

# Federal Standards Needed to Provide Equitable Access to Unemployment Insurance

By Amy M. Traub

*Unemployment insurance (UI) is a critical lifeline for unemployed and underemployed workers and their families and provides effective, targeted support to local communities, businesses, and the nation's economy during economic downturns. Yet the UI system, a joint federal-state program, consistently fails to reach its full potential to support workers or the larger economy. One reason is that many eligible workers never file for or successfully claim UI benefits. This report explains how revised federal performance standards can be a powerful tool for increasing equitable access to UI benefits.*

Read NELP's [\*Proposed Performance Standards for Equitable Access to UI\*](#).

## Introduction

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In the first three quarters of 2022, 6.2 million U.S. workers were counted by the Bureau of Labor Statistics as unemployed, yet fewer than 1.6 million workers claimed UI benefits.<sup>1</sup> In other words, only a quarter of unemployed workers successfully claimed the primary public benefit established to support unemployed workers. Low rates of UI receipt by unemployed workers are typical: over the last 15 years, it has been rare for more than 30 percent of unemployed workers to receive unemployment benefits, except during the pandemic peak in benefits.<sup>2</sup>

Prior NELP research has documented how state UI laws, including restrictions on eligibility,<sup>3</sup> cuts to available weeks of UI benefits,<sup>4</sup> and procedural hurdles around documenting work search activities,<sup>5</sup> prevent many unemployed workers from becoming—or remaining—eligible for unemployment benefits.

Yet researchers estimate that despite the wide array of state restrictions, approximately 55 percent of unemployed workers are eligible for unemployment benefits.<sup>6</sup> This means that millions of unemployed workers who are eligible for UI nevertheless do not receive benefits. Workers face multiple barriers to access that further exclude Black and Latinx workers, immigrant workers, low-paid workers, and workers with disabilities.<sup>7</sup>

Current federal UI performance standards encourage states to focus on detecting and fighting potential eligibility fraud, contributing to a punitive orientation that treats unemployed workers with suspicion that they are cheating the system. Strong standards that

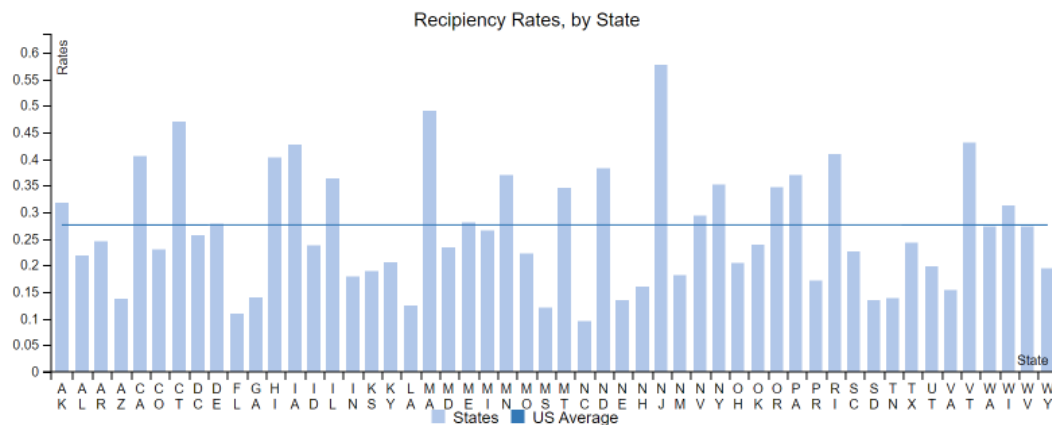
hold states accountable for improving UI access are needed to ensure that paying benefits to eligible workers is also a priority. Coupled with sufficient resources and effective enforcement mechanisms, performance standards will improve access and equity for Black and immigrant workers and other similarly marginalized groups who have faced the greatest barriers to accessing benefits.

## Most Unemployed Workers Do Not Receive Unemployment Benefits

Currently, the primary measure used to assess UI access is the reciprocity rate. The reciprocity rate measures the share of unemployed or underemployed workers who are receiving UI benefits. The reciprocity rate does not consider whether or not unemployed workers are eligible for UI benefits, which is determined on a state-by-state basis.

