

– NELP Briefing Paper –

**State Unemployment Insurance Trust Fund Solvency:  
How Are States Doing in the Continuing Job Slump?**

**Rick McHugh, Staff Attorney  
Andrew Stettner, Policy Analyst  
National Employment Law Project**

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### Executive Summary

- Despite three years of higher UI claims due to the 2001 recession and continuing job slump, the majority of states have entered 2004 with adequate UI trust fund reserves. Assuming that the job market recovers sometime this year, state UI trust funds have sufficient reserves and have performed well overall. With unemployment and loss of jobs as central concerns of the public, rebuilding UI safety nets to better serve workers makes sense, especially in the majority of states with above-average solvency.
- States entered the recession in 2001 with \$54.05 billion in UI trust fund reserves, a notable overall amount that was still below accepted levels of pre-recession solvency. Going into 2004, a number of states have impressive levels of UI reserves considering the lingering job slump. In fact, 18 states enter 2004 with balances that meet solvency guidelines for reserves *prior to a recession*.
- Fourteen states have 3rd quarter 2003 reserve ratios (percent of total wages held as trust fund reserves) over 2.0 (Alaska, Hawaii, Iowa, Louisiana, Maine, Mississippi, Montana, New Mexico, Oregon, Puerto Rico, Utah, Vermont, Virgin Islands, and Wyoming) and seventeen have average high cost multiples (AHCs) over 1.0 (Arizona, Delaware, District of Columbia, Hawaii, Iowa, Louisiana, Maine, Mississippi, Montana, New Hampshire, New Mexico, Oregon, Puerto Rico, Utah, Vermont, Virgin Islands, and Wyoming).
- One dozen states face immediate UI trust fund solvency challenges in 2004. They are Alabama, California, Colorado, Illinois, Massachusetts, Minnesota, Missouri, New York, North Carolina, South Dakota, Texas, and Virginia. Other states will join this group if the job slump continues or their UI payroll taxes don't rise to meet the demands created by 3 years of higher UI claims.
- A number of states with highly solvent UI trust fund reserves have serious shortcomings in their UI programs. Arizona, Florida, Indiana, Kansas, Louisiana, Maryland, Mississippi, New Hampshire, Oklahoma, Puerto Rico, South Carolina, Utah and Wyoming stand out as highly solvent jurisdictions with inadequate benefit levels and/or below average levels of UI reciprocity.
- UI reforms targeted at low-wage and part-time workers have modest costs when compared to the advantages experienced by jobless workers helped by these reforms. Recommended reforms that have been adopted in a number of states include the alternate base period (ABP), part-time UI eligibility, and recognizing expanded reasons for good cause for leaving work. The cost of these reforms is modest and affordable even in states without adequate reserves.
- Maintaining or restoring UI trust fund solvency requires that states have policies that provide forward funding of their UI programs. Recommended policies are indexing taxable wage bases, having adequate maximum UI payroll tax rates, and setting minimum tax rates above zero.

# State Unemployment Insurance Trust Fund Solvency: How Are States Doing in the Continuing Job Slump?

By National Employment Law Project

## Introduction

State unemployment insurance (UI) trust funds have now faced three consecutive years of high benefit claims due to the 2001 recession and continuing slack labor market. While a dozen or so states face insolvency and federal loans in 2004, even more states enter 2004 with ample trust fund UI reserves. This fact sheet discusses how to judge the adequacy of a state's UI trust fund balance and reviews the UI trust fund situation of states at the end of 2003. Tables 1 and 2 include state-by-state information discussed in this fact sheet.

## State UI Trust Fund Solvency in the Current Downturn

Evaluating the sufficiency of unemployment insurance (UI) trust funds involves making a judgment regarding the "solvency" of UI trust fund balances to meet UI benefit requirements in a future downturn.<sup>1</sup> Policymakers and advocates for jobless workers need to understand the centrality of solvency to addressing the goals of UI programs and the needs of unemployed workers. The box below explains the basic terminology used in discussing UI solvency.

