

Urban Institute Forum on Unemployment Insurance
June 11, 2009
Richard A. Hobbie, Ph.D.

How well is this program functioning in the current recession?

- 1) During this recession **we have lost 5.9 million jobs** (seasonally adjusted). In terms of job loss, this recession is deeper and longer than during the 1981-1982 recession, the worst post-WW II recession.
- 2) Recently, **initial claims of state UI benefits have peaked at 658,000** (seasonally adjusted), but they remain higher than they were 18 months after the beginning of the 1981-1982 recession.
- 3) **State continued claims at 6.7 million (seasonally adjusted) have not yet peaked.** This is higher than during the 1981-1982 when they were only about 4.6 million. This difference is largely due to a 42 percent increase in the civilian labor force since 1982.
- 4) **State continued claims as a percent of employment (seasonally adjusted) at 5.1 percent still has not exceeded the peak of 5.2 percent near the end of the 1981-1982 recession.**
- 5) **The percent of unemployed receiving unemployment compensation now is at 59 percent.** The total number receiving unemployment compensation is 8.5 million (unadjusted). This includes the 6 million on state UI and 2.5 million on federal unemployment compensation.
- 6) **Employer tax rates are historically low**, but rising in response to the recession.
- 7) **Effective tax rates are historically low because taxable wages as a percent of total wages paid have eroded from over 90 percent at the beginning of the program down to less than 30 percent.**
- 8) **Average weekly benefits as a percent of average weekly wages at around 35** have been relatively constant.
- 9) **But average duration on state UI benefits has climbed from around 13 weeks to around 15 weeks.**
- 10) **States are underfunded by the federal government by about \$500 top \$600 million each year.**
- 11) **Fifteen states have borrowed nearly \$9 billion from the federal government to cover benefit costs.** More borrowing by more states could follow later.

Which states are taking advantage of federal options or incentives to expand eligibility?

See the summary chart.

Which features are most frequently selected?

- 1) For the one-third incentive:
 - a. 19 states have been approved by USDOL for payment;
 - b. 7 states had laws that already qualified them; and
 - c. 12 states enacted legislation that qualified them.

- 2) For the two-thirds incentive for which the one-third incentive is necessary for full payment:
 - a. 6 states have been approved by USDOL for payment and they, as a result, received the full incentive payment.
 - b. No states had laws that already qualified them.
 - c. 10 states have enacted a part-time worker provision and 5 have been approved by USDOL;
 - d. 10 states have enacted a training provision and 4 have been approved by USDOL;
 - e. 8 states have enacted the compelling family reasons provision and 2 have been approved USDOL; and
 - f. 1 state has enacted the dependents allowance provision and it has been approved by USDOL.

