Extended

A REVIEW OF THE CURRENT AND PROPOSED DURATION OF "PANDEMIC" UNEMPLOYMENT BENEFITS

Matt Weidinger

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Executive Summary

State unemployment insurance (UI) programs typically offer laid-off workers up to 26 weeks of benefits that replace, on average, nearly half their previous wages. Except for the brief recession in 1980, in every recession since 1957, Congress has authorized temporary or "emergency" federal UI programs to offer additional benefit weeks to workers who exhaust state benefits.

During the Great Recession, laid-off workers in high-unemployment states were eligible to receive an additional 73 weeks of federally financed benefits. To date, the federal extended benefits response to the coronavirus crisis offers up to an additional 33 weeks of federal benefits, with 13 weeks coming from the newly created Pandemic Emergency Unemployment Compensation program and with 20 weeks coming from the permanent Extended Benefits program, now fully financed by federal funds.

While these measures resemble actions taken during the Great Recession, expanding UI eligibility to workers previously not covered by the UI system—such as contractors and the self-employed—and providing a federal $600 per week supplement to all unemployment benefit payments are unprecedented in scale and cost. Recent legislative proposals from leading congressional Democrats contemplate offering unemployed individuals up to 117 weeks or more of benefit eligibility. They would also extend and amend the current $600 per week federal supplement or create a proxy of such supplements as a matter of permanent law.

If adopted, such proposals would result in a permanently larger UI system, under which many more individuals would collect significantly larger benefits for far longer than in the past. In some cases, unemployment checks would exceed paychecks—not on an emergency basis as they do now, but as a matter of permanent federal law.

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As the nation's policymakers responded to the coronavirus crisis, many efforts have focused on keeping workers who have been laid off due to government-mandated shutdowns "whole." And rightly so, since never before has government policy caused such large-scale unemployment. Never before have unemployment insurance (UI) benefits been as generous—with the $600 per week in federal benefit supplements provided under the Coronavirus Aid, Relief, and Economic Security (CARES) Act resulting in most UI recipients collecting more in benefits than in their prior, or likely future, paychecks.[1] That dynamic in turn has stoked controversy, first as some workers sought (and some employers touted) higher unemployment benefit income and more recently as some workers resisted giving up higher benefit income by returning to work, especially while health-related shutdowns remained in place.[2]

But as businesses reopen and layoffs taper, additional policy questions will come to the fore. Even as millions of workers are recalled to their former jobs, or rehired by other businesses, a significant share of the unprecedented 31 million people now collecting unemployment benefits will inevitably have difficulty securing new employment.[3] The nonpartisan Congressional Budget Office (CBO) has already projected unemployment will average 15.1 percent in the second quarter of 2020, rise to 15.8 percent in the third quarter, and fall to 11.5 percent in the fourth quarter but still average over 9 percent in calendar year (CY) 2021.[4] For the millions of workers who continue to struggle finding work in the weeks and months ahead, an increasingly important consideration will become how long unemployment benefits remain available and how that might change as Congress legislates additional responses to the immediate crisis and beyond.

As reviewed below, Congress has already temporarily authorized 33 weeks of federal unemployment benefits, more than doubling the typical 26 weeks of state unemployment benefits for which most are normally eligible. Those 33 weeks already match the record number of weeks of federal benefits payable in any recession before the Great Recession. But if unemployment rate projections and past practice are any guide, that will be far from the ultimate duration of benefits for individuals who exhaust state unemployment benefits in this crisis. Indeed, as is reviewed below, Congress is already considering sweeping proposals to dramatically alter the duration and the amount of unemployment benefits, not just in the current crisis, but well beyond.

Prior "Temporary" Federal Extended Benefit Programs

The nation's UI program was created in the 1930s in response to the Great Depression. States administer UI benefits, with the legal authority to set eligibility

terms and benefit amounts. The duration of state UI benefits varies, with state maximum durations recently ranging from 12 to 26 weeks.[5] As discussed below, most jurisdictions (recently 43 of the 53 states and territories that operate UI programs) pay up to 26 weeks of benefits. However, only 10 of those jurisdictions offer a minimum of 26 weeks of benefits to all eligible claimants, with most offering fewer weeks of benefits to workers with more limited work histories and earnings before layoff.

Employer-paid payroll taxes on covered workers are credited to individual state trust funds held in the US Treasury, which in turn support the cost of state UI benefits. In 2019, the average UI taxable employer paid $277 per employee in state taxes.[6] A modest federal payroll tax, typically $42 per worker per year, also applies, with those revenues credited to federal trust funds that support federal expenses, including for program administration, loans to insolvent states, and the federal half of the Extended Benefits (EB) program.

Except for the brief recession in 1980, in every recession since 1957, the federal government has enacted legislation to provide temporary or "emergency" federal unemployment benefits to individuals who exhaust state UI benefits.[7] Temporary federal benefit programs were enacted in 1958, 1961, 1971, 1974, 1982, 1991, 2002, and 2008 and often subsequently extended. In practice, these programs provide federal funds to states to continue benefit payments to individuals who have exhausted state UI benefits. As displayed in Figure 1, the latest iteration, Pandemic Emergency Unemployment Compensation (PEUC), was created in March 2020 and under current law is scheduled to operate through December 2020.

Table 1 also shows that, in 34 of the 62 years (55 percent) since 1958, a federal emergency unemployment benefits program was in operation.[8] In recent decades, these temporary programs generally have provided some weeks of benefits in all states and additional weeks in states with higher unemployment rates. They extended the time an individual might claim unemployment benefits by as many as 53 weeks for several years in the wake of the Great Recession (and for a few months in that era by as many as 63 weeks in states ineligible for additional weeks under the EB program).[9] The temporary programs include expiration dates but are often extended multiple times.

Permanent Law Extended Benefits Program

In addition to those temporary or "emergency" federal programs, the Federal-State Extended Unemployment Compensation Act of 1970 created a permanent EB program that provides federal funding for additional weeks of benefits, payable to individuals who have exhausted state UI benefits when individual state unemployment rates exceed specific thresholds. Before the Great Recession, federal funds always covered 50 percent of EB costs, matching a 50 percent contribution by states. Like temporary federal programs, maximum weeks of EB per individual are technically expressed as a percentage of the number of weeks of state UI for which an individual qualified and, since state weeks often vary by the individual's work history, are typically described as lasting "up to" either 13 or 20 weeks.

For example, an individual who exhausted 26 weeks of state UI would qualify for 50 percent for a maximum of 13 weeks of EB, while an individual who exhausted 16 weeks of state UI would qualify for only eight weeks of EB. EB claimants also must have been in full-time insured employment for at least 20 weeks or earned the equivalent in insured wages before being laid off. This long-standing policy is designed to maintain an appropriate balance between prior earnings and unemployment benefits.[10]

All states must pay up to 13 weeks of EB if their Insured Unemployment Rate (IUR)—or the share of workers currently receiving benefits as a percentage of the insured labor force—for the prior 13-week period is at least 5 percent and at least 120 percent of the rates for the same 13-week period in each of the prior two years.

Table 1. Federal Emergency Unemployment Benefit Programs

Program	Dates Effective	Benefit Duration
Temporary Unemployment Compensation (Pub. L. No. 85-441)	(Reach back June 1957) June 1958 to June 1959	Lesser of 50% of state UI benefit duration or 13 weeks
Temporary Extended Unemployment Compensation (Pub. L. No. 87-6)	(Reach back June 1960) April 1961 to March 1962	Lesser of 50% of state UI benefit duration or 13 weeks
Temporary Compensation (Pub. L. No. 92-224, Pub. L. No. 92-329)	January 1972 to March 1973	Lesser of 50% of state UI benefit duration or 13 weeks
Federal Supplemental Benefits (Pub. L. No. 93-572, Pub. L. No. 94-12, Pub. L. No. 94-45, Pub. L. No. 95-19)	January 1975 to January 1978	January 1975–March 1975: Up to 13 weeks March 1975–March 1977: Up to 26 weeks April 1977–February 1978: Up to 13 weeks
Federal Supplemental Compensation (Pub. L. No. 97-248, Pub. L. No. 97-424, Pub. L. No. 98-21, Pub. L. No. 98-118, Pub. L. No. 98-135, Pub. L. No. 99-15)	(Reach back June 1982) September 1982 to June 1985	September 1982–December 1982: Up to 10 weeks January 1983–March 1983: Up to 16 weeks April 1983–June 1985: Up to 14 weeks
Emergency Unemployment Compensation (Pub. L. No. 102-164, Pub. L. No. 102-244, Pub. L. No. 102-318, Pub. L. No. 103-6, Pub. L. No. 103-152)	(Reach back February 1991) November 1991 to April 1994	November 1991–February 1992: Up to 20 weeks February 1992–June 1992: Up to 33 weeks June 1992–September 1993: Up to 26 weeks September 1993–October 1993: Up to 15 weeks October 1993–April 1994: Up to 13 weeks
Temporary Extended Unemployment Compensation (Pub. L. No. 107-147, Pub. L. No. 108-1, Pub. L. No. 108-11, Pub. L. No. 108-26)	(Reach back March 2001) March 2002 to March 2004	Up to 26 weeks

