



## An Unemployment Insurance System that Helps North Carolinians in Tough Times

**North Carolina can help workers who have lost their jobs through no fault of their own by giving them time to find new jobs and avoid financial disaster.**

Unemployment insurance replaces the wages of workers who have lost their jobs through no fault of their own. In this way, unemployment insurance helps families avoid financial disaster, gives workers time to seek new employment and keeps them in the labor market while ensuring their ability to make ends meet doesn't create broader harm to the economy.

In an economy that is still producing too few jobs for those who want to work, today's unemployment insurance system is not helping North Carolina families, communities and the economy. The system instead has been drastically cut so that:

- **TOO FEW jobless workers receive unemployment insurance:** 1 in 10 jobless workers receive unemployment insurance in North Carolina, making the state the worst in the nation for reaching those who lose their job.
- **TOO LITTLE in wage replacement is provided for jobless workers:** The amount of unemployment insurance the average unemployed worker receives is now \$256 per week, ranking the state 44th in the nation. Jobless workers will struggle to meet basic needs, cut back on spending and rely on other public programs to bridge the gap as they search for work and thus won't be able to stabilize the economy. Every dollar in unemployment benefits can translate into \$2 in stabilizing effect in the economy.
- **TOO SHORT a duration of benefits to keep workers engaged in the labor market:** The maximum weeks in North Carolina for unemployment insurance is now 12 weeks, compared to the prior maximum of 26 weeks, the standard nationally. The result for workers is that they will lose a critical support even while the jobs are not there and retraining for new careers is necessary. As the economy broadly has created longer spells of unemployment, the unemployment insurance changes of North Carolina have actually been worse at ensuring those who lose their job stay engaged in work.

**Especially important to note is that these outcomes are not only among the most severe in the nation, but are driven in large part by the policy changes enacted by the leadership of the NC General Assembly.** Jobless workers paid down employer's Trust Fund debt. At least two-thirds of the savings that gets the state's Trust Fund solvent was paid through the cuts to unemployment insurance and eligibility. Employers paid just 0.7 percent more in state taxes and have now been given tax cuts despite persistent questions about whether the Trust Fund is sufficient to respond effectively in the next downturn. This year, employers will receive an estimated tax cut of nearly 50 percent, even as the system fails to meet the standards of serving workers and the broader economy

## Questions for Candidates

- Do you think it is acceptable for N.C. to have an Unemployment Insurance system that ranks last or nearly last in the nation in its provision of benefits to laid-off workers?
- Do you think that North Carolina should cut Unemployment Insurance taxes for employers when the benefit system for laid off workers is last or nearly last in the nation by several measures?
- How would you improve services for jobless workers to ensure they connect to jobs when employment picks up? What ways will you put forward to ensure that jobless workers can better access opportunities and be supported, particularly, as they retrain or build skills for the jobs of the future?