Figure 1 compares reciprocity rates for states in 2019, before the massive job loss of the pandemic and the establishment of federal pandemic UI programs that temporarily broadened UI eligibility and access. While 58 percent of unemployed workers received UI benefits in New Jersey, only 11 percent did in Florida. The states with very low reciprocity rates, disproportionately located in the Southeast, tend to maintain their low rates over years and even decades, while states that more effectively reach unemployed workers, such as New Jersey, Minnesota, Connecticut, Massachusetts, and Iowa, also tend to maintain higher-than-average reciprocity rates over time.

**Figure 1: Reciprocity Rates, by State, 2019**



Source: U.S. Department of Labor Employment and Training Administration, Unemployment Insurance Chartbook, <https://oui.doleta.gov/unemploy/chartbook.asp>.

Racial and ethnic disparities in reciprocity rates are dramatic. As a result of structural racism in U.S. labor markets, Black, Indigenous, and Latinx workers are consistently more likely to be unemployed than non-Hispanic white workers.<sup>8</sup> Unemployment rates among Black workers are frequently twice as high as those of their white counterparts, a disparity that persists even after accounting for gender, age, and education.<sup>9</sup> Yet unemployed Black workers are less likely to be eligible for or to receive unemployment benefits.<sup>10</sup> One recent study finds that unemployed Black workers were consistently 24 percent less likely to receive unemployment benefits than their white counterparts over a span of 30 years.<sup>11</sup>

Disparities in UI reciprocity rates among states contribute to racial inequity: In the southeastern states that are home to the largest shares of Black workers, policymakers have implemented the most restrictive UI eligibility and access rules, consistently producing the

nation's lowest reciprocity rates.<sup>12</sup> These racial disparities persisted even when federal pandemic UI programs temporarily expanded eligibility.<sup>13</sup>

In addition to racial and ethnic disparities, research consistently finds that older workers, more highly educated workers, and union members are more likely to receive UI benefits than their younger, less educated, or nonunion counterparts.<sup>14</sup> Gender is a less consistent predictor of UI benefit receipt. One recent study looked at sexual orientation, gender identity, and disability status, finding that even during the period of expanded federal pandemic UI programs, heterosexual workers and cis-gender workers were substantially more likely to report receiving UI benefits than homosexual/bisexual/other workers and trans or nonbinary workers, respectively, and that workers without disabilities were significantly more likely to report receiving UI benefits than workers with disabilities.<sup>15</sup>

### **Many eligible workers do not apply for UI benefits**

Restrictive state eligibility rules and policies that cut off UI benefits before workers have sufficient time to find new employment contribute to low UI reciprocity rates. Yet studies also find low participation rates (also known as take-up rates) among eligible workers, with significant racial and income disparities.

For example, researchers Elira Kuka and Bryan Stuart found that 55 percent of likely eligible white workers took up UI benefits compared to 45 percent of likely eligible Black workers and that this racial disparity was stable over a nearly 30-year period.<sup>16</sup> UI take-up was higher among workers with greater pre-unemployment earnings and for whom UI replaced a higher share of their pre-unemployment earnings. Take-up was also higher for workers who had previously worked in a union job as well as for workers with more children.

Another study, by Eliza Forsythe and Hesong Yang, found that 39 percent of likely eligible workers participated in UI in 2018.<sup>17</sup> Older workers, more educated workers, former union members, and white workers were significantly more likely to take up UI benefits, as were U.S. citizens (compared to green card holders and other noncitizens with work permits who are eligible for UI benefits).

### **Why unemployed workers don't apply for UI benefits**

A 2022 survey from the Bureau of Labor Statistics found that only 26 percent of unemployed workers who had worked in the past 12 months applied for UI benefits.<sup>18</sup> While the survey included both eligible and ineligible workers, the reasons offered for not applying shed light on why many eligible workers do not apply.

The primary reason unemployed workers did not apply for benefits, cited by 55 percent of respondents, was that they did not believe they were eligible. Yet when economists analyzed data from the 2018 edition of the survey by modeling which workers were likely to be eligible for UI, they concluded that a significant proportion of workers were mistaken about their eligibility—22 percent of workers who reported not applying for UI benefits because they believed they were ineligible likely *were* eligible after all.<sup>19</sup> Younger workers, workers of color, and less educated workers were more likely to report not applying for UI benefits because they believed they were ineligible despite likely being eligible.