UI MODERNIZATION: STATE LEGISLATIVE ACTIVITY and USDOL STATUS

STATE	1/3 OF INCENTIVE FUNDS (REQUIRED)		2/3 OF INCENTIVE FUNDS (2 of 4 REQUIRED)					TOTAL SHARE OF FUNDS RECEIVED BY EACH STATE	STATE
	State Legislation Status (Click Status to see Full Text of Legislation)	USDOL STATUS (Click Status to see State Application)	State Legislation Status (Click Status to see Full Text of Legislation)				USDOL STATUS (Click Status to see State Application)		
	ALTERNATE BASE PERIOD		PART-TIME	TRAINING	COMPELLING FAMILY REASONS	DEPENDENTS ALLOWANCE			
ALABAMA	-	-	-	-	-	-	-	-	ALABAMA
ALASKA	Legislation Signed by Governor (SB 170)	-	-	-	-	-	-	-	ALASKA
ARIZONA	-	-	-	-	-	-	-	-	ARIZONA
ARKANSAS	Legislation Signed by Governor (SB 429)	-	-	Legislation Signed by Governor (SB 429)	Legislation Signed by Governor (SB 429)	-	-	-	ARKANSAS
CALIFORNIA	-	-	-	-	-	-	-	-	CALIFORNIA
COLORADO	Legislation Signed by Governor (SB 247)	-	-	Legislation Signed by Governor (SB 247)	Legislation Signed by Governor (SB 247)	-	-	-	COLORADO
CONNECTICUT	Already in State Law	APPROVED \$29.3 million	-	-	Legislation Signed by Governor (PA 09-3)	Legislation Signed by Governor (PA 09-3)	APPROVED \$58.5 million	FULL \$87.8 million	CONNECTICUT
DELAWARE	Pending in State Legislature (HB 170)	-	Pending in State Legislature (HB 170)	-	Pending in State Legislature (HB 170)	-	-	-	DELAWARE
DISTRICT OF COLUMBIA	Already in State Law	APPROVED \$9.2 million	-	-	-	-	-	1/3 \$9.2 million	DISTRICT OF COLUMBIA
FLORIDA	Died in State Legislature (SB 516)	-	Died in State Legislature (SB 516)	-	Died in State Legislature (SB 516)	-	-	-	FLORIDA
GEORGIA	Already in State Law	APPROVED \$73.4 million	Legislation Signed by Governor (HB 581)	Legislation Signed by Governor (HB 581)	-	-	APPROVED \$146.9 million	FULL \$220.3 million	GEORGIA
HAWAII	Already in State Law	APPROVED \$10.2 million	Awaiting Governor's Signature (SB 1568)	-	Awaiting Governor's Signature (SB 1568)	-	-	1/3 \$10.2 million	HAWAII
IDAHO	Legislation Signed by Governor (HB 248)	APPROVED \$10.8 million	Legislation Signed by Governor (HB 248)	Legislation Signed by Governor (HB 248)	-	-	APPROVED \$21.5 million	FULL \$32.3 million	IDAHO
ILLINOIS	Already in State Law	APPROVED \$100.4 million	-	-	-	-	-	1/3 \$100.4 million	ILLINOIS
INDIANA	-	-	-	-	-	-	-	-	INDIANA
IOWA	Legislation Signed by Governor (SF 197)	APPROVED \$23.6 million	Legislation Signed by Governor (SF 197)	Legislation Signed by Governor (SF 197)	-	-	APPROVED \$47.2 million	FULL \$70.8 million	IOWA
KANSAS	Legislation Signed by Governor (HB 2374)	-	Legislation Signed by Governor (HB 2374)	Legislation Signed by Governor (HB 2374)	-	-	-	-	KANSAS
KENTUCKY	-	-	-	-	-	-	-	-	KENTUCKY
LOUISIANA	-	-	-	-	-	-	-	-	LOUISIANA
MAINE	-	-	Awaiting Governor's Signature (LD 1474)	Awaiting Governor's Signature (LD 1474)	-	-	-	-	MAINE
MARYLAND	-	-	Legislation Signed by Governor (HB 310)	-	-	-	-	-	MARYLAND
MASSACHUSETTS	Already in State Law	APPROVED \$54.2 million	-	-	-	-	-	1/3 \$54.2 million	MASSACHUSETTS
MICHIGAN	Pending in State Legislature (HB 4785)	-	Pending in State Legislature (HB 4786)	Pending in State Legislature (HB 4785)	-	-	-	-	MICHIGAN
MINNESOTA	Legislation Signed by Governor (SF 1197)	APPROVED \$43.4 million	Legislation Signed by Governor (SF 1197)	-	Legislation Signed by Governor (SF 1197)	-	APPROVED \$86.7 million	FULL \$130.1 million	MINNESOTA
