

# PART-TIME WORKING CAREGIVERS NEED UNEMPLOYMENT INSURANCE REFORM

BY SHENGWEI SUN

Caregiving responsibilities can dramatically reduce both the number of hours someone can work and the jobs they can take. Caregiving affected labor force participation rates before COVID-19, but the pandemic amplified its impact as school and child care closures led many working parents, especially mothers with young children, to cut back hours working for pay or pushed them out of the labor force entirely.<sup>1</sup> The pandemic also increased the care needs among older and disabled adults given outbreaks in nursing homes, a shortage of care workers, and the delay in many routine treatments.<sup>2</sup> A lack of affordable care for older and disabled adults is keeping many family caregivers from working full-time,<sup>3</sup> and the pandemic makes them even more vulnerable to job losses.

On top of balancing work and caregiving, parents and family caregivers are being squeezed financially by rising costs of care, a problem exacerbated by the pandemic.<sup>4</sup> The financial burdens of caregiving are especially debilitating for households with lower incomes. In the event of a job loss, working caregivers and their families rely on key programs such as unemployment insurance (UI) as a source of economic support while out of work.

Reforming the unemployment insurance system to take into account the needs of part-time workers would benefit workers with caregiving responsibilities who are disproportionately women. This issue brief focuses on workers age 16 and older who shifted from full-time to part-time hours due to caregiving responsibilities during the pandemic and who, as a result, likely would have lost eligibility for UI benefits under existing UI rules in many states. The brief also examines disparities by gender and which groups of women have been disproportionately affected. Analyses based on the Current Population Survey (CPS) data between February 2020 and February 2022 find that:

- ▶ Working women were more likely than men to have shifted from full-time to part-time work since the pandemic started.
- ▶ Among those who shifted from full-time to part-time work, women were over two times more likely than men to cite caregiving challenges and responsibilities as the reason.
- ▶ Working mothers with young children were particularly likely to shift from full-time to part-time work citing care-related reasons.
- ▶ Among working women, Latinas were most likely to shift from full-time to part-time work and to do so citing care-related reasons.



## UI programs fall short in supporting working caregivers who are disproportionately women.

UI is a joint federal-state system that helps many people who have lost their jobs by temporarily replacing part of their wages while they look for work. Federal requirements are minimal, designed to ensure that state programs provide a basic level of protection to workers with a sufficient employment and earning record who lose their jobs through no fault of their own and who are able to work, available to work, and actively seeking work. States are free to set employer tax rates, benefit levels and duration, and eligibility criteria, with extensive state-level variation.<sup>5</sup>

Unfortunately, unemployment insurance is failing working caregivers, with many states imposing strict eligibility requirements that make it nearly impossible for them to qualify for UI benefits if they lose their jobs for caregiving-related reasons. State UI eligibility requirements pertaining to working caregivers include, but are not limited to:

- ▶ **Restrictive “good cause quit” laws:** Workers are generally thought to lose jobs “through no fault of their own” if they are laid off, terminated for a reason other than misconduct, or quit their jobs for “good cause.” Each state determines what is “good cause,” which typically includes reasons related to employment such as a substantial pay cut or a medical condition caused or worsened by their work.<sup>6</sup> Many states define “good cause” so restrictively that they deny UI benefits to workers who are forced to leave their jobs for compelling personal or family reasons (like caregiving).<sup>7</sup> Even in states that do not disqualify workers who quit for compelling family circumstances, workers may not know about such exceptions.<sup>8</sup>
- ▶ **Recent work history requirement:** Because people without recent work history are ineligible for UI, those who left the labor force for an extended time to take care of family members cannot access UI while looking for a job when they are ready to reenter the labor market.
- ▶ **Monetary eligibility thresholds:** In every state, workers must reach a certain income threshold in the year or so before submitting their claim or hours worked requirement (or both) to qualify for UI. Such requirements effectively exclude many lower-paid part-time workers because they may not have sufficient work or earnings histories.
- ▶ **Part-time ineligibility:** Many states adopt UI eligibility rules requiring that workers be available for and seek full-time work. In these states, people who are only able to accept part-time work are not considered “available for work” and are thus not eligible for UI benefits. More than 30 states have expanded eligibility for part-time jobless workers, with only 10 states permitting claimants to limit availability to part-time work and the remaining states paying UI benefits to those who seek only part-time work and if they have a prior history of part-time work.<sup>9</sup> But even in these states, claimants with availability to work less than 20 hours cannot rely on getting UI benefits,<sup>10</sup> and workers who need to move from full-time work to part-time work to care for a child or elderly or disabled family member may not be eligible for unemployment insurance.<sup>11</sup>
- ▶ **The “available for work” requirement:** To continue to qualify for UI benefits, applicants must be able, available, and willing to accept a “suitable” job on an ongoing basis. Many states require claimants to show availability for and be actively seeking full-time work. Even when workers are available for and



