

Sample Op-Ed: New York UI Reform
From the National Employment Law Project
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If you had ask the average person something about unemployment benefits last year you would have gotten a bunch of blank stares. Nowadays everyone seems to know some one who is laid off, and New Yorkers don't like what they are finding out. The maximum unemployment benefit in New York State is \$405 a week --- while in Pennsylvania its \$539, New Jersey it's \$584, in Connecticut \$576, in Massachusetts \$628. In terms of the share of lost wages that the state's unemployment insurance fund provides to the newly laid off, New York ranks 49th. For a state reputed to be worker-friendly, that's a stunning failure.

If we are far behind our neighbors and farther behind the rest of the nation, that was the reality even before the recent cascade of layoffs and business failures. Unemployment benefit levels have been frozen since 2000. And now, while the New York's unemployment rolls have more than doubled over the past year, they are forced to rely on an insurance fund that has been broken for years.

Washington has done its part to boost jobless workers in the state. The federal aid raises unemployment benefits by \$25 a week but this increase for most New Yorkers is one very short trip to the grocery store. It's hardly going to cover a medical emergency or stave off a foreclosure. Altogether, Washington has sent more than a billion dollars to Albany to provide benefit extensions and a \$430 million grant to improve the program.

Now its Albany's turn to step up to the plate.

The good news is that some legislators have proposed reforms to bring the program into the 21st century. The goal is to gradually raise benefits to cover half of the average weekly wage, which is a modest step that would still leave New York behind many other states. The proposals would patch up a deeply unfair loophole that keeps workers laid off from schools and colleges from receiving benefits -- which leaves cafeteria workers, grounds keepers and adjunct faculty members with nothing to live on between terms.

Moreover, the proposals are fiscally responsible. They'd help replenish the unemployment insurance fund, which is at severely low levels. A major cause of the current shortfall is the outdated formula that requires employers to pay the fund only for an employee's first \$8,500 in yearly earnings. Raising this base, which has not changed in a decade, would go a long way toward re-stitching New York workers' safety net.

Unemployment insurance is not welfare. The benefits fund is financed mostly by employers and, indirectly, by workers who sacrifice in their paychecks for their employers' expenditures.

Moreover, the benefits are a lifeline not only for the unemployed but for their communities. Each dollar paid in unemployment benefits generates \$2.15 in economic activity, according to Department of Labor estimates, most of it going to local grocers and shops, mechanics and contractors, restaurants and hospitals.

The safety net, by the way, should not be defined by the maximum benefit, small as it is, but by the amounts given to low-income and middle-income workers. Consider a single mother of two children who loses her \$8-an-hour job. If she lives in Connecticut, she would receive \$190 a week in unemployment insurance benefits, and in New Jersey she would get \$213. If she's a New Yorker, she would collect \$160 a week.

At that rate, we're all in trouble.