

# Unemployment Insurance Reform for the New Workforce

Proceedings of the Strategy Forum  
for Improving Unemployment Insurance Policies  
to Benefit Women, Low-Wage and Contingent Workers

Sponsored by the Institute for Women's Policy Research  
and the National Employment Law Project

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## About the Institute for Women's Policy Research

The Institute for Women's Policy Research (IWPR) is a public policy research organization dedicated to informing and stimulating the debate on issues of critical importance to women and their families. IWPR focuses on issues of poverty and welfare, employment and earnings, work and family issues, the economic and social aspects of health care and domestic violence, and women's civic and political participation.

The Institute works with policymakers, scholars, and public interest groups around the country to design, execute, and disseminate research that illuminates economic and social policy issues affecting women and families, and to build a network of individuals and organizations that conduct and use women-oriented policy research. IWPR, an independent, nonprofit organization, also works in affiliation with the graduate programs in public policy and women's studies at The George Washington University.

IWPR's work is supported by foundation grants, government grants and contracts, donations from individuals, and contributions and contracts from organizations. Members and affiliates of IWPR's Information Network receive reports and information on a regular basis. IWPR is a 501(c)(3) tax-exempt organization.

## About this Report

Unemployment Insurance Reform for the New Workforce reports on the proceedings of a forum in which advocates, researchers, and policymakers exchanged information and strategy ideas about reforming unemployment insurance (UI) programs throughout the country to provide better support to women, low-wage and contingent workers. The Forum, held in September 1999, was part of a collaborative project of the Institute for Women's Policy Research and the National Employment Law Project. The project provides research support and technical assistance to improve access to UI for members of the new workforce. The collaborative project is supported by a grant from the Annie E. Casey Foundation. Funding for the Forum was also provided by the Joyce Foundation and by the Charles Stewart Mott Foundation.

## Preface

On September 17 and 18, 1999, the Institute for Women's Policy Research (IWPR) and the National Employment Law Project (NELP) brought together over 50 unemployment insurance (UI) advocates, researchers and policymakers from 12 states and Washington, DC, to discuss strategies for improving unemployment insurance policies for women, low-wage and contingent workers. The objectives of the meeting were:

- ◆ to present technical information about the UI system and its accessibility to workers with various employment patterns;
- ◆ to provide a forum for advocates to discuss challenges and strategies in their efforts to make UI more accessible to women, low-wage and contingent workers; and
- ◆ to facilitate the expansion of networks among advocates and the involvement of new constituencies, especially women's organizations, in UI reform work.

This report is intended to capture the exchange of ideas and strategies and reflect the stimulating and constructive input of the Forum's participants. For those who were unable to attend the Forum, it provides an overview of some of the most important issues in the campaign to reform UI. We hope it will help energize all UI reform advocates and inspire new work by both advocates and researchers.

By all accounts, the Forum was very successful. NELP and IWPR would like to thank each of the presenters for their participation. In addition, the comments, suggestions and encouragement supplied by advocates were a tremendous contribution to the information exchange and networking of the Forum. NELP and IWPR would like to express their appreciation to all the Forum's participants for their involvement in this event, and to the funders from the Annie E. Casey, Charles Stewart Mott and Joyce Foundations who helped make it possible.

Because the Forum included so many outstanding presentations and generated extensive comments from participants about their experiences and advocacy work, this report does not attempt to record individual contributions to the Forum (except for the two luncheon keynote speakers). It aims instead to document the overall tone and content of discussions that emerged from interactions between policymakers, advocates and researchers. Thus, summaries of each session should not be attributed to any particular panel member or even to the panel overall, as they reflect the general discussion as well as the presentations.

