About NELP

NELP provides legal expertise, research and policy analysis, and communications and coalition-building support to labor and worker organizations, policy makers, and economic justice advocates around the nation to improve labor standards and access to good jobs for working people.

NELP has advocated in partnership with working people to defend their rights, to establish new protections, and to build collective power.
Importance of Equity in Unemployment Insurance
Key Racial Equity Implications

▪ **Structure can exacerbate existing inequities:** The current UI financing system can incentivize employers to make UI harder to access. This disproportionately halls on marginalized workers, especially BIPOC.

▪ **Higher unemployment rates for Black workers:** Hiring discrimination rates have remained unchanged for 25 years. Unemployment rate for Black workers across almost every level of education has remained double that of white workers for nearly 40 years.

▪ **Lower UI benefit for Black and other workers of color**

▪ **Racial wealth gap:** Being able to wait for UI benefits is a luxury afforded to only to those with savings and wealth.

▪ **Racial wage gap:** Lower earnings means smaller UI benefits.

▪ **Digital and mobile divide:** UI websites and applications that are not mobile-responsive place a disproportionate burden on workers of color

▪ 25% of Latinx adults and 23% of Black adults are entirely smartphone dependent and don’t use broadband at home, versus only 12% of white adults

▪ **Biased algorithms:** Can introduce new forms of bias and harm.
Key Racial Equity Implications

Accessibility: Unidos Latino Polling

Reasons Did Not Apply for Unemployment

(What are the reasons that you did not apply for unemployment benefits [as many as apply]. Percent yes responses illustrated.)

- Think I’m not eligible/don’t qualify
- Don’t know how
- Process too complicated
- Don’t have required information
- Online privacy concerns
- Heard program ended/no money left
- Not enough Spanish info/help
- Website did not work
- No one answered calls
- Missed deadline to apply
- Got small business loan instead

Source: UNIDOSUS Survey July 14-24, 2020 (Total N=1,200) Per State N=400 +/- 4.9%

Click here for more polling results
Inequity in Unemployment Insurance

### Continued claims by ethnicity:

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>Regular UI</th>
<th>Extensions</th>
<th>PUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hispanic or Latino</td>
<td>20.64%</td>
<td>20.45%</td>
<td>23.99%</td>
</tr>
<tr>
<td>Not Hispanic or Latino</td>
<td>79.36%</td>
<td>79.55%</td>
<td>76.01%</td>
</tr>
</tbody>
</table>

### Continued claims by race:

<table>
<thead>
<tr>
<th>Race</th>
<th>Regular UI</th>
<th>Extensions</th>
<th>PUA</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Indian</td>
<td>0.54%</td>
<td>0.48%</td>
<td>1.01%</td>
</tr>
<tr>
<td>Asian</td>
<td>6.35%</td>
<td>8.13%</td>
<td>6.37%</td>
</tr>
<tr>
<td>Black or African American</td>
<td>15.84%</td>
<td>17.41%</td>
<td>18.59%</td>
</tr>
<tr>
<td>Native Hawaiian or Pacific Islander</td>
<td>0.79%</td>
<td>0.81%</td>
<td>0.65%</td>
</tr>
<tr>
<td>white</td>
<td>76.47%</td>
<td>73.17%</td>
<td>73.38%</td>
</tr>
</tbody>
</table>
Inequity in Unemployment Insurance

Race for long term unemployed claimants

- American Indian
- Asian
- Black or African American
- Native Hawaiian or Pacific Islander
- White

Percentage over time:
- Jul 2020
- Oct 2020
- Jan 2021
- Apr 2021
Centering Equity in UI Finance
Recommended Finance Reform

- Federal Financing
- Taxable Wage Base
- Tax Rate

**Classification of Workers:**

Require states to implement “ABC” tests that prevent employers from circumventing taxes by reclassifying employees as contractors, and require large businesses that use a lot of contractors to pay unemployment insurance tax on their contractors.
Massachusetts UI Recipiency Rates

11) Application and Receipt of UI Benefits as a Proportion of the Unemployed

- Unemployed: 70% of the Unemployed
- Job Losers: 56% of the Unemployed
- UI Applicants: (Claimants 54% of the Unemployed)
- UI Beneficiaries: 44% of the Unemployed

12) State Historical Application Rate *

* Includes only Regular State UI program claims. Excludes Extended Benefits and Emergency Unemployment Compensation.
Key Racial Equity Implications
Key Racial Equity Implications

Replacement of Lost Income

Series 1

0.541

0.307
Key Racial Equity Implications
Key Racial Equity Implications

Latinx Population

Series 1

48.80%

1.30%

Powered by Bing
© GeoNames
Key Racial Equity Implications

![Map showing White Population percentages across the United States.](image-url)

**Series 1**
- 93.40%
- 21.80%

*Powered by Bing © GeoNames*
Resources


- EPI State Race and Ethnicity Unemployment Rate Data: https://www.epi.org/indicators/state-unemployment-race-ethnicity/