Making Unemployment Insurance Work Better for Low-Income Working Families

August 19, 2013
2:00 PM EDT
Overview of the SSRC

- Virtual library with over 2500 items
- Designed for researchers, practitioners, and policymakers
- Includes interactive features
  - Events and Conferences
  - Make a Linkage
Substantive Focus: 12 Topic Areas

- Asset-Building, Tax Policies, and Subsidies
- Child Care
- Child Support
- Community Development and Housing
- Education and Training
- Employment
- Family Structure and Family Formation
- Food Assistance
- General Research on Income and Poverty
- Health
- TANF Policy, Services, and Benefits
- Transportation

Resources must be relevant to self-sufficiency
National Poverty Center

- Joint effort of the SSRC and the National Poverty Center at the University of Michigan
- Facilitated by H. Luke Shaefer, PhD
  - Assistant Professor at the University of Michigan School of Social Work
  - Research Affiliate at the National Poverty Center of the Gerald R. Ford School of Public Policy
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• A copy of the presentation will be posted on the website after the webinar.
MAKING UNEMPLOYMENT INSURANCE WORK BETTER FOR LOW-INCOME WORKING FAMILIES

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Research Affiliate, National Poverty Center
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BACKGROUND

- Unemployment Insurance (UI) is the major social insurance program protecting workers against involuntary unemployment
- UI hasn’t changed that much since 1935...
- Research finds that low-earning unemployed workers experience difficulty accessing UI benefits
- Yet low-earning workers are subject to UI taxes, even regressively so
- They also may be in greater need of income support during spells unemployment than higher earners
- Arguably, UI is more important now that cash assistance is less available
WHY DO LOW-EARNING WORKERS HAVE DIFFICULTY ACCESSING UI? THREE FACTORS

1. **Trouble meeting monetary eligibility criteria**
   - Based on states’ minimum earning (hours) thresholds
   - Low-earning workers may have difficulty hitting monetary eligibility thresholds

2. **Trouble meeting non-monetary eligibility criteria**
   - Based on the nature of the job separation, and requirements imposed on beneficiaries
   - Low-earning workers may be more likely to voluntarily quit a job (due to person and sectoral reasons)

3. **Failure to apply for benefits by eligibles**
   - UI is confusing (even for me)
   - The social networks of low-earning workers may not have limited (or inaccurate) info about UI
ARRA Offered $7 billion to states to modernize their UI programs:

- **For first 1/3 of $**: states had to adopt an Alternative Base Period (ABP) that reforms monetary eligibility.

- **For remaining 2/3rds**: states choose between four options, two target non-monetary eligibility:
  1. Make eligible workers seeking part-time hours
  2. Ease requirements for workers who leave a job due to family demands
TODAY’S WEBINAR

- **Alix Gould-Werth, University of Michigan**
  - Will report on the first national evaluation of the efficacy of the Alternative Base Period

- **Alex Hertel-Fernandez, Harvard University**
  - Will report on new research about the role of information as a barrier to UI application

- **Claire McKenna, National Employment Law Project**
  - Will report on initiatives in various states, with a focus on relaxing non-monetary eligibility
IF I COULD WAVE A MAGIC WAND, I WOULD

My Own Research Suggests We Should:
- Reduce non-monetary ineligibility to a few weeks instead of the duration of an unemployment spell
- Require UI administrators to notify potential eligibles, in a carefully constructed way

My Reading Suggests We Should:
- End experience rating in UI, which provides adverse incentive for firms to contest UI claims
- Federalize the UI system to ensure better financing
- Consider a complete overhaul of the system that might allow workers more flexibility to take benefits when needed*

*pie-in-the-sky
REFERENCES


The Alternative Base Period and UI receipt among low-income working families

SSRC & NPC Webinar

Alix Gould-Werth
University of Michigan
Why might low-wage workers not receive UI?

• They might not apply

• They might be ineligible for non-monetary reasons
  • Separation might be voluntary or due to employee misconduct
  • They might not be actively seeking work

• They might fail to meet the monetary eligibility criteria
What are the monetary eligibility criteria?

• Vary from state to state
• Require some minimum amount of earnings over a four-quarter period
• May also require two consecutive quarters of earnings or a certain high quarter wage within the four-quarter period
• For more information see: http://workforcesecurity.doleta.gov/unemploy/statelaws.asp
How do states decide which four quarters of earnings to examine?