Barbara Gault  
Associate Director of Research  
Institute for Women's Policy Research

Jim Williams  
Executive Director  
National Employment Law Project

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# State and Federal UI Developments

***Advocates are actively pursuing unemployment insurance (UI) reform in many states, with some substantial successes, while the business community is lobbying for its own interests. Policymaking at the federal level also influences UI reform in the states.***

***In this panel, presenters described the UI system, reviewed recent developments and discussed issues that may surface in the near future, and participants mentioned some of their concerns about the direction of UI advocacy.***

## Speakers:

**Maurice Emsellem**  
Staff Attorney  
National Employment Law  
Project (NELP)

**Geri Palast**  
Assistant Secretary  
Office of Congressional and  
Intergovernmental Affairs, U.S.  
Department of Labor (DOL)

**Richard Hobbie**  
Unemployment Insurance  
Director  
Interstate Conference of  
Employment Security Agencies  
(ICESA)

Because the UI system was designed in 1935 with male heads of households in mind, it fails to address the needs of women and low-income workers. The UI reciprocity rate has been declining steadily since the 1950s; currently only about a third (36 percent) of unemployed workers receive UI benefits. State reciprocity rates range from a low of 19 percent in Oklahoma to a high of 69 percent in Alaska.

UI is funded by employer payroll taxes that finance state trust funds. While UI reciprocity rates have been decreasing, trust fund reserves have increased 10 percent every year since 1992 and will have doubled by the end of this year. UI actuaries recommend that trust funds be sufficient to pay benefits for one year without collecting any revenue. As of 1998, 32 states met this solvency standard. Most states want to maintain control over their UI programs and are resistant to a federally established solvency criterion.

Policymakers receive support from employers by cutting UI taxes. Many states have done so despite the need for an increased or stable trust fund. Michigan has reduced its trust fund by \$750 million through tax cuts, and Massachusetts is considering reducing taxes by \$200 million, the amount equivalent to a full-scale package to cover family leave. States have a choice between cutting taxes to reduce costs for businesses or expanding benefits for UI recipients.

A federal commission that reviewed the UI system in the mid-1990s and recommended policy changes set the stage for UI reform at the state level. States are currently pursuing UI changes in several areas:

- ◆ An alternative base period (ABP) allows workers to include recent earnings in eligibility calculations and positively impacts low-income, part-time, construction and seasonal workers. Eleven states have enacted ABP and many more have introduced ABP legislation.
- ◆ Over the past few years, more states have mandated that job leaves be directly connected to one's employer. This has prevented employees leaving positions for domestic circumstances from receiving UI. (Only 20 states cover domestic circumstances under "good cause" quit regulations.)
- ◆ Many states have enacted or proposed laws to cover domestic violence victims under UI. Yet, because the process to prove domestic violence is so onerous, reciprocity rates among domestic violence victims remain low. The telephone claims process also makes it more difficult for domestic violence victims to reveal their reason for quitting and be deemed eligible for UI.
- ◆ In many states, a temporary worker must return to the temporary agency on completion of an assignment, rather than receive

UI benefits. If employees fail to do this, their unemployment is considered to be the result of a voluntary quit. They may also be classified as independent contractors by the temporary agency, rather than employees, which would prevent them from receiving benefits.

- ◆ Under Department of Labor (DOL) regulations, an employer's experience of laying off or firing welfare recipients may not be excluded from that employer's experience rating, which affects its UI taxes. (When more former employees receive UI benefits, the employer's tax rate increases).

DOL has explored a variety of UI issues, including broadening UI reciprocity, developing business and state coalitions, cutting taxes, combating fraud and abuse and making benefits responsive to economic indicators. Although most states would rather decide funding issues without federal intervention, a national dialogue and unified system might advance the campaign to expand benefits. DOL is also responding to President Clinton's directive to develop regulations that allow states to fund family leave for childbirth and adoption through the UI system. However, the employer community appears to be strongly committed to blocking paid family leave.

The Interstate Conference of Employment Security Agencies (ICESA) is examining ways to improve the UI system by strengthening programs focused on reemploying workers, reducing fraud and abuse, reducing the tax burden on employers and streamlining the employer tax filing process. Its members have yet to agree on changes to improve eligibility and expand benefits. ICESA will attempt over the next few months to create a comprehensive, bipartisan reform package. In addition, the House Ways and Means Committee is expected to consider administrative finance reform that would allow states to keep the federal UI taxes currently paid into the federal UI system.

