

# NEWS

**FOR IMMEDIATE RELEASE**

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**FOR INFORMATION CALL:**

Vicky Lovell or Jean Sinzdak, IWPR,  
202-785-5100  
Arthur Rosenberg, Florida Legal Services,  
850-509-2085

**Florida's Unemployment Insurance System Misses the Mark**

*Washington, DC...* Florida's Unemployment Insurance (UI) system is not meeting its most basic goal of helping laid-off workers, according to a new research report released today by the Institute for Women's Policy Research (IWPR) and the National Employment Law project (NELP). The new study, *Florida's Unemployment Insurance System: Barriers to Program Adequacy for Women, Low-Wage and Part-Time Workers, and Workers of Color*, finds that the Florida UI system has also failed to function as an economic stabilizer for the state during the economic downturn.

Florida has the third lowest UI reciprocity rate in the country, with only 33 percent of its unemployed able to access unemployment insurance benefits. The national average is 44 percent. "UI was designed to counter economic declines by keeping money circulating in local economies," noted report co-author Vicky Lovell, Study Director at IWPR. "With only a third of unemployed Floridians getting any UI benefits, the program is clearly not doing its job."

For women, part-time workers, workers of color, and low-wage workers, UI reciprocity rates are much lower in Florida than they are in the nation as a whole. For example, the reciprocity rates for women and Hispanic workers in Florida are only about 70 percent of the national reciprocity rates for those workers. Blacks are also less likely than whites in Florida to receive UI benefits.

Florida Senator Debbie Wasserman Schultz was struck by the inadequacy of Florida's UI program. "More and more families find themselves without one or more wage earners," she pointed out. "As their elected Representatives, it is our moral obligation to help Florida's employees stay off welfare and stay as self-sufficient as possible."

IWPR analysis of the U.S. Census Bureau's Survey of Income and Program Participation documents the high level of work activity of unemployed workers who don't qualify for UI benefits. Florida workers who most recently worked full-time but did not receive any UI benefits averaged 39 hours of work a week and 44 weeks of work per year.

Florida's UI trust fund is solvent and well positioned to handle reforms of the UI program, having received \$450 million in federal surplus UI monies in March of 2002.

While Florida's UI program leaves most of the unemployed to struggle on their own, it has been generous with Florida's employers. In 2003, following several reductions, the average UI payroll tax

rate in Florida was just 0.3 percent. The national average for all states was 0.5 percent. Even after an automatic increase last year, Florida's tax rate remains among the lowest in the nation.

"Florida is sadly behind a national trend of UI reform to help low-wage and women workers get the benefits they are due. It's time for Florida to enact critical reforms to help more of the unemployed and stimulate the economy," said Andrew Stettner, Policy Analyst with the National Employment Law Project, co-author of the report.

The new report highlights several aspects of Florida's UI system that prevent jobless workers from getting the support they need and have earned while they seek new employment:

- It fails to recognize compelling family circumstances such as loss of child-care and domestic violence as qualifying reasons for receiving UI following job loss.
- Eligibility determinations ignore wages earned in the last three to six months a worker's on the job, denying benefits to many hard-working Floridians.
- The benefits formula severely restricts the number of weeks workers receive benefits, cutting many off before they have a chance to find a new job in a weak labor market.
- The high earnings requirement proves a formidable barrier that penalizes low-wage workers, who must work more hours than high-wage workers to accrue the required earnings.
- Significant administrative barriers discourage many workers from seeking UI benefits, including workers with limited English proficiency.

The Florida Legislature is considering several bills this session that support the report's policy recommendations, including:

- Adoption of an alternative base period (ABP) that recognizes the most recent earnings of workers who otherwise do not have sufficient wages to qualify for UI (SB 196, sponsored by Senator Wasserman Schultz (also increases benefits and changes waiting period provisions), and HB 0499, sponsored by Representative Gelber).
- Reduction of inequities based on workers' wages and acknowledgement of the labor force attachment of women, low-wage, and part-time workers (SB 2148, sponsored by Senator Hill, and HB 953, sponsored by Representative Holloway).
- Recognition of compelling domestic reasons for leaving work, taking into account the changing circumstances of today's working families (SB 1606, Committee on Military and Veterans' Affairs, and HB 1183, sponsored by Representative Green; extends UI eligibility to spouses of military personnel).

As of Tuesday, March 30, only SB1606 and HB 1183 had been afforded hearings in the legislature.

Arthur Rosenberg of Florida Legal Services noted that “UI is a key feature of our social safety net. Florida’s program must recognize changing work and family roles and the growth of low-wage and part-time work in determining eligibility for benefits, and acknowledge the difficulty so many of Florida’s unemployed workers and their families have in accessing earned and needed benefits. We are pleased to see efforts in the legislature to make much-needed adjustments to modernize Florida’s UI program.”

The Institute for Women’s Policy Research is an independent, non-profit, scientific research organization that seeks to inform and stimulate debate on issues of critical importance to women. The National Employment Law Project is a non-profit organization that specializes in workforce policies and their impact on the working poor and the unemployed. IWPR and NELP research was supported by the Annie E. Casey Foundation, the Joyce Foundation, the Ford Foundation, the Rockefeller Foundation, the Public Welfare Foundation, the French American Charitable Trust, and the Solidago Foundation.