seeking full-time work, schedule restrictions due to caregiving responsibilities can still render them ineligible for continued benefits in many states that consider claimants as “available for work” only if they are available at all times and during the regular 9-to-5 shift. If someone can only accept night shifts because they are providing care to family members during the day, the state may not consider that sufficiently available for continued eligibility even if they are available for full-time work.

- ▶ **The “suitable work” requirement:** Relatedly, those who refuse an offer of “suitable work” may lose the benefit. In determining whether the offer is “suitable” most states fail to take into account whether it gives caregivers consistent hours and flexibility that allow them to balance their work and caregiving responsibilities.<sup>12</sup>

This issue brief highlights UI restrictions facing caregivers who work part time. Workers in part-time jobs are more likely than full-time workers to be underpaid, live in poverty, and face higher job insecurity.<sup>13</sup> Women working part time were much more likely than their full-time counterparts to lose or leave their jobs during the COVID-19 pandemic.<sup>14</sup> And yet, unemployed part-time workers are much less likely to collect UI benefits than those who work full-time.<sup>15</sup> Part-time workers fall through the cracks of UI in most states for a variety of reasons stated above, including eligibility requirements that mandate a worker must earn a certain level of wages or work a certain amount of hours over a short period, rules obligating UI applicants to be seeking full-time employment, and limits on the reasons a worker can leave a job, among others.<sup>16</sup>

These restrictions systematically exclude women and especially women of color given their caregiving responsibilities and overrepresentation in part-time jobs. In 2021, nearly six in 10 part-time workers were women (59.1%, more than 18.9 million), and women

were over four times more likely than men to cite “other family/personal obligations” as reasons for working part time.<sup>17</sup> Black women and Latinas disproportionately work in low-paid part-time jobs and have lower UI reciprocity rates despite facing higher unemployment rates than their white counterparts.<sup>18</sup>

In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act and subsequent legislation that significantly expanded eligibility for UI, increased benefit amounts, and extended the maximum duration of benefits. Among other programs, the CARES Act created the Pandemic Unemployment Assistance (PUA) program, allowing workers who were not previously eligible for regular state UI benefits to receive benefits if they were unemployed for pandemic-related reasons.<sup>19</sup> For the first time, many previously excluded workers, including those working for low pay, part-time workers, self-employed workers, those with shorter work histories, and independent contractors, were able to receive financial support through the UI system. Thanks to these expansions, one in four workers, or 46.2 million, received at least one week of unemployment payments between March 2020 and January 2021,<sup>20</sup> preventing at least 4.7 million people, including 1.4 million children, from falling below the poverty line in 2020.<sup>21</sup>

However, these expanded federal UI programs expired in September 2021, with half of the states ending their participation in some or all of these programs by June or July 2021, cutting the majority of people off of UI benefits.<sup>22</sup> Findings from this brief underscore the need for permanently expanding UI eligibility and enhancing UI benefits so that marginalized communities that have historically been excluded from the UI system receive the meaningful support they need and deserve in good times and in bad times.