(continued on the next page)

Table 1. Federal Emergency Unemployment Benefit Programs (continued)

Emergency Unemployment Compensation (Pub. L. No. 110-252, Pub. L. No. 110-449, Pub. L. No. 111-5, Pub. L. No. 111-92, Pub. L. No. 111-118, Pub. L. No. 111-144, Pub. L. No. 111-157, Pub. L. No. 111-205, Pub. L. No. 111-312, Pub. L. No. 112-78, Pub. L. No. 112-96, and Pub. L. No. 112-240)	(Reach back May 2007) July 2008 to December 2013*	July 2008–November 2008: Up to 13 weeks November 2008–November 2009: Up to 33 weeks November 2009–February 2012: Up to 53 weeks February 2012–May 2012: Up to 63 weeks** May 2012–September 2012: Up to 53 weeks September 2012–December 2013: Up to 47 weeks
Pandemic Emergency Unemployment Compensation (Pub. L. No. 116-136)	(Reach back July 2019) March 2020 to December 2020***	13 weeks

Note: *From February 2009 through December 2013, the financing of the permanent EB program was 100 percent federal, excluding "non-sharable" benefits for former state and local employees. During this period, up to 20 weeks of EB was payable with 100 percent federal funds, increasing the maximum weeks of all federally funded benefits listed by up to 20 weeks. See further discussion in the report. **Available in states with TUR equal to or greater than 8.5 percent and not offering benefit weeks from the permanent EB program, meaning the maximum benefit duration never exceeded 99 weeks, as discussed in greater detail in the report. ***Benefits payable under the permanent EB program are currently 100 percent federally financed, increasing the maximum weeks of all federal benefits by up to 20 weeks.

Source: Julie M. Whittaker and Katelin P. Issacs, "Extending Unemployment Compensation Benefits During Recessions," Congressional Research Service, May 2013, https://fas.org/sgp/crs/misc/RL34340.pdf; and Congressional Research Service, "Unemployment Insurance: Consequences of Changes in State Unemployment Compensation Laws," October 2019, https://fas.org/sgp/crs/misc/R41859.pdf.

Individual states may also elect two optional "triggers" to expand access to, and weeks of benefits paid under, the EB program:

1. Up to 13 weeks of EB are payable if the state IUR is at least 6 percent, regardless of the rate in prior years.

2. Up to 13 weeks of EB are payable if the state's three-month average seasonally adjusted total unemployment rate (TUR) is at least 6.5 percent and at least 110 percent of the TUR for the same period in either of the prior two years. An additional up to seven weeks of EB (for a total of up to 20 weeks) are payable if the state's TUR is at least 8 percent and at least 110 percent of the TUR for the same period in either of the prior two years.[11]

As of January 2019, 30 states had elected the 6 percent IUR trigger, and 11 states elected the 6.5 percent TUR trigger (including nine states that elected both optional triggers).[12]

Extraordinary Extended Benefits Paid in Response to the Great Recession

In multiple ways, the federal unemployment benefits response to the Great Recession was extraordinary compared with the prior provision of temporary and permanent law benefits.

Figure 1. EUC08 Tiers, July 2008 through December 2013

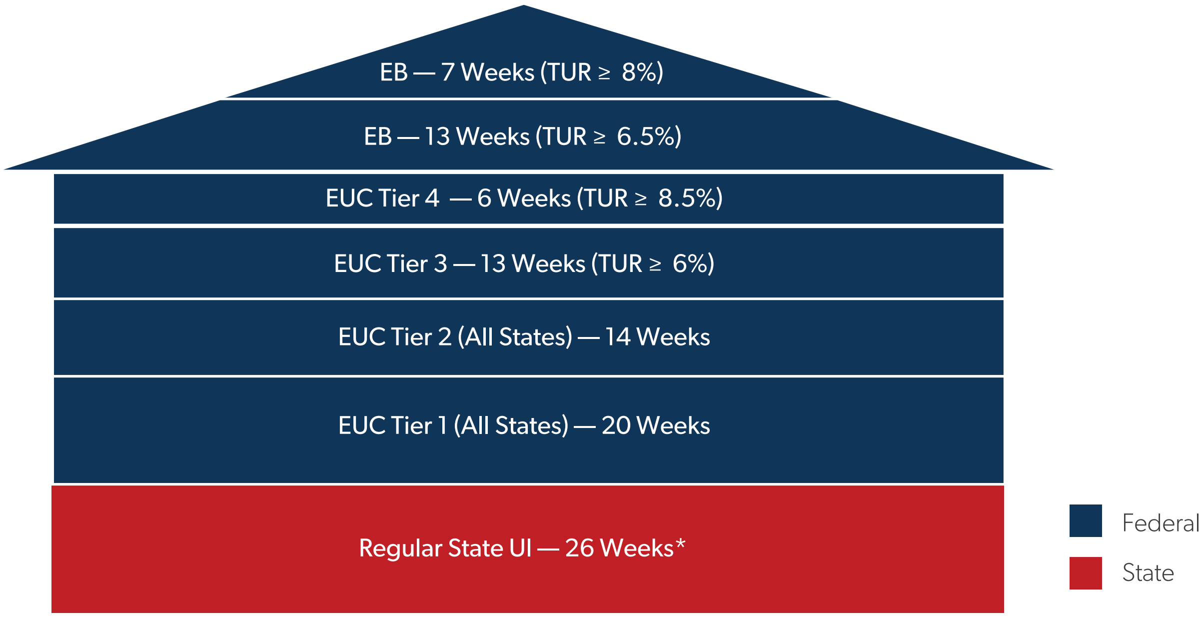
Source: Julie M. Whittaker and Katelin P. Issacs, "Emergency Unemployment Compensation (EUC08): Status of Benefits Prior to Expiration," Congressional Research Service, August 11, 2014, https://fas.org/sgp/crs/misc/R42444.pdf.

First, never before had so many weeks of federal temporary benefits for the long-term unemployed been payable through an emergency program. As displayed in Table 1 and depicted in more detail in Figure 1, between November 2009 and September 2012, up to 53 weeks of emergency unemployment compensation (EUC08) was payable in four "tiers" of EUC08 benefits, depending on state unemployment conditions. (Between February 2012 and May 2012, EUC provided up to 63 weeks of benefits in states where EB was not active.)

Second, for the first time in its then nearly four-decade history, the permanent law EB program was temporarily made 100 percent federally funded. The provision of full federal funding encouraged more states to exercise optional unemployment rate triggers for the EB, expanding weeks of federal benefits payable to the long-term unemployed while relieving states of benefit costs they otherwise would have had to bear under the program. This resulted in the provision of an additional up to 20 weeks of federally funded benefits while the EB program was fully federally funded from February 2009 through December 2013. During that period, 38 states expanded EB eligibility by adopting optional EB triggers, which resulted in the payment of benefits so long as they were fully federally funded.[13]

Third, and as a result of the combination of the above, never before had more weeks of federal unemployment benefits and total unemployment

Figure 2. Potential 99 Weeks of Benefits from November 2009 to September 2012



Note: In addition to exceeding the TUR noted, weeks of EB also require a state to satisfy the "rise" requirement described in the report. *Nine states reduced the maximum regular benefit period below 26 weeks after 2011, which also affected the number of weeks of federal benefits payable there.
Source: Government Accountability Office, "States' Reductions in Maximum Benefit Durations Have Implications for Federal Costs," April 2015, https://www.gao.gov/assets/670/669802.pdf.

