

NC Justice Center Calls For Changes To Unemployment Insurance

By Administrator

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The North Carolina Justice Center says the North Carolina's Unemployment Insurance (UI) system is serving too few jobless workers for too short a time and providing too little in financial assistance. The organization says workers, advocates, and experts gathered for a press call this morning to urge changes to North Carolina's UI system in order to meet the challenges facing workers as a result of the Coronavirus outbreak. Unemployment insurance is one of the most effective stabilizing policies in an economic downturn, as the country is currently experiencing during the COVID-19 pandemic. However, House Bill 4's UI reform in 2013 reduced the duration of payments, reduced maximum amount workers could receive, and made it more difficult to apply for the insurance. Speakers applauded

Governor Cooper's executive order earlier this week to use UI as a primary tool to respond to the COVID-19 crisis. His order, which mirrors efforts being made at the federal level, makes changes to the state system, including eliminating the one-week barrier to apply for unemployment benefits. However, the order was merely a first step, and much more help is needed. Michele

Evermore, Senior Policy Analyst with the National Employment Law Project, has written extensively on North Carolina's unemployment system, which she says is unprepared for a recession despite having solvency. The new coronavirus outbreak is an opportunity to improve a broken system and mitigate job loss.

"Unemployment insurance is not just a check to help a worker who's involuntarily out of work but an important macroeconomic stimulus tool," Evermore said. "It's critical to make sure North Carolina can recover from this as quickly as possible. Unfortunately, North Carolina is one of the states that has cut benefits the most in the past decade."

The length of maximum benefits was cut from 26 weeks to 12-20 weeks in 2013, and exhaustion rate is high, with people running out of benefits before they find a job. "North Carolina is in a uniquely bad situation," Evermore said.

Jenni Propst works as a dispatcher for IATSE Local 322 in Charlotte, a labor union that represents stage workers in the entertainment industry.

"Until last week I was incredibly busy with a job I've loved for over 20 years and now I'm unemployed," Propst said. "Last week was one of the most devastating of my career because I had to tell hundreds of workers that their jobs were canceled. They have no source of income for the next three to four months."

Starr Markham of IATSE Local 417 in Raleigh, who lost her job with the Durham Performing Arts Center last week, said she applied for unemployment for the first time ever last August,

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when the industry slowed down. Due to an incorrect box she checked in the complicated application system, which she cannot change, she is being denied support during her unemployment due to the outbreak.

“There's no way to do this except for online, can't do it on phone or in person. How is a person who only has a mobile phone supposed to apply for these benefits when the libraries are closed?” Markham said. “This is the time for the legislature to remove the draconian cuts they enacted in 2013 and remove barriers in the application to the system.”

Since legislators passed HB 4 in 2013, it can take workers four to five weeks to get an unemployment check, said Jon Greene, a worker with UAW Local 3520. “For the common man like me, that would break me,” said Jon Greene with UAW Local 3520. “Without the help of my family I wouldn't have been able to make it.”

The changes made in 2013 put the burden of responding to the crisis of 2008 on the backs of workers, said Patrick Conway, an economist at the University of North Carolina-Chapel Hill, who implored legislators to ensure this event isn't held against workers in terms of their ability to draw down unemployment in the future.

“The COVID crisis has created an unemployment problem that's going to strain the work system and the state's workers,” Conway said, adding that the state will need the help of the federal government. “We need a change for the long run. Our system is not well-built for the long run.”

Current unemployment payments put recipients below the poverty line, and the overall recipient rate is “abysmally low,” Conway said.

“We need legislators to step up right now and make sure unemployment benefits provide enough so that workers and their families can survive this crisis,” said MaryBe McMillan, President of the NC State AFL-CIO, saying that the pandemic was not just a public health crisis but an economic one as well.

Legislative inaction by North Carolina's legislature caused workers to lose out on

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federally-funded benefits in 2013, she said, and those same workers stand to lose out on weeks of those same benefits during the COVID-19 crisis without immediate action.

"It was unconscionable then and it would be unconscionable now for legislators to refuse to act and turn their backs on those who need help the most," McMillan said.