Imagine a worker separated from her job on Groundhog’s Day 2013…

<table>
<thead>
<tr>
<th>First Quarter</th>
<th>Second Quarter</th>
<th>Third Quarter</th>
<th>Fourth Quarter</th>
<th>Lag Quarter</th>
<th>Filing Quarter</th>
</tr>
</thead>
</table>

Standard Base Period
Why would the standard base period decrease rates of monetary eligibility among low-wage workers?

• Low-wage workers have shorter average work tenures—most of their earnings could be excluded with the exclusion of the lag + filing quarter

• Low-wage workers have the most trouble meeting the HQW requirement. If they meet this requirement during the lag quarter but not during other quarters, they will be ineligible

• They may also be on the margins of monetary eligibility so even missing a small period of earnings could affect their eligibility
### What is the Alternative Base Period?

<table>
<thead>
<tr>
<th>Standard Base Period</th>
<th>Alternative Base Period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>First Quarter</strong></td>
<td><strong>First Quarter</strong></td>
</tr>
<tr>
<td>October-Dec. 2010</td>
<td>October-Dec. 2010</td>
</tr>
<tr>
<td><strong>Second Quarter</strong></td>
<td><strong>Second Quarter</strong></td>
</tr>
<tr>
<td><strong>Third Quarter</strong></td>
<td><strong>Third Quarter</strong></td>
</tr>
<tr>
<td>April-June 2011</td>
<td>April-June 2011</td>
</tr>
<tr>
<td><strong>Fourth Quarter</strong></td>
<td><strong>Fourth Quarter</strong></td>
</tr>
<tr>
<td><strong>Lag Quarter</strong></td>
<td><strong>Lag Quarter</strong></td>
</tr>
<tr>
<td><strong>Filing Quarter</strong></td>
<td><strong>Filing Quarter</strong></td>
</tr>
</tbody>
</table>

8/21/2013
Why might the ABP not be as helpful as we hope?

<table>
<thead>
<tr>
<th>State</th>
<th>Earnings threshold</th>
<th>State</th>
<th>Earnings threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alabama</td>
<td>≥ 2,340</td>
<td>Montana</td>
<td>2,305</td>
</tr>
<tr>
<td>Alaska</td>
<td>2,500</td>
<td>Nebraska</td>
<td>3,770</td>
</tr>
<tr>
<td>Arizona</td>
<td>2,250</td>
<td>Nevada</td>
<td>402</td>
</tr>
<tr>
<td>Arkansas</td>
<td>2,870</td>
<td>New Hampshire</td>
<td>2,800</td>
</tr>
<tr>
<td>California</td>
<td>1,125</td>
<td>New Jersey</td>
<td>2,900</td>
</tr>
<tr>
<td>Colorado</td>
<td>2,500</td>
<td>New Mexico</td>
<td>1,750</td>
</tr>
<tr>
<td>Connecticut</td>
<td>600</td>
<td>New York</td>
<td>2,460</td>
</tr>
<tr>
<td>Delaware</td>
<td>720</td>
<td>North Carolina</td>
<td>3,985</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>1,950</td>
<td>North Dakota</td>
<td>2,795</td>
</tr>
<tr>
<td>Florida</td>
<td>3,400</td>
<td>Ohio</td>
<td>4,000</td>
</tr>
<tr>
<td>Georgia</td>
<td>1,760</td>
<td>Oklahoma</td>
<td>1,500</td>
</tr>
<tr>
<td>Hawaii</td>
<td>130</td>
<td>Oregon</td>
<td>1,000</td>
</tr>
<tr>
<td>Idaho</td>
<td>2,340</td>
<td>Pennsylvania</td>
<td>1,320</td>
</tr>
<tr>
<td>Illinois</td>
<td>1,600</td>
<td>Rhode Island</td>
<td>2,960</td>
</tr>
<tr>
<td>Indiana</td>
<td>4,200</td>
<td>South Carolina</td>
<td>4,455</td>
</tr>
<tr>
<td>Iowa</td>
<td>1,454</td>
<td>South Dakota</td>
<td>1,288</td>
</tr>
<tr>
<td>Kansas</td>
<td>3,330</td>
<td>Tennessee</td>
<td>≥ 1,560</td>
</tr>
<tr>
<td>Kentucky</td>
<td>1,001</td>
<td>Texas</td>
<td>2,220</td>
</tr>
<tr>
<td>Louisiana</td>
<td>1,200</td>
<td>Utah</td>
<td>3,100</td>
</tr>
<tr>
<td>Maine</td>
<td>4,228</td>
<td>Vermont</td>
<td>3,084</td>
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<tr>
<td>Maryland</td>
<td>864</td>
<td>Virginia</td>
<td>2,700</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>3,500</td>
<td>Washington</td>
<td></td>
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<tr>
<td>Michigan</td>
<td>4,307</td>
<td>West Virginia</td>
<td>2,200</td>
</tr>
<tr>
<td>Minnesota</td>
<td>1,250</td>
<td>Wisconsin</td>
<td>1,890</td>
</tr>
<tr>
<td>Mississippi</td>
<td>1,200</td>
<td>Wyoming</td>
<td>3,257</td>
</tr>
<tr>
<td>Missouri</td>
<td>2,250</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Support for the ABP

