

## **Testimony of Amy M. Traub**

National Employment Law Project

# **H.B. 5164 An Act Concerning Unemployment Benefits**

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## **Hearing before the Connecticut General Assembly**

Labor and Public Employees Committee

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**Amy M. Traub**

Senior Researcher & Policy Analyst

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**National Employment Law Project**

90 Broad Street, Suite 1100

New York, NY 10004

(646) 693-8229

[atraub@nelp.org](mailto:atraub@nelp.org)

# Providing Unemployment Benefits to Striking Workers Is a Step Forward for Connecticut

Good day, Senator Kushner, Representative Sanchez, Senator Sampson, Representative Weir, and the distinguished members of the Committee. My name is Amy Traub, and I am Senior Researcher and Policy Analyst at the National Employment Law Project (NELP).

NELP is a nonprofit research, policy, and capacity building organization that for more than 50 years has sought to strengthen protections and build power for workers in the U.S., including workers who are unemployed. For decades, NELP has researched and advocated for policies that create good jobs, expand access to work, and strengthen protections and support for underpaid and jobless workers.

I am speaking today in favor of H.B. 5164 which would extend unemployment benefits to workers after they have been on strike for 14 days. This legislation is consistent with the long-standing core purposes of the unemployment insurance program and would have powerful benefits for workers, families, and communities across Connecticut.

## **Providing UI to Striking Workers Aligns with the Purpose of the Program**

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Unemployment insurance (UI) delivers essential support to workers, their families, and to the economy at the local, state, and national level. In the midst of the Great Depression, UI was established to safeguard workers and their families against an unexpected loss of income due to unemployment and to bolster the overall economy during economic downturns by sustaining consumer demand. UI was also intended to prevent jobless workers from being obliged to accept employment that is unsafe, unsuitable, or a poor match for their skills and abilities, which can drive down wages and depress labor standards for workers across the board.

Striking workers use the right to strike to challenge unsafe or unsuitable workplace conditions, low wages, and other unfair employment practices. This aligns with the intended purpose of the UI program. Striking workers are temporarily disconnected from their employers and paychecks. Many workers in similar situations are currently supported by the UI system, including workers on temporary layoff and workers participating in the Connecticut Department of Labor's Shared Work Program. Striking workers and their families deserve the same financial support and should not be pushed into poverty for exercising their legally protected right to strike.

## **Providing UI to Striking Workers Benefits Connecticut Workers, Families, and Communities at Little Additional Cost to the System**

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Workers confront significant economic uncertainty when their union votes to go on strike. No longer able to rely on their regular paycheck, workers and their families risk missing rent or mortgage payments and losing their health coverage. They may also be unable to afford basic necessities like groceries and childcare. Providing striking workers with limited economic support through Connecticut's UI system (which pays just 36 percent of their prior wages, on average)<sup>1</sup> will help workers and their families continue to afford necessities and spend money in their communities, sustaining support for the local economy and small businesses.

This bill also represents a step towards racial equity. Nationally, Black workers are the demographic group most likely to be union members.<sup>2</sup> At the same time, as a result of systematic exclusion from wealth-building opportunities over generations, Black households are less likely than their white counterparts to have sufficient personal wealth or savings to even partly make up for the income lost by going out on strike.<sup>3</sup> Providing unemployment benefits to striking workers will help to remedy this inequity, while supporting workers of all backgrounds.

Workers do not make the decision to go on strike lightly. Instead, workers generally strike only when believe they have no other means to protect themselves from unfair working conditions or reach a fair deal on the job. In New York and New Jersey, which already offer UI benefits to striking workers, there is no evidence that access to UI benefits makes workers more likely to go on strike.

