

January 31, 2022

President Joseph R. Biden, Jr.
The White House
1600 Pennsylvania Avenue NW
Washington, D.C. 20500

Dear President Biden:

The undersigned organizations all advocate for the rights and needs of unemployed workers and for much-needed reform of the unemployment insurance (UI) system in this country. We know that you and your administration share our appreciation for how important this system is, but also understand the urgent need to reform the system to truly meet the needs of all workers during good and bad economic times. We write to urge you to include specific and substantial unemployment insurance proposals in your FY 2023 budget.

As you know, thanks to all the federal pandemic expansions and enhancements of unemployment insurance, UI became an absolute lifeline for tens of millions of families during the COVID-19 pandemic. As 2020 Census data revealed, UI benefits, including the federal pandemic programs, reduced the poverty rate from 12.9% to 11.4%, keeping 4.7 million people, 1.5 million of them children, out of poverty. Further, UI benefits disproportionately lifted Black and Latinx people out of poverty, with 1.1 million Black people and 1.2 million Latinx people avoiding poverty because of receipt of UI benefits.ⁱ We do not have statistics for 2021 yet, but the results are sure to be as impressive and important. The administration and Congress should be proud of the success of the federal pandemic programs and all they did to help people workers survive and thrive during the pandemic-induced unemployment crisis.

Of course, the pandemic and the need for the pandemic programs also laid bare the serious shortcomings in the UI system, particularly how it excludes Black, Latinx, and other workers of color. Every Congressional office experienced an overwhelming flood of calls from constituents, begging for help to access the UI benefits to which they were entitled. Antiquated technology, under-resourced state agencies, and outdated processes prevented states from implementing the federal pandemic programs in a timely fashion and providing unemployed workers the immediate relief they needed. Indeed, even when the pandemic programs were implemented, workers continued (and still continue) to face unconscionable delays.

With very few exceptions, state UI programs were woefully inadequate to meet the needs of workers during this pandemic. States have consistently set their benefit levels far too low to provide adequate wage replacement for workers, especially for underpaid workers who live paycheck to paycheck. Similarly, strict and outdated eligibility requirements across the states mean that nationwide only about one-quarter of those who are unemployed actually receive UI benefits—and underpaid and part-time workers are often left out entirely. Not surprisingly, workers of color and women are overrepresented in both groups. In addition, benefits end too quickly, especially in times of crisis, and state laws often set perverse incentives for states and employers that undermine program integrity.

All of these shortcomings are the result of purposeful choices that both Congress and state legislatures have made, and not surprisingly, these shortcomings disproportionately harm Black, Latinx, and other workers of color.ⁱⁱ While the federal pandemic programs helped fill in some of the major gaps in the regular UI system that leave out these workers, it was not enough to overcome the entrenched systemic racism in the UI system. Indeed, in a recent report, the GAO found that Black UI applicants were significantly less likely to receive pandemic UI benefits than white applicants.ⁱⁱⁱ

It is long beyond time for an administration and Congress to take seriously the need to radically overhaul the UI system throughout this country with a focus on reforms that have the greatest impact on improving access for Black, Latinx, and other workers of color—including improving benefit eligibility, adequacy, and duration. We need to seize the moment while all eyes are still on this program and its shortcomings and start to transform the program into one that unemployed workers need and deserve.

Historically, as soon as times of economic crisis subsided, Congress, administrations and advocates turned to other issues, with few remaining to fight the good fight to permanently fix the UI program. We cannot make that same mistake again. If we do, UI will not only continue to fail workers, particularly workers of color, in the years to come, but by the time we hit the next economic crisis, we will be even less prepared to provide the necessary support to families and communities throughout this country.

This administration has pledged to make racial equity and economic security two of the centerpieces of its work. Fixing the UI program so that it provides better benefit adequacy, duration, and eligibility, particularly for workers of color, is an absolute imperative. That work needs to start now and there's no better way for the administration to show that it is serious about fixing this system than to include substantial and detailed proposals for UI reform in its FY 2023 budget.

We all stand ready to work with the administration to achieve these important goals.

Sincerely,

9to5 Georgia

A Better Balance

AFL-CIO

Arizona Center for Economic Progress

Atlanta North Georgia Labor Council

Beeck Center for Social Impact + Innovation, Georgetown University

California Immigrant Policy Center

Center for Law and Social Policy (CLASP)

Center for Popular Democracy

Charlotte Center for Legal Advocacy

Coalition on Human Needs

Colorado Fiscal Institute

Economic Policy Institute

ExtendPUA.org

Florida Policy Institute

Georgetown Center on Poverty and Inequality's Economic Security & Opportunity Initiative

Grand Canyon Institute

Groundwork Collaborative

Jobs With Justice

Joint Center for Political and Economic Studies

Kids Forward

The Leadership Conference on Civil and Human Rights
Legal Aid Justice Center
Louisiana Budget Project
Maine Equal Justice
Michigan League for Public Policy
Missouri Budget Project
Missouri Jobs with Justice
Mon Valley Unemployed Committee
MWC, AFL-CIO
National Black Worker Center
National Center for Law and Economic Justice
National Employment Law Project
National Women's Law Center
Nebraska Appleseed
New Georgia Project Action Fund
New Mexico Center on Law and Poverty
New York Legal Assistance Group
North Carolina Justice Center
Ohio Organizing Collaborative
Phila. Unemployment Project
Policy Matters Ohio
Public Justice Center
Rights and Democracy
Shriver Center on Poverty Law
Step up Louisiana
Unemployed Workers United
Unemployment Law Project
Union for Reform Judaism
Victor Forberger, Esq. (Wisconsin)
William E. Morris Institute for Justice
Working Washington
Workplace Justice Project at Loyola Law Clinic

ⁱ <https://www.nelp.org/publication/unemployment-insurance-kept-4-7-million-people-out-of-poverty-in-2020/>.

ⁱⁱ For more information, please see “Reforming Unemployment Insurance: Stabilizing a System in Crisis and Laying the Foundation for Equity,” June 24, 2021, <https://www.nelp.org/publication/reforming-unemployment-insurance-stabilizing-a-system-in-crisis-and-laying-the-foundation-for-equity/>.

ⁱⁱⁱ <https://www.gao.gov/products/gao-21-599r>.