### Three Measures for UI Trust Fund Solvency

The following terms are commonly used to analyze UI trust fund solvency:

The **Reserve Ratio** or **Trust Fund as Percent of Total Wages** is a state's trust fund balance as a percent of total wages for the past 12 month period. Trust fund reserves are compared with state wages, roughly comparing the size of the trust fund balance to the risk being insured by UI (loss of wages). Reserve ratios are useful solvency measures because they reflect the size of a state's economy. There is no accepted reserve ratio standard accepted among UI solvency experts, although a pre-recession reserve ratio of at least 2.0 is wise in our view. Table 2 gives reserve ratios of states at the end of the 3rd calendar quarter of 2003.

**Cost multiples** compare the size of past UI benefit payments amounts in a twelve-month period to trust fund balances. There are two cost multiple benchmarks in common use.

A **High Cost Multiple (HCM)** of 1.0 means that a state has one year's reserves at its historically highest level of benefit payments without relying upon UI payroll tax revenues. An HCM of 0.5 converts to six months, an HCM of 1 equals 12 months, and so forth. In the 1950s, an HCM of 1.5 (or 18 months) was widely accepted as a prudent level of pre-recession UI reserves.

The **Average High Cost Multiple (AHCM)** was adopted in the 1990s in light of concern that HCMs were overly conservative measures of solvency. A state's AHCM is the average of the three most recent high cost calendar years that include either three recessions or at least 20 years history. The Advisory Council on Unemployment Compensation, a federal advisory panel, recommended in 1995 that states maintain a pre-recession AHCM of 1.0.<sup>2</sup> Table 2 at the end of this fact sheet provides NELP-calculated AHCMs for each state as of the 3rd calendar quarter of 2003.

A lesson of the 2001 recession and job slump that followed is that UI trust fund solvency is very important for jobless workers. A recent example is furnished by two neighboring states. In 2003, New Mexico had the most solvent state UI trust fund in the country. The state passed a comprehensive UI reform measure that

included alternate base periods, part-time UI eligibility, domestic violence UI, and other positive features. Employers were granted a modest tax decrease. In contrast, Texas, which adopted pay as you go financing of its UI program in the late 1980s, has faced insolvency beginning in 1999. It has now frozen its maximum weekly benefit level and it issued \$1.4 billion in private bonds in September 2003. As a result of retaining a low trust fund balance during the 1990s, Texas lost hundreds of millions in federal interest on its trust fund. Texas is facing years of continuing insolvency and for that reason is unlikely to improve its UI program.

The operation of trust funds in UI programs is illustrated by the recent recession and continuing job slump. The recession officially began in March 2001. Overall, states ended calendar year 2000 with \$54.05 billion in UI trust fund reserves, providing a national reserve ratio of 1.4, an average high cost multiple of 0.9, and a high cost multiple of 0.6. In other words, overall state UI reserves were below recommended levels prior to the current job slump (see box above), with some states below prudent levels and others well above.<sup>3</sup>

UI claims rose rapidly in 2001 from pre-recession levels and have not yet started to significantly decline. Total state UI benefit payments were \$27.34 billion in fiscal year 2001, rising to \$41.99 billion in fiscal year 2002, \$41.99 billion in fiscal year 2003, and remaining at a projected \$39.98 billion in FY 2004. State UI tax revenues were less volatile than benefit payments. In fiscal year 2001, state UI taxes totaled \$20.82 billion. State UI taxes were \$20.91 billion in FY 2002, \$26.70 billion in FY 2003, and are estimated at \$32.42 billion in FY 2004.

State trust funds benefited from a distribution of \$8 billion in federal "Reed Act" funds in March 2002. This amounted to about 20 percent of state trust funds at the time of their distribution. Most states did not use the funds to extend UI benefits or eligibility, but to bolster state trust funds and, as a result, reduce state UI payroll taxes.<sup>4</sup> The unprecedented 2002 distribution of Reed Act funds has undoubtedly improved overall state solvency during the recession and job slump. Table 1 shows the 2003 year-ending trust fund balances for all 53 UI jurisdictions (all states plus D.C., Puerto Rico, and Virgin Islands). The total balances given in Table 1 include any remaining Reed Act funds still held in each state's UI trust fund.