Other studies have also concluded that a substantial percentage of unemployed workers are likely erroneously assuming that they are ineligible.<sup>20</sup> For example, Working America's Black

Unemployment Insurance Project conducted direct outreach to Black communities to document their experiences with the unemployment system and assist them with filing for benefits. Working America similarly found that the most common reason for not applying for benefits was a lack of awareness about eligibility.<sup>21</sup>

The Bureau of Labor Statistics found that, in addition to workers who believe they are not eligible for UI benefits, another 16.8 percent of unemployed workers reported they did not apply for UI benefits because they expected to start work soon, and 5.4 percent reported they didn't apply for UI because they "did not need the money or want the hassle." Four percent reported they did not know about UI, did not know how to apply, or had problems with the application process.<sup>22</sup>

## **Barriers to UI Access**

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Significant barriers block workers' access to UI benefits, including misinformation about eligibility, deficient UI infrastructure, the punitive design of the UI system, skewed incentives for employers, and ineffective enforcement mechanisms. Understanding these barriers is critical to setting standards to improve access.

### **UI Access Barrier #1: Workers don't realize they're eligible**

As described above, research suggests that many workers do not realize they are eligible for UI. Several factors contribute to misinformation about UI eligibility. State eligibility rules are often extremely complicated, so confusion is understandable. Many state agencies that administer UI frequently fail to publicize the program or to conduct effective outreach and education for unemployed workers.<sup>23</sup> While several states require employers to provide a formal notice to separating workers that includes basic information about eligibility for the state's UI program and how to apply for benefits, most states do not, and these notices are often not clearly written or translated into languages that workers understand.<sup>24</sup> In addition, advocates for unemployed workers report that some employers routinely mislead workers by telling them they are not eligible for benefits.<sup>25</sup> As discussed further below, the financial structure of the UI system provides perverse incentives for employers to dissuade workers from applying for or receiving benefits.

### **UI Access Barrier #2: State UI infrastructure is deficient**

Deficient UI infrastructure is a major contributor to states' poor performance in providing benefits to eligible workers.<sup>26</sup> When unemployment skyrocketed during the pandemic, the media was filled with reports of laid-off workers confronting jammed phone lines, crashing websites, and long delays to access benefits, contributing to financial hardship for unemployed workers and their families.<sup>27</sup> While the delays and challenges workers faced during the crisis were dramatic, they reflect longstanding barriers to accessing UI benefits.

Long before COVID-19 struck, many states were working with severely deficient UI infrastructure: antiquated technology systems, deficient staffing and resources, and outdated administrative practices. As a result, states failed to determine workers' eligibility, pay benefits, or decide administrative appeals in a timely manner, and these problems have outlasted the pandemic spike in unemployment rates.

Specific ways that states fall short in making UI accessible to workers include:

- *Staffing shortages.* The lack of sufficient, highly trained merit staff at UI agencies contributes to delayed payments, processing errors, and other failures of access, leading the GAO to conclude that “providing for staffing levels at the state and federal levels that are adequate to meet demand for UI during all phases of the economic cycle is critical to ensuring effective service delivery.”<sup>28</sup> A close look at California’s UI claims system during the pandemic further highlights how workers’ access to UI suffers when inexperienced contract workers attempt to take on the work of trained, experienced staff.<sup>29</sup> As discussed below, staffing shortages are primarily driven by decades of federal underfunding of UI administration.
- *Poorly written communications.* Needlessly complex and confusing websites, forms, and notices can perplex even proficient English speakers. Most states’ forms and communications are not in plain language or are written at an advanced reading level difficult for some workers to understand.<sup>30</sup>
- *Inadequate language access.* Although civil rights laws require translation and interpretation of public benefits information into commonly understood languages, many states fail to provide essential UI notices, forms, and applications in the languages understood by workers in their states, making it difficult for workers with limited English proficiency to apply for benefits, comply with ongoing eligibility requirements, or contest disputed cases.<sup>31</sup>
- *Insufficient access for people with disabilities.* States are required to ensure equal access for people with disabilities by making reasonable accommodations and modifications and ensuring effective communication. Yet some states fail to provide telecommunication devices for individuals with hearing impairments or run UI websites that do not comply with Section 508 of the Rehabilitation Act.<sup>32</sup>
- *Lack of accessibility on mobile devices.* State unemployment websites that are not optimized for use on mobile devices are an additional barrier to workers claiming benefits. Black and Latinx workers are particularly likely to rely on smartphones for internet access, with a quarter of Latinx adults connecting to the internet only through their mobile phones in 2021.<sup>33</sup>