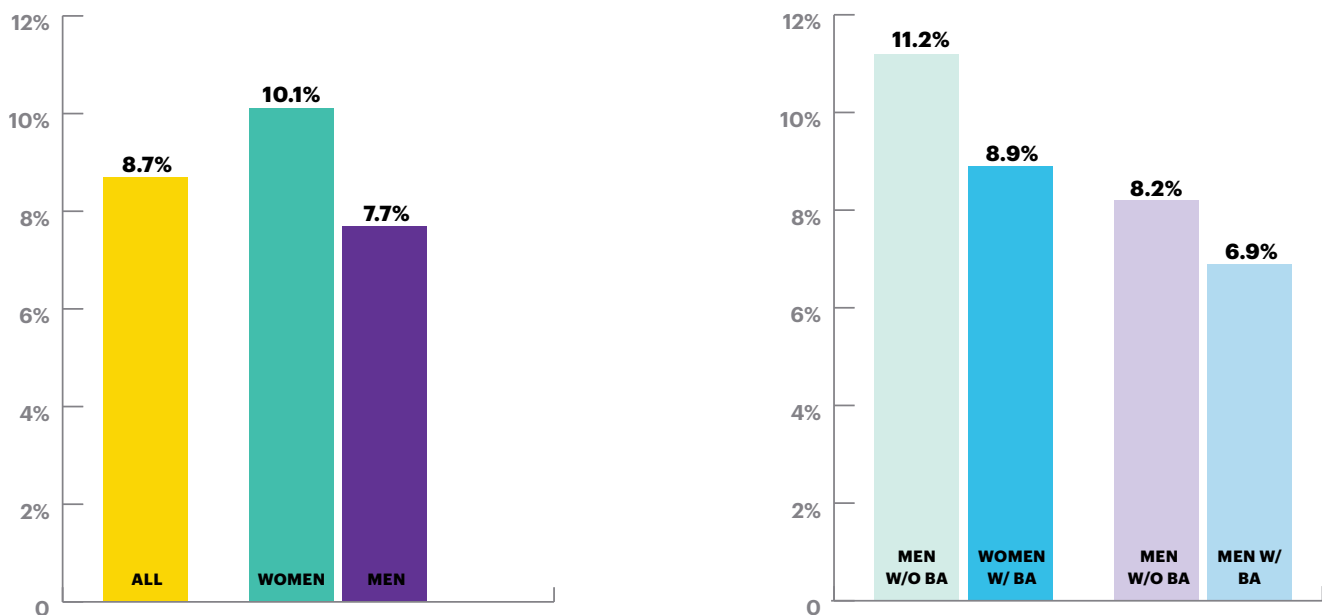
### Women were more likely than men to shift from full-time to part-time hours in the pandemic.

The pandemic has made it impossible for many caregivers to maintain full-time work hours, leading many to shift to part-time work. Leveraging the panel design of CPS data, this issue brief provides a snapshot of the extent to which full-time workers shifted to part-time hours at some point during the pandemic, and what percentage of them did so due to care-related reasons, including “child care problems” and “family or personal obligations.” Specifically, analyses in this brief pool monthly data from February 2020 to February 2022 to estimate 1) the average monthly share of transitions from working full-time hours in a certain month to working part-time hours in the following month and 2) among those who shifted from working full-time hours to part-time hours, the average monthly share of full-time to part-time transitions due to care-related

reasons (see Appendix for more details on data and methodology). Had the federal PUA program not been enacted, most of these workers would have never been eligible for UI benefits during the pandemic. The ending of PUA in September 2021—and earlier in some states—made UI benefits unavailable to these workers once again.

Averaging monthly transition rates between February 2020 and February 2022, 8.7% of full-time workers shifted to part-time work from one month to the next. Women were more likely than men to do so: 10.1% of full-time women workers and 7.7% of full-time men workers shifted to part-time work in the following month. Women without a bachelor’s degree were especially likely to move from full-time to part-time work (11.2% of women without a bachelor’s degree, compared to only 6.9% of men with a bachelor’s degree or more).

### Among full-time workers, average monthly share of those who shifted from full-time to part-time work since February 2020, overall and within each group by gender and level of education.