• In 2009 ARRA sought to increase use of the ABP, making ABP adoption a necessary precondition for states to receive their share of the $7 billion targeted at UI programs.
• Today, 40 states + DC use the ABP
Research on the ABP

• Simulations that examine monetary eligibility using national data:
  – Rangarajan and Razafindrakoto (2004)  4%-9%
  – Stettner, Boushey and Wenger (2005)  6%

• Studies with one state’s administrative data that examine receipt among applicants:
  – Vroman (2008)  6%
  – O’ Leary (2011) 2%-3%
But none of these studies measure actual program receipt using nationally representative data...
Logic behind our evaluation

• Variation in ABP implementation may create a natural experiment

• Controls for state, year, and state level UI policy further help to isolate the effect of ABP

• A logit model assessing average marginal effect of ABP presence on UI receipt in the broad population of unemployed workers will determine if and how much the ABP increases the probability of UI receipt.

• Use Current Population Survey March Data from all 50 states, years 1988-2012
For more information on the research method, see:

Table 3. Receipt of Unemployment Insurance by education level

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>All Unemployed workers</th>
<th>Bachelor’s Degree and Higher</th>
<th>Some College</th>
<th>High School Graduates</th>
<th>Less Than High School Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABP</td>
<td>0.004</td>
<td>-0.001</td>
<td>-0.006</td>
<td>0.007</td>
<td>0.011</td>
</tr>
<tr>
<td></td>
<td>(0.005)</td>
<td>(0.012)</td>
<td>(0.007)</td>
<td>(0.009)</td>
<td>(0.013)</td>
</tr>
<tr>
<td>H.S. Graduate</td>
<td>0.0556***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.006)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Some College</td>
<td>0.0519***</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.006)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>College +</td>
<td>-0.00530</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.009)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>-0.0304***</td>
<td>-0.0478***</td>
<td>-0.0323***</td>
<td>-0.0347***</td>
<td>-0.0864</td>
</tr>
<tr>
<td></td>
<td>(0.007)</td>
<td>(0.006)</td>
<td>(0.009)</td>
<td>(0.007)</td>
<td>(0.008)</td>
</tr>
<tr>
<td>Black</td>
<td>-0.0444***</td>
<td>0.014</td>
<td>-0.0268***</td>
<td>-0.0691***</td>
<td>-0.0475***</td>
</tr>
<tr>
<td></td>
<td>(0.009)</td>
<td>(0.014)</td>
<td>(0.012)</td>
<td>(0.012)</td>
<td>(0.009)</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-0.0653***</td>
<td>-0.0470***</td>
<td>-0.0435***</td>
<td>-0.0738***</td>
<td>-0.0697***</td>
</tr>
<tr>
<td></td>
<td>(0.011)</td>
<td>(0.009)</td>
<td>(0.011)</td>
<td>(0.011)</td>
<td>(0.013)</td>
</tr>
<tr>
<td>Married</td>
<td>0.0608***</td>
<td>0.009</td>
<td>0.0484***</td>
<td>0.0789***</td>
<td>0.0832***</td>
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<tr>
<td></td>
<td>(0.004)</td>
<td>(0.006)</td>
<td>(0.006)</td>
<td>(0.006)</td>
<td>(0.009)</td>
</tr>
<tr>
<td>Full-Time</td>
<td>0.192***</td>
<td>0.209***</td>
<td>0.194***</td>
<td>0.195***</td>
<td>0.164***</td>
</tr>
<tr>
<td></td>
<td>(0.007)</td>
<td>(0.009)</td>
<td>(0.008)</td>
<td>(0.010)</td>
<td>(0.008)</td>
</tr>
<tr>
<td>State-Year Unemp Rate</td>
<td>0.0127***</td>
<td>0.0128***</td>
<td>0.0134***</td>
<td>0.0120***</td>
<td>0.0106***</td>
</tr>
<tr>
<td></td>
<td>(0.001)</td>
<td>(0.003)</td>
<td>(0.002)</td>
<td>(0.002)</td>
<td>(0.002)</td>
</tr>
<tr>
<td>R²</td>
<td>0.146</td>
<td>0.113</td>
<td>0.147</td>
<td>0.152</td>
<td>0.169</td>
</tr>
<tr>
<td>N</td>
<td>206,991</td>
<td>29,876</td>
<td>58,293</td>
<td>77,875</td>
<td>40,947</td>
</tr>
</tbody>
</table>
### Selected Results

