely to be part-time and laid off workers are less likely to have a union to help with their UI claim.

With welfare benefits no longer an entitlement, and the large majority of welfare recipients who are in the workforce, unemployment insurance is now the primary safety net to protect children living in low-income households from the havoc that an unexpected job loss can

cause. Women's groups, children's and family advocacy groups would do well to look at their state UI systems as a tool to keep families strong and self-sufficient.

This fact sheet accompanies NELP's new handbook: *Changing Workforce, Changing Economy: State Unemployment Insurance Reform Models for the 21<sup>st</sup> Century*. A short summary of the best practices for women and families can be found in the attached table. To order your copy of the book or view model policies, visit <http://www.nelp.org/changing-workforce> or contact Bukola Ashaolu at 212-285-3025 x 117.

**NELP**  
National Employment Law Project

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