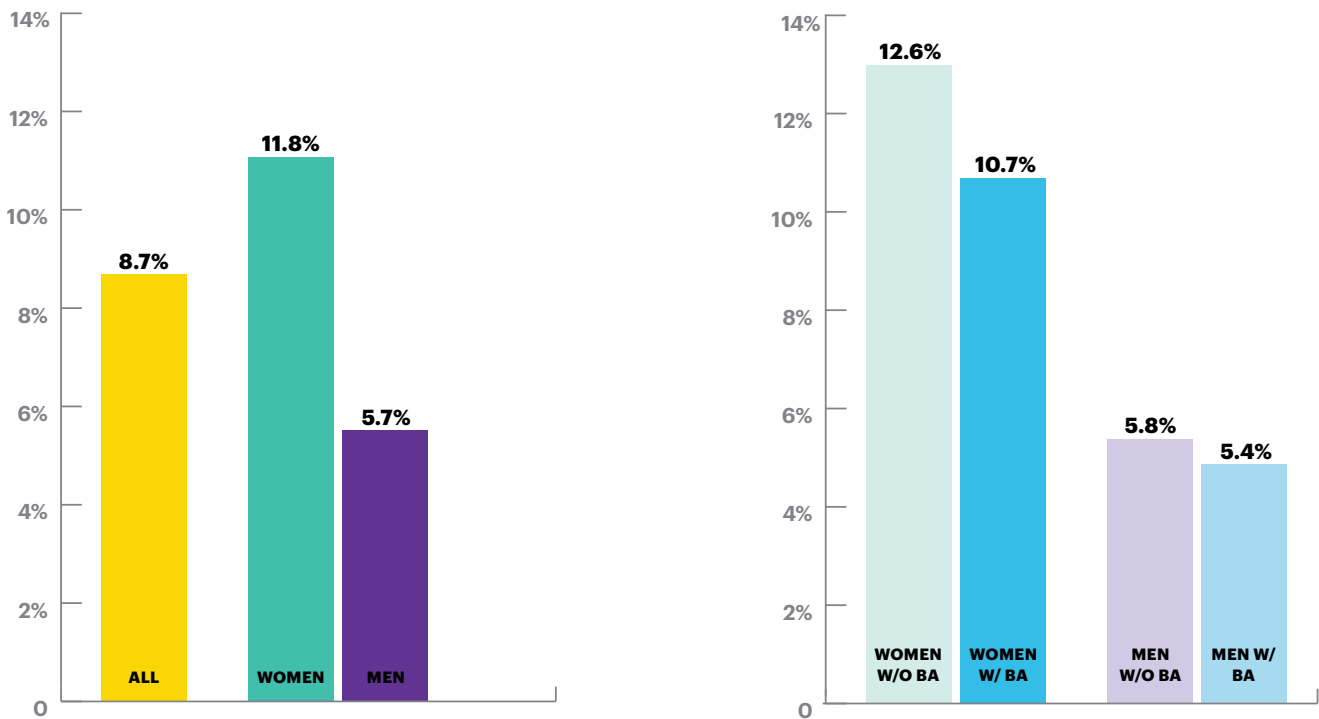
Source: NWLC calculations based on U.S. Census Bureau, Basic Monthly Current Population Survey microdata (Shares are average monthly data between February 2020 and February 2022).



## Women working full time were two times more likely than men to switch to part-time hours citing care-related reasons.

Among full-time workers who shifted to part-time work between February 2020 and February 2022, on average over one in 12 of such transitions (8.7%) were due to child care problems and other family or personal obligations. Women working full time were two times more likely than their male counterparts to shift to part-time work citing care-related reasons. On average, 11.8% of monthly full-time to part-time transitions made by women, compared to 5.7% of such transitions made by men, were for care-related reasons. Again, women without a bachelor's degree were more likely than women with a bachelor's degree or more (12.6% compared to 10.7%), and much more likely than their male counterparts (5.8%) and men with a bachelor's degree or more (5.4%), to shift to part-time work citing care-related reasons.

### Among full-time workers who shifted to part-time work since February 2020, average monthly share of those citing care-related reasons, overall and within each group by gender and level of education.