Participants suggested that the federal income tax on UI benefits could go into a separate pool to fund new UI programs, so additional UI benefits could be paid without negatively impacting employers' experience ratings. They also noted that funds may be slipping out of the system through employers' non-compliance. Even though employers have historically opposed federal intervention, advocates expressed interest in pushing for federal standards on eligibility.

# Building Public Support for UI Reform

***Two guest speakers offered advice about how advocates can more effectively persuade policymakers, the public, the business community and fellow advocates to move UI reform forward.***

## Speakers:

**Lucy Williams**  
**Professor of Law**  
**Northeastern University**

**Dr. William Spriggs**  
**Director of Research and**  
**Public Policy**  
**National Urban League**

Professor Williams was instrumental in helping the federal Advisory Council on Unemployment Compensation reach agreement on a broad range of UI reform recommendations. At the Forum, she discussed her belief that progressive advocates should avoid taking a stance of moral superiority in disagreements over policy changes or limiting their focus to what appears to be politically feasible. She recommends that advocates follow three steps to build consensus in the pursuit of substantive reform:

- ◆ Listen carefully to the opposition's perspective. Really hear other people's viewpoints, and when responding, always begin from their perspective and their specific comments and concerns.
- ◆ Do not essentialize the positions of state employment security personnel or business owners. They do not all have the same perspective on employment issues.
- ◆ Do not approach improving UI benefits from the perspective of what is doable. Instead, work toward your real values, asking how you can gain support for the initiatives you believe are essential.

For example, advocates rebutting arguments that UI and paid family leave serve different populations, and that the UI system should not finance family leave, must talk with, not at, the business community, and take its perspective seriously. Engage business in discussions of the need for a stable labor force and maximum productivity. Extending UI to cover family leave is the least expensive way to increase stability and productivity within the context of a feminized workforce – but do not tell business owners that it will not cost anything. To employers who fear double dipping – workers taking paid family leave and then quitting – point out that people would be ineligible for UI if they quit while on family leave without compelling family circumstances. Remind them that workers are more likely to return to their jobs if they have been supported during needed leave periods.

Professor Williams challenged advocates to view UI in a new way, as a vehicle to empower workers, rather than just a benefit for unemployed workers.

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Dr. Spriggs emphasized the need for advocates to build consensus within the advocacy community. Organizations doing UI work should communicate with all their friends, and understand the differences between groups with very different employment experiences. For example, advocates should not assume that black workers have been informed of research findings regarding the experiences of

the black workforce and the UI system, and they should not assume that discussing the barriers that reduce low-wage workers' UI reciprocity will necessarily engage groups like the Urban League. The black workforce is different in some important respects from the low-wage workforce overall (for example, most black workers are women, and black low-wage workers have a higher marriage rate than low-wage white workers), so their employment and job loss circumstances are not identical to those of low-wage white workers. In addition, advocates should not ignore Latinos. If all research is presented in terms of white/black male/female, Latinos will not feel compelled to get involved. Potential colleagues should be included in research and advocacy work at the beginning, not after issues have been defined, projects are underway and rhetoric has been set.

Dr. Spriggs recommended taking advantage of the emphasis on employment that is part of welfare reform policies. If all individuals are expected to work, support for workers who are between jobs should be expanded to include all workers.

# Funding UI Reform: Strategies for Balancing Trust Fund Concerns

***The fiscal solvency of UI trust funds in each state sets the parameters of reform. At the same time, healthy trust funds may inspire employers' demands for lower taxes. Presenters in this panel provided information about how UI is funded, how funding relates to program change and how advocates can use information about UI trust funds to advance their efforts. Participants contributed information about their experiences with trust fund issues.***

## Speakers:

**Chris Hastedt**  
**Public Policy Specialist**  
**Maine Equal Justice Project**

**Wayne Vroman**  
**Economist**  
**Urban Institute**

**Marc Baldwin**  
**Research Analyst**  
**Washington State Senate**  
**Democratic Caucus**

An employer's tax rate is based on its experience with laying off workers who then receive UI benefits. Advocates can make the connection between payment of UI taxes and payouts to workers to build support among individual members of the employer community on the basis of tax equity. Under the current system, some employers subsidize others by paying UI taxes for their workers but not laying workers off; they produce UI revenues and don't cause UI payouts. In addition, employers of low-wage workers pay a higher proportionate share of their payroll in UI taxes than do high-wage employers. If these inequities were made clear, some employers might support changes in the UI system. In general, however, the business community seems to be unified in preferring tax cuts over tax equity.