### **UI Access Barrier #3: State UI systems were designed to be punitive**

The structure of state UI programs contributes to a persistent lack of access for unemployed workers. Over the years, states have increasingly adopted a punitive design that places greater emphasis on detecting and fighting potential eligibility fraud—treating workers applying for UI with suspicion that they are trying to cheat the system—rather than on making benefits accessible to eligible workers.

The focus on eligibility fraud intensified in the years during and immediately after the Great Recession of 2008, when prolonged high levels of unemployment endangered the finances of state UI systems, encouraging states to cut costs by rooting out cases of fraud.<sup>34</sup> The federal government contributed to the atmosphere of suspicion around unemployed workers when Congress held hearings highlighting incidents of fraud, passed legislation allowing states to

drug test workers applying for UI benefits, and mandated that states impose work search requirements.<sup>35</sup> The U.S. Department of Labor (USDOL) also contributed to an overemphasis on potential eligibility fraud by offering incentives for states to reduce what the department deemed to be “a high level of improper payments” in unemployment benefits.<sup>36</sup>

As states increasingly focused on fighting eligibility fraud after the Great Recession, the rate of workers being improperly denied UI benefits increased dramatically, rising from 8 percent in 2007 to 17.44 percent in 2017 for cases denied as a result of worker separations from their previous employment. Similarly, in 2017, 17.54 percent of benefits were erroneously denied for nonseparation reasons,<sup>37</sup> while in 2007, the improper nonseparation denial rate was only 9.9 percent.<sup>38</sup>

Many factors contribute to the increase in improper denials, including shrinking federal resources directed to state UI administration that forced many states to cut back on agency staff.<sup>39</sup> Yet some of the rise in erroneous denials stems from state UI systems that have been calibrated to prioritize detecting and penalizing potentially fraudulent activity over all other goals, including making timely and accurate payments to eligible workers.

For example, some states have programmed their computer systems to automatically pause applications at every decision point, which can generate multiple eligibility determinations and denials and slow down benefits approval.<sup>40</sup> A worst case scenario occurred when Michigan introduced a new IT system intended to flag and penalize fraud. The MiDAS system flagged more than 20,000 workers for fraud yet was 93 percent inaccurate.<sup>41</sup> The penalty for fraud in Michigan is four times the amount paid, plus 12 percent interest. As a result of these false flags, innocent claimants lost their homes and life savings, in some cases provoking suicides.<sup>42</sup>

To a lesser extent, a similar pattern has unfolded in other states, as increased numbers of workers are flagged for potential fraud by automated systems because they have uncommon or ethnic names or because multiple people at a single address apply for UI benefits.<sup>43</sup>

During the pandemic, a growing number of states contracted with private vendors to verify the identities of workers filing UI claims, often using facial recognition technology to screen applicants.<sup>44</sup> This technology’s cumbersome verification process reportedly contributed to substantial delays in workers receiving UI benefits in California, Florida, and other states.<sup>45</sup> In addition, the vendors’ requirement that workers applying for benefits use smartphone cameras may have excluded workers without access to personal smartphones. The trend toward using facial recognition raises serious equity and access concerns because these systems are unreliable, and systems routinely misidentify people of color—particularly Black and Native American people—far more frequently than white people.<sup>46</sup>

Overzealous efforts by state UI agencies to recover benefits that were overpaid to workers through no fault of their own also threaten to become a barrier to access for UI in the future. During the pandemic, as state agencies rushed to administer new and unfamiliar programs with deficient staffing and technology, and workers unfamiliar with UI rushed to apply for benefits, mistakes inevitably occurred. Yet forcing workers to pay back benefits that were paid out through no fault of their own is now causing hardship for workers and their families.<sup>47</sup> Some workers are also being wrongly accused of fraud, which exacts an emotional and financial toll on workers and their families.<sup>48</sup> Advocates warn that the negative

experience could strongly discourage workers from seeking UI benefits in the future, even if their families badly need the support.

