

An Economic Recovery Plan that Works for Women Must Include a Modernized Unemployment Insurance System

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The worsening recession is affecting all Americans, but women – who already have lower wages than men, higher rates of poverty, and are more likely to be supporting children on their own – are especially vulnerable. Unemployment insurance (UI) should provide temporary income support to workers who lose their jobs – but outdated eligibility rules disqualify a majority of workers, especially women. Modernizing the UI system would expand coverage, alleviate hardship for women and families, and boost the economic recovery.

➤ **Women's unemployment is rising quickly and is likely to get much worse.**

- In December 2008, unemployment among adult women reached 5.9%, the highest in 15 years. Unemployment was 9.5% among women who maintain families, 8.9% among African American women, and 7.9% (not seasonally adjusted) among Hispanic women.¹
- The recession, which first hit sectors of the economy such as construction and manufacturing that historically are more sensitive to the business cycle, and are dominated by men, is spreading. Over the past year, men's unemployment rate rose faster than women's, to 7.2% in December 2008. But, since September, as the recession spread to the women-dominated retail and services sectors,² women's unemployment rose faster than men's (20% v. 16%).³
- Over the past year, job losses have been concentrated in the private sector; in the public sector, where women are disproportionately employed, there was modest job growth.⁴ But 44 states are facing budget shortfalls. State and local governments are reducing services and cutting staff – predominantly women – who work as teachers and librarians, provide services for the elderly and disabled, and administer programs serving struggling families.⁵
- More women than men who cannot find jobs are not counted as “unemployed” because the official definition excludes discouraged workers who have given up looking for work. Over the past year, the number of women who gave up looking for work increased by 120% compared to a 54% increase for men.⁶

➤ **Women who lose their jobs are less likely to receive unemployment benefits.**

- Unemployed women are about 10% less likely than men to receive UI benefits because of outdated eligibility rules that disproportionately disqualify women.⁷ In 41 states, unemployed men are more likely than women to receive UI benefits.⁸

➤ **The Unemployment Insurance Modernization Act, S. 1871, would eliminate barriers to UI coverage for working women.** The Act would provide financial incentives for states to:

- *Provide benefits to workers who are only available for part-time work.*

Women comprise over two-thirds of the part-time workforce,⁹ but are ineligible for unemployment benefits in most states unless they are looking for full-time work. Unemployed part-time workers who worked for at least 35 weeks are much less likely to receive UI than full-time workers (29% v. 50%).¹⁰

- *Enable workers who must leave a job for compelling family reasons to qualify.*
Many states consider workers who have had to leave a job to escape domestic violence, care for a sick child or parent, or relocate with a spouse who has found a new job in another area, to have voluntarily quit – and disqualify them from UI benefits. These rules disproportionately impact women, who account for seven out of ten of those who leave work for family-related reasons.¹¹
- *Consider a worker’s most recent earnings in determining eligibility.*
To be eligible to receive UI benefits, a claimant must have a specified amount of earnings during a specific set of months prior to her job termination. Depending on how the state defines this period and when a worker files her claim, between three to six months of her most recent earnings may be discarded. This particularly disadvantages low-wage workers, the majority of whom are women.¹² Although low-wage workers are over twice as likely as higher-wage workers to become unemployed, they are about half as likely to receive UI benefits.¹³
- *Offer dependent allowances for unemployed workers caring for dependent children.*
Families who lose the income of a breadwinner struggle to meet their most basic needs.¹⁴ Dependent allowances are important for all families, but especially for single-parent – overwhelmingly single-mother – families with only one, now jobless, earner.

¹ U.S. Department of Labor, Bureau of Labor Statistics, “The Employment Situation: December 2008,” Tables A-1, A-2, A-3 and A-7 (January 9, 2009) [“BLS Unemployment Data December 2008”] and generated historical tables.

² See BLS Unemployment Data December 2008, Table B-1 for job losses in various industries; Bureau of Labor Statistics, *Women in the Labor Force: A Databook* (December 2008), Table 11, for the percentage of women employed in various occupations.

³ BLS Unemployment Data December 2008, Tables A-1 and calculations by National Women’s Law Center.

⁴ BLS Unemployment Data December 2008, Table B-1.

⁵ Elizabeth McNichol and Iris J. Lav, Center on Budget and Policy Priorities, “State Budget Troubles Worsen” (updated December 23, 2008).

⁶ BLS Unemployment Data December 2008, Table A-13, calculations by National Women’s Law Center.

⁷ U.S. Department of Labor, Employment and Training Administration, Unemployment Insurance Reciprocity data; Vicki Lovell, Institute for Women’s Policy Research, Testimony before the House Ways and Means Committee, Subcommittee on Income Security and Family Support, *The Unemployment Insurance Modernization Act: Improving UI Equity and Adequacy for Women* (September 19, 2007).

⁸ Andrew Stettner, National Employment Law Project, “What Is UI Modernization and Why Is It Important?” (May 2009).

⁹ U.S. Department of Labor, Bureau of Labor Statistics, <ftp://ftp.bls.gov/pub/special.requests/lf/aat8.txt>.

¹⁰ Government Accountability Office, *Unemployment Insurance: Low-Wage and Part-Time Workers Continue to Experience Low Rates of Receipt* (September 2007) [“GAO 2007”].

¹¹ Maurice Emsellem et al., National Employment Law Project, “The New Congress Proposes \$7 Billion in Incentive Payments for States to Modernize the Unemployment Insurance Program” (July 2007).

¹² Larry Mishel et al., Economic Policy Institute, *The State of Working America 2006/2007* (2007).

¹³ GAO 2007, *supra* note 10.

¹⁴ Hart Research and National Employment Law Project, “Unemployed in America” (December 2008).