

## National Employment Law Project Milestones

# Ensuring the Unemployment Insurance System Delivered Economic Security During the Downturn

*Throughout the downturn, the National Employment Law Project focused heavily on ensuring the federal-state unemployment insurance program met its twin purposes of providing income support to the jobless and economic ballast for the economy during a time of tremendous need.*

*The generous and indispensable support from key funders—Ford Foundation, Rockefeller Foundation, Joyce Foundation, Public Welfare Foundation, Annie E. Casey Foundation, and the Moriah Fund—and active engagement of tens of thousands of unemployed workers enabled NELP to play a major role in winning the most generous and longest-lasting program of federal benefits and the broadest state program expansions in the history of the unemployment insurance program.*

*With recovery underway, NELP is reflecting on what it achieved for unemployed workers during the downturn, and on what we must do to ensure a robust and resilient unemployment insurance program is in place for tomorrow's workers.*

## Emergency Unemployment Compensation

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NELP led a national effort to extend emergency unemployment benefits to workers at the beginning of the Great Recession, winning the earliest-ever extension of federal benefits enacted in June 2008, when the national unemployment rate was 5.6 percent. Over the next five years, federal Emergency Unemployment Compensation was reauthorized and/or expanded 11 times to help ensure that eligible unemployed job-seekers retained income support beyond the 26 weeks of coverage typically afforded by regular state unemployment insurance. In the end, 24.5 million long-term unemployed workers received \$230 billion in benefits. While the program was prematurely allowed to expire at the end of 2013, it nevertheless represented the biggest investment in federal unemployment benefits for the long-term unemployed in our nation's history.

As the first line of defense against economic hardship during job loss, unemployment insurance kept more than 11 million people out of poverty since the devastating 2007 recession and is responsible for a 25 percent reduction in poverty among children who have had an unemployed parent.

## Unemployment Insurance Modernization

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For years, far too many workers whose families depend on earnings from low-wage and part-time work, and have to balance work and family needs, have not been able to count on the unemployment insurance system to maintain their income when they lose their job through no fault of their own. Leveraging years of successful state advocacy, NELP crafted model reforms to modernize the unemployment insurance program and worked to get the Unemployment Insurance Modernization Act included in the American Recovery and Reinvestment Act, which was enacted in February 2009. This created a historic opportunity for the states to modernize their unemployment insurance programs by making \$7 billion available to fund reforms to fill the gaps in the program, so that more low-wage workers, women, part-time workers, and the long-term unemployed could be covered. NELP led a national campaign to expand coverage to these workers during the midst of the recession. In just three years, 35 states enacted major unemployment insurance reforms, bringing hundreds of thousands of workers into the unemployment system.

## Hiring Discrimination Against the Unemployed

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NELP has led advocacy efforts to end hiring practices that discriminate against unemployed job-seekers, beginning with the 2011 report, [Hiring Discrimination Against the Unemployed](#). The release of the report coincided with the introduction of the Fair Employment Opportunity Act (reintroduced in 2014), which sought to create a level playing field for unemployed job-seekers by prohibiting employers and employment agencies from screening out or excluding job applicants solely because they are unemployed.

The Obama administration is stepping up its effort to promote the hiring of jobless workers by convening human resource professionals from the nation's largest businesses to encourage them to adopt best practices to recruit and hire long-term unemployed jobseekers. It also is instructing managers at federal agencies that they should not make unfavorable hiring decisions because a job applicant is unemployed or dealing with financial hardship from circumstances such as job loss.

### **One Mother's Story**

*Dawn Deane, a 49-year-old mother of two from Philadelphia, was laid off from her job as a human resource manager at an education non-profit. With more than 20 years of professional experience, a modest home to maintain, and a nine-year-old daughter to support, Dawn and her family counted on unemployment insurance to sustain themselves while she continued her determined, daily job search.*

*“The unemployment insurance is helping me manage and maintain my mortgage, utilities, and car payments—helping us just barely stay above water. Without it, I'd just have nothing while I look for new work—not even heat, electricity, or a phone. And if it got cut off, I would fall behind on my mortgage, probably face foreclosure, have my car repossessed, and end up applying for welfare.”*

State laws banning discriminatory classified advertising passed in New Jersey and Oregon. Municipal laws in the District of Columbia, New York City, and Madison, Wisconsin extend prohibition beyond advertisements to include failure or refusal to consider for employment or to hire an individual as an employee because of unemployed status.

## Work-Sharing

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NELP identified work-sharing as a policy that could save jobs and prevent long-term unemployment and launched a national campaign to encourage more states to participate in the program. Congress passed federal legislation in 2012 that set national program standards and offered federal grants to states for implementing new programs, improving the operational efficiency of existing programs, and promoting enrollment and marketing of work-sharing to employers and workers.

Work-sharing is a form of unemployment insurance that provides partial unemployment benefits to workers whose employers have reduced their hours instead of laying them off during business slowdowns. Using U.S. Department of Labor data, the Center for Economic and Policy Research estimates that from 2008 to 2013, more than half a million jobs were saved through the use of work-sharing as an alternative to layoffs.

Interest in work-sharing has increased dramatically in the past five years. Eleven states have passed work-sharing laws, including three in 2014, bringing the total to 28 states. Twenty-six states passed conforming state legislation entitling them to apply for the federal grants.

## Looking Ahead

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NELP was there fighting for workers when the Great Recession brought on the most severe job losses since the Depression. As the economy recovers, we are working to preserve the strongest elements of existing programs while also focusing on changes in the workforce and the economy and what they dictate with respect to the unemployment insurance program of the future.

NELP recently released a paper, [The Job Ahead: Advancing Opportunity for Unemployed Workers](#), featuring a menu of state and federal policy options to help strengthen the economic security and reemployment prospects of unemployed and underemployed workers. This paper is an opening chapter in a broader, future-oriented review we will engage in throughout the year.