

# Slashing Unemployment Benefit Weeks Based on Jobless Rates Hurts Workers of Color Most

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*A year ago, NELP published a [policy brief](#) examining the decisions made by state policymakers over the past decade to limit rather than expand unemployment program resources to jobseekers. That brief highlighted lessons learned at the national level after many state unemployment insurance (UI) programs constricted during the economic recovery and expansion following the Great Recession.*

*The result? Many state unemployment systems were under-resourced and unprepared to support workers during a period of mass unemployment in 2020.*

*The problems we named in 2020 have snowballed into an avalanche of challenges requiring national attention. In this brief, we will explore the conditions that brought us to this point, look at examples from states that are moving in the wrong direction, and offer recommendations to positively transform the system.*

*This brief also discusses state policy choices after the last recession that resulted in declines in UI benefit reciprocity that were particularly devastating in Black, Asian, Indigenous, and Latinx communities.*

*There is an urgent need for states to apply these lessons learned from the COVID-19 pandemic and muster the political will to adopt UI policies and practices that actually better support unemployed people who need it the most.*

## How Are States Using Unemployment Rates to Cut Benefits?

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In some states, lawmakers are introducing bills that use statewide unemployment rates to determine the number of weeks an unemployed person can receive benefits. The problem with these bills, which are similar to measures some states enacted to cut benefits during the Great Recession, is that some populations or areas of a state have dramatically different unemployment rates than the overall state average.

These rates vary by race, geography, and industry—and they can exacerbate inequities already experienced by people of color, people living in higher-populated communities, and people in underpaid jobs, particularly women of color.

Indexing UI benefits' duration to a state's average unemployment rate has an unfair and disproportionate impact on workers of color in that state, as the state's average unemployment rate is typically much lower than the unemployment rate for workers of color.

For instance, the unemployment rate for Black workers is typically double the unemployment rate for white workers, while the unemployment rate for white workers is typically lower than the state's average unemployment rate—and this is due to issues of systemic racism (e.g., last hired, first fired; the prevalence of predatory temp work; the compounding effects of instability caused by short-term employment and underemployment). The unemployment rate data highlights major existing inequities pre-pandemic across racial and ethnic groups and suggests a clear negative impact of such indexing policies on workers of color.<sup>1</sup>

## Comparative Unemployment and Reciprocity Rates

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In the fourth quarter of 2020, the unemployment rate for Black workers was above 10% in 12 of the 21-states (including the District of Columbia) that provided unemployment data on Black workers.<sup>2</sup> There are no states where the unemployment rate for Black and white workers are the same or where the unemployment rate was lower for Black workers.

During the same quarter, Latinx workers experienced unemployment rates above 10% in five states with available data, with the highest rates being 12.9% in Pennsylvania and 12.4% in New York.<sup>3</sup> Asian American Pacific Islander (AAPI) workers faced unusually high unemployment rates during the pandemic, with their overall rate above 10% in Q3 2020 and at 7.6% in Q4 2020.<sup>4</sup>

Yet, state UI indexing bills have typically proposed cutting UI benefits to 12 weeks when the average unemployment rate is at or below 5.5%. Legislators who seek to cut benefits by using the state's average unemployment rate as a trigger are in fact targeting workers of color, workers in higher-populated areas, and workers in underpaid jobs and temp jobs.

- Unemployment rate data shows that 20 out of 51 states (including the District of Columbia) have an average unemployment rate at or below 5.5%.<sup>5</sup>
- Out of these 51 states that reported data, 33 of those states have the white unemployment rate at or below 5.5%. By contrast, out of the 21 states that reported data on Black workers, none of those states had an unemployment rate for Black workers at or below 5.5%.<sup>6</sup>
- Out of the 20 states that reported data on Latinx workers, only three of those states had an unemployment rate at or below 5.5%.<sup>7</sup>
- The data on AAPI workers is more limited, showing that 2 out of the 10 states with available data had an AAPI unemployment rate at or below 5.5%.

- States with a shorter duration of UI benefit weeks have a higher rate of benefits exhaustions. In Florida, with a 12-week duration pre-pandemic, 49.5% of UI recipients exhausted their benefits (meaning they ran out of benefits before they were able to secure new employment). Florida ranked second-highest in the country.<sup>8</sup> Kansas, with a 16-week duration, had a 41.5% exhaustion rate pre-pandemic, ranking sixth-highest in the nation.<sup>9</sup>
- Benefit cliffs—the abrupt reduction or loss of a public benefit—lead to higher rates of food and housing insecurity, disproportionately affecting families of color the most. When the extended federal benefit programs were allowed to lapse on December 26, 2020, it shortchanged jobless workers by about \$17.6 billion in benefits for the first four weeks in January 2021—38% less than these workers were due to receive. During this time, 72% said they had trouble meeting basic household expenses, and 31% reported not having enough money to pay for food. Around 4.7 million people were behind on rent, and for 4.8 million people (including 1.3 million children) UI benefits were the only thing keeping them out of poverty.<sup>10</sup> This significantly harmed women and households of color, as 20% of all state UI claimants were Black and 20% were Latinx.<sup>11</sup> Future benefit cliffs would impact Black and AAPI workers, as they are more likely to face the longest terms of unemployment.
- During the height of the Great Recession, every \$1 of unemployment insurance generated \$1.61 into local and state economies. Slashing benefits pulls money out of communities when the purchasing power is most essential to counter a recession. UI benefits also saved jobs, prevented evictions, and increased the national gross domestic product.<sup>12</sup>