#### **UI Access Barrier #4: UI funding method incentivizes employers to block access**

State UI benefits are funded primarily by taxes on employers, which increase when more workers who separate from any given employer receive UI benefits.<sup>49</sup> The system, called experience rating, is intended to discourage layoffs. However, it also creates perverse incentives for employers to discourage workers from filing for UI benefits or to falsely contest their claims if they do file, for example by claiming a worker was fired for cause rather than being laid off.<sup>50</sup>

After Washington State adopted experience rating, benefit denials increased by as much as 66 percent.<sup>51</sup> In fact, an entire industry has sprung up to help employers keep their UI taxes low by contesting workers' UI claims.<sup>52</sup> While there are variations in state experience rating systems, federal law requires all states to use some form of experience rating in determining employers' UI tax rates.

### **Effective Standards Require More Resources and Better Enforcement Mechanisms**

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The [federal performance standards NELP proposes](#) are designed to identify and prompt states to reduce or eliminate the barriers workers face to accessing UI benefits. However, without the resources to implement improvements—or effective federal enforcement mechanisms to encourage compliance—even the best standards will fail to improve access.

#### **States require additional funding to administer UI**

As discussed above, the nation's UI infrastructure is in a dangerous state of disrepair.<sup>53</sup> State UI administration has been underfunded by the federal government for decades, leaving state UI agencies inadequately staffed and state systems operating on antiquated technology, which exacerbates workers' difficulty accessing UI benefits. To improve UI access and meet proposed performance standards, state agencies must receive adequate funding to increase staffing, IT capacity, and data collection.

Each year, the federal government issues grants to states to fund UI administration, including staffing and technology. The federal government funds a baseline amount for state operations and provides additional funding based on the number of weekly unemployment claims that states process. Overall, federal UI administrative funding declined 30 percent between 1999 and 2019 (adjusted for inflation).<sup>54</sup> The funding cut forced state agencies to reduce staffing and otherwise pare back their operations. Although some states supplement inadequate federal administrative grants with their own funding, state funding is seldom enough to fill the need. In 2017, 55 percent of state UI agencies described their current level of funding as a "critical" or "serious" shortfall.<sup>55</sup>

Information technology is one aspect of the problem: the GAO reports that as of December 2021, 32 of the 53 states and territories were still using legacy IT systems—many of them developed in the 1970s and 1980s and run on outdated or unsupported hardware and software—to support their UI benefits system, tax system, or both.<sup>56</sup> While USDOL has provided funding over the years to update and upgrade state IT systems, antiquated

technology continues to inhibit workers' ability to access UI benefits. In addition, it is important that states upgrade UI technology in a way that centers workers and their experience accessing benefits: a number of state IT upgrades have actually resulted in reduced UI access for workers.<sup>57</sup>

Since 2020, Congress and the president have begun to make up for shortfalls in federal UI funding. The American Rescue Plan Act provided funding for a range of USDOL grants to the states to facilitate equitable UI access, improve data collection, modernize technology, and address program integrity. Yet while one-time grants are helpful, states also need a stable source of revenue adequate for operating their UI systems, including hiring permanent staff.

In his 2023 budget, President Biden requested \$3.185 billion to states for UI programs, including \$2.8 billion in grants for state UI administration. This is equivalent to an overall 17 percent increase in federal funding for UI administration over 2022.<sup>58</sup> Congress delivered almost all of this funding. While repairing the system will take time, sustained annual funding at this level will better equip state agencies to improve UI access. USDOL must also act to overhaul the flawed resource justification model it uses to estimate how much funding each state will be allocated. Finally, USDOL itself must receive adequate funding to oversee the UI system, including sustained funding for the new Office of UI Modernization.

