

# 3.9 Million Workers Face Premature Cutoff of Pandemic Unemployment Programs

*Three quarters of people receiving unemployment in 21 states will be left with no federal or state jobless aid at all.*

In March of 2021, after unemployed workers around the country led a hard-fought campaign to extend jobless aid, Congress enacted the American Rescue Plan Act (ARPA), reauthorizing the **pandemic unemployment programs created by the CARES Act** through September 6, 2021.

These programs have helped tens of millions of people and their families get through the worst economic crisis in over a century. In a single week last June, more than 33 million people received family-sustaining relief via federal pandemic unemployment programs.

## Premature Cutoffs

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Although the United States has come a long way toward recovery since last June, the crisis is far from over. As of May 15, 2021, more than 15.4 million people still needed some form of unemployment benefit—nearly twice the number who received payments when the pandemic programs began in late March 2020.<sup>1</sup>

The May jobs report showed 9.3 million people unemployed, another 5.3 million only working part-time but wanting full-time work, and the economy still down 7.6 million jobs (or 5%) from pre-pandemic February 2020. Despite the still pressing need to support unemployed workers and their families, 25 Republican governors are unilaterally ending pandemic unemployment payments early.

Although media attention has been focused on the cessation of the \$300 weekly Federal Pandemic Unemployment Compensation (FPUC) supplement, it is especially critical to emphasize that 21 of the governors are cutting off *all* pandemic unemployment programs, including **Pandemic Emergency Unemployment Compensation (PEUC) and Pandemic Unemployment Assistance (PUA)**.

The cutoffs start with four states on June 12. Alaska will be eliminating FPUC, and Iowa, Mississippi, and Missouri will be shutting down all pandemic unemployment programs. Twenty-one more states are scheduled to end benefits through June and early July.

While these premature, ill-advised, and cruel cessations of benefits will harm all workers who need them, the brunt of the impact will be felt by Black, Latinx, Indigenous, and other people of color. Although states do not report demographic information on recipients of PEUC and PUA, over 46% of unemployment insurance (UI) recipients in the states ending the programs early are people of color, and we can reasonably assume that they also make up a disproportionate share of those receiving pandemic unemployment benefits.

NELP presents this data brief to demonstrate the depth and breadth of the havoc that these governors will wreak on their constituents with their unilateral actions. Although these governors have chosen to downplay the effects of their choices, **nearly three in four recipients of unemployment benefits will be prematurely and totally cut off from Congressionally authorized payments in the 21 states ending all pandemic programs early.**

We focus on the impact on unemployed workers and their families, but it is also worth noting that by refusing an estimated \$22 billion in funds, these governors will also hamper their states' economic recoveries by removing one of the best forms of economic stimulus available. Main Street businesses will also pay the price of these reckless and politically motivated actions.

## Impact on Workers and Communities

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- **Over 3.9 million workers will lose the weekly \$300 FPUC supplement in the 25 states ending the enhanced benefits early.**
  - 3,951,578 people receiving unemployment payments as of May 15 will be affected—all of them losing the \$300 weekly FPUC benefit supplement, and more than half (57.5%) abruptly losing *all* unemployment benefits.
- **In the 21 states ending participation in all of the pandemic programs, nearly 2.3 million people, who represent 74.5% of those receiving unemployment benefits in those states, will be left with no state or federal unemployment aid at all.**
- Black, Latinx, Indigenous, and other people of color are nearly half (over 46%) of UI recipients in the states ending pandemic unemployment programs early.<sup>2</sup>
- Of the 25 states cutting pandemic unemployment payments, 11 of them have 40% or higher workers-of-color UI recipients, and eight have 50% or higher.
- Nationally, for the week ending May 15, 2021, 75.5% of all unemployment recipients were PUA or PEUC recipients. That is similar to the 74.5% in the 21 states cutting all the pandemic programs and the 72.7% in the 25 states cutting one (FPUC) or more of the pandemic programs.
- For the four states cutting pandemic unemployment payments starting June 12:
  - Alaska:
    - 35,615 people affected (all losing \$300 weekly FPUC supplement)
    - 43% of state UI recipients are workers of color<sup>3</sup>
  - Iowa:
    - 57,733 affected
    - 32,366 losing all benefits (56.1%)
    - 23.4% workers of color
  - Mississippi:

- 76,671 affected
    - 49,964 losing all benefits (65.2%)
    - 73.4% workers of color (highest of all states)
  - Missouri:
    - 155,097 affected
    - 98,893 losing all benefits (63.8%)
    - 35.2% workers of color
- Below are data for the 10 states with the most workers affected. But note that actual cutoff numbers for Florida and Georgia will far exceed current estimates that cannot be more accurately quantified because of those states' failure to report pertinent continuing claims data.