## Reciprocity Rates

In addition to UI indexing not meeting the needs of workers of color who have higher unemployment rates, measures that cut benefit weeks lower the UI reciprocity rate (the share of unemployed workers receiving UI benefits). Following the last recession’s recovery period (2008–2013) for some workers, we saw very little, if any, increase in UI reciprocity rates in those states considering UI indexing bills.

The UI indexing proposals to cut benefits duration, if passed, would put these states at the bottom of UI program effectiveness and further reduce reciprocity, especially for workers of color. Despite Black workers facing longer periods of unemployment, and Black and Latinx workers experiencing higher rates of unemployment, the data show that Black and Latinx workers do not receive UI benefits at the same rate as white workers.

This is further demonstrated by the [UI reciprocity rates from 2010](#), following the Great Recession. The UI benefits reciprocity rate for Black unemployed workers (non-Latinx) was the lowest at only 23.8%; for Latinx unemployed workers, it was 29.2%; and for white unemployed workers (non-Latinx), it was 33.2%. Between April 27, 2020 and May 10, 2020, over 71.5% of Black unemployed women did not receive unemployment benefits, compared to just 54% of white unemployed women.<sup>13</sup>

UI reciprocity inflates during a recession, so the 2020 data on UI reciprocity may not give a wholly accurate depiction of how state program measures affect unemployed people's ability to receive UI benefits. Based on 2019 data before the COVID-19 pandemic, the UI reciprocity rates for the states below have been rather low: UI reciprocity was around 27% for West Virginia, 13% for Arizona, 19% for Kansas, 21% for Ohio, 21% for Missouri, 29% for Maine, 14% for Tennessee, and 12% for Louisiana.<sup>14</sup> These reciprocity rates are less than ideal, as the goal is for every unemployed person who is eligible and applies to receive the benefits.

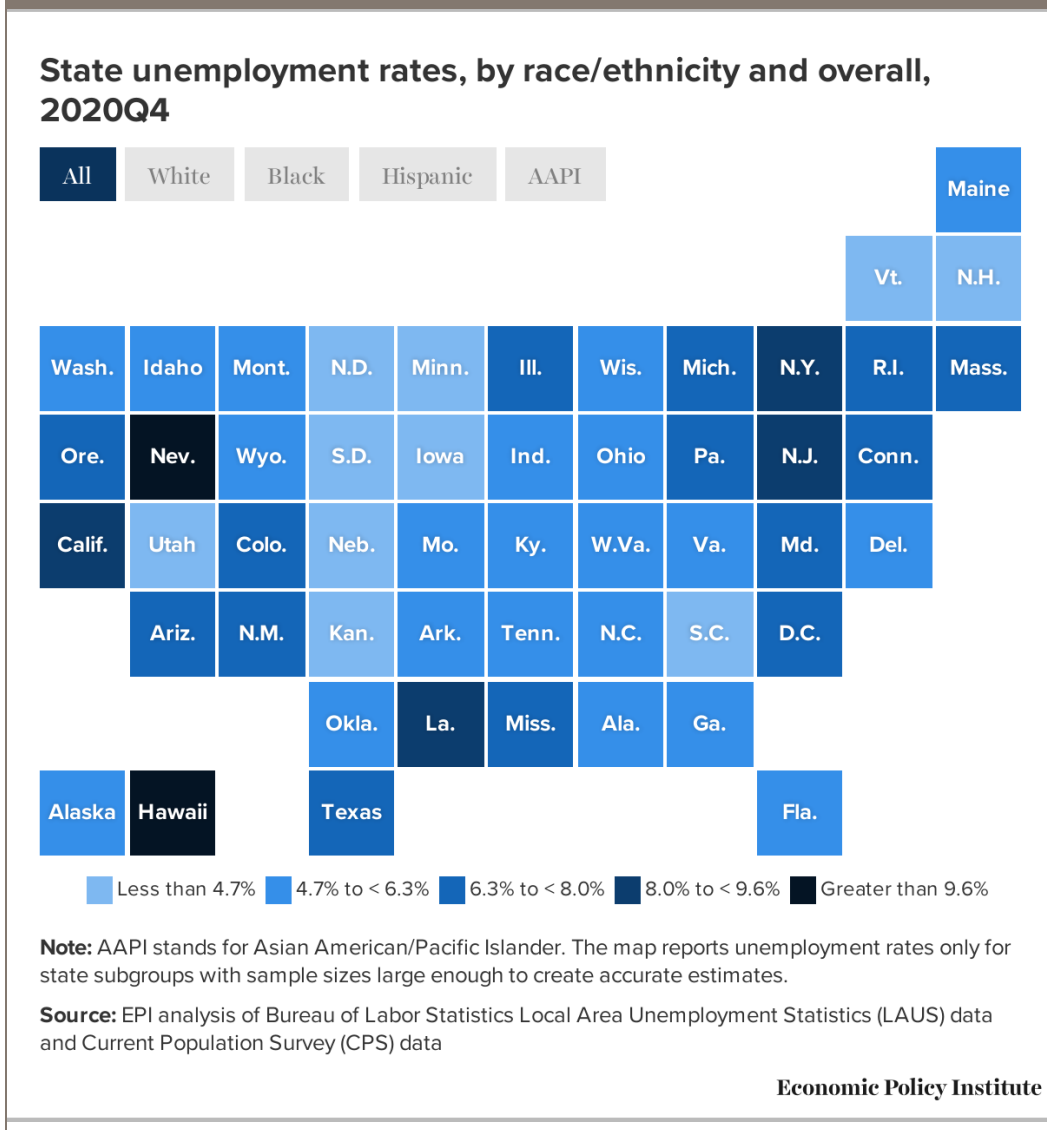
## States Proposing Benefit Cuts Based on Unemployment Rate