Trust fund solvency is extremely important in maintaining benefit levels and extending UI to marginalized workers. Although trust funds have increased about \$7 billion annually over the past few years, solvency is still a concern because UI trust funds are intended to be counter-cyclical to help bolster the economy during periods of recession. Reserve ratios in Kansas, North Carolina, New York and Georgia have all decreased because these states have taken advantage of the prosperous economy and cut taxes. Tax cuts could have disastrous effects for workers during the next recession; if solvency is not maintained, UI reciprocity criteria could become increasingly narrow, benefit levels may freeze and taxes will increase to ensure that the fund does not go into the red. However, it is difficult to persuade employers to be concerned about the potential future insufficiency of trust funds in our "recession-proof" economy.

Fighting for a high taxable wage base (the portion of each employee's earnings that is taxed) and rates responsive to the economy is a worthy cause. In Washington, benefits and the wage base are indexed to the state average wage, so when the average wage increased 7 percent, the taxable wage base increased \$2,000 overnight. The alternative base period is also a worthwhile fight; instituting an ABP costs only 3 to 8 percent more than the standard system and incorporates about 6 to 7 percent more workers into UI receipt. The chief beneficiaries of the ABP are low-income workers, women, people of color, part-time workers and construction workers. These groups offer a broad potential coalition for UI advocacy.

Information about the distribution of UI benefits across gender, race and geography would be useful in building coalitions with women, low-wage and labor groups that are necessary in the fight for UI reform. Opponents of UI expansion obtain UI distribution information, as well as a wide range of numbers and details about UI, from state agencies simply by requesting it. Advocates can obtain this kind of information as well.

Advocates should explore the idea of a small, carefully structured employee tax because it would give workers more ownership and power to help reform the UI system. Although workers actually pay for UI in the long run, employers control the debate because they take credit for paying UI taxes. In Maine, proposing an employee tax allowed legislators to realize how committed employees were to the UI issue.

# Expanding UI and TDI for Workers on Family and Medical Leave

***President Clinton's commitment to allowing states to use UI to fund leave for workers with babies or newly adopted children is both an outcome and an energizer of the campaign to provide workers with paid family and medical leave. Several states are also actively pursuing the use of temporary disability insurance (TDI) programs to the same end. This panel and discussion explored the need for paid family and medical leave, public support for this leave and ways that advocates can work to enact these programs.***

## Speakers:

**Donna Lenhoff**  
General Counsel  
National Partnership for  
Women and Families

**Maurice Emsellem**  
Staff Attorney  
National Employment Law  
Project

**Greg Williams**  
Senior Research Analyst  
New Jersey Office of  
Legislative Services

**John Burbank**  
Executive Director  
Economic Opportunity Institute

**Linda Johnson**  
Executive Director  
Women's Statewide Legislative  
Network

When the Family and Medical Leave Act (FMLA) was signed in 1993, a commission was formed to study the issue of family and medical leave, including the impact of the FMLA on workers and employers. The commission discovered that 64 percent of employees who needed family and medical leave but failed to take it could not afford unpaid time off. Ten percent of employees who did take leave relied on public assistance during their unpaid leave.

The plight of low-income workers has led to interest in using the UI system, temporary disability insurance (TDI) or other financial sources, such as welfare reinvestment dollars or an employee tax, to fund family leave. Polls show that most people favor and would be willing to pay into family leave insurance, illustrating that it has the potential to develop majority support.

Employers tend to strongly oppose using UI for paid family and medical leave and often present higher cost estimates of such an expansion than researchers and advocates do. In fact, over 45 percent of people taking leave from the workforce are fully paid by their employer, and thus would not be likely to draw benefits from a new system. Using other states' data, the New Jersey Office of Legislative Services estimates that the cost of paid family leave would be about one-third of what TDI now costs in New Jersey. Advocates may persuade the employer community by emphasizing that, since the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) eliminated welfare's role as a support system to people cycling in and out of work, both FML and UI are beneficial to employers in terms of maintaining the workforce.