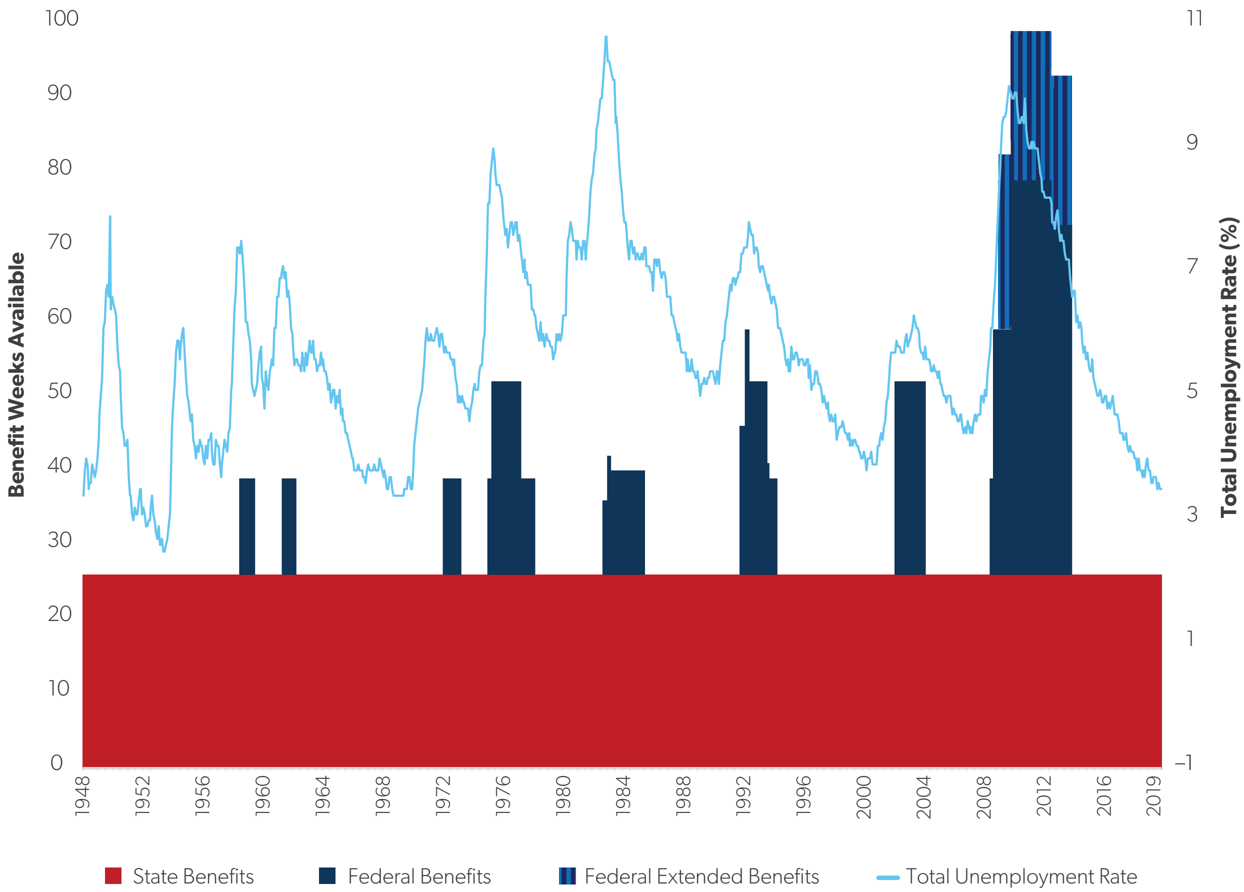
benefits been payable per unemployed worker. As displayed in Figure 2, between November 2009 and September 2012, up to 99 weeks of all unemployment benefits were payable in some high-unemployment states.

As displayed in Figure 3, the combined up to 73 weeks of federal benefits payable under EUC08 and EB while it was fully federally funded—and resulting maximum of 99 weeks of all benefits—far exceeds prior levels of federal benefits.[14] Before the Great Recession, no temporary federal program had provided more than 33 weeks of benefits.

Fourth, for the first time, the federal government provided a weekly supplement to all unemployment benefit payments, including federal benefits payable after individuals exhausted state UI benefits. Specifically, between February 2009 and December 2010, Federal Additional Compensation (FAC) of $25 was added to each state and federal unemployment benefit payment, regardless of the benefit level. According to Department of Labor data, FAC payments were added to 800 million weekly benefit checks, providing around $20 billion in additional benefits to recipients.[15]

Fifth, as displayed in Figure 4, federal spending on emergency benefits reached an all-time high in the wake of the Great Recession. Federal spending during and after the Great Recession totaled $322 billion in 2019 dollars. That significantly exceeds the roughly $120 billion spent in response to the four prior recessions combined, on an inflation-adjusted basis. This enormous spending was due to the extraordinary maximum 73-week duration of federal benefits per recipient and the unprecedented number of months those benefits were payable, in addition to the depth and slowness of recovery from the Great Recession.

Figure 3. State and 100 Percent Federal UI Benefits, 1948–2019



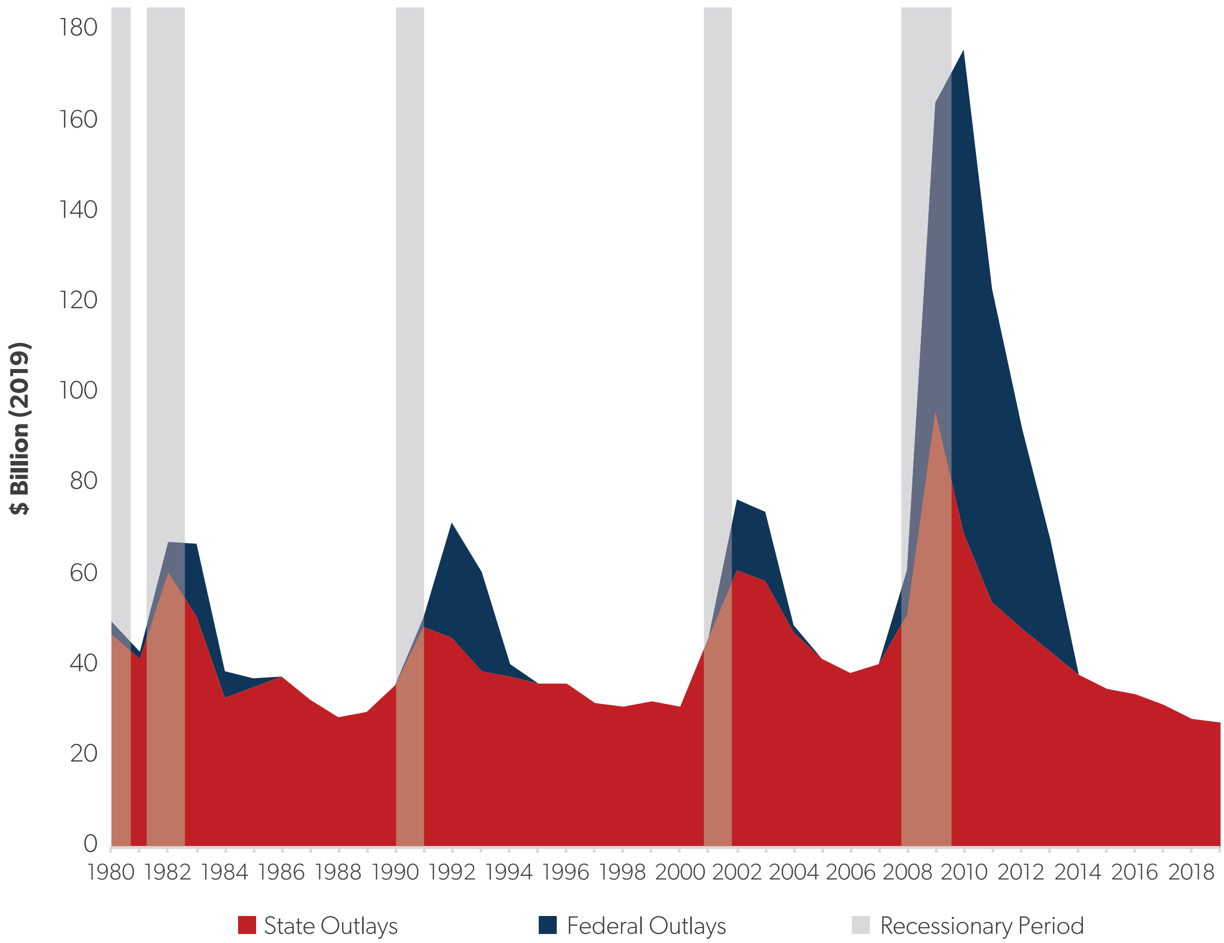
Note: This does not include permanent EB program weeks except during 2009–13, when the federal government fully financed EB benefits.
Source: Julie M. Whittaker and Katelin P. Issacs, "Extending Unemployment Compensation Benefits During Recessions," Congressional Research Service, May 2013, https://fas.org/sgp/crs/misc/RL34340.pdf.