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From 2011 to 2013, [10 states](#) passed legislation decreasing the maximum duration of UI benefits: Alabama, Arkansas, Florida, Georgia, Illinois, Kansas, Michigan, Missouri, North Carolina, and South Carolina. Of those, Florida, Georgia, Kansas, and North Carolina, as well as Idaho, have adopted sliding scales tied to state unemployment rates.

Now, so far, we have seen eight states propose UI benefit cuts based on the average unemployment rate: West Virginia, Arizona, Kansas, Ohio, Missouri, Maine, Tennessee, and Louisiana. State advocates and some legislators have been fighting against these bills (e.g., West Virginia delegates championing UI reform succeeded in removing the indexing provisions from House Bill 2743).

Figure 1.



## West Virginia

West Virginia introduced [Senate Bill 442](#) and [House Bill 2743](#) in late February 2021; they contain provisions that would establish an unemployment compensation indexing system. The indexing system would reduce the duration of benefits to just 12 weeks if the state’s unemployment rate fell below 5.5%, with unemployed people limited to a maximum duration of 20 weeks if the state’s unemployment rate exceeds 9%.

[Data](#) from the quarter preceding the bill’s proposal showed that West Virginia’s average unemployment rate was 6.3% and white unemployment rate was 6.2%. Data on the state’s unemployment rate for workers of color during this same quarter was unavailable. Typically,

the unemployment rates for Black and Latinx people are higher than the white unemployment rate. Therefore, not only would such legislation negatively affect Black and Latinx workers in the state, it would have an impact on some white workers, as the last reported unemployment rate for white workers was higher than 5.5%.

## Arizona

In February 2021, [Senate Bill 1411](#) was introduced in the Arizona senate. This indexing bill provided for a reduction in the duration of state UI from 26 weeks to 20 weeks. UI duration would only revert back to 26 weeks if the state's quarterly unemployment rate exceeded 6%. Prior to this bill, Arizona passed several measures starting in 2012 that, taken together, reduced access to UI benefits. This resulted in only [11 out of every 100 unemployed workers in Arizona being able to receive UI benefits](#).

[Unemployment rate data](#) from the quarter preceding the February proposal of this bill showed that the average unemployment rate in Arizona was 7.8%, while the unemployment rate was 6.4% for white workers and 8.9% for Latinx workers. The white unemployment rate is 1.4% lower than the state's average, but the Latinx unemployment rate is 1.1% higher. Although unemployment rate data for Black workers in Arizona is not available for this quarter, the Black unemployment rate is typically much higher than the average unemployment rate. Latinx and Black workers would experience more of the negative impact of cutting UI benefits based on the average unemployment rate.

## Kansas

Around the same time as the Arizona bill, the Kansas Chamber of Commerce introduced similar UI indexing bills: [House Bill 2196](#) and [Senate Bill 177](#). Based on the proposed Senate bill, the state UI benefit duration would be reduced from an already short 20 weeks to 16 weeks based on a 5% unemployment rate: "For weeks commencing on and after April 1, 2021, if at the beginning of the benefit year, the three-month seasonally adjusted average employment rate for the state of Kansas is: (1) less than 5%, a claimant shall be eligible for a maximum of 16 weeks of benefits; (2) at least 5% but less than 6%, a claimant shall be eligible for a maximum of 20 weeks of benefits; or (3) at least 6%, a claimant shall be eligible for a maximum of 26 weeks of benefits."

This is a harsher version than its predecessor, a 2013 law<sup>15</sup> that said when the state's average unemployment rate for three months is at least 4.5% but less than 6%, jobless workers can receive up to 20 weeks of benefits, and when the average is 6%, they are eligible for 26 weeks. After the enactment of this law and a punitive five-year fraud ban, the share of eligible jobless workers receiving benefits drastically fell from 36% in the first quarter of 2012 to just 18% pre-pandemic, making Kansas rank as the 39<sup>th</sup> lowest nationally.