#### Table 4: Receipt of Unemployment Insurance Among workers with less than a high-school degree

<table>
<thead>
<tr>
<th></th>
<th>Less Than High School Degree, Part-Time</th>
<th>Less Than High School Degree, Full-Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABP</td>
<td>0.028** (0.012)</td>
<td>0.003 (0.015)</td>
</tr>
<tr>
<td>Female</td>
<td>0.010 (0.006)</td>
<td>-0.015 (0.011)</td>
</tr>
<tr>
<td>Black</td>
<td>-0.014 (0.010)</td>
<td>-0.063*** (0.012)</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-0.036*** (0.007)</td>
<td>-0.076*** (0.016)</td>
</tr>
<tr>
<td>Married</td>
<td>0.048*** (0.008)</td>
<td>0.091*** (0.011)</td>
</tr>
<tr>
<td>State-Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unemp Rate</td>
<td>0.006** (0.003)</td>
<td>0.013*** (0.003)</td>
</tr>
</tbody>
</table>

\[
R^2 = 0.089, N = 11,915 \text{ for part-time, } 0.143, N = 29,032 \text{ for full-time}
\]
Estimate of Impact Size

• We estimate that if, in 2011 all states used an ABP, 24,000 more workers would receive unemployment insurance than would have been the case if in 2011 no states used an ABP.

• We estimate the total number of workers who experience unemployment over the course of 2011 to be 16 million.
Implications

• Results suggest that the ABP policy change is serving its intended purpose for a small but important segment of the workforce.

• However, further change is necessary to affect UI application and receipt rates for the broad swath of disadvantaged workers.

• Further research should examine barriers to application and non-monetary eligibility for these workers.
Thank you!

For more information see:

How (Not) to Improve UI Take Up:
A Cautionary Tale from a Survey Experiment

Alexander Hertel-Fernandez
Harvard University
Why Might Individuals Fail to Apply for Benefits?

• *Information costs*: Individuals lack the information to apply
• *Value*: Benefits worth too little
• *Application costs*: Process is too time consuming
• *Stigma*: Benefits are too stigmatized
• *Information costs*: Individuals lack the information to apply
• *Value*: Benefits worth too little
• *Application costs*: Process is too time consuming
• *Stigma*: Benefits are too stigmatized
Information May Be Especially Important for Explaining Low UI Take Up

- Of those who didn’t apply, low educated individuals are more likely to say that they didn’t meet monetary requirements, yet many may in fact be eligible
Information May Be Especially Important for Explaining Low UI Take Up

• Unemployed workers have few(er) resources for information about UI
  – Unions once played this role but are in steep decline
  – UI receives less media attention compared to other social programs
  – Some employers may have incentive to not provide as much information as for other social programs because of experience rating
Information May Be Especially Important for Explaining Low UI Take Up

• Unemployed workers have few(er) resources for information about UI
  – Unions once played this role but are in steep decline
  – UI receives less media attention compared to other social programs
  – Some employers may have incentive to not provide as much information as for other social programs because of experience rating
Our Approach

• *Research question*: What is the effect of information on UI benefit application?

• *Approach*: survey experiment; randomly assign participants to receive information or not
Survey Logistics

• Online survey, participants recruited through Amazon web service
• We restricted participants to American full-time, prime-age workers who followed survey instructions
Three Information “Treatments”

• Generosity
  – How much are minimum, maximum, and average benefits? For how long are benefits available?

• Eligibility
  – What are the monetary and non-monetary requirements?