### **USDOL needs more effective enforcement mechanisms**

Without effective mechanisms for enforcement, performance standards intended to increase UI access risk becoming completely ineffectual. Yet USDOL's available enforcement tools are limited and are generally too blunt to be effective in compelling persistently noncompliant states to improve, creating a major barrier to access. Indeed, as of the first quarter of 2022, *most* states fell far short of acceptable levels of performance on existing performance standards.<sup>59</sup>

Under the current system, state UI agencies that do not meet acceptable levels of performance must submit corrective action plans with concrete steps and timelines to address the performance deficiencies. USDOL can take a variety of steps, including discussing measures informally with state agency officials, conducting evaluations of state processes and analyzing reasons for failure, recommending specific actions for improvement, requesting that the state submit a compliance plan, initiating special reporting requirements, consulting with the state's governor, and providing technical assistance. Despite these steps, many states persistently fail to meet USDOL's acceptable levels of performance.

Ultimately, the Social Security Act Section 303(a)(1) requires that states must provide for "such methods of administration . . . as are found by the Secretary of Labor to be reasonably calculated to insure full payment of unemployment compensation when due" as a condition of receiving administrative funding for its UI program. States that perform so poorly that they fail this standard could ultimately face the loss of federal administrative funding. However, this drastic step has never been taken, as it would result in a loss of *all* federal administrative funding used to operate the state's UI program, essentially shutting down the UI system in the state entirely and causing great harm to unemployed workers.

The federal government's other enforcement mechanism is similarly blunt: states found not to be in conformity with federal law face a dramatic increase in the payroll taxes the federal



government levies on employers in the state. Under current law, employers are subject to a \$42-per-employee federal tax for UI, but this tax rises to \$420 per employee if the state fails to conform to federal rules. This penalty is so large that USDOL has never imposed it.

In place of these ineffectual enforcement mechanisms, Congress should authorize USDOL to increase the federal tax rate on a state's employers in increments, depending on the degree of state noncompliance. USDOL should also have the authority to incrementally reduce administrative funding, with the option to have the withheld funds given back to the state for corrective action. These more proportional penalties will impel states to meet performance standards or face a tax increase on employers in the state or loss of administrative funding.<sup>60</sup>

### **Incentives alone are not enough to improve state UI systems**

In the past, Congress has often turned to incentives to encourage states to improve their UI systems and performance. However, this approach has historically been ineffective in motivating persistently noncompliant states.

For example, the 2009 American Recovery and Reinvestment Act made \$7 billion available to states to modernize their UI programs. To qualify for the funds, states could choose from several options to expand UI eligibility to groups that historically have the hardest time collecting benefits. While most states took advantage of the federal incentives to make some or all of the recommended reforms to UI eligibility, 14 states and jurisdictions made no reforms and accepted no incentive funding.<sup>61</sup> Among the states that did not accept federal incentives were Florida, Mississippi, Alabama, and Arizona—states that consistently have some of the nation's lowest-performing UI programs.

A similar pattern unfolded when Congress offered incentives for states to add a short-time compensation program (also known as STC or work sharing) to their UI system: despite generous incentives, 24 states chose not to enact these programs.<sup>62</sup> This experience suggests that effective enforcement mechanisms, not merely voluntary incentives, are needed to improve UI access in every state.

### **Legislation Will Empower USDOL to Implement Access Standards**

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USDOL has a long history of promulgating federal performance standards for UI through regulations. However, USDOL's statutory authority to ensure "methods of administration . . . reasonably calculated to insure full payment of unemployment compensation when due," which is the basis for current performance standards, would most likely not cover all necessary standards to most effectively expand access to UI. For example, a proposed standard on reciprocity rates, which would provide a powerful incentive for states to improve access, would likely require Congress to provide new statutory authority.<sup>63</sup>

In addition, making new performance standards effective and enforceable would require Congress to authorize new, more nuanced and proportional enforcement mechanisms as described above. Finally, rulemaking is a lengthy process, with a notice-and-comment period that can last two years or longer. Congress can expedite this by waiving the requirements of the Paperwork Reduction Act.<sup>64</sup>

## **The GUARD Act is a legislative vehicle for UI performance standards**

One especially promising legislative vehicle is the Guaranteeing Unemployment Assistance and Reducing Deception Act (the GUARD Act), sponsored by Rep. Steven Horsford of Nevada. The bill aims to prevent UI fraud and improve program integrity but also requires USDOL to develop state UI performance standards on equity, benefit delivery, access, and other areas and to define minimum acceptable performance levels for these standards. The bill does not specify what these standards should be. The bill also mandates enhanced data collection and reporting by state agencies.