Although Latinx and white unemployment rates for this specific quarter are comparable, typically because of systemic racism, the unemployment rate for Latinx workers has trended higher throughout the pandemic. [Data](#) from quarters with peak unemployment rates are not available. However, data from the fourth quarter showed that the average unemployment rate in Kansas was 4.6%, while the unemployment rate was 4.5% for white workers and 4.6% for Latinx workers.

According to U.S. Census 2019 estimates, the Kansas population is 12.2% Latinx and 86.3% white. This means even though Latinx workers make up a smaller share of the total population, a higher number of Latinx workers are unemployed in the state compared to white workers.

Although unemployment rate data for Black and AAPI workers in Kansas are not available, generally, as a result of systemic racism, the Black and Latinx unemployment rates are higher, with Black and AAPI workers experiencing unemployment longer. Cutting benefits harms these workers the most.

House Bill 2196 was signed into law on April 26, 2021.

## **Ohio**

The Ohio Chamber of Commerce submitted a budget amendment<sup>16</sup> that would create a sliding scale for UI maximum benefit weeks ranging from 12 to 20 weeks, depending on the state's unemployment rate. The amendment failed to be included in a House budget bill, and at time of publication, has not yet been included in the Senate budget bill.

Data from the quarter preceding the submission of this budget amendment showed that the average unemployment rate in Ohio was 5.8%, while the unemployment rate was 4.8% for white workers and 11.1% for Black workers.<sup>17</sup> According to the U.S. Census 2019 estimates, the Ohio population is 13.1% Black and 81.7% white.

This means despite making up a smaller share of the total population, Black workers have been disproportionately harmed by the health and economic crisis as a direct result of systemic racism. Although unemployment rate data for Latinx and AAPI workers in Ohio are not available, generally, the Black and Latinx unemployment rates are higher with Black and AAPI workers experiencing unemployment longer.

The pre-pandemic reciprocity rate in Ohio was 21.2%, ranking 36<sup>th</sup> lowest nationally. Enactment of this bill would cause the reciprocity rate to decrease further as more people lose benefits for which they are otherwise eligible. Cutting benefits harms these workers the most.

## **Missouri**

Missouri passed legislation in 2011 that decreased its UI maximum duration from 26 weeks to 20 weeks. In 2015, Missouri enacted another law to further decrease its UI maximum duration from 20 weeks based on the state's unemployment rate, to: (1) 13 weeks if state unemployment rate is less than 6.0%; (2) additional week added to 13 weeks for each 0.5% increase in state unemployment rate; (3) 20 weeks if state unemployment rate is at least 9.0%. The Missouri Supreme Court found this 2015 law unconstitutional.<sup>18</sup> Missouri is now attempting to enact a measure similar to the 2015 legislation.

Missouri introduced [Senate Bill 622](#) to modify the current UI law, which has 20 weeks as the maximum duration for an individual to receive unemployment benefits. This bill seeks to have the current 20 weeks available when the state's average unemployment rate is higher than 9%.

The weeks of UI benefits available to unemployed people is reduced by one week whenever the state's unemployment rate drops by 0.5%, so 19 weeks of UI benefits are available if the unemployment rate is between 8.5 and 9%. The number of weeks can be cut all the way down to 12 weeks, if the state's unemployment rate is at or below 5.5%.

[Data](#) from the quarter preceding the introduction of this bill showed that the average unemployment rate in Missouri was 5.0% and the white unemployment rate was 4.3%. Race and ethnicity data is not available for the fourth quarter but is available for the third quarter. When the state unemployment rate was 6.3%, the white unemployment rate was 5.8% and the Black unemployment rate was 9.2%.

Given what we learned from the Great Recession and what we know about pre-pandemic unemployment, this is an unfair index whereby white workers may likely have an economic recovery that brings down the overall unemployment rate while Black workers are likely to be unemployed for longer and impacted by this cut. This is not at all equitable.

According to the U.S. Census 2019 estimates, the Missouri population is 11.8% Black and 82.9% white. This means despite making up a smaller share of the total population, Black workers have been disproportionately harmed by the health and economic crisis.

Although unemployment rate data for Latinx and AAPI workers in Missouri is not available, the Black and Latinx unemployment rate is higher as a result of systemic racism, with Black and AAPI workers experiencing unemployment longer. The pre-pandemic reciprocity rate in Missouri was 19.2%, ranking 37<sup>th</sup> lowest nationally. An adoption of this bill would cause the reciprocity rate to decrease further as more people lose benefits for which they are otherwise eligible.

## **Maine**

Maine introduced [House Bill 1260](#) on March 24, 2021, linking the duration of UI benefits to the state's average unemployment rate and making the maximum amount of benefits that an eligible unemployed worker can access, whether totally or partially unemployed, 20 weeks.

If the state average unemployment rate is at or below 5.5%, then unemployed workers are only able to receive a maximum of 12 weeks of their weekly benefit amount. For each 0.5% increase above 5.5%, the UI duration increases by one week. Therefore, if the average unemployment rate increases to 6%, then unemployed people could be eligible for up to 13 weeks of benefits.