• Application Procedure
  – How can workers apply for benefits (telephone/internet/in-person)? How quickly do applicants receive their benefits?
Main Outcome

• How likely are you to apply for benefits if you were to become unemployed?
• 0-100 sliding scale, 0 = certain you would not apply, 100 = certain you would apply
Main Findings

Average Likelihood of Applying for Benefits (0-100 Scale)

- Control: 70
Main Findings

Average Likelihood of Applying for Benefits (0-100 Scale)

- Control: 70
- Eligibility: 63
- Generosity: 66
- Application: 63
Why Did Information Have a Negative Effect?

• Two main theories:
  1. Treatments confused respondents, or made the process seem daunting
  2. Respondents had unreasonable (i.e., wrong) expectations about UI benefits and were unpleasantly surprised by actual information

• Our evidence suggests that the second theory is at play: individuals had wrong expectations about the system
Why Did Information Have a Negative Effect?

• Two main theories:
  1. Treatments confused respondents, or made the process seem daunting
  2. Respondents had unreasonable (i.e., wrong) expectations about UI benefits and were unpleasantly surprised by actual information

• Our evidence suggests that the second theory is at play: individuals had incorrect expectations about the system
Implications for States and Program Advocates

• Main lesson: information – even when it is simple, customized, and salient – may not work and may actually work against the goal of increasing UI application rates (and thus take up)

• The problem isn’t just a lack of knowledge about UI, but wrong knowledge about UI
  – This may be harder to change without producing a “backlash”
Implications for States and Program Advocates

• Main lesson: information – even when it is simple, customized, and salient – may not work and may actually work against the goal of increasing UI application rates (and thus take up)

• The problem isn’t just a lack of knowledge about UI, but wrong knowledge about UI
Implications for States and Program Advocates

• Advocates and state leaders should think carefully about how to design information in ways that will not promote backlash; this may involve carefully targeting and customizing information.

• Survey experiments (like the one we described here) are good, low-cost ways of evaluating potential interventions before bringing them to scale.
Implications for States and Program Advocates

• Advocates and state leaders should think carefully about how to design information in ways that will not promote backlash; this may involve carefully targeting and customizing information.

• Survey experiments are excellent, low-cost ways of evaluating potential interventions before bringing them to scale.
Ongoing research

- This is ongoing research; we would greatly welcome your feedback, reactions, or ideas for extensions of this work
- You can reach me at: ahertel@fas.harvard.edu
  http://scholar.harvard.edu/ahertel
Thank you!
State Policies Affecting UI Access for Low-Wage Workers

Claire McKenna
Policy Analyst / National Employment Law Project
cmckenna@nelp.org
212-285-3025, x322
New Florida law imposes severe obstacles to UI (eff. June 2011)

- **Cessation of telephone and paper filing:** online filing only (initial and continuing)
- **Language barriers:** Initial application only in English, Spanish, Haitian Creole
- **Completion of online 45-Q “Initial Skills Review.”** Tests applied math, reading, locating information = UI eligibility criteria? Proprietary, not public
  - Eff. July 2012, ISR graded; recipients with low scores offered training
- **Work-search records reported online** (5 weekly contacts; 3 contacts in small counties)
Requirements result in fewer new UI applicants receiving benefits

United States
Florida
Georgia

2003 2005 2007 2009 2011 2013.Q2
State policies to improve low-wage worker access to UI program
1) Permit unrestricted good cause for voluntarily leaving work (1/2)

- Worker who voluntarily quits work must have “good cause” for doing so in order to qualify for UI.

- **Good cause reasons connected to work:** Reasons “attributable to employer”; required in all but 11 states. Includes change in job which breaches contract, harassment.

- **Good personal causes:** Reasons relating to common work-family conflicts, like child-care availability, illness, or caring for ill family -- issues women more commonly face.
  - Some states that restrict good cause to work make individual exceptions for personal causes.
1) Permit unrestricted good cause for voluntarily leaving work (2/2)

- **Recovery Act**: Permitted voluntary quits for “compelling family reasons”: domestic violence; caring for sick family member; or following spouse who relocates for work
  - 19 states expanded coverage to varying degrees; at least one reason enacted in 21 states pre-ARRA.
- Progressive UI programs **permit broadest definition of good cause**: include range of valid personal, economic reasons which compel people to leave job, particularly workers with limited means
- **Model**: California, Title 22, Section 1256-3(b)
2) Establish parity for part-time workers (1/4)