The GUARD Act would authorize USDOL to offer financial incentives to states that meet or exceed those standards and gives the agency enhanced—and more proportional—enforcement tools to ensure that states comply with the new standards and existing federal UI laws. While it does not enable USDOL to apply incremental increases to the federal tax rate on employers, it does empower USDOL to incrementally reduce state funding for UI administration, a measure that would be far more functional than current enforcement options.

Another important provision of the GUARD Act states that in order to receive a performance bonus from USDOL, states must require employers to notify workers when they are potentially eligible for unemployment benefits. This mirrors similar requirements in temporary pandemic UI legislation.<sup>65</sup> An easy-to-understand notice about the availability of UI, how to apply for benefits, and to how to get their eligibility assessed would help address several barriers to UI access, including workers' misperception that they are not eligible.<sup>66</sup>

The GUARD Act includes a potentially problematic provision, however, that would incentivize states to intensify their already excessive focus on fraud.<sup>67</sup> Otherwise, the legislation is an excellent means of enacting federal access standards for UI. The bill was introduced in the 2022 congressional session but has not yet been reintroduced this year.

## **UI performance standards must build on existing USDOL initiatives**

USDOL's current efforts to improve UI access offer a positive environment for implementing a new set of performance standards. In 2022, USDOL released its *Equity Action Plan for Unemployment Insurance*, which is now being implemented, including sending multidisciplinary "Tiger Teams" of experts to assess, advise, and assist state UI agencies and providing state grants to promote equitable access to UI and pilot innovative programs.<sup>68</sup>

Funded by the American Rescue Plan Act, USDOL's Office of UI Modernization is developing new resources for states, including examples of plain language notices, descriptions of promising practices for UI technology and design, and an *Unemployment Insurance Equitable Access Toolkit* with step-by-step processes for conducting community outreach and improving language assistance services, among other access goals.<sup>69</sup> These tools and resources will help state UI agencies meet new standards for UI access and equity.

## **Conclusion**

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UI can only function to support unemployment workers and their families—and to sustain the larger economy during economic downturns—when benefits are accessible to workers. The reality that fewer than one in three unemployed workers regularly claim UI benefits should be a wake-up call about the necessity of improving access nationwide. The reality of

deep racial disparities in UI receipt underscores the need to prioritize equity. Congress must enact legislation enabling USDOL to implement a new set of federal performance standards that, along with improved funding and enforcement authority, will set states on the path of more equitable and accessible UI systems.

Read NELP's [\*Proposed Performance Standards for Equitable Access to Unemployment Insurance\*](#). We appreciate the experts who reviewed and made recommendations on the proposed UI performance standards. See a full list of reviewers at the end of our [proposed standards](#).