Extended Benefits Response to the Coronavirus Crisis to Date

The federal extended benefits response to the coronavirus crisis to date has been to provide up to 33 weeks of federal benefits for individuals exhausting up to 26 weeks of state UI benefits, for a combined total of up to 59 weeks of all benefits. As in the wake of the Great Recession, those weeks of federal benefits have come in two forms: (1) the creation in the CARES Act of a new temporary federal PEUC program paying up to 13 weeks of benefits in all states regardless of the unemployment rate and (2) the temporary provision under the Families First Coronavirus Response Act of full federal funding for up to 20 weeks of benefits through the permanent law EB program, as first practiced from 2009 through 2013, in high-unemployment states. In each case, federal extended benefits are currently authorized through December 2020.[16]

The Department of Labor has reported that effective May 31, 2020, 44 states have triggered on the EB program in recent weeks, in all cases because of the mandatory trigger providing up to 13 weeks of benefits in states with an IUR of 5 percent or higher.[17] Preliminary CBO estimates suggest these weeks of federal benefits, as currently authorized, will provide

Figure 4. State (Red) and Federal (Blue) Unemployment Benefit Spending, Recent Recessions



Note: Blue reflects federal outlays for temporary, emergency programs and the federal share of EB (both when financed jointly with states and when EB was financed entirely by the federal government, as was the case in 2009–13). Red reflects state UI benefit outlays and the state share of the EB program when jointly financed. Shaded areas reflect recessionary periods. Dollars are adjusted according to Consumer Price Index for All Urban Consumers.
Source: US Department of Labor, Employment and Training Administration, "ET Financial Data Handbook 394," https://oui.doleta.gov/unemploy/hb394.asp.

approximately $55 billion in support for long-term unemployed individuals through the end of CY2020.[18]

While significant, those expenses are just a fraction of the broader cost of the federal unemployment benefits response to date, which has been dominated by the cost of providing federal Pandemic Unemployment Compensation (PUC). PUC is the flat $600 per week federal supplement added to all state and federal unemployment benefit payments. Initiated in the CARES Act enacted on March 27, 2020, and authorized through July 2020, CBO estimates that PUC "will increase outlays by about $176 billion in calendar year 2020."[19] A fraction of that total will be payable to individuals collecting federal unemployment benefits after exhausting state UI, but that share would grow significantly if PUC is extended beyond July and more individuals exhaust state UI benefits in the months ahead.

While benefit supplements and the provision of additional federally financed benefit weeks reprise

measures enacted during the Great Recession, the current UI eligibility expansion through the Pandemic Unemployment Assistance (PUA) program is completely unprecedented. As enacted through the CARES Act, PUA offers up to 39 weeks of federal benefits to unemployed workers traditionally ineligible for UI, through December 2020. Thus, this unprecedented temporary federal program includes in effect its own extension of benefits beyond the 26-week norm most state UI programs practice. Unemployed workers who are eligible for PUA benefits include freelancers, contractors, those seeking only part-time employment or with insufficient work histories, and the self-employed.

Preliminary estimates from the CBO foresee PUA increasing federal UI outlays by $35 billion. CBO also noted that it "expects about 5 million people to claim PUA benefits."[20] However, as of the week ending May 9, 2020, already 7.8 million individuals were claiming PUA benefits.[21] A more recent estimate by the Department of Labor inspector general estimates that PUA recipients will receive a total of $110 billion in benefits, including $61 billion in PUC supplements payable through July.[22]

As recent unemployment rate projections by the nonpartisan CBO suggest, millions of unemployed individuals will likely have difficulty finding new work in the months and years ahead. Many of the unemployed will likely become long-term unemployed, and for them the continued availability of extended benefits could soon become a key concern, creating pressure on Congress to extend and even expand the current programs providing temporary federal benefits beyond their current expiration dates.

Recent Major Proposals to Extend and Expand Federal Benefits

With mass layoffs beginning in March 2020 and up to 26 weeks of state UI benefits available in most states, few Americans have started to collect federal unemployment benefits payable to those exhausting state benefits, much less exhaust weeks of such federal benefits now available. For example, the weekly initial claims report released on May 28, 2020, notes that approximately 223,000 individuals collected PEUC or EB benefits during the week ending May 9, 2020, or about 0.7 percent of almost 31 million unemployment benefit claimants that week.[23] Nonetheless, several major legislative proposals have recently been offered that would dramatically extend the duration of federal unemployment benefits.

Most prominently, on May 15, the House approved the Health and Economic Recovery Omnibus Emergency Solutions (Heroes) Act, comprehensive legislation providing an estimated $3 trillion in additional relief to states, communities, and individuals. Division E of the legislation extends all major current temporary unemployment benefit policies included in the Families First Coronavirus Response Act and the CARES Act into 2021 (variously through January, March, and June 2021).[24] Regarding weeks of federal benefits for those exhausting state UI benefits, the legislation (1) extends the PEUC program through January 31, 2021, with a soft phaseout through March 31, 2021, and (2) extends current full federal funding for the EB program through June 30, 2021.

The legislation does not add weeks of federal benefits beyond the maximum 33 weeks now available (i.e., up to 13 of PEUC and up to 20 of EB). Most individuals now collecting UI filed initial claims starting in March 2020 and thus will not exhaust typically up to 26 weeks of state benefits before September 2020. Even if continually unemployed, this group would not exhaust the currently available up to 33 weeks of federal benefits until well into 2021, meaning for them simply extending the operation of current temporary federal programs—that is, without adding additional weeks of benefits—will maintain their eligibility for benefits.

In contrast to permanent law changes and more long-term extensions described below, this approach would allow Congress and the administration to survey the state of the economy, the nature of unemployment, and especially the long-term unemployment situation in early 2021 before deciding whether to proceed with additional extensions or weeks of benefits.

Other features of the Heroes Act, such as extending the $600 per week federal unemployment

supplements through January 2021 with a phase-out through March 2021 and disregarding the value of those supplements in determining eligibility for means-tested federal benefits, will increase benefits relative to wages, the receipt of state and federal unemployment benefits, and, as past research suggests, durations of unemployment.[25]

Sen. Michael Bennet (D-CO) offered a second major proposal on March 24. In what he called a "sweeping proposal" to reform and expand the UI system, Sen. Bennet proposed significant changes to the EB program, including making it 100 percent federally funded and expanding maximum weeks of EB benefits from the current 20 weeks to a proposed 65 weeks, in each case as a matter of permanent federal law.[26] Those 65 weeks of EB would be payable in up to five separate tiers composed of 13 weeks of benefits, for which eligibility would depend on state and national unemployment rates, as displayed in Table 2.

Under the Bennet proposal, long-term unemployed workers would be permanently eligible for as many as 91 weeks (26 state and 65 federal EB) of total benefits in high-unemployment states. It is unclear how the Bennet proposal would interact with current emergency (especially PEUC) benefits; if paid in addition to those current emergency benefits, total weeks of all unemployment benefits would rise to 104 weeks—a full two years. In that event, individuals laid off in March 2020 could qualify for benefits through as late as March 2022 in some states.

In a significant departure from long-standing practice, under the Bennet proposal, federal EB program benefits would be payable under permanent federal law. Under the Bennet proposal, permanent law would make available up to 65 weeks of federal benefits compared with zero weeks today. Once enacted, those payments would occur without the need for additional congressional action, as has been required in the repeated provision of temporary "emergency" benefits payable in recessions since the 1950s. That also means the permanent law baseline for any future "emergency" federal response would start with the availability of up to 91 weeks of benefits, nearly double the maximum of 46 weeks (i.e., generally up to 26 weeks of state UI benefits and up to 20 weeks of EB program benefits, half supported by federal funds) payable under permanent law today.

The Bennet proposal also significantly expands the length of time during which the EB program would operate, including by eliminating unemployment rate "rise" requirements that currently target the operation of EB to when economic conditions are deteriorating. The Bennet proposal also specifies that the EB program cannot turn off until (1) state or national unemployment is falling, (2) the national unemployment rate is below 6.5 percent, and (3) the "3-month moving average national unemployment rate is within 1.5 percentage points of its level" in the month before the EB program triggered on.[27]

Especially given the low national unemployment rate before this crisis, the third stipulation means that, if enacted now, the EB program under the Bennet proposal would not expire until national unemployment had fallen back to 5.3 percent—1.5 percentage points above the 3.8 percent level in March 2020. Other changes in the Bennet proposal, including requiring states to pay a minimum of 26 weeks of state benefits, would significantly expand the number of weeks of federal benefits paid in the future to individuals who would otherwise have collected fewer than 26 weeks of state benefits.[28]

Other changes, including mandated increases in state UI benefit amounts, would extend to federal benefits as well, in some cases causing unemployment benefits to exceed a recipient's prior earnings from work. State benefit increase mandates in the Bennet proposal include (1) setting a minimum 75 percent replacement rate (compared with a recent national average of 45 percent[29]) for state benefits and a 100 percent replacement rate during a "national public health emergency"; (2) adding $25 per week per dependent to each UI check, capped at half the weekly benefit amount; (3) requiring all states to use alternative base periods, including more recent earnings in determining eligibility, which would expand eligibility for and the amount of UI benefits; and (4) expanding eligibility for "partially unemployed" workers and those seeking only part-time work.

Finally, the Bennet proposal would provide all UI recipients—both state and federal EB claimants—a $50 increase in their weekly benefit while a state is triggered onto EB, with the cost of the supplement fully supported by federal funds. The combined effect of these proposals would be similar to the current temporary $600 federal supplement, especially during a national public health emergency. That is, by definition, unemployment benefits would more than replace prior earnings, considering just the mandated 100 percent replacement rate and $50 supplement that would be available to all during a national health emergency and period of elevated unemployment like today. Dependent allowances would raise benefit amounts even more for many and could raise replacement rates to or even above 100 percent for some families outside a national health emergency.

