

AUGUST 2021

Federal Pandemic Unemployment Benefits will end September 4 in North Carolina, affecting more than 150,000 unemployed workers.

As we approach Labor Day and celebrate the contributions of workers to our country and communities, the expiration of federal Unemployment Insurance (UI) looms large. Without federal action, the September 4th deadline will mean millions of unemployed workers across the country¹ and over 150,000 North Carolina workers struggling to get back to work will either have \$300 less per week or will become ineligible to receive critical wage replacement provided by federal programs to help meet their families' needs.

The week ending September 4, 2021, is the last payable week for the following federal benefit programs:

- **Federal Pandemic Unemployment Compensation (FPUC)** provides a supplemental \$300 weekly payment. North Carolina's average weekly benefit amount of \$230 is among the lowest in the country. The \$300 weekly supplement is provided to workers receiving NC benefits, PEUC, and PUA.
- **Pandemic Unemployment Assistance (PUA)** provides benefits to workers who aren't usually eligible for UI benefits, like the self-employed, and who cannot work as direct result of COVID-19.
- **Pandemic Unemployment Assistance Compensation (PEUC)** provides additional weeks of benefits after a worker has exhausted North Carolina state benefits, which currently last only 13 weeks. The vast majority of states provide 26 weeks of benefits.
- **Mixed Earners Unemployment Compensation (MEUC)** provides a \$100 weekly supplement to workers who have income from self-employment and W-2 employment.

North Carolina workers want to work. As COVID-19 infections continue to increase across North Carolina, workers are facing continued public health concerns and ongoing caregiving challenges. The expiration of federal unemployment assistance this Labor Day weekend brings home the larger problem that many states, including North Carolina, do not have a UI program that adequately supports workers who are struggling to get back on their feet.

North Carolina's UI system is one of the worst in the nation. Because of policy decisions made in 2013,² only 9.1 percent of North Carolina's unemployed workers received UI benefits prior to the start of the COVID-19 pandemic.³

The loss of \$300 a week will drop jobless workers to the state average weekly benefit amount of \$230, an amount that will drive people into greater hardship as they try to maintain housing and cover other basic expenses. Thousands more will see their benefits

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¹ "7.5 Million Workers Face Devastating Unemployment Benefits Cliff This Labor Day," The Century Foundation, <https://tcf.org/content/report/7-5-million-workers-face-devastating-unemployment-benefits-cliff-labor-day>

² "How North Carolina Transformed Itself Into the Worst State to Be Unemployed," ProPublica, <https://www.propublica.org/article/how-north-carolina-transformed-itself-into-the-worst-state-to-be-unemployed>

³ "North Carolina's Unemployment Insurance System: Unprepared for Recession, Despite Solvent Trust Fund," National Employment Law Project, <https://www.nelp.org/publication/north-carolinas-unemployment-insurance-system-unprepared-for-recession-despite-solvent-trust-fund/>

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end completely, making it nearly impossible to make ends meet. The loss of federal programs will disproportionately harm Black workers and workers of color as well as women and those with disabilities, as the National Employment Law Project noted in their analysis of the important role that federal programs played in addressing disparate experiences of job loss and in making up for low wage replacement in states with higher Black populations.

Drastically cutting incomes for millions of people, who will then have less to spend at grocery stores, restaurants, and other businesses, will result in economic hardship for millions of families and slow the state's recovery. The economy is made up of workers, families, and communities paying their bills, buying goods and services, and caring for their families—and it's only afloat right now⁴ because millions of Americans who have lost their jobs are receiving UI. North Carolina has particularly benefited from the federal programs, with 80 percent of UI income coming from Federal Pandemic Unemployment Programs.

North Carolina's federal delegation should support the extension of federal UI programs and tie their end to key public health and economic measures that signal additional support is no longer needed. In addition, North Carolina's federal delegation should urge state leaders to make changes to the state UI to decrease the vulnerability of the state's economy to any changes in federal policy and ensure that adequate wage replacement is available.

If Congress fails to act, our elected leaders will undoubtedly be called upon by their constituents to help with the loss of UI. Here are a few programs that workers and their families may be able to find assistance with for their families' needs after losing unemployment benefits:

1. Food Stamps and Other Assistance: www.ncdhhs.gov/assistance/low-income-services
2. Rental Assistance: www.rebuild.nc.gov/hope-program
3. Foreclosure Prevention: www.nchfa.com/about-us/nc-homeowner-assistance-fund
4. Legal Services: ncequaljusticealliance.org/members-name/

⁴ "The Economic Impacts of COVID-19: Evidence from a New Public Database Built Using Private Sector Data," Opportunity Insights, <https://opportunityinsights.org/wp-content/uploads/2020/06/tracker-summary.pdf>