Assuming that the job market improves as predicted sometime in 2004, states have come through the most recent downturn in relatively good shape. By the end of the third quarter of 2003, state trust fund reserves had fallen to \$28.1 billion, taking up the slack between higher UI benefit payments and lower UI taxes. This produced a national reserve ratio of 0.75 at the end of the third quarter of 2003 (September 30). In other words, in almost three years of higher claims, state trust fund solvency overall has declined by less than half (from 1.4 to 0.75).

### **State Unemployment Insurance Trust Fund Performance in the Current Downturn**

The use of overall national figures obscures good performance in terms of solvency by a majority of states and poor performance by a minority of states. We employ end of 3rd quarter 2003 figures because those are more complete and furnish USDOL calculated reserve ratios. For example, while nationally 0.75 percent of total wages were held in state UI trust fund reserves at the end of the third quarter of 2003 (i.e., the reserve ratio), 28 of the 53 UI jurisdictions exceeded this national average reserve ratio. Of these, 14 states (Alaska, Delaware, Hawaii, Iowa, Louisiana, Maine, Mississippi, Montana, New Mexico, Oregon, Puerto Rico, Vermont, Virgin Islands, and Wyoming) had reserve ratios over 2.0 percent of state total wages. Seventeen states had average high cost multiples above 1.0 at the end of the third quarter. States in this group have an impressive level of trust fund reserves at this point in the ongoing job slump.

For this paper, NELP calculated average high cost multiples (AHCMs) for each state. At the end of the third quarter of 2003, six states (Illinois, Minnesota, New York, North Carolina, Massachusetts, and Missouri) had AHCMs below 0.25 (meaning less than 3 months reserves). Another twelve states had AHCMs below 0.50 (or 6 months of funding). See Table 2. All these states face immediate solvency challenges, especially if UI claims don't decline soon and state revenues don't increase in response. Figure 1 provides the range of AHCMs for all states as of September 30, 2003.

Judging mainly by their reserve ratios at the close of the third quarter 2003, one dozen states face pressing

*One dozen states face pressing solvency challenges in 2004. They are Alabama, California, Colorado, Illinois, Massachusetts, Minnesota, Missouri, New York, North Carolina, South Dakota, Texas, and Virginia. If the economy doesn't pick up, others will join the ranks of these states heading into 2005. All these states had less than recommended reserves in 2000.*

solvency challenges in 2004. Illinois, Minnesota, Missouri, New York, and North Carolina had no reserves. Arkansas, California, Colorado, Massachusetts, Texas<sup>5</sup> and Virginia had reserve ratios below 0.4, and Alabama and South Dakota were only somewhat higher. During 2003, six of these 12 states (Illinois, Minnesota, Missouri, New York, North Carolina, and Texas) had taken federal UI loans.<sup>6</sup>

**Interestingly, those states facing immediate solvency challenges in 2004 all had lower than recommended reserves as they entered the recent recession.** At the end of 2000, five states (Illinois, New York, North Dakota, Texas,

and West Virginia) had average high cost multiples of 0.5 or less. Eight states (Alabama, Minnesota, Missouri, Nebraska, New York, North Dakota, South Dakota, and Texas) had reserve ratios below 1.0 at the end of 2000 (when the national reserve ratio was 1.4.)<sup>7</sup> So, of the dozen states currently facing solvency challenges Alabama, Illinois, Minnesota, Missouri, New York, South Dakota, and Texas were showing definite indications of solvency trouble prior to the current downturn. See Table 2.

Of the remaining five states facing pressing 2004 solvency challenges (Arkansas, California, Colorado, Massachusetts, and North Carolina), all except Colorado had below-average high cost multiples (0.55 or less) at the end of 2000, and all but Massachusetts had reserve ratios significantly less than 2.0 at that time. In short, the states facing pressing solvency problems in 2004 all showed signs of inadequate reserves before 2001. See Table 2.

Some opponents of UI reform have used trust fund solvency concerns as grounds for opposing expanded UI eligibility or higher UI benefit levels, blaming low trust fund balances on excessively generous benefit levels or unwarranted duration of UI benefit payments.<sup>8</sup> In fact, as a group, the dozen or so states we have identified here as facing solvency challenges in the current job slump cannot be characterized as overly generous. Clearly, Alabama, Colorado, South Dakota, Texas, and Virginia all have less than adequate UI programs in a number of respects. And, California has only recently addressed serious inadequacies in its weekly benefit levels.<sup>9</sup> None of the remaining states identified here as facing immediate solvency challenges have UI programs that stand out as excessive or out of line, in our view. To the degree that this group of states faces 2004 solvency challenges, it is not accurate to state that they are insolvent because they have overly generous UI programs.