[Data](#) from the quarter preceding the introduction of this bill showed that the average unemployment rate in Maine was 5.1% and the white unemployment rate was 4.8%.<sup>19</sup> Based on this Q4 2020 data, the average unemployment rate is below 5.5%; therefore, if this bill



passed, unemployed people in Maine would only be able to receive a maximum of 12 weeks of UI benefits. Unemployment rate data on workers of color in Maine was not available for this particular quarter. Nonetheless, the historical trend has been that the unemployment rate for Black workers is typically double the white unemployment rate. With the white unemployment rate at 4.8%, hypothetically the Black unemployment rate could be twice as high at 9.6%. And therefore, there would be a drastic and unfair impact on Black workers in the state.

## Tennessee

In Tennessee, two bills, Senate Bill 1402 and House Bill 1039, would cut unemployment from 26 to 12 weeks while giving a modest increase in the benefit of about \$20 a month. If passed, it would take effect July 1, 2023. The 12-week timeframe would trigger when the state's unemployment rate dips below 5.5%. An additional week would be added for each half-percent increase in the unemployment rate, up to a maximum of 20 weeks if the jobless rate hits 9%. The bills passed and head to Governor Bill Lee for signature.

The state unemployment rate for the fourth quarter of 2020 was 6.3%, with white unemployment at 5.2% and the Black unemployment rate at 11.3%. Black workers have been disproportionately harmed by the health and economic crisis.

Although unemployment rate data for Latinx and AAPI workers in Tennessee is not available, generally, as a result of systemic racism, the Black and Latinx unemployment rate is higher, with Black and AAPI workers experiencing unemployment longer. Before the pandemic, the reciprocity rate in Tennessee was 14.9%, ranking 45<sup>th</sup> lowest nationally. Additionally, Tennessee's maximum weekly benefit is \$275, making it the fifth lowest in the nation. Shortening the duration of unemployment causes more workers to exhaust benefits and significantly decreases the reciprocity rate.

## Louisiana

Louisiana has the lowest average weekly UI benefit in the country. Additionally, before the pandemic, Louisiana had a reciprocity rate in Q4 2019 of just 10.6%, ranking 48<sup>th</sup> in the country in getting UI benefits to eligible claimants.<sup>20</sup>

Unemployed workers and advocates in the state have been fighting to raise the UI maximum weekly benefit amount and to tie the benefit amount to the state's average weekly wage going forward so that benefit amounts increase as wages increase. Yet, just this month, the Louisiana Senate introduced [Bill 225](#), which would reduce UI benefits duration to 12 weeks if the average unemployment rate is at or below 5.5%. There is a separate provision in the bill that links the maximum weekly benefit amount to UI trust fund balance.

[According to the Bureau of Labor Statistics' Local Area Unemployment Statistics \(LAUS\) data and Current Population Survey \(CPS\) data](#), Louisiana's average unemployment rate in the last quarter of 2020 was 8.4%. The white unemployment rate was 6.7%, and the Black unemployment rate was 11.9%. Although the white unemployment rate is lower than the state average and most white workers may not be affected by UI benefits being reduced

when the average unemployment rate drops, Black workers, as is shown by this data, will be greatly impacted by such a policy.

## States Already Repeating Harmful Practices from Last Recession

Not every state has been fully transparent about the intentions underlying these policies, which is to discourage workers from easily accessing UI benefits. Some states have considered these UI indexing bills in a misguided attempt to bulk up their trust fund. What is clear is these indexing efforts will leave many unemployed workers without a source of income during a challenging time in their lives.

After the last recession, states erected far greater hurdles for unemployed people to easily apply for and get UI benefits. As shown by the maps below, Southern states and those states with the highest concentration of Black workers created some of the most restrictive policies and practices. Similarly, the same is demonstrated with the Latinx Population map. As a result, fewer people applied and received UI benefits. As we have pointed out in the past, there is an unsurprisingly high correlation between states that have deliberately added hurdles to their unemployment insurance systems and the decline in reciprocity rates. Mapping two key measures of UI program sufficiency (reciprocity and replacement of loss income) next to state racial makeup, it is clear that in states where more workers of color actually live are also states with more inadequate UI systems.