MISSISSIPPI	-	-	-	-	-	-	-	-	MISSISSIPPI
MISSOURI	-	-	-	-	-	-	-	-	MISSOURI
MONTANA	Legislation Signed by Governor (HB 645 , pp.23-27)	Pending \$6.5 million	Legislation Signed by Governor (HB 645 , pp.23-27)	Legislation Signed by Governor (HB 645 , pp.23-27)	-	-	-	-	MONTANA
NEBRASKA	-	-	-	-	-	-	-	-	NEBRASKA
NEVADA	Legislation Signed by Governor (A.B. 469)	APPROVED \$25.6 million	Legislation Signed by Governor (A.B. 469)	-	Legislation Signed by Governor (A.B. 469)	-	Pending \$51.3 million	1/3 \$25.6 million	NEVADA
NEW HAMPSHIRE	Already in State Law	APPROVED \$10.5 million	-	-	Pending in State Legislature (SB 144)	-	-	1/3 \$10.5 million	NEW HAMPSHIRE
NEW JERSEY	Already in State Law	APPROVED \$68.9 million	Legislation Signed by Governor (A.3818)	Legislation Signed by Governor (A.3818)	-	-	APPROVED \$137.9 million	FULL \$206.8 million	NEW JERSEY
NEW MEXICO	-	-	-	-	-	-	-	-	NEW MEXICO
NEW YORK	Already in State Law	APPROVED \$137.6 million	Legislation Signed by Governor (A.8273)	-	Legislation Signed by Governor (A.8273)	-	-	1/3 \$137.6 million	NEW YORK
NORTH CAROLINA	-	-	-	-	-	-	-	-	NORTH CAROLINA
NORTH DAKOTA	-	-	-	-	-	-	-	-	NORTH DAKOTA
OHIO	Already in State Law	APPROVED \$88.2 million	-	-	-	-	-	1/3 \$88.2 million	OHIO
OKLAHOMA	Awaiting Governor's Signature (S B 1175)	-	Awaiting Governor's Signature (S B 1175)	-	Awaiting Governor's Signature (S B 1175)	-	-	-	OKLAHOMA
OREGON	Legislation Signed by Governor (SB 462)	APPROVED \$28.5 million	-	Legislation Signed by Governor (H B 2203)	Legislation Signed by Governor (H B 2203)	-	-	1/3 \$28.5 million	OREGON
PENNSYLVANIA	-	-	-	-	-	-	-	-	PENNSYLVANIA
RHODE ISLAND	-	-	-	-	-	-	-	-	RHODE ISLAND
SOUTH CAROLINA	-	-	-	-	-	-	-	-	SOUTH CAROLINA
SOUTH DAKOTA	Legislation Signed by Governor (HB No. 1176)	APPROVED \$5.9 million	-	-	-	-	-	1/3 \$5.9 million	SOUTH DAKOTA
TENNESSEE	Legislation Signed by Governor (HB 2315)	-	-	-	-	-	-	-	TENNESSEE
TEXAS	Died in State Legislature (SB 1569)	-	Died in State Legislature (SB 1569)	-	Died in State Legislature (SB 1569)	-	-	-	TEXAS
UTAH	Died in State Legislature (HB 428)	-	Died in State Legislature (HB 428)	-	Died in State Legislature (HB 428)	-	-	-	UTAH
VERMONT	Already in State Law	APPROVED \$4.6 million	-	-	-	-	-	1/3 \$4.6 million	VERMONT
VIRGINIA	Already in State Law	APPROVED \$62.8 million	-	-	-	-	-	1/3 \$62.8 million	VIRGINIA
WASHINGTON	Already in State Law	APPROVED \$48.9 million	-	-	-	-	-	1/3 \$48.9 million	WASHINGTON
WEST VIRGINIA	Legislation Signed by Governor (SB 246)	-	-	-	-	-	-	-	WEST VIRGINIA
WISCONSIN	Legislation Signed by Governor (AB 255)	-	-	Legislation Signed by Governor (AB 255)	Legislation Signed by Governor (AB 255)	-	-	-	WISCONSIN
WYOMING	-	-	-	-	-	-	-	-	WYOMING
	ALTERNATE BASE PERIOD	USDOL APPROVED	PART-TIME	TRAINING	COMPELLING FAMILY REASONS	DEPENDENTS ALLOWANCE	USDOL APPROVED	TOTAL FUNDS RECEIVED BY STATES	
TOTAL	14 states have enacted legislation; 13 states already had provision in law	\$836 million (19 States)	10 states have enacted legislation	10 states have enacted legislation	8 states have enacted legislation	1 state has enacted legislation	\$498.7 million (6 states)	\$1.334 billion (19 states)	TOTAL