Sen. Bennet, along with Sen. Jack Reed (D-RI) and Rep. Don Beyer (D-VA), released a third major proposal on May 5, 2020. This proposal, titled the Worker Relief and Security Act, includes some but not all features of Sen. Bennet's March 24 proposal. Specifically, the Worker Relief and Security Act states as its goal to "extend unemployment insurance provisions from the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act as long as national and state labor markets are weak."[30] In doing so, it focuses on expanding federal unemployment benefits, generally setting aside the state UI benefit expansions mandated in Sen. Bennet's March 24 proposal. However, the federal benefit expansions proposed under the Worker Relief and Security Act are in key respects even greater than those proposed in Sen. Bennet's March 24 proposal.

As displayed in Table 2, the Worker Relief and Security Act proposes an unprecedented total of 117 weeks—and in some instances possibly longer—of unemployment benefits, as follows:

- Up to 26 weeks of state UI benefits, as under current law;
- A minimum of 26 weeks of federal benefits for individuals who exhaust state UI benefits, covering the period "until 26 weeks after the end of extreme social distancing";[31] and
- Up to 65 weeks of federal EB benefits, payable in six "tiers" depending on state unemployment rates.

As a summary of the Worker Relief and Security Act notes,

> Workers in states where the 3-month average unemployment rate is above 9.5% will be eligible for 65 weeks of extended benefits or PUA. This comes *on top* of regular unemployment benefits (typically 26 weeks) workers receive as well as any weeks of additional benefits or PUA they received before the end of extreme social distancing and the 26 weeks after.[32] [Emphasis in original.]

An example from the authors describes a worker laid off on March 31, 2020, collecting unemployment benefits "potentially through June of 2022."[33] This duration of unemployment benefits would far exceed (by 18 weeks or more than four months) the record 99 weeks of benefits payable in response to the Great Recession. The Worker Relief and Security Act also contemplates an even longer course of benefits than 117 weeks if the period of "extreme social distancing" is extended.

Perhaps because the Worker Relief and Security Act does not include state benefit mandates like the March 24 Bennet proposal did, such as the payment of a minimum of 26 weeks of state UI benefits, the proposal specifies that various "tiers" of federal benefits extend for a flat 13 and 26 weeks. That is, the proposal does not relate the number of weeks of federal benefits to prior state benefit durations (and thus does not include reference to "up to" 13 weeks or similar). This would significantly increase weeks of federal benefits payable, especially to individuals with more limited pre-layoff work histories that under current law result in shorter than 26-week durations of state benefits.[34]

As with Sen. Bennet's March 24 proposal, the Worker Relief and Security Act extends the duration

Table 2. Weeks of Benefits Payable, Current Law and Major Recent Proposals

Current (Temporary) Law	Heroes Act	Bennet March 24 Proposal	Worker Relief and Security Act	Wyden Proposal
State Weeks				
Up to 26	Up to 26	Minimum of 26	Up to 26	Up to 26
Emergency Federal Weeks				
Up to 13 in all states (through December 2020)	Up to 13 in all states (through January 2021, with a phaseout through March 2021)	Interaction between the proposal and current PEUC benefits is unclear	Minimum of 26 in all states after end of "extreme social distancing"	Up to 13 in all states (through March 2021) After March 2021, PEUC weeks are payable, as follows: Up to 13 when state TUR is 5.5%+ Up to 26 when state TUR is 6.5%+ Up to 39 when state TUR is 7.5%+ Up to 52 when state TUR is 8.5%+
EB Weeks				
Up to 13 when state TUR is 6.5%+ Up to 20 when state TUR is 8.0%+ Federally funded through December 2020	Up to 13 when state TUR is 6.5%+ Up to 20 when state TUR is 8.0%+ Federally funded through June 2021	Creates new national EB trigger (when national TUR is 0.5 percentage points above lowest level in prior 12 months), providing 13 weeks in all states If state TUR also rises above specific levels, total EB weeks are payable as follows: 26 when state TUR is 6.5%+ 39 when state TUR is 7.5%+ 52 when state TUR is 8.5%+ 65 when state TUR is 9.5%+ EB fully federally funded (permanently)	Tier 1 and 2: 13 when state TUR < 6.5% Tier 3: 26 when state TUR is 6.5%+ Tier 4: 39 when state TUR is 7.5%+ Tier 5: 52 when state TUR is 8.5%+ Tier 6: 65 when state TUR is 9.5%+ EB fully federally funded (permanently)	Same as current law through March 2021 Thereafter, EB continues to provide up to 13 or 20 weeks and remains fully federally funded until state TUR falls below 6.5%

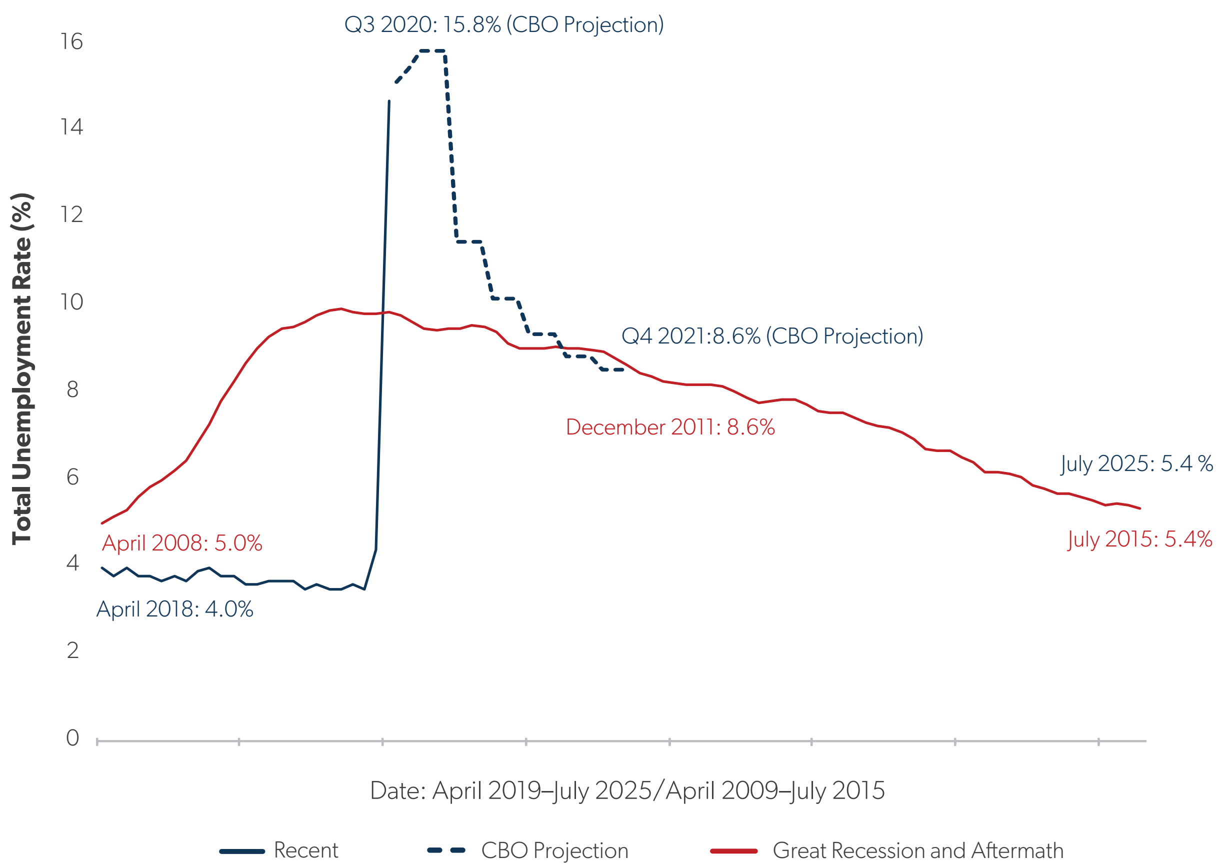
(continued on the next page)

Table 2. Weeks of Benefits Payable, Current Law and Major Recent Proposals (continued)

Current (Temporary) Law	Heroes Act	Bennet March 24 Proposal	Worker Relief and Security Act	Wyden Proposal
Temporary or Permanent Law?				
Temporary (program duration is time limited)	Temporary (program duration is time limited)	Permanent (program duration is tied to national and state TUR)	Permanent (program duration is tied to health emergency and national and state TUR)	Temporary (program duration is tied to state TUR)
Federal Supplement (PUC) Availability				
$600 per week through July 2020	$600 per week through January 2021 with phaseout through March 2021	Permanently increases state (and thus federal) benefit levels to a minimum 75% replacement rate at all times and to 100% in a national health emergency Also adds $50 federal supplement whenever EB is on	Extends $600 until 30 days after the national health emergency expires; thereafter continues $450, $350, or $300 per week supplements in states with higher TURs and at least $200 in all states while the national TUR is 5.5% or higher	After July 2020, links amount and availability of supplement to state TUR, as follows: $600 when state TUR is 11%+ $500 when state TUR is 10%+ $400 when state TUR is 9%+ $300 when state TUR is 8%+ $200 when state TUR is 7%+ $100 when state TUR is 6%+
Maximum Available Weeks of All Benefits				
59	59	91	117 (or more)	98