One thing that does characterize states facing 2004 solvency challenges as a group is low taxable wage bases and insufficient adherence to prudent UI financing requirements. See Table 2. Instead of building trust fund reserves during the economic good times that preceded the current downturn, these states kept trust fund balances low to permit UI tax reductions or to keep taxes low. For example, Massachusetts, New

York, Illinois, and Texas all gave substantial UI payroll tax breaks to employers during the 1990s. These state's tax reductions were not matched with benefit or eligibility expansions for jobless workers. North Carolina had significant UI tax breaks throughout the 1990s, which were only partially matched with corresponding changes in favor of jobless workers. Alabama and South Dakota run restrictive programs that are still insolvent despite serving fewer than average workers.

### **Can States Afford to Improve Their UI Programs?**

In terms of whether states can afford UI reform in 2004, UI trust fund levels are more than adequate in a majority of states. According to most employers and their political allies, "now" is never a good time to reform UI programs. During a recession, they say, UI claims levels are too high for reforms to be affordable, and during a recovery there is insufficient need to address UI program shortcomings. In fact, many reforms assisting lower-wage workers can expand UI eligibility without greatly boosting overall trust fund costs, since low-wage workers get modest UI benefit amounts. Widely recommended reforms that have been recently adopted by a number of states include alternative base periods, expanded part-time eligibility, and provisions dealing with good cause forcing individuals to leave due to work/family conflicts.<sup>10</sup>

Several states with very healthy UI trust funds have serious shortcomings in their UI programs. As a result these states' UI programs should face serious scrutiny. Of those states with reserve ratios of 1.5 or better (or more than twice the national average of 0.75), Louisiana, Mississippi, and Puerto Rico stand out as jurisdictions with seriously inadequate benefit levels and below average levels of UI reciprocity. Arizona, which has both a high reserve ratio and AHCM, has a maximum weekly benefit of \$205 a week and low UI reciprocity. New Hampshire, Utah, and Wyoming have more than adequate trust funds and below average reciprocity. Of these very solvent states only New Hampshire has an alternate base period and only Wyoming has part-time UI eligibility. With the exception of Utah, all these highly funded states need substantial increases in UI benefit amounts to reach acceptable levels of wage replacement. With the sole exception of Arizona, all these states have generally restrictive provisions relating to good cause for leaving employment.

In a middle group of states with above-average solvency, Florida, Indiana, Kansas, Maryland, Oklahoma and South Carolina all have UI programs that fall short of best practices, especially with regard to low-wage worker eligibility, and a number of this group of states have below-average benefit levels as well.

With unemployment and loss of jobs remaining as central concerns of the public, rebuilding UI safety nets makes sense, especially in the majority of states with above-average solvency. Eligibility reforms addressing needs of low-wage workers have modest costs when compared to their advantages to jobless workers they help. Even in the dozen or so states identified here as facing immediate solvency challenges in 2004, targeted UI reforms are not significant in cost when compared to the large revenue increases required to restore solvency in these states and their benefits to the overall economy.

### **State Policies that Promote UI Trust Fund Solvency**

The twin goals of unemployment insurance are the payment of adequate temporary wage replacement to involuntarily unemployed individuals and the stimulation of economic activity by maintaining consumer spending. Wayne Vroman, the nation's leading authority on UI financing, summarizes the overall economic theory supporting forward funding of UI programs:

Trust fund balances are built up before recessions, drawn on during recessions, and then rebuilt during the subsequent recoveries. The funding arrangement implies that the program acts as an automatic stabilizer of economic activity, that it makes larger benefit

payments than tax withdrawals during recessions and larger tax withdrawals than benefit payments during economic expansions.<sup>11</sup>

A number of policies are significant to maintaining or restoring UI trust fund solvency and reaching forward funding.