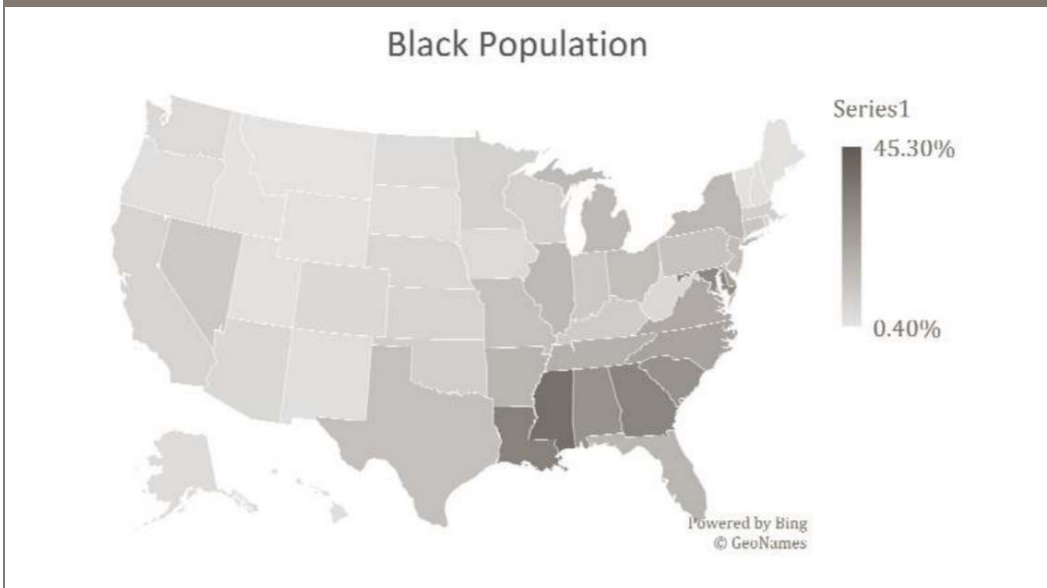
**Figure 2. Map of U.S. Unemployment Insurance Reciprocity in Q3 2019.** This map highlights the range in reciprocity rates by state. Darker shaded states have a higher reciprocity rate than lighter shaded states.



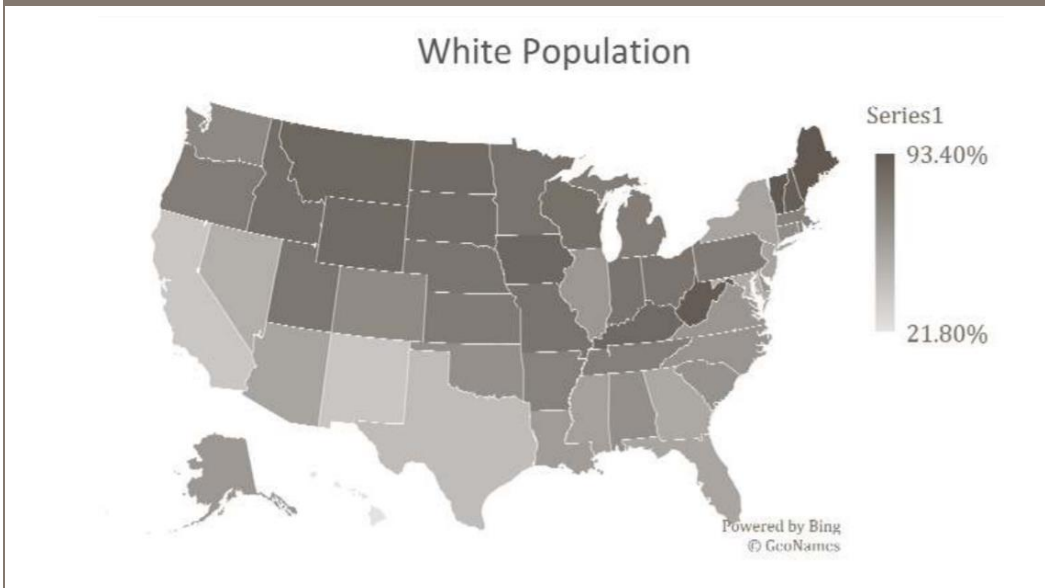
**Figure 3. Map of U.S. Income Replacement in Q3 2019.**  
This map shows the share of lost income that unemployment insurance replaces. Southern states tend to have a lower replacement rate, forcing workers further into poverty.



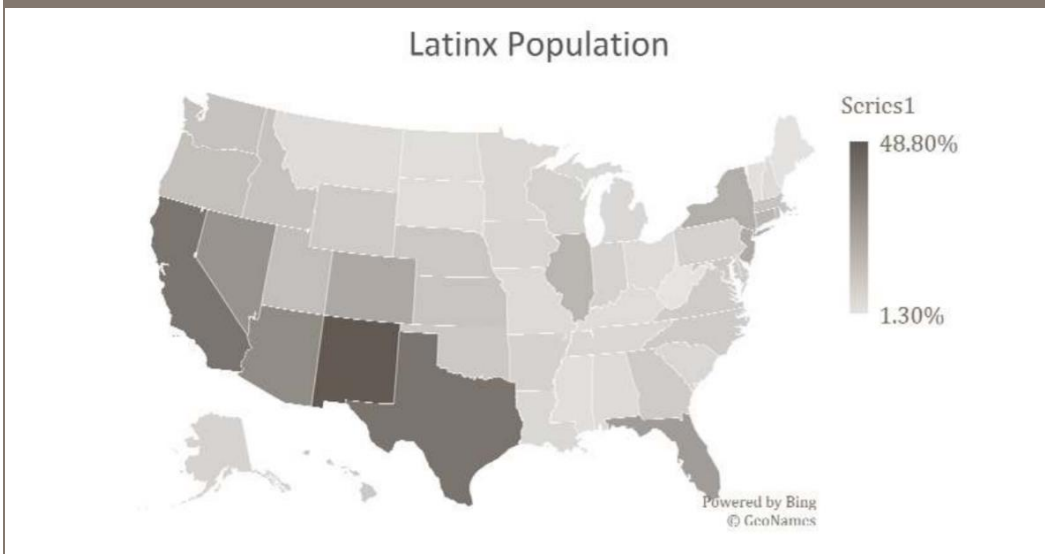
**Figure 4. Map of the U.S. by Black Population in Q3 2019.**  
This map demonstrates the overlap between states with a higher concentration of Black workers and states with lower unemployment insurance reciprocity and replacement rates.