Source: Democratic Staff of the House Committee on Appropriations, "The Heroes Act: A Bold Response to the Coronavirus Pandemic and the Economic Collapse," *Politico*, https://www.politico.com/f/?id=00000172-09a9-dc3e-aff6-0dbd032c0000; Michael Bennet, "Bennet Unveils Sweeping Proposal to Strengthen Unemployment Insurance Amidst Coronavirus Pandemic," press release, March 24, 2020, https://www.bennet.senate.gov/public/index.cfm/2020/3/bennet-unveils-sweeping-proposal-to-strengthen-unemployment-insurance-amidst-coronavirus-pandemic; Michael Bennet, "The Worker Relief and Security Act," bennet.senate.gov, https://www.bennet.senate.gov/public/_cache/files/c/0/c02859ec-0a79-4b6a-a122-7e667974a076/3F5D26E465D6C1705C964BCA76F6A3FD.worker-relief-and-security-act-specs.pdf; and Senate Finance Committee, "Proposed Triggers for Unemployment Insurance Expansions," https://www.finance.senate.gov/imo/media/doc/050720%20Senator%20Wyden%20Unemployment%20Insurance%20Triggers.pdf.

Figure 5. National Unemployment Rate: Recent, Projected, and Great Recession and Its Aftermath



Note: The red series represents the seasonally adjusted, three-month average national unemployment rate from April 2008 to July 2015. The blue solid series represents the seasonally adjusted national unemployment rate from April 2018 to April 2020. The blue dotted series represents CBO's projected quarterly national unemployment rate for the remainder of CY2020–CY2021.
Source: Congressional Budget Office, Bureau of Labor Statistics.

of the EB program and its various tiers of benefits payable in individual states until the national unemployment rate returns to pre-crisis levels. Specifically, the proposal would continue weeks of federal EB until the three-month average national unemployment rate falls below 5.5 percent for two straight months. As Figure 5 shows, if unemployment tracks recent CBO projections and this recovery is like the one after the Great Recession, that could be over five years from now—in July 2025.

The Worker Relief and Security Act also extends the availability of $600 weekly federal supplements for state and federal unemployment benefit recipients beyond their current July 2020 expiration. It calls for continuing the $600 supplements nationwide "until 30 days after the end of the President's emergency declaration" while specifying that that cannot occur until at least the end of July 2020.[35] The CBO in early April assumed "emergency declarations associated with the pandemic in the United States lasting for an additional 12 months, through the end of March 2021."[36] Whenever the national emergency declaration expires, under the proposal, the $600 supplements would continue in individual states based on a "state-level declaration." The $600 supplements also would be revived nationally in

the event of a future national emergency declaration or in individual states based on future state declarations. As with the Heroes Act, extending the $600 per week federal supplements will increase benefits relative to wages, the receipt of state and federal unemployment benefits, and durations of unemployment.[37]

Sen. Ron Wyden (D-OR), the ranking member of the Senate Finance Committee with jurisdiction over the UI program, issued a final major proposal on May 7, 2020. Billed as an effort "to tie unemployment insurance benefits to economic conditions and prevent Republican economic sabotage," the proposal combines features of current law and other recent proposals.[38] More temporary in nature than the March 24 Bennet proposal and the Worker Relief and Security Act, as displayed in Table 2, the Wyden proposal expands the emergency PEUC program by adding weeks of benefits as state unemployment rates rise, making as many as 52 weeks of PEUC payable in states with a TUR at or above 8.5 percent. It generally maintains the EB program, aside from extending the availability of its current full federal funding until a state's TUR falls below 6.5 percent. Combined with those up to 20 weeks of 100 percent federal EB and up to 26 weeks of state UI, under the Wyden proposal, up to 98 total weeks of benefits would be payable per recipient in states with unemployment rates at or above 8.5 percent, effectively matching the up to 99 weeks of all benefits payable in the wake of the Great Recession.

The Wyden proposal also extends the availability of PUC, the current $600 per week federal supplement to state and federal unemployment benefits, and ties the benefit amount after July 2020 to state unemployment rates, as follows:

- $600 is payable when a state's TUR is 11 percent or above,
- $500 is payable when a state's TUR is 10 percent or above,
- $400 is payable when a state's TUR is 9 percent or above,
- $300 is payable when a state's TUR is 8 percent or above,
- $200 is payable when a state's TUR is 7 percent or above, and
- $100 is payable when a state's TUR is 6 percent or above.

In contrast with the Worker Relief and Security Act, which continues the full $600 PUC supplement only during and immediately after a national health emergency, the Wyden proposal would maintain the full $600 in high-unemployment states even after the national health emergency has been suspended. (Current temporary law and the Heroes Act could have a similar effect if the national emergency declaration were suspended before July 2020 and March 2021, respectively, but the effect would almost certainly be of shorter duration than under the Wyden proposal given current and projected unemployment rates.) This marks a significant departure from the original purpose of the supplement, which was to "make whole" workers who lost earnings due to government-mandated shutdowns designed to quell the spread of the coronavirus.[39]

Conclusion

As the policy response to the coronavirus crisis continues to unfold, more attention will be paid to the duration of unemployment benefits, as more unemployed individuals exhaust state UI benefits and turn to additional weeks of federal benefits. Currently, up to 33 weeks of federal benefits are payable through December 2020, and a number of major proposals already have been offered to extend and increase the duration of those federal benefits and overall weeks of unemployment benefits individuals may collect.

The proposals leading congressional Democrats offered contemplate various policy options and range from continuing the current up to 59 weeks of total benefits to proposing an unprecedented up to

117 weeks of total benefits per person—or more depending on the duration of the health emergency. They would also extend and amend current $600 per week federal supplements or create a proxy of such supplements as a matter of permanent law.

Some recent benefit expansions have been consistent with past practice. For example, Congress has continued the long-standing practice of expanding the number of weeks unemployment benefits are payable per worker, with the most weeks payable in states with the highest unemployment rate, where workers may have the most difficulty finding new work.

But several recent proposals would significantly depart from past practice by making what have previously been temporary or emergency measures effectively permanent, with benefits automatically payable whenever unemployment rate and other conditions are met and without Congress intervening. That promises to create a new, and permanently higher, baseline for benefit duration, which would expand even more if future Congresses respond to political pressures to further extend benefits in recessions or other emergencies.

There is ample evidence that such prolonged durations of benefits increase durations of unemployment and reduce earnings if long-term unemployed individuals eventually return to work.[40] Other research notes that the long-term unemployed experience permanently reduced lifetime earnings and tragically elevated rates of substance abuse disorders and death.[41]

Other recent and proposed benefit expansions amplify such concerns and involve policies distinctly outside the norms of the UI system. Specifically, the current $600 federal supplements were nominally designed to make whole workers laid off because of government-mandated shutdowns intended to quell the spread of the coronavirus. But recent proposals include tying the continued payment of $600 federal supplements (or lesser but still significant supplements that far exceed average UI benefits) to elevated state unemployment rates alone, which would be available even after the health emergency has passed. That would mark an entirely new direction for the nation's unemployment benefits system, which for the balance of its history has offered partial wage replacement and benefit levels linked to each individual's prior work and earnings.

The recent experience with flat $25 FAC supplements in 2009–10 and now on a far greater scale with flat $600 PUC supplements unrelated to the individuals' prior and likely future earnings suggests that a radically different unemployment benefits system may emerge if such recommendations are adopted. Such a system would make the connection between prior earnings and current benefits increasingly remote and the financial rewards for returning to work significantly smaller or in some cases negative, possibly as a matter of permanent law. If so, that could result in greater unemployment, slower recoveries, and serious long-term harm to the very individuals the authors of such policies seek to help.

About the Author

Matt Weidinger is the Rowe Fellow in poverty studies at the American Enterprise Institute, where his work is focused on safety-net policies, including cash welfare, child welfare, and unemployment insurance.

Notes

1. Peter Ganong, Pascal Noel, and Joseph Vavra, "US Unemployment Insurance Replacement Rates During the Pandemic," University of Chicago, May 2020, https://d.docs.live.net/9216e0ea509dbfbc/Documents/Seehttps://bfi.uchicago.edu/wp-content/uploads/BFI_WP_202062-1.pdf.

