Congress of the United States Washington, DC 20515

September 16, 2021

The Honorable Nancy Pelosi Speaker United States House of Representatives Washington, DC 20515 The Honorable Charles Schumer Majority Leader United States Senate Washington, DC 20515

Dear Speaker Pelosi and Majority Leader Schumer,

We are writing to you to express the urgency of including unemployment insurance (UI) reforms in the Build Back Better Act to protect the millions of unemployed workers across this country. The current state of the unemployment system is a threat to all communities, especially Black and brown communities, in many of the states we represent. As of now, there are no provisions to reform the unemployment system. We strongly urge Congress to include such improvements before the Build Back Better Act comes for a vote in the House and Senate.

As you know, Congress temporarily responded to the massive weaknesses in the UI system in response to the economic fallout from COVID-19. But in nearly half the states, including Missouri, these benefits were terminated early by Republican Governors, and the program expired altogether earlier this month. Our nation is now left with a system that denies life-saving resources to over two-thirds of our unemployed neighbors and that covers less than half of lost wages. In some cases, nine out of every ten jobless workers have no unemployment benefits. There are many causes for workers being excluded from the system -- from broad eligibility issues that preclude the self-employed from accessing benefits -- to more specific barriers that block mainly low-wage and part-time workers from receiving benefits even after taxes have been paid into the system on their behalf.

Furthermore, the effect of this exclusion is felt most harshly by workers of color, who disproportionately live in the states with the lowest UI coverage rates and work in the jobs with the least access to unemployment benefits. For example, even as Black workers have been nearly twice as likely to be unemployed compared to white workers, a lower percentage of Black applicants receive UI benefits. President Biden's FY 2022 Budget calls out these "enormous racial disparities in UI benefit receipt" in making the case for reforming the entire system.

We are very concerned that without federal reform our unemployment insurance system will become even weaker as states seek further program reductions to offset the additional UI expenditures required during the pandemic and subsequent recession. We must not repeat past mistakes. In the aftermath of the 2008 financial crisis, 10 states cut back on the number of weeks of regular unemployment benefits provided during normal economic times, hurting laid-off workers as they seek to provide for themselves and their families while they search for a new job.³

¹ https://www.wsi.com/articles/states-that-cut-unemployment-benefits-saw-limited-impact-on-job-growth-11630488601

² https://oui.doleta.gov/unemploy/data_summary/DataSummTable.asp

https://www.cbpp.org/research/economy/how-many-weeks-of-unemployment-compensation-are-available

We are proud of the many provisions in the Build Back Better Act designed to promote economic opportunity, security and fairness for all. For this reason, we believe that unemployment insurance reform is an essential component to this objective and must not be left out. Congress should set a floor for UI duration that states must follow, broadly include part-time workers, ban exclusions based on past wages, and require alternative base periods. A strong and responsive UI system not only helps our entire economy more quickly and equitably recover from future recessions, it is also an essential tool to help dislocated workers stay connected to the workforce and to provide for their families as they seek new employment.

We believe it is vitally important to include unemployment insurance improvements in the Build Back Better Act, and we look forward to working with you to achieve that goal and protect the livelihoods of the millions of workers who rely on these crucial benefits.

Sincerely,

Cori Bush Member of Congress

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Jerrold Nadler Member of Congress

Sylvia R. Garcia Member of Congress

Sara Jacobs Member of Congress

Frederica S. Wilson Member of Congress

Jamie Raskin Member of Congress

Ilhan Omar Member of Congress Alexandria Ocasio-cortez Member of Congress

> Barbara Lee Member of Congress

> Yvette Clarke Member of Congress

> Mondaire Jones Member of Congress

> Andrè Carson Member of Congress

> Nikema Williams Member of Congress