Advocates should examine the political atmosphere before entering a debate over paid family and medical leave and evaluate the strategy most likely to lead to the enactment of new policies. For example, in Massachusetts, the Women's Statewide Legislative Network (WSLN) has attempted to win the family leave campaign from the grassroots because "the most successful campaigns are those that have the broadest base of support." WSLN began building a coalition before the issues and the campaigns were defined and has engaged the grassroots by teaching people how to lobby and communicate with their local elected officials. An informal worker education and advocacy survey administered throughout the state helped to prioritize workers' needs. WSLN has found that support is strongest for the broadest type of family leave: policies that include provisions for elder care as well as newborn care.

# Reforming UI to Keep Pace with the Changing Labor Market

## Part I

***With recent changes in the labor market, including the introduction of millions of former welfare recipients, overall demographic changes and job restructuring, the UI system is increasingly out of step with workers' experiences and needs. This two-part panel provided an overview of these changes and examined in detail several areas of UI program design that disadvantage low-wage, women and contingent workers.***

### Speakers:

**Debbie Stein**  
Devolution Project Director  
National Association of Child Advocates

**Arthur Rosenburg**  
Staff Attorney  
Florida Legal Services

**John Bouman**  
Deputy Director of Advocacy  
National Center on Poverty Law

Welfare reform has forced many individuals with short or sporadic employment histories into the labor market, and welfare time limits mean many workers must rely on UI rather than welfare for support between jobs. Former welfare recipients cycling in and out of work may reach their lifetime limits in 8 to 10 years. In addition, 50 to 70 percent of welfare-to-work participants earn just above the minimum wage, and thus may not meet monetary eligibility criteria for UI receipt. These facts beg for a reformation of the UI system to meet the needs of these working parents and the elimination of financial barriers inhibiting workers from attaining UI benefits.

Financial barriers to receiving UI include:

- ◆ **Base period earnings requirement:** Most states look exclusively at the first four of the last five completed quarters of earnings when determining UI eligibility. A person could work for six months and still not have any eligible earnings, because earnings in the last completed quarter and the current uncompleted quarter are not counted. People who move in and out of the workforce are penalized by this criterion. Instituting an alternative base period that includes recent earnings would incorporate more workers, especially in a state such as Florida, with large numbers of migrant, seasonal, unskilled workers.
- ◆ **Earnings requirement:** Most states have a high-quarter earnings requirement, a two-quarter requirement and an overall earnings requirement. If hours of employment were evaluated instead of earnings, low-wage earners would not be disadvantaged simply for earning less per hour of work. Alternatively, the dollar value of the earnings requirements could be reduced.
- ◆ **Low benefit levels:** Eligible low-wage workers may not receive enough UI funding to adequately support themselves and their families. Some states have created dependent allowances that do not impact employers' experience rating but do increase income for eligible recipients.

# Reforming UI to Keep Pace with the Changing Labor Market

## Part II

### Speakers:

**Vicky Lovell**  
**Study Director**  
**Institute for Women's Policy**  
**Research**

**Rick McHugh**  
**Senior Staff Attorney**  
**Michigan Poverty Law Program**

**Monica Halas**  
**Senior Attorney**  
**Greater Boston Legal Services**

**Rebecca Crosby Hutchinson**  
**State Representative**  
**New Hampshire House of**  
**Representatives**

Labor force attachment as defined in the UI system is based on a model of full-time, full-year workers. As workforce demographics change and claimants move away from this model, reciprocity declines.