Source: NWLC calculations based on U.S. Census Bureau, Basic Monthly Current Population Survey microdata (Shares are average monthly data between February 2020 and February 2022).

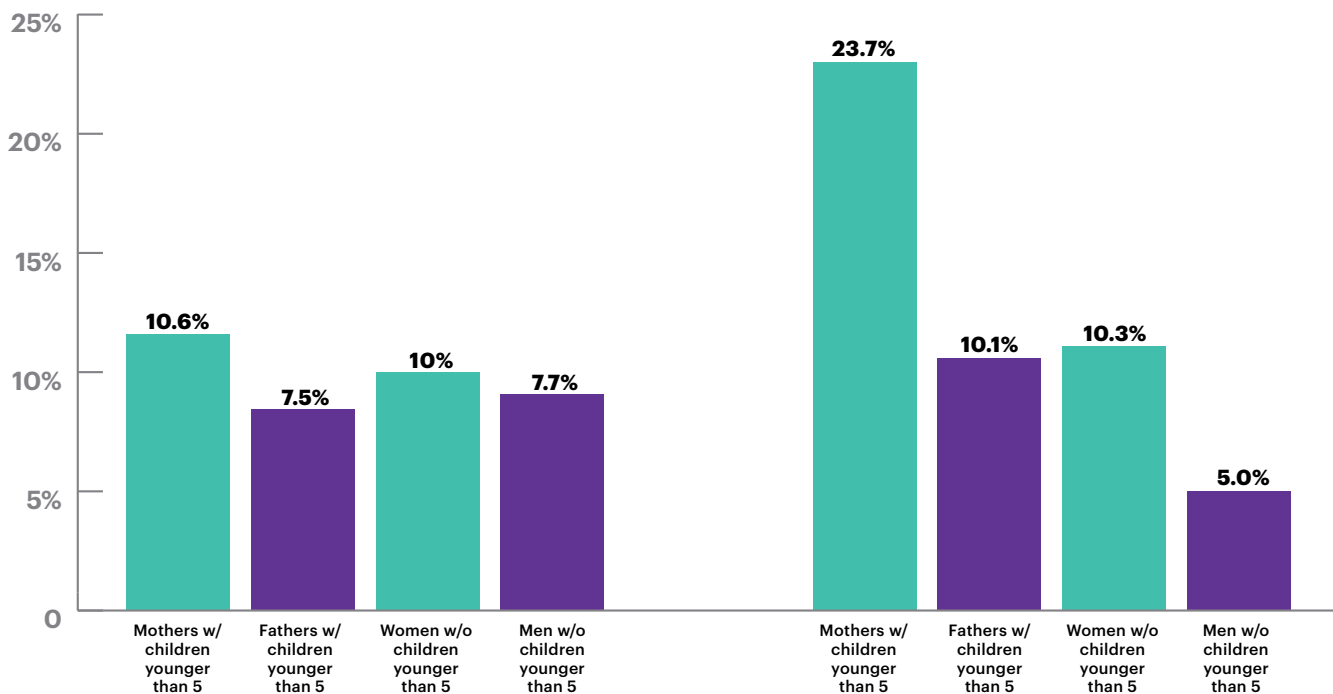


**Mothers with young children were especially likely to shift from full-time to part-time work citing care-related reasons.**

Mothers with young children have borne the brunt of the child care crisis exacerbated by the pandemic. Recent nationwide polling by the National Women’s Law Center finds only 27% of mothers of children under 5 maintained their usual work hours when their children were not in school in person or they did not have child care, compared to 58% of fathers with children under 5.<sup>23</sup> Analyses using CPS data find that between February 2020 and February 2022, on average, one in ten (10.6%)

mothers with children under 5 shifted from full-time to part-time hours from one month to the next, compared with 7.5% fathers with young children. More strikingly, almost a quarter of mothers with children under age 5 who shifted from full-time to part-time work during the pandemic cited care-related reasons for doing so (23.7%). In comparison, one in 10 transitions from full-time to part-time hours for fathers with children younger than 5 (10.1%) and for women without young children (10.3%), and one in 20 (5.0%) such transitions for men without young children were due to care-related reasons.