**Figure 5. Map of the U.S. by White Population in Q3 2019.**  
This map demonstrates the overlap between states with a higher concentration of white workers and states with higher unemployment insurance reciprocity and replacement rates.



**Figure 6. Map of the U.S. by Latinx Population in Q3 2019.**  
This map demonstrates the overlap between states with a higher concentration of Latinx workers and states with lower unemployment insurance reciprocity rates.



One of the most common ways that states have eroded benefits is by cutting duration below 26 weeks. [An analysis of the long-term unemployment rate in the United States by race and ethnicity](#) showed that 22.5% of Asian unemployed people had been jobless for 27 weeks or longer and 25.66% of Black unemployed people had been jobless for at least 27 weeks. The average unemployment rate for white workers was [19 weeks, compared to 25.9 weeks](#) for Black workers. A 26-week benefit period would cover average duration for Black workers; any duration less than 26 weeks therefore statistically harms Black and Asian workers more.

For example, when Michigan enacted legislation to reduce maximum weeks in 2011, the average duration of unemployment for Black and Asian workers was 27.7 weeks, but for white workers it was just 19.7 weeks. The [Black unemployment rates in Detroit and Flint](#) were 17.4% and 25%, respectively. Pandemic aside, an economic downturn had been expected sometime in 2020. Many Black communities were still recovering from the last recession when this recession started. For some Black communities that were already experiencing recession-level unemployment rates just prior to the COVID-19 pandemic, the prolonged impact of joblessness has only intensified. When unemployment reached [14.7%](#) for the broader population in April, it was viewed as a [national emergency](#). Communities like Detroit need investments in quality employment opportunities, but instead they receive fewer weeks of UI and therefore less access to reemployment services.

This is a compounding issue as well. When a recession hits, statutory extended benefits are based on a percentage of the number of weeks that states already have in place. Extended Benefits (EB) are not always equal to 13 weeks; that is only true when states use 26 weeks of reciprocity as the standard. Workers in states that have reduced weeks and have trouble getting back to work will see their woes multiplied through each extension.

For example, in the last recession, the [Government Accountability Office](#) looked at how individual workers would fare if their state had already reduced benefit duration and found massive economic losses. Their calculations showed that an average worker in North Carolina, where benefits were slashed from 26 weeks to a range of 12 to 20 weeks, out of work for the full duration of unemployment (including Emergency Unemployment Compensation and Extended Benefits) would have experienced benefit cuts totaling \$21,974 to \$24,381. Even in states with smaller reduction in weeks, such as Michigan and South Carolina, which cut to 20 weeks, workers in those states would have received \$6,118 and \$5,088 less, respectively.

Thus, these discriminatory and inequitable recovery responses to UI trust fund insolvency are not people-centered and will undermine UI program effectiveness. At a time when legislators across the country should be fighting to undo structurally racist policies within the labor market and for unemployed workers, some states are instead ensuring the legacy of racist UI policies (since the program's inception in the New Deal) lives on—including in UI indexing bills. The compounding effects that UI indexing legislation has on workers of color is avoidable and only serves the purpose of preventing more unemployed people—primarily people of color—from receiving UI benefits.

## Stark Differences in Unemployment Experience for Workers of Color

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The data provided in this policy brief show that workers of color are experiencing inequities in several important economic indicators due to specific and calculated policy choices. States that have the highest population of workers of color have the least sufficient unemployment benefits, even though UI benefits are so critical to Black and Asian American workers who experience longer periods of unemployment, and Black and Latinx workers who face high unemployment rates.

In transforming systems to truly be people-centered, we must challenge harmful actors and systems that are structurally racist. The UI system has been purposefully crafted to exclude Black and other workers of color from its inception (e.g., excluding domestic workers and farmworkers from the Social Security Act of 1935) to its current implementation (e.g., overly calibrated for bias, fraud, and punishment based on errors, all of which disproportionately impacts Black workers), instead of focusing on getting better benefits to more workers.

Public supports and programs that we call social insurance, including UI, need to be available at all times, not only in times of national crisis. When workers have access to social insurance programs that promote economic security, they are less at the mercy of employers. This gives workers the choice to walk away from jobs that pay low wages and employers that tolerate harassment or engage in a race to the bottom. If we strengthen and structurally transform these programs to make them people-centered, employers will be compelled to improve the quality of jobs too.