Features of the contemporary workforce that decrease UI reciprocity include:

- ◆ Part-time work: Earnings requirements often prohibit part-time workers, 68 percent of whom are women, from collecting benefits. In addition, workers seeking part-time employment are excluded from UI in most states because they are not considered to be “able and available” for work. Advocates should not have to defend the inclusion of part-time workers in the UI system because businesses hire and lay-off part-time workers as needed to increase their profits. Part-time workers also draw lower benefits from the UI system because they have lower earnings.
- ◆ Domestic violence: In 34 states, quitting work to escape domestic violence prevents women from collecting UI, and in states that do provide them with UI, domestic violence victims have low UI reciprocity rates. Abusers may sabotage women’s attempts to reenter the workforce, which may prevent a domestic violence victim from being able and available for work. The Battered Women’s Employment Protection Act, part of the Violence Against Women Act of 1999 (currently pending Congressional approval), would ensure domestic violence survivors’ eligibility for UI when they quit work because of domestic violence. The Act also states that domestic violence victims seeking safety, legal remedies and counseling should be considered “looking for work.” Sensitivity training for UI personnel should also be incorporated into UI reform.
- ◆ Family caregivers: Twenty-five percent of women who leave their jobs do so because of care-giving responsibilities, which makes them ineligible for UI in 32 states.
- ◆ Immigrants: Immigrant workers’ employment may not be covered because most states have special provisions that enable agricultural employers to circumvent social security and UI taxes.

Language barriers may hinder immigrant workers’ access to UI. Title VI of the Civil Rights Act says that individuals should not be discriminated against based on their country of origin, but the lack of language interpreters serves to disproportionately discourage non-native English speakers from pursuing their UI claims fully. English-only telephone claim systems may be a further impediment to immigrant workers. It is recommended that advocates monitor the H2A system, which allows employers to import workers from other countries to work in the U.S., for potential abuses of Title VI. Immigrants may also encounter barriers because of their legal status.

# A Research Agenda to Support State UI Reform

**Research can provide information to persuade legislators about the need for, or feasibility of, UI reform. This panel's presenters highlighted some important recent research about how well the UI system does or does not work. Advocates added observations about additional research that would be useful to them and comments about the dissemination of research findings.**

## Speakers:

**Marc Baldwin**  
Research Analyst  
Washington State Senate  
Democratic Caucus

**Wayne Vroman**  
Economist  
Urban Institute

**Heidi Hartmann**  
Director and President  
Institute for Women's Policy  
Research

The recent increase in requirements and sanctions for workers receiving UI benefits reduces workers' UI reciprocity. However, research shows that workers have better employment outcomes if there are no work-search reporting requirements.

Some policymakers suggest that there will be a strong economy indefinitely and that the current prosperity will end poverty, but this is highly unlikely. In fact, many U.S. workers and immigrants are not doing well now, despite significant growth in some sectors of the economy. Independent contractors and workers in non-standard work arrangements – the fastest growing segment of workers – are earning the least among people with their educational level and encounter difficulty in accessing UI. Job changers often make less in a new job than they did in their previous position. Unemployment spells last longer because work alternatives are often so much worse that people would rather continue to receive UI than return to work immediately.

Working women who give birth or adopt babies lose about \$14,000 in wages compared to women who remain in the labor force and do not have babies. Women without leave lose an additional \$1,100 more than those with leave because they are not guaranteed a job upon their return and they experience more unemployment. Total estimated earnings losses due to lack of leave amount to \$607 million annually.

Among the research reports cited were: *Do Unemployment Insurance Recipients Actively Seek Work?: Randomized Trials in Four U.S. States*, by Orley Ashenfelter, David Ashmore and Oliver Deschenes; *Using a Natural Experiment to Estimate the Effects of the Unemployment Insurance Payroll Tax on Wages, Employment, Claims, and Denials*, by Patricia M. Anderson and Bruce D. Meyer; *The State of Working Washington*, a detailed report based on a survey of 7,000 households by the Washington State Senate Democratic Caucus; and *Unnecessary Losses: Costs to Americans of the Lack of Family and Medical Leave*, by Roberta M. Spalter-Roth and Heidi I. Hartmann.