## Endnotes

- <sup>1</sup> NELP calculations based on data from the Employment and Training Administration, U.S. Department of Labor.
- <sup>2</sup> Wayne Vroman, *Unemployment Insurance Benefits Performance since the Great Recession* (Washington, DC: Urban Institute, 2018), <https://www.urban.org/research/publication/unemployment-insurance-benefits>
- <sup>3</sup> Amy Traub, *Why Is Expanding Unemployment Insurance Eligibility a Racial, Gender, and Disability Justice Imperative?* (New York, NY: National Employment Law Project, 2022), <https://www.nelp.org/publication/why-is-expanding-unemployment-insurance-eligibility-a-racial-gender-and-disability-justice-imperative/>.
- <sup>4</sup> Alexa Tapia and Nzingha Hooker, *Slashing Unemployment Benefit Weeks on Jobless Rates Hurts Workers of Color* (New York, NY: National Employment Law Project, 2021), <https://www.nelp.org/publication/slashing-unemployment-benefit-weeks-on-jobless-rates-hurts-workers-of-color/>.
- <sup>5</sup> *Work Search Requirements* (New York, NY: National Employment Law Project, 2022), (<https://www.nelp.org/publication/work-search-requirements/>).
- <sup>6</sup> Elira Kuka and Bryan A. Stuart, *Racial Inequality in Unemployment Insurance Receipt and Take-Up*, fact sheet (Cambridge, MA: National Bureau of Economic Research, 2021), [https://www.nber.org/system/files/working\\_papers/w29595/w29595.pdf](https://www.nber.org/system/files/working_papers/w29595/w29595.pdf); Thomas Callan et. al., *Unemployment Insurance Modernization and Eligibility* (Washington, DC: Urban Institute, 2015), <https://www.urban.org/sites/default/files/publication/81541/2000815-Unemployment-Insurance-Modernization-and-Eligibility.pdf>; Christopher J. O'Leary, et. al., "Equity in Unemployment Insurance Benefit Access," (Kalamazoo, MI: Upjohn Institute for Employment Research), December 2, 2021, [https://research.upjohn.org/cgi/viewcontent.cgi?article=1025&context=up\\_policypapers](https://research.upjohn.org/cgi/viewcontent.cgi?article=1025&context=up_policypapers).
- <sup>7</sup> <https://www.nelp.org/publication/reforming-unemployment-insurance-is-a-racial-justice-imperative>
- <sup>8</sup> NELP calculations based on Current Populations Survey Data. Unemployment rates for Asian American and Pacific Islander workers—a smaller population overall—are more volatile, frequently falling below but at other times exceeding unemployment rates for white workers.
- <sup>9</sup> Elise Gould and Valerie Wilson, *Black Workers Face Two of the Most Lethal Preexisting Conditions for Coronavirus—Racism and Economic Inequality* (Washington, DC: Economic Policy Institute, 2020), <https://www.epi.org/publication/black-workers-covid/>.
- <sup>10</sup> Elira Kuka and Bryan A. Stuart, *Racial Inequality in Unemployment Insurance Receipt and Take-Up*, fact sheet (Cambridge, MA: National Bureau of Economic Research, 2021), [https://www.nber.org/system/files/working\\_papers/w29595/w29595.pdf](https://www.nber.org/system/files/working_papers/w29595/w29595.pdf); Austin Nichols and Margaret Simms, *Racial and Ethnic Differences in Receipt of Unemployment Insurance Benefits During The Great Recession* (Washington, DC: Urban Institute, 2021), <https://www.urban.org/sites/default/files/publication/25541/412596-Racial-and-Ethnic-Differences-in-Receipt-of-Unemployment-Insurance-Benefits-During-the-Great-Recession.PDF>.
- <sup>11</sup> Kuka and Stuart, *Racial Inequality*.
- <sup>12</sup> Amy Traub and Kim Diehl, *Reforming Unemployment Insurance is a Racial Justice Imperative* (New York: National Employment Law Project, 2022), <https://s27147.pcdn.co/wp-content/uploads/Policy-Brief-UI-Racial-Justice-imperative-2-28-2022.pdf>; Monée Fields-White et. al., *Unpacking Inequities in Unemployment Insurance* (Washington, DC: New America, 2020), <https://www.newamerica.org/pit/reports/unpacking-inequities-unemployment-insurance/southern-generosity-isnt-extended-to-all-southerners/>.
- <sup>13</sup> Ava Kofman and Hannah Fresques, "Black Workers Are More Likely to Be Unemployed but Less Likely to Get Unemployment Benefits," *ProPublica*, August 24, 2020, <https://www.propublica.org/article/black-workers-are-more-likely-to-be-unemployed-but-less-likely-to-get-unemployment-benefits>; Patrick Carey et. al., "Applying for and Receiving Unemployment Insurance Benefits."
- <sup>14</sup> Alix Gould-Werth and H. Luke Shaefer, "Unemployment Insurance Participation by Education and by Race and Ethnicity," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, October 2012, <https://www.bls.gov/opub/mlr/2012/article/unemployment-insurance-participation-by-education-and-by-race-and-ethnicity.htm>.
- <sup>15</sup> Eliza Forsythe and Hesong Yang, *Understanding Disparities in Unemployment Insurance Reciprocity* (Washington, DC: U.S. Department of Labor Chief Evaluation Office, 2021), <https://www.dol.gov/sites/dolgov/files/OASP/evaluation/pdf/University%20of%20Illinois%20-%20Final%20SDC%20Paper.pdf>.
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