**(Left graph) Among full-time workers, average monthly share of those who shifted from full-time to part-time hours since February 2020, within each group by gender and presence of children younger than 5 in household. (Right graph) Among full-time workers, average monthly share of those who shifted from full-time to part-time hours since February 2020, within each group by gender and presence of children younger than 5 in household.**



Source: NWLC calculations based on U.S. Census Bureau, Basic Monthly Current Population Survey microdata (Shares are average monthly data between February 2020 and February 2022).



**Among working women, Latinas were most likely to shift from full-time to part-time work and to do so citing care-related reasons.**

Disparities between women by race and ethnicity who shifted from full-time to part-time work between February 2020 and February 2022 were relatively small, but they reflect unique challenges women of color face in the labor market.

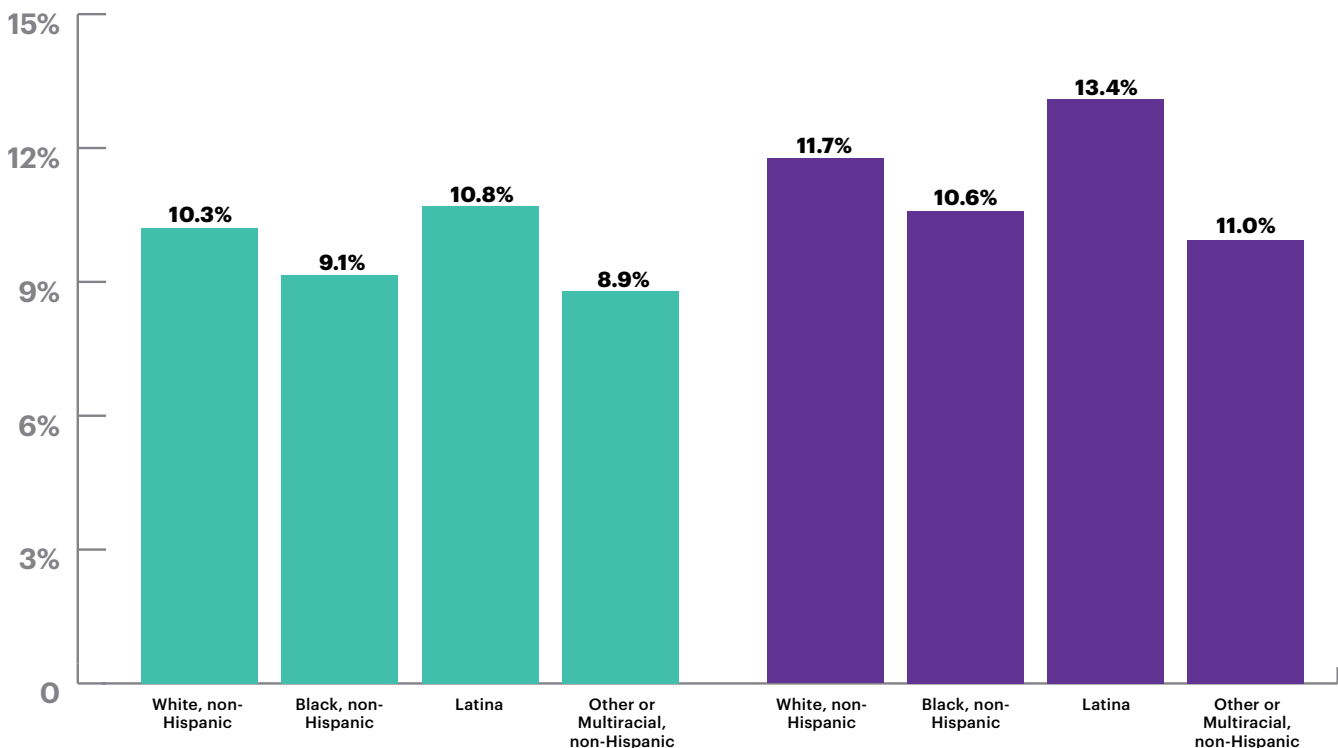
Latinas were slightly more likely than women of any other group to shift from full-time to part-time work and to do so for care-related reasons during the pandemic. On average, 10.8% of Latinas working full time shifted to part-time hours in the following month, and 13.4% of such transitions made by Latinas

were due to care-related reasons.<sup>24</sup> Due to occupational segregation and Latine/x workers' overrepresentation in low-paid jobs, Latine/x workers are much less likely to have access to paid sick days and paid family leave than other workers.<sup>25</sup> Latine/x families also disproportionately reside in "child care deserts" with an insufficient supply of licensed child care, making it especially challenging for Latinas to juggle work and care.<sup>26</sup>