## Research Needs

***To provide useful data to state UI reform campaigns, researchers must assess what advocates need to know. Advocates proposed several areas in which research is needed.***

- ◆ Forum participants suggested that researchers focus on providing more demographically diverse data, both to document how the UI system is experienced by members of different groups and to help in building advocacy coalitions.
- ◆ Particularly in light of recent welfare reforms, it would be useful to investigate the efficiency of UI versus welfare as a reemployment system.
- ◆ Advocates are interested in an analysis of the increased administrative cost of filing payroll information by hours rather than overall income.
- ◆ It would be helpful to have more information about specific barriers immigrants face in accessing benefits through the UI system.
- ◆ Researchers should explore the pros and cons of an employee tax and the incidence of employer fraud and tax evasion.
- ◆ Information is needed about the cost of proposed initiatives and variations in cost under different program configurations. Researchers should provide a reasonable range of estimates of the average cost of bringing in new recipients and the number of people who will participate, so that the cost is not viewed as one number but a set of potential outcomes that will vary according to program design.
- ◆ Research on trust fund adequacy should continue, including estimates of how large trust funds would be now if benefits, access and taxes had not been cut.
- ◆ Researchers should explore the impact of new technologies for filing, such as telephone claims, on UI reciprocity rates.

# Advocacy Notes

***The Forum provided an opportunity for advocates to debate the advantages of various UI reform possibilities and talk about successful campaign tactics. The group offered many specific recommendations for advancing UI reform.***

- ◆ Advocates need access to proposals, cost estimates, data and information on the amount of education and training necessary to obtain specific jobs around the country. Advocates also need information about successful reform campaigns that can be used as models in their own states. In addition, a list of all available information resources would be helpful. It is also important for advocates to discuss the data and proposals with one another to anticipate problems they might encounter. Sometimes it is necessary to have data already synthesized so that advocates can access the most valuable points (e.g., a one-page fact sheet), rather than having to decipher which resources are beneficial to their cause.
- ◆ State employment agencies disseminate information about the UI system to employers and sometimes teach employers how to deny claims; more money is spent informing employers than claimants. Advocates often have difficulty obtaining the same service and support. Advocates should push for the same access to data and resources that employers have.
- ◆ Advocates should develop strategies to make workers aware of their personal stake in UI so they will express their views and make the system respond to their needs, as well as those of business owners.
- ◆ Businesses should be mandated to provide UI information with each employee's last paycheck.
- ◆ Advocates should be aware that the solvency of the UI system is threatened primarily by employers and tax evasion, rather than by claimants. Profiling employer waste, fraud and abuse may give advocates more bargaining power in negotiations over UI expansion.
- ◆ Advocates should explore options for using UI to support families with children while they are seeking employment to prevent the clock from ticking on their Temporary Assistance for Needy Families (TANF) benefits. It may be useful to examine the role of UI as a more successful reemployment strategy than welfare-to-work.
- ◆ Family violence provisions are achievable in most states and are very important and symbolic. The trailing spouse situation (workers leaving a job to follow their spouse to another region) affects more applicants than domestic violence and should also be incorporated into UI expansion.
- ◆ Advocates should identify which state legislators have UI offices in their districts. Because closing offices means a loss of

jobs for their constituents, citizens can easily be organized to pressure specific legislators to protect UI.

- ◆ Advocates should choose legislators to sponsor their bills very carefully. It is sometimes more effective to find legislators who appear more neutral on the issue. A bill may be passed because other legislators like a person rather than because they agree with the issue.
- ◆ Packaging different aspects of legislation together, such as funding measures and coverage expansion, may enable advocates to bargain for expansion of benefits such as ABP, domestic violence and additional benefits for those in training without increasing the costs of the UI program.
- ◆ Incorporating a dependent allowance into UI benefits can be especially beneficial for single parents, who are typically women.

# Expanding Coalitions to New Partners

***UI reform can benefit from the inclusion of new coalition partners, some of whom may not be aware of how the UI system affects their constituency. Advocates suggested several groups that should be invited to join reform coalitions.***

## **Immigrant ethnic groups**

Because language barriers prevent many immigrants from receiving UI, advocates should work with immigrant groups to make translated information available to non-English speaking immigrants. Partnerships with immigrant groups may broaden the debate to incorporate more issues affecting immigrants.