2. Patrick Thomas and Chip Cutter, "Companies Cite New Government Benefits in Cutting Workers," *Wall Street Journal*, April 7, 2020, https://www.wsj.com/articles/companies-cite-new-government-benefits-in-cutting-workers-11586264075; Paul Gardner, "Workers Make More from Unemployment Than Work During Coronavirus," Bridge, April 26, 2020, https://www.bridgemi.com/business-watch/some-michigan-make-more-unemployment-work-during-coronavirus; and Kris Maher, "Businesses Struggle to Lure Workers Away from Unemployment," *Wall Street Journal*, May 8, 2020, https://www.wsj.com/articles/businesses-struggle-to-lure-workers-away-from-unemployment-11588930202.

3. This includes, for the week ending May 9, 2020, 22.7 million state unemployment insurance (UI) recipients and 7.8 million Pandemic Unemployment Assistance (PUA) recipients, among other categories. US Department of Labor, "Unemployment Insurance Weekly Claims," May 28, 2020, https://www.dol.gov/ui/data.pdf.

4. Congressional Budget Office, "Interim Economic Projections for 2020 and 2021," May 2020, https://www.cbo.gov/system/files/2020-05/56351-CBO-interim-projections.pdf.

5. US Department of Labor, Office of Unemployment Insurance, "Significant Provisions of State Unemployment Insurance Laws Effective January 2020," https://oui.doleta.gov/unemploy/content/sigpros/2020-2029/January2020.pdf.

6. US Department of Labor, Office of Unemployment Insurance, "State Unemployment Insurance Tax Measures Report 2019," March 2020, https://oui.doleta.gov/unemploy/pdf/sigmeasures/sigmeasuitaxsys19.pdf.

7. Julie M. Whitaker and Katelin P. Isaacs, "Extending Unemployment Insurance During Recessions," Congressional Research Service, May 2, 2013, https://fas.org/sgp/crs/misc/RL34340.pdf.

8. Includes years in which a temporary extended program was in operation for at least two months and considers the date of program reach back. Whittaker and Isaacs, "Extending Unemployment Compensation Benefits During Recessions."

9. As discussed later, the temporary conversion of the federal-state Extended Benefits (EB) program into a 100 percent federally funded program effectively added an additional up to 20 weeks of federal benefits in the wake of the Great Recession in certain high unemployment states. Coupled with generally up to 26 weeks of state UI benefits, and 53 weeks of emergency extended benefits, that provided for the record duration of up to 99 weeks of all UI benefits payable in the wake of the Great Recession in some states. As noted in Table 1, emergency unemployment compensation (EUC08) briefly paid as many as 63 weeks of benefits, but only in states that did not also offer EB payments. In those states, a maximum of 89 weeks of all benefits (26 state and 63 EUC08) was payable during that brief period.

10. The policy is designed to "minimize the occasions when workers receive benefits for longer periods of time than they were employed." See Walter Nicholson, "An Analysis of the 1981–82 Changes in the Extended Benefit Program," US Department of Labor, Employment and Training Administration, Unemployment Insurance Service, 1985, https://books.google.com/books?id=JD9YAAAAYAAJ&dq=EB+1981+20+weeks+of+work+base+period&source=gbs_navlinks_s.

11. Julie Bastor and John Schuettinger, "Comparison of State Unemployment Insurance Laws: 2019," US Department of Labor, Employment and Training Administration, https://oui.doleta.gov/unemploy/pdf/uilawcompar/2019/special.pdf.

12. Bastor and Schuettinger, "Comparison of State Unemployment Insurance Laws."

13. Loryn Lancaster and Agnes Wells, "Comparison of State Unemployment Insurance Laws: 2012," US Department of Labor, Employment and Training Administration, https://oui.doleta.gov/unemploy/pdf/uilawcompar/2012/special.pdf.

14. See Whitaker and Isaacs, "Extending Unemployment Insurance During Recessions," Tables A-1 and A-3. A 2016 review of unemployment benefit exhaustees prepared for the Department of Labor found that, of single-claim recipients laid off in the midst of the Great Recession, the average recipient was "eligible for 88 weeks of UC benefits" and "57 percent were eligible for the maximum

number of 99 weeks." Regarding benefits actually collected, the report found this group "collected, on average, a total of 43 weeks of UC benefits through both the regular UI claim and EUC08 and EB claims linked to it. But, this average masks considerable variability among recipients: about one-quarter of them collected 12 or fewer weeks of benefits and almost one-fifth received 91 to 99 weeks of benefits." See Karen Needels et al., "Exhaustees of Extended Unemployment Benefits Programs: Coping with the Aftermath of the Great Recession," Mathematica Policy Research, June 16, 2016, https://wdr.doleta.gov/research/FullText_Documents/ETAOP-2017-12_UI_Exhuastees_Report_%28Accessible_PDF%29.pdf.

15. Heinrich Hock et al., "Additional Unemployment Compensation Benefits During the Great Recession: Recipients and Their Post-Claim Outcomes," Mathematica Policy Research, March 2016, https://www.dol.gov/sites/dolgov/files/OASP/legacy/files/ARRA_UC_Rept_Addtl_Benefits_GR.pdf.

16. For a more complete discussion of unemployment benefits under these laws, see Matt Weidinger, "Unprecedented: A Brief Review of the Extraordinary Unemployment Benefit Response to the Coronavirus Crisis," American Enterprise Institute, April 9, 2020, https://www.aei.org/research-products/report/unprecedented-a-brief-review-of-the-extraordinary-unemployment-benefit-response-to-the-coronavirus-crisis/.

17. Washington State and Rhode Island are also "on" as a result of the total unemployment rate trigger. See US Department of Labor, "Trigger Notice No. 2020–20," https://oui.doleta.gov/unemploy/trigger/2020/trig_053120.html.

18. The Congressional Budget Office estimated that "paying for 100 percent of extended unemployment benefits will cost the federal government $3.7 billion through the end of calendar year 2020" and that "almost 12 million people will receive PEUC and that the program will increase outlays by about $51 billion in calendar year 2020." See Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 6201, the Families First Coronavirus Response Act," April 2, 2020, https://www.cbo.gov/system/files/2020-04/HR6201.pdf; and Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 748, the CARES Act, Public Law 116-136, Revised, with Corrections to the Revenue Effect of the Employee Retention Credit and to the Modification of a Limitation on Losses for Taxpayers Other Than Corporations," April 27, 2020, https://www.cbo.gov/system/files/2020-04/hr748.pdf. The cost of these additional weeks of benefits for the long-term unemployed will grow significantly if these policies are extended and expanded beyond December 2020.

19. Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 748, the CARES Act, Public Law 116-136, Revised, with Corrections to the Revenue Effect of the Employee Retention Credit and to the Modification of a Limitation on Losses for Taxpayers Other Than Corporations."

20. Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 748, the CARES Act, Public Law 116-136, Revised, with Corrections to the Revenue Effect of the Employee Retention Credit and to the Modification of a Limitation on Losses for Taxpayers Other Than Corporations."

21. US Department of Labor, "Unemployment Insurance Weekly Claims."

22. Elliot P. Lewis, "Alert Memorandum: The Pandemic Unemployment Assistance Program Needs Proactive Measures to Detect and Prevent Improper Payments and Fraud Report Number: 19-20-002-03-315," US Department of Labor, Office of Inspector General, May 26, 2020, https://www.oig.dol.gov/public/reports/oa/2020/19-20-002-03-315.pdf.

23. US Department of Labor, "Unemployment Insurance Weekly Claims."

24. Democratic Staff of the House Committee on Appropriations, "The Heroes Act: A Bold Response to the Coronavirus Pandemic and the Economic Collapse," *Politico*, https://www.politico.com/f/?id=00000172-09a9-dc3e-aff6-0dbd032c0000.

25. For a discussion of the effect of the Heroes Act on benefits versus wages, see Matt Weidinger, "Latest Democratic Leadership Relief Plan Increases the Gap Between Government Benefits and Paychecks," AEIdeas, May 13, 2020, https://www.aei.org/poverty-studies/latest-democratic-leadership-relief-plan-increases-the-gap-between-government-benefits-and-paychecks/. As the Congressional Budget Office noted in its preliminary cost estimate of the CARES Act, "Typically, not every person who is eligible for unemployment insurance claims benefits. CBO expects that more people will apply for and receive unemployment compensation benefits because of the temporary increase in the weekly benefit amount. Of the increased outlays estimated for regular unemployment compensation, CBO estimates, about $4 billion will result from more people claiming benefits than would have otherwise." See Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 748, the CARES Act, Public Law 116-136, Revised, with

Corrections to the Revenue Effect of the Employee Retention Credit and to the Modification of a Limitation on Losses for Taxpayers Other Than Corporations." On the question of more generous unemployment benefits lengthening durations of unemployment, Alan Krueger and Andreas Mueller summarized: "A large and related literature examines the effects of UI on the duration of unemployment spells. For example, more generous UI benefits have been found to be associated with longer spells of unemployment." See Alan Krueger and Andreas Mueller, "Job Search and Unemployment Insurance: New Evidence from Time Use Data," Institute for the Study of Labor, August 2008, http://ftp.iza.org/dp3667.pdf.