1. UI payroll taxes are imposed only upon a portion of wages, called the “taxable wage base.” The minimum taxable wage base permitted is \$7000. Indexing taxable wage bases to reflect growth in wages is highly related to having an adequate financial base for UI programs. (See NELP’s briefing paper “Indexed State Taxable Wage Bases: Taking A Significant Step Toward Better UI Financing” for more information.) Having a higher taxable wage base is important because the ability of a state’s UI trust fund to recover more quickly from the impact of a recession is limited if only a small proportion of wages is subject to taxation.
2. The range of taxes set by state law is another important factor in UI financing. The maximum tax rate controls the ability of a state’s UI tax schedule to recover from recessions and impacts on its experience rating as well. States that set their maximum tax rates too low will see greater numbers of “high cost” employers that don’t repay trust fund withdrawals made for UI benefit payments to their laid off employees. Federal law permits a maximum rate of no lower than 5.4 percent. States with low taxable wage bases and low maximum tax rates will face UI solvency problems in many cases.
3. Many states have recently adopted zero minimum tax rates. Zero tax rates are ordinarily applied to employers that have no UI claims filed by former employees for a number of years. These “good” employers, however, then obtain insurance without having to pay any premium. Since all employers benefit from having UI programs in place to protect not only their employees from the risk of wage loss, but to boost a state’s economy when employees of other firms are laid off, a zero minimum tax rate is not good policy. All covered employers should contribute something toward UI programs.

In order to have forward funding and UI trust fund solvency, states must attend to trust fund balances in both good times and in bad times. Policymakers and advocates focusing on UI solvency should reexamine their state’s UI financing provisions in order to ensure that UI trust funds are solvent and forward funded.

## **Conclusion**

In summary, the majority of states have UI trust fund balances sufficient to avoid borrowing in 2004 and 2005, and a significant number of states maintain very good balances despite the strains of the past three years. Assuming that the labor market recovers within a reasonable time frame and economic growth continues for a few years before another job slump occurs, most state’s UI programs should have sufficient reserves to cover a substantial portion of higher UI claims produced during economic downturns. Few, if any states, can claim that UI reforms targeted at low-wage workers are too costly. In the longer term, states that avoid reaching solvency by raising UI revenues will likely undergo another cycle of borrowing or other responses to insolvency in the next downturn.

**For further information about this briefing paper visit [www.nelp.org](http://www.nelp.org) or contact:**

Rick McHugh  
Midwest Coordinator  
(734) 426-6773  
[rmchugh@nelp.org](mailto:rmchugh@nelp.org)

Andrew Stettner  
Policy Analyst  
(212) 285-3025, ext. 110  
[astettner@nelp.org](mailto:astettner@nelp.org)

## Endnotes

<sup>1</sup> For more in-depth information on UI financing, payroll taxation, and solvency see Wayne Vroman, *Topics in Unemployment Insurance Financing* (Kalamazoo, Michigan: Upjohn Institute, 1998) and Marc Baldwin, *Boom and Bust: Financing Unemployment Insurance in a Changing Economy* (National Employment Law Project, April 2001). All NELP documents are available at <[www.nelp.org](http://www.nelp.org)>. Portions of this fact sheet appeared in NELP's "Bond Financing For Insolvent State Unemployment Insurance Trust Funds" (January 2004).

<sup>2</sup> Advisory Council on Unemployment Compensation, *Unemployment Insurance in the United States: Benefits, Financing, Coverage* (U.S. Department of Labor, Washington, D.C., 1995), p. 9. See also U.S. Department of Labor, Employment and Training Administration, "Reserve Adequacy," Unemployment Insurance Program Letter No. 44-81 (October 13, 1981).

<sup>3</sup> The figures regarding solvency in this paper are found in the U.S. Department of Labor, Office of Workforce Security, "UI Data Summary, 3rd Quarter 2003 and the "UI Data Handbook No. 384." Revenue and benefit payments figures are found in, "UI Budget Outlook, FY 2005 President's Budget" (February 2004). All these sources are available online at the Department's Office of Workforce Security website at <<http://ows.doleta.gov/unemploy>>.

<sup>4</sup> Maurice Emsellem, "Status of 2002 Reed Act Distribution By State as of January 2003," (National Employment Law Project: March 24, 2003).