- UI claimants must be available for and seek work, usually consistent with base period (BP) work, to maintain eligibility.
- Many states have eligibility rules that require part-time workers to seek full-time work, even if BP mostly part-time work.
  - Some states make exceptions (for full- or part-time workers) when medical issue, disability, or good cause prevents full-time availability.
2) Establish parity for part-time workers (2/4)

- **Growth in non-standard schedules:**
  - Part-time workers greater share labor force (17%);
  - Disproportionately women, many with caregiving responsibilities, and low-wage;
  - Exhibit significant attachment to work

- **Post-recession economy:**
  - Return of low-wage jobs with non-full-time schedules
  - Number of workers in part-time jobs involuntarily remains elevated (>5% labor force)
2) Establish parity for part-time workers (3/4)

- **Recovery Act**: Incentivized states to permit part-time availability (20+ hours) for certain workers, usually with part-time history
  - While not required, states could permit this even if claimant worked mostly full-time in BP

- Progressive UI programs **protect workers with non-standard schedules and exhibit flexibility** during weak economic recovery periods
# Summary of treatment of part-time workers by state UI programs

<table>
<thead>
<tr>
<th>Eligibility with History Part-time Work (33 states)</th>
<th>Eligibility with Medical Issue or Good Cause Restricting Availability (14 states)</th>
<th>Ineligible Without Full-time Availability; No Exceptions (13 states)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR, CA, CO, DE, FL, GA, HI, IA, ID, KS, LA, MA, MD, ME, MN, MT, NC, ND, NE, NH, NJ, NM, NV, NY, OH, OK, PA, SC, SD, TN, WA, WY, VT</td>
<td>CT, DC, DE, IL, MA, MD, ME, MT, NH, NV, OR, UT, VA, WY</td>
<td>AK, AL, AZ, IN, KY, MI, MO, MS, RI, TX, WI, WV</td>
</tr>
</tbody>
</table>

**Bold:** Only reason claimant may seek PT work
3) Provide fairer treatment for workers who take temporary jobs (1/2)

- For most workers, when job ends, they’re “unemployed.” Must be available for and seek work to receive UI.
- **Many states make problematic exception for temp workers:** Worker laid off from temp job deemed to have voluntary quit without good cause if he fails to report to agency for reassignment.
- **Double-standard:** If worker wants to extricate himself from temp industry and seeks permanent job, is treated as having voluntarily quit. Policy treats workers who complete one assignment as if they’re indentured to temp agency.
- Serves more to prevent temp industry from bearing UI charges than to re-connect workers to job.
3) Provide fairer treatment for workers who take temporary jobs (2/2)

- **31 states** where failure to contact employer deemed voluntary quit*
  - **WI State Budget** (signed July): Claimant must contact temp agency weekly, or else be considered to not have conducted suitable work search
  - **MA SB901/HB1772** repeals existing policy (pending)

- Fair, responsible UI programs **encourage workers to explore all possible options to return to economic stability**, and don’t penalize them for effort; don’t relegate workers to cycle of short-term, dead-end jobs

*For those states see **Table 5-7**
4) Permit late filing if good cause shown (1/2)

- Workers should file initial claim ASAP after separation, or else may be deemed ineligible; generally, claims filed **14/21 days** after week for which requesting benefits late.
- Key driver of **UI recipiency** is rate at which workers apply for benefits. **Research** shows low-educated and minority workers less likely to apply.
  - Reasons may include lack of access to reliable information source, language barrier, low literacy.
4) Permit late filing if good cause shown (2/2)

• State UI programs seeking greater access among low-wage workers should **recognize range of good cause reasons they may not apply** in prompt fashion
  – Employer coercion or misrepresentation
  – Compelling reasons
  – First-time, honest error

• **Models:**
  – Connecticut: Title 31, Section 31-222-13 “Good faith error” concept
  – California: Title 22, Section 1326, 10(a)
FOR MORE INFORMATION:

- Recent changes to states’ UI programs:
  - Unraveling the Unemployment Insurance Lifeline (NELP, 2011)
  - Consequences of Changes in State Unemployment Compensation Programs (CRS, 2012)
  - One-Two Punch: As States Cut Unemployment Benefit Weeks, Jobless Also Lose Federal Aid, Even as Jobs Remain Scarce (NELP, 2012)

- UI Modernization provisions in ARRA:
  - Modernization Power Point and Program Letter 14-09 (USDOL)

- Comparison of State UI Laws, 2013 – Non-Monetary Rules (USDOL)
Thank you!

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