26. Michael Bennet, "Bennet Unveils Sweeping Proposal to Strengthen Unemployment Insurance Amidst Coronavirus Pandemic," press release, March 24, 2020, https://www.bennet.senate.gov/public/index.cfm/2020/3/bennet-unveils-sweeping-proposal-to-strengthen-unemployment-insurance-amidst-coronavirus-pandemic.

27. Michael Bennet, "Reforming Unemployment Insurance to Automatically Respond to Deteriorating Economic Conditions," bennet.senate.gov, https://www.bennet.senate.gov/public/_cache/files/7/1/714e9240-6cb5-4676-a348-a5eacef0aee9/35816AE97F63A1AD7FF2162338E08B34.ui-reform-plan-fact-sheet.pdf.

28. According to the Department of Labor, 43 of 53 jurisdictions operating UI programs currently pay "up to" 26 weeks of UI benefits per claimant, but only 10 of those jurisdictions provide a minimum of 26 weeks of state benefits to all claimants. The remaining 10 states provide a maximum of fewer than 26 weeks of benefits, with some (Florida and North Carolina) recently providing a maximum of as few as 12 weeks of benefits. See US Department of Labor, Employment and Training Administration, "Significant Provisions of State Unemployment Insurance Laws," https://oui.doleta.gov/unemploy/content/sigpros/2020-2029/January2020.pdf. In contrast with that current multiplicity of weeks of state UI benefits payable per individual in most states, the Bennet proposal would require all states to provide a minimum of 26 weeks of state UI benefits to all recipients, mandating that 80 percent of states increase the weeks of benefits they now pay, and to raise taxes or achieve other benefit savings accordingly to offset the higher benefit costs. The same dynamic would increase the number of weeks of EB weeks that would be payable even more than it otherwise appears under the Bennet proposal. In effect, instead of offering "up to" 13 weeks of EB (but in many cases fewer than 13 weeks for those who qualify for fewer than 26 weeks of state UI benefits) in each of the five tiers, the Bennet proposal guarantees that 13 weeks of benefits are payable in each tier because it requires states to pay a minimum of 26 weeks of state benefits.

29. US Department of Labor, Employment and Training Administration, "UI Replacement Rates Report," https://oui.doleta.gov/unemploy/repl_ratio/repl_ratio_rpt.asp.

30. Don Beyer, "The Worker Relief and Security Act," beyer.house.gov, https://beyer.house.gov/uploadedfiles/worker_relief_and_security_act_specs.pdf.

31. Don Beyer, "The Worker Relief and Security Act Factsheet," beyer.house.gov, https://beyer.house.gov/uploadedfiles/worker_relief_and_security_act_factsheet.pdf.

32. Beyer, "The Worker Relief and Security Act Factsheet."

33. Beyer, "The Worker Relief and Security Act Factsheet."

34. The summary documents released to date do not specify whether the proposal also repeals the current "20 weeks of work" requirement for collecting EB. If the proposal includes that step, it would further minimize the connection between individual work and earnings and the amount and duration of unemployment benefits (by mandating eligibility for workers with limited work history and including benefit increases unconnected to earnings) and would incline the UI program toward less work and more benefit collection. Other countries have seen the effects of such policies. In Canada, the provision of lengthy extended benefits despite short prior work history was found to induce increased UI benefit take-up and earned the unflattering nickname "lotto 10/42" for the dynamic of permitting just 10 weeks of work to be followed by 42 weeks of unemployment benefit collection. See Matthew Davis, "Canadian Unemployment Benefits Encourage Unemployment," National Bureau for Economic Research, https://www.nber.org/digest/jan99/w6732.html.

35. Michael Bennet, "The Worker Relief and Security Act," bennet.senate.gov, https://www.bennet.senate.gov/public/_cache/files/c/0/c02859ec-0a79-4b6a-a122-7e667974a076/3F5D26E465D6C1705C964BCA76F6A3FD.worker-relief-and-security-act-specs.pdf.

36. Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 6201, the Families First Coronavirus Response Act."

37. For a discussion of benefits relative to wages, see Weidinger, "Latest Democratic Leadership Relief Plan Increases the Gap Between Government Benefits and Paychecks." The Congressional Budget Office noted in its preliminary score of the CARES Act that

"CBO expects that more people will apply for and receive unemployment compensation benefits because of the temporary increase in the weekly benefit amount. Of the increased outlays estimated for regular unemployment compensation, CBO estimates, about $4 billion will result from more people claiming benefits than would have otherwise." See Congressional Budget Office, "Re: Preliminary Estimate of the Effects of H.R. 748, the CARES Act, Public Law 116-136, Revised, with Corrections to the Revenue Effect of the Employee Retention Credit and to the Modification of a Limitation on Losses for Taxpayers Other Than Corporations." Finally, it is a widely accepted principle that the availability of extended unemployment benefits extends the duration of unemployment. For example, Lawrence Summers, former Treasury secretary and chairman of the National Economic Council in the Obama administration, summarized: "The second way government assistance programs contribute to long-term unemployment is by providing an incentive, and the means, not to work. Each unemployed person has a 'reservation wage'—the minimum wage he or she insists on getting before accepting a job. Unemployment insurance and other social assistance programs increase that reservation wage, causing an unemployed person to remain unemployed longer." Lawrence H. Summers, "Unemployment," Library of Economics and Liberty, https://www.econlib.org/library/Enc/Unemployment.html.

38. US Senate Finance Committee, "Wyden Unveils Proposal to Tie Unemployment Insurance Benefits to Economic Conditions, Prevent Republican Economic Sabotage," May 7, 2020, https://www.finance.senate.gov/ranking-members-news/wyden-unveils-proposal-to-tie-unemployment-insurance-benefits-to-economic-conditions-prevent-republican-economic-sabotage.

39. Jacob Pramuck, "Bernie Sanders Threatens to Hold Up Coronavirus Bill After 4 GOP Senators Push to Cut Unemployment Aid," CNBC, March 25, 2020, https://www.cnbc.com/2020/03/25/bernie-sanders-4-gop-senators-threaten-to-hold-up-coronavirus-stimulus-bill.html.

40. For example, Daniel Cooper notes that "the results show a negative relationship between past unemployment spells and individuals' earnings as of 2004. Workers that experience a job displacement of any length have substantially lower wages than nondisplaced workers—an effect that persists for nearly 20 years after the unemployment episode. This earnings gap is even more pronounced for workers whose last unemployment spell was more than 26 weeks compared to those workers who experienced shorter term unemployment spells. In particular, after 10 years the wages of long-term unemployed workers were roughly 32 percent lower than nondisplaced workers, while the wages of short-term unemployed workers were only about 9 percent lower." Daniel Cooper, "The Effect of Unemployment Duration on Future Earnings and Other Outcomes," Federal Reserve Bank of Boston, January 2013, https://ideas.repec.org/p/fip/fedbwp/13-8.html.

41. In a study of Pennsylvania workers who lost their jobs due to layoffs or plant closures during the 1980s, Daniel Sullivan and Till Von Wachter found that displaced high-tenure workers experienced elevated mortality rates in subsequent years. They explain, "Our results are consistent with these effects causing acute stress, which may substantially raise the mortality hazard in the short term. In the long run, [job] displacement is associated with a substantial drop in mean earnings and modestly higher employment instability and earnings variability. Several economic models of health determination predict that a decline in lifetime resources should raise mortality." In a study using longitudinal data to arrive at national estimates for long-term cost of job displacements during the 1982 recession, Joyce Manchester, Till von Wachter, and Jae Song estimate that, when comparing the outcomes for workers displaced during the recession to similar workers, there are "immediate losses in annual earnings of 30%. After 15 to 20 years, these losses are still 20% and thus represent a significant setback in workers' life-time resources." In a review of international research on the prevalence of substance abuse among the unemployment and the impact of substance abuse disorders on employment and vice versa, Dieter Henkel finds that empirical research establishes unemployment as a significant risk factor for substance use and subsequent substance use disorders. Further, job loss is associated with increased probability of relapse for workers previously engaged in alcohol and substance abuse treatment. See Daniel Sullivan and Till Von Wachter, "Job Displacement and Mortality: An Analysis Using Administrative Data," September 2011, http://www.econ.ucla.edu/tvwachter/papers/sullivan_vonwachter_qje.pdf; Till von Wachter, Jae Song, and Joyce Manchester, "Long-Term Earnings Losses Due to Mass Layoffs During the 1982 Recession: An Analysis Using U.S. Administrative Data from 1974 to 2004," Columbia University, Department of Economics, March 2011, https://academiccommons.columbia.edu/doi/10.7916/D8611BJX; and Dieter Henkel, "Unemployment and Substance Use: A Review of the Literature (1990–2010)," *Curr Drug Abuse Review* 4, no. 1 (2011): 4–27, doi:10.2174/1874473711104010004.