<sup>5</sup> Texas only achieved this degree of insolvency by depositing \$1 billion in bond revenues in its trust fund in the closing days of the third quarter 2003 in order to avoid federal interest charges on previous loans. See Rick McHugh, "Bond Financing For Insolvent State Unemployment Insurance Trust Funds," (National Employment Law Project: January 2004).

<sup>6</sup> U.S. Department of the Treasury, Bureau of the Public Debt, "UI Trust Fund Account Reports Online," <<http://www.publicdebt.treas.gov/dfi/dfiutprep.htm>> (December 31, 2003).

<sup>7</sup> See Marc Baldwin, *Boom and Bust*, p. 17-18, for a discussion of the state solvency picture prior to the current downturn and a listing of the states with low reserve ratios and average high cost multiples in 2000.

<sup>8</sup> See Economic Policy Foundation, "Recession Outlook Points to Financial Peril for Unemployment Insurance System," *Employment Trends* (November 5, 2001), p. 4.

<sup>9</sup> Each of these states (Alabama, California, Colorado, South Dakota, Texas, and Virginia) had failing UI programs when graded overall in the March 2002 report by Economic Policy Institute, Center on Budget and Policy Priorities, and NELP. Maurice Emsellem, et. al, "Failing the Unemployed: A State by State Examination of Unemployment Insurance Systems," (National Employment Law Project: March 2002).

<sup>10</sup> For more information regarding these UI reform issues, readers can find more detailed explanations in the following NELP documents: "What is an Alternate Base Period and Why Does My State Need One?" (April 10, 2003); Rebecca Smith, et al., *Between a Rock and a Hard Place: Confronting the Failure of State Unemployment Insurance Systems to Serve Women and Working Families* (March 2003); Rick McHugh, et al., *Laid Off and Left Out: Part-Time Workers and Unemployment Insurance Eligibility: How States Treat Part-Time Workers and Why UI Programs Should Include Them* (February 2002).

<sup>11</sup> Wayne Vroman, *Topics in Unemployment Insurance Financing*, p. 10.