Although Black, non-Hispanic women experienced relatively lower rates of transitioning from full-time to part-time hours since February 2020, this likely reflects the fact that Black women work part time less than white women overall but are much more likely than white women to be unemployed.<sup>27</sup>

**(Left graph) Among full-time workers, average monthly share of those who shifted from full-time to part-time hours since February 2020, within each racial/ethnic group.**

**(Right graph) Among full-time women workers who shifted to part-time hours since February 2020, average monthly share of those citing care-related reasons, within each racial/ethnic group.**



Source: NWLC calculations based on U.S. Census Bureau, Basic Monthly Current Population Survey microdata (Shares are average monthly data between February 2020 and February 2022).



### **UI reform can provide vital support to working caregivers and advance gender justice.**

The expanded federal UI programs enacted during the pandemic provided crucial support to workers, including many part-time workers, who have traditionally been excluded from UI benefits.<sup>28</sup> Yet this support was only temporary and far from enough, underscoring the need for modernizing the UI system so that it meaningfully addresses the needs of an increasingly diverse workforce.

Inadequate support systems coupled with prohibitive costs of care mean that working caregivers are caught between a heavy demand for care and inflexible workplace policies. The pandemic has made it impossible for many working caregivers to maintain full-time work hours, which reduces the income coming into their households. Prior research also shows that part-time work hours may come at a cost of reduced flexibility and availability of employer-provided supportive family benefits, making part-time jobs less accommodating than full-time jobs.<sup>29</sup> If these caregivers working part time lose their jobs, being unable to receive economic support through UI further jeopardizes their economic security—and that of their families.

Reforming the UI system is a gender and racial justice imperative. From the start, the unemployment insurance system was built to serve white, male,

full-time workers and their employers.<sup>30</sup> The U.S. labor market has transformed in both the workforce and the nature of work since UI was enacted in the 1930s. Notably, women’s labor market participation has increased dramatically, with many becoming breadwinners of their families.<sup>31</sup> There has also been a rise in part-time work, low-paid service jobs, and workers not engaged in traditional employer-employee relationships in recent decades.<sup>32</sup> But the UI system remains essentially unchanged, excluding many low-paid, part-time, and temporary workers who are disproportionately women and workers of color.

Unemployment insurance should correct for, not amplify, gender discrimination and inequities in the labor market. Women shoulder a disproportionate share of caregiving responsibilities, are more likely to face pay discrimination, and tend to concentrate in low-paid jobs—all of which limit their eligibility for unemployment insurance.<sup>33</sup> As this brief shows, women—especially mothers with young children and those with lower levels of education—were much more likely to shift from full-time to part-time work for care-related reasons during the pandemic. Thus, reform that centers the needs of part-time workers and expands their access to UI would disproportionately benefit these women.

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## **Unemployment insurance should correct for, not amplify, gender discrimination and inequities in the labor market.**

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Reform of the UI system to address the systemic issues that continue to exacerbate rather than alleviate gender inequities is imperative to ensure all women, no matter where they live or what their circumstances, are entitled to UI benefits and economic security. Federal standards should ensure that all states:

- ▶ Recognize compelling personal or family circumstances as “good cause quits,” including caregiving needs or challenges (caring for themselves, children, or other family members), other personal or family reasons (such as escaping domestic or intimate partner violence or relocating when a spouse must relocate for work), and unpredictable, unstable, or otherwise unreasonable workplace scheduling practices that are incompatible with caregiving.<sup>34</sup>
- ▶ Ensure that all workers who are only available for part-time jobs remain eligible for unemployment insurance, even if they worked full time prior to becoming unemployed. Workers who separate from full-time work and qualify for UI but wish to transition to part-time work for major life events or caregiving responsibilities should remain eligible for UI benefits.<sup>35</sup>
- ▶ Expand UI eligibility for low-paid and part-time workers whose earnings do not meet the traditional “monetary eligibility” requirement by basing UI eligibility solely on hours worked and setting a federal maximum number of hours a state can require for eligibility.<sup>36</sup>
- ▶ Mandate states to adopt an alternative base period (ABP) allowing workers to qualify for UI based on work history in the four quarters—or more generously, six quarters—immediately preceding job separation.<sup>37</sup>

- ▶ Increase benefit adequacy by requiring states to provide at least 30 weeks of benefits and raising replacement rates with a progressive formula that replaces at least 85% of wages for the lowest earners and gradually decreases to replace at least 50% of wages for the highest earners, so that the UI benefit levels truly alleviate economic hardship.<sup>38</sup>
- ▶ Create a Jobseekers’ Allowance (JSA) to provide a weekly cash benefit to all jobseekers, including new entrants into the labor market, who do not have recent work history.<sup>39</sup> This includes caregivers who needed to take extended time off to provide care and are now looking to reenter the labor market.
- ▶ Provide dependent’s allowances and increase benefits accordingly to help alleviate food and housing insecurity when parents or caregivers lose a job.<sup>40</sup>

Family caregivers are essential to our care infrastructure, ensuring children, the elderly, and people with chronic health conditions and disabilities have the supports they need. Their work is vital for sustaining the well-being of our society and the economy, and yet this work is unpaid and undervalued. It is time to overhaul the social insurance systems, our care infrastructure, and workplace policies so that caregivers receive their long-deserved support and recognition.



## Appendix. Data and Methodology

Unless otherwise noted, data in this issue brief uses basic monthly data from the Integrated Public Use Microdata Series, Current Population Survey (IPUMS-CPS).<sup>xii</sup> The Current Population Survey (CPS) is a monthly survey of approximately 60,000 households nationwide conducted by the Bureau of Labor Statistics, with detailed workforce, demographic, and socioeconomic information for a nationally representative civilian population age 16 years and older who do not reside in institutionalized settings.

Respondents are interviewed for four consecutive months (first to fourth months-in-sample), not interviewed for eight months, and then interviewed again for another four consecutive months (fifth to eighth months-in-sample). This rotating panel design captures transitions in employment status (for example, respondents can answer whether they have full-time work or part-time work, are unemployed, or whether they are out of labor force) from one month to the next. “Full-time work” or “full-time hours” are defined as working 35 hours or more combined for all jobs during the preceding week, and “part-time work” or “part-time hours” defined as working less than 35 hours during the previous week, regardless of one’s usual full- or part-time status. Analyses in this brief pool monthly CPS data from February 2020 to February 2022<sup>xliii</sup> to estimate 1) the average monthly share of transitions from working full-time hours in a certain month to working part-time hours in the following month and 2) among those who shifted from working full-time hours to part-time hours, the average monthly share of full-time to part-time transitions due to care-related reasons. Care-related reasons include “child care problems” and “other family/personal

obligations,” which are derived from answers by CPS respondents who worked part-time hours (a total of less than 35 hours) during the previous week to the question on reasons for working part-time. The unit of analysis is person-month.

The analytic sample includes civilian respondents age 16 and older who appear in two consecutive months-in-sample and worked full-time hours since February 2020. Individuals are linked across adjacent CPS months through a unique person identifier (“CPSIDP”), and all results are weighted using their longitudinal weights for two adjacent months (“LNKFW1MWT”), both provided by IPUMS. The analytic sample excludes observations from months-in-samples that are not immediately succeeded by the next calendar month, either due to non-interview or from the fourth or eighth month-in-sample (because the individuals leave the sample in the following calendar month).

All comparative statements have undergone statistical testing and are significant at the .01 level, unless otherwise noted.

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