While going on strike is a momentous event for the workers involved, it would have little impact on Connecticut's unemployment insurance system or its trust fund. A recent analysis by Daniel Perez at the Economic Policy Institute finds that if Connecticut provided UI benefits to workers after 14 days on strike, striking workers would account for just two percent of initial monthly UI claims and 0.3 percent of continuing monthly claims, and would increase monthly benefit costs by less than one half of one percent, even if every striking worker applied for and received UI benefits, a highly unlikely rate of reciprocity.<sup>4</sup>

Providing a small degree of economic security to striking workers helps to level a field that currently tilts far in favor of employers and big business, a dynamic that has fueled dramatic increases in inequality.<sup>5</sup> As U.S. Representative Adam Schiff pointed out when he introduced federal legislation to provide unemployment benefits to striking workers, "The corporate executives who are sitting on one side of the negotiating table get paid during a strike, and workers should too; otherwise management can simply wait them out."<sup>6</sup>

Through strikes, workers have achieved benefits that not only support themselves and their families but other workers and the broader community. For example, after strikes by the United Auto Workers union won record pay increases at Ford, General Motors, and Stellantis, auto companies such as Nissan and Hyundai immediately boosted pay for thousands of non-union U.S. workers at their plants.<sup>7</sup> Meanwhile, a 2023 strike by nurses in

New York City led to an agreement that is already being used to hold hospitals accountable for safe staffing to protect vulnerable newborn babies in the neonatal intensive care unit.<sup>8</sup> Striking teachers from Newton, Massachusetts to Portland, Oregon have achieved additional support for student mental health needs through recent strikes.<sup>9</sup> Workers who sacrifice and take risks to achieve these benefits deserve public support.

The National Employment Law Project urges legislators to support H.B. 5164 to extend unemployment benefits to striking workers.

## Endnotes

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<sup>1</sup> "UI Replacement Rates Report," U.S. Department of Labor, Employment and Training Administration, [https://oui.doleta.gov/unemploy/ui\\_replacement\\_rates.asp](https://oui.doleta.gov/unemploy/ui_replacement_rates.asp).

<sup>2</sup> "Union Members - 2023," U.S. Bureau of Labor Statistics, January 23, 2024, <https://www.bls.gov/news.release/union2.nr0.htm>.

<sup>3</sup> Angela Hanks, Danyelle Solomon, and Christian E. Weller, Systemic Inequality, Center for American Progress, 2018, <https://www.americanprogress.org/article/systemic-inequality/>.

<sup>4</sup> Daniel Perez, "Extending Unemployment Insurance to Striking Workers Would Cost Little and Encourage Fair Negotiations," Economic Policy Institute, January 29, 2024, <https://www.epi.org/blog/extending-unemployment-insurance-to-striking-workers-would-cost-little-and-encourage-fair-negotiations/>.

<sup>5</sup> Colin Gordon, "Union Decline and Rising Inequality," Economic Policy Institute, June 5, 2012, <https://www.epi.org/blog/union-decline-rising-inequality-charts/>.

<sup>6</sup> <https://schiff.house.gov/news/press-releases/rep-schiff-ocasio-cortez-norcross-and-35-colleagues-introduce-bill-to-grant-striking-workers-unemployment-insurance>

<sup>7</sup> Keith Naughton, "The UAW Scores Another Raise for Non-Union Members as Nissan Gives A 10% Raise to 9,000 American Factory Workers," *Fortune*, November 20, 2023, <https://fortune.com/asia/2023/11/20/nissan-raises-wages-pay-10-percent-factory-workers-uaw-shawn-fain/>.

<sup>8</sup> Maya Kaufman, "Prominent New York Hospital Hit With Historic Fine for 'Persistent' Understaffing," *Politico*, May 17, 2023, <https://www.politico.com/news/2023/05/17/mount-sinai-nurse-strike-new-york-00097199>.

<sup>9</sup> Olafimihan Oshin, "Portland, Ore., Schools Reach Tentative Agreement With Teachers Union, Ending Strike," *The Hill*, November 26, 2023, <https://thehill.com/homenews/education/4328384-portland-oregon-schools-reach-tentative-agreement-with-teachers-union-ending-strike/>; Bryan McGonigle, "Strike's Over, Newton's Teachers Have A New Contract," *The Newton Beacon*, February 2024, <https://www.newtonbeacon.org/strikes-over-newtons-teachers-have-a-new-contract-what-does-it-all-mean/>.