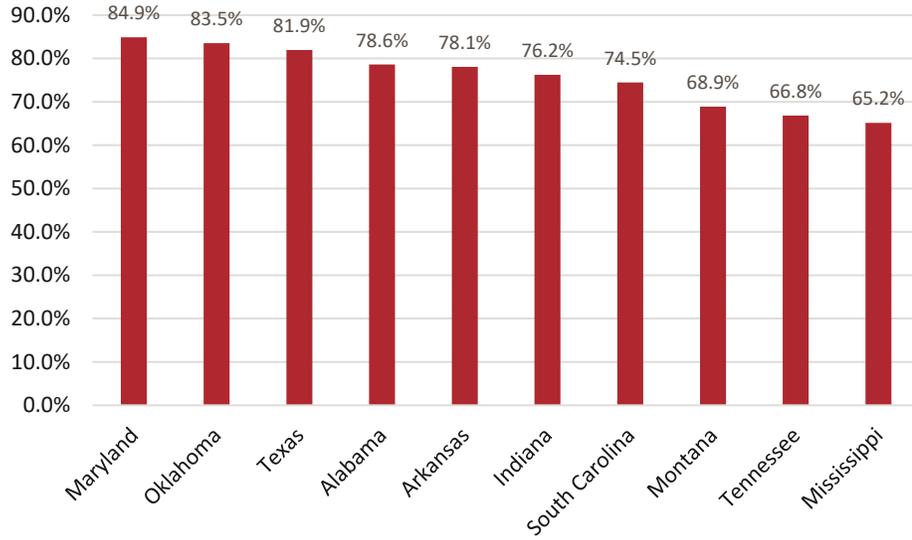
10 states with most people affected by pandemic unemployment cutoffs			
State	Total Affected	% Losing All Benefits	% of UI Recipients who are BIPOC
Texas	1,246,613	81.9%	59.3%
Ohio *	506,217	*	25.4%
Maryland	311,827	84.9%	58.7%
Georgia **	253,700	**50.3%	51.8%
Indiana	236,746	76.2%	32.9%
Arizona *	222,997	*	57.3%
Tennessee	159,488	66.8%	43.6%
Missouri	155,097	63.8%	35.2%
South Carolina	149,864	74.5%	61.7%
Florida ***	133,721	* ***	50.1%

\* Ending \$300 FPUC supplement only.

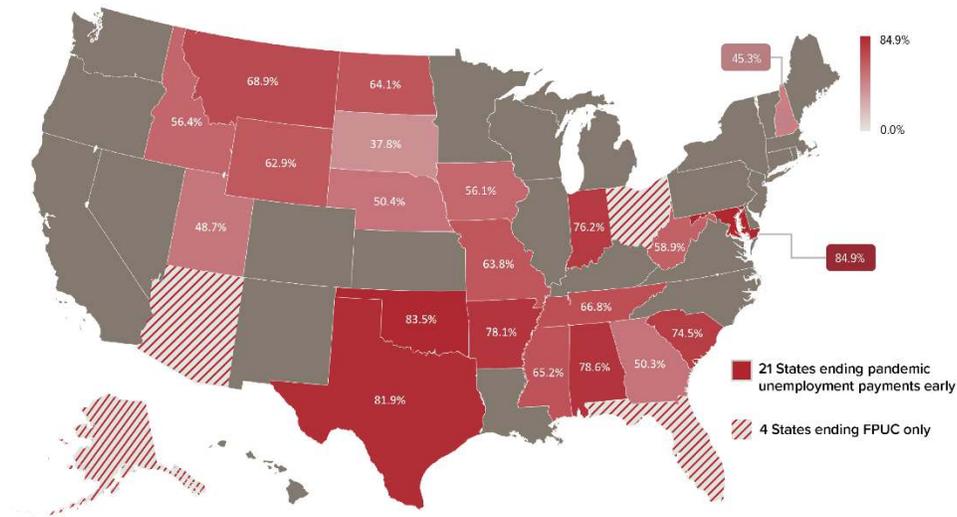
\*\* Does not report PEUC continuing claims.

\*\*\* Does not report PEUC or PUA continuing claims.

**Figure 1: 10 states with the highest share of unemployment recipients losing all benefits**



**Figure 2: States ending pandemic unemployment payments early with shares of unemployment recipients losing all benefits**



## Conclusion

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The looming crisis for 3.9 million unemployed workers and their families is being driven by politically motivated attacks on the success of the CARES Act and ARPA pandemic unemployment insurance programs. But it need not have come to this.

For decades, it has been clear that the unemployment insurance program was in desperate need of reform. Wage replacement levels are wholly inadequate, and particularly paltry in far too many states. Many states have cut duration of benefits below the 26-week standard—a move that **unfairly and disproportionately affects workers of color**—and there are countless barriers to eligibility that don't take into account the modern workforce or the growing share of low-wage work in our economy.

Congress must reauthorize the pandemic unemployment programs for as long as people need them, but even more important, it must make comprehensive UI reform a top priority this year—including enacting uniform national standards to address benefit adequacy, benefit duration (at least 26 to 30 weeks), and expanded eligibility so that more workers, including those too-long excluded, will be able to receive UI in good economic times and bad.

The ability of 25 governors to unilaterally shut down the very programs that were created to counteract the inadequacies of state UI programs should serve as powerful impetus to enact these reforms—and Congress cannot pass up the opportunity to do so this year.

## Endnotes

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<sup>1</sup> <https://oui.doleta.gov/unemploy/docs/allprograms.xlsx>.

<sup>2</sup> <https://oui.doleta.gov/unemploy/chariu.asp>.

<sup>3</sup> *Id.*