## Conclusion and Recommendations

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States can move forward with the lessons learned from the last recession and the current unemployment crisis by transforming their UI system in a manner that is structured to better support unemployed workers of color. Here are a few UI policies that states should consider implementing:

- Minimum of 30 weeks of benefits
- Dramatically increase state unemployment or workforce agency staffing for expanded call-center capacity and online technical support
- Expand language access on telephone and online systems
- Include dependent allowances for working families
- Ensure the modernization process is user-centered and centers the needs of workers of color<sup>21</sup>
- Expand partial unemployment insurance to cover more part-time workers
- More workers should be eligible. Employers in the gig economy and low-paid educational contract employees like adjuncts and paraeducators should be able to access UI in every state
- Increase the weekly benefit amount based on what unemployed people in the state need to meet their living expenses and to thrive during tough economic times

- Wage replacement rates should be at least 75% of a worker's wages, with a maximum no less than 2/3 of the state's average weekly wage, and under paid workers should have 85% of their wages replaced when receiving UI. Full replacement is preferable as workers financial commitments do not change and this would save them from additional economic pain.
- Good cause to quit should be uniform across states, so workers fleeing domestic violence, following a spouse whose job has moved, or whose work jeopardizes their health and safety should be able to resign and get UI
- Report demographic data on benefit denials, benefit delays, fraud determinations, and appeals
- Make the optional Alternate Base Period mandatory so workers with erratic schedules can maximize their benefits
- Work-sharing should be universal and available in every state. Employers should have the option to spread layoffs across the workforce and allow workers to get UI to cover their lost hours rather than completely laying off part of the workforce

Whether people survive times of crisis should not be contingent on where they live or their racial or ethnic identity. This harmful and broken patchwork of policies and programs is a strong indicator that we need an unemployment system with national uniformed standards, systems, and guardrails. This is key to building worker power, and this must be done while centering the experiences and needs of Black and Indigenous workers of color. We hope that this policy brief will serve as a helpful resource for state advocates who may encounter similar attempts by misguided legislators to cut UI benefits.

## Endnotes

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<sup>1</sup> The terms “workers of color” or “communities of color” will be used when emphasizing a point of commonality or as a showing of solidarity when facing similar challenges. Otherwise, the specific race or ethnicity (i.e., Black, Latinx, Asian) will be named when that group is experiencing a unique challenge or when the data provided is specific to that group. For some states, the data on unemployment rates for Black and Latinx workers isn’t available. This data is even more sparse for Asian workers.

<sup>2</sup> <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

<sup>3</sup> <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

<sup>4</sup> *Id.*

<sup>5</sup> <https://www.epi.org/indicators/state-unemployment-race-ethnicity/>

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> [https://oui.doleta.gov/unemploy/data\\_summary/DataSummTable.asp](https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp)

<sup>9</sup> [https://oui.doleta.gov/unemploy/data\\_summary/DataSummTable.asp](https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp)

<sup>10</sup> Andrew Stettner and Ellie Kaverman, “Delay in Extending Unemployment Aid Has Shortchanged Workers \$17 Billion in January,” February 2, 2021, <https://tcf.org/content/commentary/tardy-stimulus-action-causes-pandemic-unemployment-benefit-delays/>

<sup>11</sup> Amanda Novello, Looming Unemployment Cliff Will Hit Women and People of Color the Hardest,” December 11, 2020, <https://tcf.org/content/commentary/looming-unemployment-cliff-will-hit-women-people-color-hardest/>

<sup>12</sup> <https://www.nelp.org/publication/urgent-need-federal-loans-state-unemployment-agencies/>

<sup>13</sup> Julia Simon-Mishel, Maurice Emsellem, Michele Evermore, Ellen LeClere, Andrew Stettner, and Martha Coven, “Centering Workers, How to Modernize Unemployment Insurance Technology,” September 17, 2020, <https://www.nelp.org/publication/centering-workers-how-to-modernize-unemployment-insurance-technology/>.

<sup>14</sup> <https://oui.doleta.gov/unemploy/chartbook.asp>

<sup>15</sup> John Hanna, “Kansas Republicans Spark Backlash with plan to curb unemployment benefits during pandemic,” *Associated Press*, February 19, 2021, <https://www2.ljworld.com/news/state-government/2021/feb/19/kansas-republicans-spark-backlash-with-plan-to-curb-unemployment-benefits-during-pandemic/>.

<sup>16</sup> Zach Schiller, “Chamber of Commerce plan would slash Ohio unemployment benefits,” March 31, 2021, <https://www.policymattersohio.org/blog/2021/03/31/chamber-of-commerce-plan-would-slash-ohio-unemployment-benefits>

<sup>17</sup> Yoder, *op. cit.*

<sup>18</sup> See <http://www.courts.mo.gov/file.jsp?id=104054>.

<sup>19</sup> Leo Shane III, “VA officials say one in 10 department jobs is unfilled,” *Military Times*, September 4, 2018, <https://www.militarytimes.com/veterans/2018/09/04/one-in-10-va-jobs-is-unfilled-leaving-gaps-in-veterans-services/>.

<sup>20</sup> [https://oui.doleta.gov/unemploy/data\\_summary/DataSummTable.asp](https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp)

<sup>21</sup> Simon-Mishel, Emsellem, Evermore, LeClere, Stettner, and Coven, “Centering Workers, How to Modernize Unemployment Insurance Technology,”