

Making Unemployment Insurance Work for Women: The Unfinished Agenda

January 2010

The American Recovery and Reinvestment Act provided incentives to states to modernize their unemployment insurance (UI) programs and improve coverage for women. Many states responded – but many have yet to act, despite urgent need.

- **Unemployment among women, especially those who head families, is high.**
 - While the pace of job loss has slowed dramatically since early 2009, the unemployment crisis continues and unemployment levels remain at their highest levels in decades.
 - Overall unemployment remained at 10 percent in December.
 - The unemployment rate for women who head families jumped from 11.4 percent in November to 13.0 percent in December. Unemployment for women overall was at 8.2 percent, up slightly since November; unemployment among Black women was 13.1 percent and among Hispanic women, 10.5 percent.
- **Unemployment Insurance (UI) provides temporary income support to workers who lose their jobs but UI systems were not designed for women's work/life patterns.**
 - In many states, if a woman leaves her job for compelling personal or family reasons, such as domestic violence, or is available only for part-time work she will not receive unemployment compensation.
 - Fortunately, the American Recovery and Reinvestment Act encourages states to address such coverage gaps by setting aside \$7 billion for states to modernize their UI programs. These reforms can alleviate hardship for women and families and boost state economies – if states act quickly to implement the reforms needed to qualify for all available funding.
- **ARRA provides substantial funding to states that adopt certain UI reforms.**
 - States can get 1/3 of the money allocated to them by enacting an “alternative base period” (ABP) that gives workers credit for their most recent employment.
 - To qualify for UI benefits, a claimant must have a specific set of earnings during a specific set of months (the “base period”) prior to job termination.
 - Depending on how the state defines the base 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.
 - The alternative base period ensures that a person's most recent earnings are used in this calculation and allows more workers to be covered.

- States can receive the remaining 2/3 of their incentive funding by implementing two of the following reforms:
 - *Providing benefits to workers who are only available for part-time work.*
 - Women comprise over two-thirds of the part-time workforce, but are ineligible for unemployment benefits in nearly half the states unless they are looking for full-time work.
 - To qualify for ARRA incentives, states must allow workers seeking part-time employment to qualify for UI if they worked part-time for a majority of the weeks in the base period. The part-time work must be for at least 20 hours per week or comparable to the number of hours worked per week in the base period. States can have more expansive laws and allow people who worked full-time in the base period and are now seeking part-time work to qualify for UI.
 - *Enabling 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 or sexual abuse, 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.
 - To qualify for ARRA incentives funding by adopting this reform, states must recognize as a compelling family reason: domestic violence or sexual assault which causes the individual reasonably to believe that the individual's continued employment would jeopardize the safety of the individual or of any member of the individual's immediate family; relocation of a spouse for employment reasons to a place where it is impractical to commute; and illness or disability of a member of the individual's immediate family.
 - *Offering dependent allowances for unemployed workers caring for dependent children.*
 - Families who lose the income of a breadwinner struggle to meet their most basic needs. Dependent allowances are important for all families, but especially for single-parent – overwhelmingly single-mother – families with only one, now jobless, earner.
 - To qualify, dependent allowances must be at least \$15 per dependent per week but the state may cap the total allowance paid to an individual for dependents at \$50 per week of unemployment or 50 percent of the individual's weekly benefit amount for the benefit year, whichever is less.
 - *Providing extra months of benefits to permanently laid-off workers enrolled in state-approved education or training programs.*
 - Providing adequate income support that encourages training strengthens future job prospects and improves the economic security of vulnerable families for the short and long term.
 - States must make available a total amount of at least 26 weeks of additional benefits to people enrolled in and making satisfactory

progress in a state or Workforce Investment Act approved training program. A state-approved program is one that the state determines is reasonably expected to lead to employment in an occupation, including high-demand occupations.

➤ **Many states have responded to the ARRA incentives.**

An analysis by the National Employment Law Project found that [Federal Stimulus Funding Produces an Unprecedented Wave of State Unemployment Insurance Reforms](#). As of December 2009, more than half the states have enacted the reforms needed to qualify for full funding:

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| • Arkansas | • Kansas | • North Carolina* |
| • California* | • Maine | • Oklahoma |
| • Colorado | • Massachusetts | • Oregon |
| • Connecticut | • Minnesota | • Tennessee |
| • Delaware | • Montana | • Vermont* |
| • Georgia | • Nevada | • Wisconsin |
| • Hawaii | • New Hampshire | |
| • Idaho | • New Jersey | |
| • Illinois | • New Mexico* | |
| • Iowa | • New York | |

* These states have enacted all of the necessary reforms but are waiting for certification. California's certification will be delayed until their ABP goes into effect in 2011.

➤ **But many states still need to act.**

More help is needed, especially in the following states, to promote reforms this year:

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| • Alabama | • Maryland | • Texas |
| • Alaska | • Mississippi | • Utah |
| • Arizona | • Nebraska | • Virginia |
| • District of Columbia | • North Dakota | • Washington |
| • Florida | • Ohio | • West Virginia |
| • Indiana | • Pennsylvania | • Wyoming |
| | • South Dakota | |