**Table 1: State UI Trust Fund Balances--End of Calendar Year 2003**

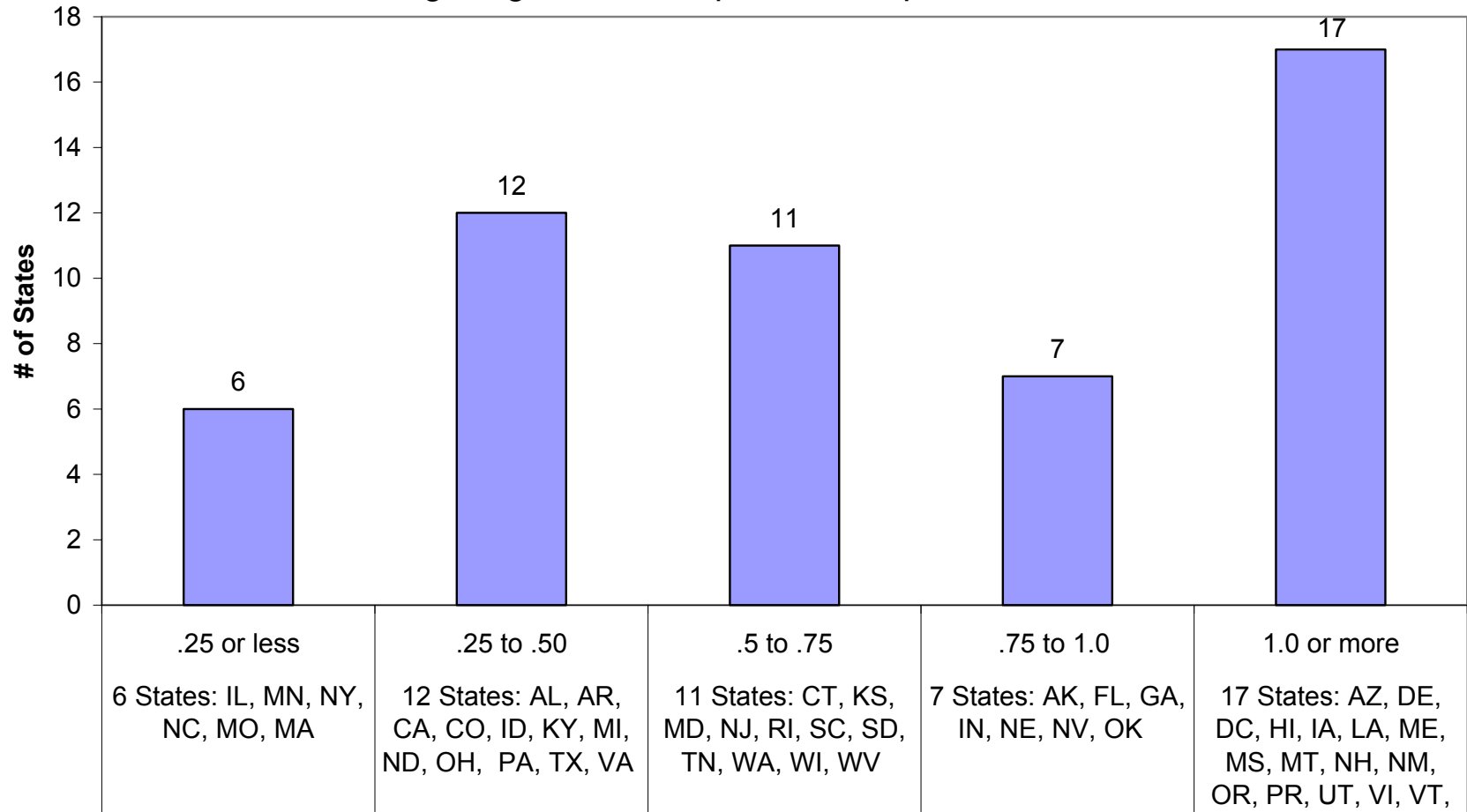
State	Total Trust Fund Balance (millions)
Alabama	\$253
Alaska	\$193
Arizona	\$750
Arkansas	\$61
California	\$962
Colorado	\$132
Connecticut	\$413
Delaware	\$244
Dist. of Columbia	\$287
Florida	\$1,374
Georgia	\$703
Hawaii	\$347
Idaho	\$127
Illinois	\$5
Indiana	\$758
Iowa	\$706
Kansas	\$294
Kentucky	\$340
Louisiana	\$1,491
Maine	\$438
Maryland	\$584
Massachusetts	\$58
Michigan	\$1,248
Minnesota	\$0
Mississippi	\$648
Missouri	\$4
Montana	\$196
Nebraska	\$142
Nevada	\$429
New Hampshire	\$226
New Jersey	\$1,513
New Mexico	\$589
New York	0
North Carolina	\$10
North Dakota	\$55
Ohio	\$883
Oklahoma	\$353
Oregon	\$1,017
Pennsylvania	\$762
Puerto Rico	\$512
Rhode Island	\$203
South Carolina	\$373
South Dakota	\$38
Tennessee	\$499
Texas	\$2
Utah	\$368
Vermont	\$248
Virgin Islands	\$36
Virginia	\$226
Washington	\$973
West Virginia	\$224
Wisconsin	\$1,239
Wyoming	\$193