## **Communities of color**

Since Blacks and Latinos are disproportionately affected by problems with the UI system, forming alliances with these constituencies could have a transformative impact in many states.

## **Women's organizations**

Women are also disproportionately excluded from the UI system. Collaborating with women's groups around paid family and medical leave, part-time workers or workers leaving employment to attend to family caregiving responsibilities may increase awareness about the UI system in general among these advocates.

## **Construction workers**

The standard base period and two-quarter earnings requirement have negative repercussions for construction workers, who despite their high earnings are generally employed seasonally. Since most construction workers belong to unions, their participation may create a more powerful coalition when advocating for reforms such as ABP.

## **Seasonal workers**

The base period and two-quarter earnings requirement also impact seasonal workers, but they are more likely to be immigrants, low-income and non-unionized than construction workers.

# State Campaigns

***Forum participants reported on a number of UI reform campaigns in their states, including some major successes.***

In **Washington**, there have been moves to redefine the tax schedule because employer tax rates have been inequitable relative to the amount of withdrawals from the UI fund. Yet, because Washington has a very unified, vigorous business community, efforts to equalize taxes were abandoned because employers were unwilling to go forward with reforms that would have hurt some employers while helping others.

**Maine's** coalition of low-income workers instantly agreed to propose an employee tax. This gave their campaign the moral high ground in bargaining with employers.

Incorporating ABP and other reforms into the UI system may be a particularly arduous task in **Florida** because it is a "right to work" state. Many legislators believe that the less access workers have to UI, the more incentive they have to work. Legislators interpret this as a sign that the current system is fulfilling its purpose.

Advocates in **New Hampshire** worked to incorporate part-time workers into UI receipt, but the bill was re-referred and lost momentum. A committee has been formed to explore the issues.

Several recommendations of the Unemployment Insurance Advisory Council are before the **Wisconsin** State Legislature. Recommendations include the alternate base period, an allowance for workers with child care obligations, a domestic violence provision, a sexual harassment provision, an increase in the maximum weekly benefit amount and a commission to further explore part-time workers' access to UI benefits.

## Resources

The State of Working Washington is a detailed report on a survey of 7000 households that can be replicated in other states. The report argues that the educational route to the middle class is being closed off through new forms of work organization. Contract workers are the highest educated but have some of the lowest wages for people at their level.

Click on 'Issues' at:

<http://www.leg.wa.gov/senate/sdc>

The Information Technology Support Center (ITSC) Unemployment Insurance website is sponsored by the U.S. Department of Labor (DOL). It has all the DOL guidance issued to the states, periodic summaries of state legislation, state statistics collected on trust funds, taxes, reciprocity rates and the timeliness of UI claims and appeals filed.

<http://itsc.state.md.us>

The Interstate Conference of Employment Security Agencies (ICESA) is a nonprofit association that represents all the state UI and Employment Service agencies around the country. ICESA's website contains a good deal of current information on federal legislative and agency developments, press releases from the states and other helpful information focusing on issues of special concern to the state agencies.

<http://www.icesa.org>

The Unemployment Insurance Institute sponsors a website of the business community "dedicated to an equitable and affordable Unemployment Insurance

system." Although most information is restricted to its members, accessible information includes summaries of federal legislation that the business community supports and opposes, as well as breakdowns on state UI tax rates.

<http://www.uiinstitute.com>

The National Bureau of Economic Research website presents sophisticated economic analysis of policy initiatives. The Labor Studies program area has working papers available on employment, unemployment and welfare reform.

<http://www.nber.org/papers>

The National Employment Law Project (NELP) website provides access to fact sheets on state and federal developments of special interest to advocates, as well as manuals and publications on issues of significance to low-wage workers.

<http://www.nelp.org>

The Institute for Women's Policy Research (IWPR) website has several publications and fact sheets available on women and the Unemployment Insurance system, as well as general information about women in the workplace. The website also links to IWPR's Welfare Monitoring Listserv and the state Policy Listserv for Strategy Exchange (PULSE), two information sources dedicated to energizing the policy debates impacting women and to cultivating relationships between individuals interested in women and policy.

<http://www.iwpr.org>

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