**Table 2: State UI Trust Fund Solvency—3rd Qtr. 2003**

State	Fund Balance 9/30/03 (millions)	Reserve Ratio 3rd Qtr 2003	AHCM 3rd Qtr 2003	Reserve Ratio 4th Qtr 2000	AHCM 4th Qtr 2000	Taxable Wage Base-2003
Alabama	\$292.6	0.64	0.46	0.97	0.65	\$8000
Alaska	\$207.1	2.72	0.87	3.23	1.03	\$26,700
Arizona	\$806.4	1.30	1.30	1.68	1.68	\$7000
Arkansas	\$97.6	0.39	0.26	1.12	0.68	\$9000
California	\$1833.1	0.38	0.26	1.16	0.78	\$7000
Colorado	\$218.6	0.33	0.30	1.15	1.05	\$10,000
Connecticut	\$476.4	0.78	0.55	1.35	0.96	\$15,000
Delaware	\$253.8	2.00	1.66	2.69	2.02	\$8500
Dist. of Columbia	\$297.5	1.45	1.09	1.40	1.05	\$9000
Florida	\$1528.0	0.79	0.96	1.15	1.40	\$7000
Georgia	\$832.6	0.75	0.80	1.73	1.79	\$8500
Hawaii	\$335.9	2.53	1.49	2.63	1.56	\$30,200
Idaho	\$137.2	1.08	0.45	2.25	0.95	\$27,600
Illinois	\$5.2	0.00	0.00	1.13	0.48	\$9000
Indiana	\$867.0	1.14	0.94	2.14	1.57	\$7000
Iowa	\$705.5	2.15	1.06	2.61	1.24	\$19,200
Kansas	\$345.0	0.96	0.66	1.43	0.93	\$8000
Kentucky	\$389.8	0.93	0.44	1.73	0.77	\$8000
Louisiana	\$1515.0	3.51	1.29	3.71	1.36	\$7000
Maine	\$439.6	3.35	1.73	2.77	1.43	\$12,000
Maryland	\$651.1	0.93	0.64	1.37	0.94	\$8500
Massachusetts	\$268.7	0.23	0.13	1.76	1.01	\$10,800
Michigan	\$1545.5	1.13	0.42	2.21	0.75	\$9,500
Minnesota	\$0	0.00	0.00	0.97	0.58	\$21,000
Mississippi	\$665.8	2.89	1.89	3.11	1.98	\$7000
Missouri	\$3.8	0.01	0.01	0.72	0.55	\$7500
Montana	\$196.5	2.32	1.37	2.42	1.42	\$19,700
Nebraska	\$142.6	0.72	0.75	0.95	0.99	\$7000
Nevada	\$442.8	1.42	0.84	1.81	1.07	\$21,500
New Hampshire	\$242.2	1.39	1.49	1.89	2.01	\$8000
New Jersey	\$1714.3	1.22	0.66	2.20	1.15	\$23,900
New Mexico	\$591.3	3.72	2.66	3.91	2.79	\$16,600
New York	\$6.5	0.00	0.00	0.41	0.31	\$8500
North Carolina	\$10.2	0.01	0.01	1.20	0.91	\$15,900
North Dakota	\$49.5	0.83	0.39	0.60	0.28	\$18,000
Ohio	\$1074.7	0.74	0.33	1.55	0.64	\$9000
Oklahoma	\$386.8	1.20	0.95	1.84	1.46	\$11,700
Oregon	\$1049.8	2.58	1.02	3.74	1.48	\$26,000
Pennsylvania	\$1097.5	0.72	0.26	1.94	0.68	\$8000
Puerto Rico	\$533.0	3.88	1.22	4.00	1.24	\$7000
Rhode Island	\$216.6	1.78	0.61	2.61	0.89	\$12,000
South Carolina	\$443.0	1.03	0.70	1.90	1.29	\$7000
South Dakota	\$41.4	0.57	0.69	0.76	0.84	\$7000
Tennessee	\$554.4	0.79	0.58	1.13	0.90	\$7000
Texas	\$1057.9	0.39	0.37	0.27	0.26	\$9000
Utah	\$391.0	1.61	1.00	2.60	1.61	\$22,500
Vermont	\$257.3	3.89	2.06	4.81	2.54	\$8000
Virgin Islands	\$38.6	5.01	2.56	8.08	3.33	\$18,000
Virginia	\$320.1	0.32	0.39	1.11	1.32	\$8000
Washington	\$1087.2	1.40	0.58	2.46	1.04	\$29,700
West Virginia	\$223.6	1.59	0.51	1.65	0.52	\$8000
Wisconsin	\$1064.5	1.54	0.63	2.75	1.08	\$10,500
Wyoming	\$180.8	3.55	1.39	4.10	1.61	\$14,700
United States	\$28,132.9	0.75	0.49	1.46	0.91	\$12,700

Prepared by the National Employment Law Project based upon information from U.S. Department of Labor, Office of Workforce Security, Department of Actuarial and Fiscal Services. Third quarter 2003 reserve ratios based upon extrapolated wages. Average high cost multiples (AHCMs) for the third quarter 2003 were calculated by NELP based upon USDOL data.

Figure 1 - How Many Years of UI Benefits Can States Pay  
 During a Peak Recession?  
 Average High Cost Multiple as of September 2003



NELP estimate using U.S. Labor Department Data